MBA ITB COMPETITIVE ADVANTAGES ENHANCEMENT PROPOSAL TO FACE GLOBAL BUSINESS SCHOOL COMPETITION (BENCHMARKING STUDY OF SOUTH EAST ASIA BUSINESS SCHOOL)

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Abstract— the competition in the higher education industry continues to grow, both from the scope of science, universities, and programs are offered. Higher education in business and management field in Indonesia from year to year is growing in demand. External factors such as the condition of the business world that change dynamically should become special interest to business school, MBA ITB in this case because it will greatly affect the supply of programs and courses offerings to the students. Internal factors such as improving the quality of the various supporting elements of the course, ranging from facilities, curriculum, quality of lecturer, and administrative staff should be a serious attention from MBA ITB. To increase competitive advantages of MBA ITB to be able to compete with their competitors, the researcher does benchmarking in programs and lecturing methods from abroad university and from ASEAN country specifically. The solution from this research is recommendation for MBA ITB in regular programs, such as Soft Skill, Management, and Strategy, Economy, and Information Technology. Besides that, there is also recommendation of elective program. In lecturing methods, the researcher recommends to use On Job Training and Virtual Project more actively, as addition for Case Study methods. To reach world class business school MBA ITB needs to encourage their student to write international publication based on their final project as prerequisites for final defence.

Keywords: Sustainability, Curriculum, Graduate Program, Benchmarking, Business School

I. INTRODUCTION

The importance of business and management education in Indonesia has been thought out since 1970s era when ITB invite Prof. McLelland to teach entrepreneurship. In the late 1980s, thought to develop business and management education, start to grow in the Industrial Engineering. In 1990, ITB decided to set up a program Magister of Business (MBA) in the management operations pioneered by Prof. Mathias Aroef.

The establishment process of School of Business and Management (SBM-ITB) itself begin with the formation of the committee by the rector of ITB by appointing 10 staff educators as framers SBM’s nature of business, vision, mission, strategy, scope, program, draft curriculum and learning methods as well as what kind of alumni that will be produced by SBM-ITB. These faculty members are:

1. Dr. Ir. Kuntoro Mangkusubroto, MSIE, MSCE
2. Prof. Ir. Surna Tjahja Djajadiningrat, MSc., Ph.D
3. Prof. Dr. Ir. Jann Hidaja Tjakraatmadja, MSIE
4. Ir. Drs. Arson Aliludin, SE, DEA
5. Dr. Ir. Sudarso Kaderi Wiryono, DEA
6. Ir. Nurhaji Ma’mun, MSc.
7. Ir. Budi Permaidiskandar, MSP
8. Dr. Ir. Dermawan Wibisono, M. Eng
9. Dr. Ir. Utomo Sarjono Putro, M. Eng
10. Ir. Aurik Gustomo, MT

A. School of Business & Management ITB (SBM-ITB)

School of business and management - ITB is one of the academic institutions in ITB which pursuing the Mission of “Tridarma Perguruan Tinggi” which encompasses education, research, and devotion to the public.

In line with its vision, SBM ITB trying to develops itself to be superior in research and education in the management. SBM-ITB research activity try to lift cases of business practices and management of leading companies and successfully in Indonesia so that development theory to be relevant to the context of Indonesia.

Closeness to business environment and supplied by reliable research methodology, MB-ITB expected to create excellence research capabilities in the international landscape. Educational aspect will continue will be directed to get international standard accreditation. Education in the SBM-ITB environment developed to be ready to compete with other leading business school in Asia Pacific region.

SBM-ITB currently has four courses of study, Bachelor of Management, Magister of Business
Administration, Magister Science Management, and Doctor Science Management.

Vision of School of Business and Management

ITB:

"Being a world class institution that inspires and develop new leaders with entrepreneurial spirit."

(School of Business and Management ITB, 2012)

To accomplish the vision, School of Business and Management carries some missions:

1. Educate and develop a new generation of innovative leaders and entrepreneurial spirit.
2. Discover, develop, and disseminate knowledge in the field of Business and Management.
3. Become actively involved in quality improvement for community life.

(School of Business and Management ITB, 2012)

B. Master of Business Administration (MBA Program)

MBA ITB founded by background of management expert needs is grown up as a result of the implementation of the Indonesian economic development strategy. The development of the business world increasingly knows no borders due to the rapid development in the world of technology led to an increasingly close relationship between the world of technology and management. Other reason is the importance of the innovation spirit and entrepreneurship; also the importance of the Indonesian business world construction that has ethical and social responsibility.

The Mission of organizing this MBA program is essentially to improve the quality of human resources through the development of entrepreneurship and technology-enabled capability improvement to reach operations excellence. Education is expected to grow the urge to excel attitude and innovation and entrepreneurship oriented.

MBA ITB program aims to produce graduates who:

- Have the competence to reach operations excellence at any business unit be handled.
- Capable of making decisions on the basis of the values of humanity in systemic and integrated
- Being ethical, professional, and entrepreneurial-spirited

Currently MBA ITB has several programs that are offered to the students, which is as follows:

- MBA Bandung
- MBA Jakarta
- MBA Executive Islamic Banking and Finance Jakarta
- MBA in Creative and Cultural Entrepreneurship

C. Business Issue

The world higher education currently continues to evolve, both from the scope of knowledge, universities, and the courses offered. What's more, higher education in the field of business and management in Indonesia, which from year to year become favorites.

With characteristics of the service industry, the continuity and success of a business school and management will greatly depend on the perception and satisfaction of consumers (students) who attended that school. If a business school can meet the needs and wants of consumers with good quality, in addition to producing graduates who are of high quality, the reputation of the school of business is concerned will be the better anyway. The process is going to be in the form of reciprocal and happens naturally, where one business school will provide education and excellent service to students successfully graduated, on the other hand, students will perform promotion indirectly through word of mouth to those around him. Such cooperation will make both sides benefit in their own right.

In order to get the high satisfaction of the consumers, then the programs and services offered by business school should have an excellent quality and competitive. What's more, today's business school competition not only among business schools in Indonesia alone, but must be able to compete globally with business schools coming from abroad, mainly in the Southeast Asian market.

In addition, external factors such as world business conditions change dynamically over time deserve to be of particular concern for business schools, in which case MBA ITB because doing so will greatly affect the programs offering and courses to its students. MBA ITB should be able to respond to these challenges by providing programs and courses that correspond to the needs of the times, which certainly supported by the right delivery method.

The growth of the business schools globally growing over time, in other words, competition will be increasingly strict in linking the prospective consumers expect. In addition, the more affordable the offer, both curriculum and courses will make consumers have more options in determining the purpose of their MBA or MM education.

The competition among business school is not only in Indonesia, but also globally, especially in ASEAN country. According to business school ranking from eduniversal (2012), there are 28 business schools in ASEAN that need to be considered as serious competitor, details show in Table 1. This amount is predicted to be grow and getting bigger in the future. It is because the need of management-expert in companies also getting bigger.

Table 1. South East Asia Business School Ranking

(Source: www.eduniversal-ranking.com, 2012)
If MBA ITB was unable to adapt to changing times happens, surely MBA ITB won't become an option for prospective students in continuing education. MBA ITB need improvement to be able to keep sustainability in the long term as well as being able to compete well with the campus and abroad especially in the South-East Asian market.

D. Expected Outcome
The result of business issue exploration using relevant business environment analysis, and market analysis will be used as a basis in formulating business solution that is contextual and relevant. At the end, this paper will propose program study development that MBA ITB should offer to compete on Indonesian and ASEAN market in the future.

II. BUSINESS ISSUE EXPLORATION

A. Conceptual Framework
The main issue that MBA ITB currently faces is how MBA ITB can maintain and compete with the others business school, either in Indonesia or another country. There are so many factors for prospective students to choose university. Factors that would normally be a consideration are the reputation of business school, tuition fee and the program study offering by that university.

Competition in business school and management sector to become World Class University really hard, so MBA ITB as one of the players on this competition have to continuously changing and innovate to remain in the path of race to become the best Business School. MBA ITB announced as the best business school in Indonesia in 2009 by SWA magazine version become a single proof of real achievement. With this achievement, the other competitor such as University of Indonesia, PrasetyaMulya Business School, Gajah Mada University, Padjajaran University etc. will be more intensively to improve their quality in order to be able to compete with MBA ITB. Program study that offered by a business school have a differentiation compared with the other, and each business school also have specific strategy in determining lecturing system and program study offering by their student.

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B. Method of Data Collection and Analysis
The first step will be collection of secondary data, held from December 2011 – March 2012, data collection only from South East Asian Business School. After get the data, the second step is do benchmarking analysis; the steps of analysis are already mentioned on conceptual framework. From Benchmarking we can know what is the competitor have that MBA ITB does not have before, also we can know the trend and common use method that implemented in other Business School. After know the gap between MBA ITB and other Business School, try to develop improvement for MBA ITB to get competitive advantages

C. Analysis of Business Situation
In the competition to held management education, one business school would normally be interdependent with other competitors. A competitive measure taken by one of the players can make an impact to all competitors, so that competitive atmosphere will continue to run in order to improve the quality of the business school itself. In addition, the improved quality of the business schools are also required to meet the demands of the absolute change in the business world itself, the company needs of management-experts are also getting bigger. Business competitions that had no longer been in domestic scope and have been competing internationally leading companies increasingly have to improve its quality.

Increase of market demand has led to continued business schools popping up in various colleges in the country, both public and private. It is so linked with various ease to organize business schools provided by the Government. Standard requirements for business schools, among others, must have some teaching staff holds a Doctoral Degree, has of land approximately 10,000 m2 for university to 5000 m2 for high school, the classroom are air-conditioned, have support facilities like computer laboratories, multimedia projector, the library contains at least 500 book titles and two scientific journals for each program, and have a deposit of Rp.240 million in the Bank (SWA, 2003)

Competition among business schools in Indonesia is also visible from the campuses that have “A” accreditation from BAN-PT. It seen from the data on the November 2009 issues of SWA-Magazine, there are 24 campuses that have “A” accreditation.
From research and analysis using Porter’s Five Forces, conclude the position of MBA ITB in this competition like Figure 2.

![Figure 2. MBA ITB Current Position](image)

In delivering the lecture material to their students, MBA Program already has its own standards and techniques. MBA Program expect knowledge from the sciences studied in lecture can be single-stage can be applied at the next time. Therefore, in the lecture, students are required to be active in every lecture in order to maximally while receiving the material.

Below are several learning methods that commonly used in MBA Program:
- Case Study
- Group Discussion
- Lecture
- Reading
- On Job Training (Internship)
- Virtual Project (Simulation)
- Overseas Study Trip
- Student Exchange
- Matriculation Program

MBA higher ranks have different methods that oblige their student to do On Job Training and cooperate with many companies. MBA higher ranks provide student exchange for their student, and cooperate with the other business schools. Matriculation program rarely uses MBA higher rank (mostly from Indonesia & Philippines that still use this program).

From MBA ITB Graduates Satisfaction results period October 2010 until October 2011, know that level of satisfaction is still not fully satisfied, but this period have better improvement compared with previous research.

Compulsory subjects are usually held in the early days of lectures at university. The purpose of the implementation of the compulsory subjects is to introduce fields that normally an important part in one company, including Marketing, Operations, Finance, Human Resource Management, etc. In addition to providing an understanding of these areas, also taught about the supporting courses are related to the business world, such as Ethics and Business Law, Knowledge and Innovation, Strategic Decision Making and Negotiations, etc. Each university in the world has different basis in determining the compulsory subjects that should be given to their students. One goal that must fulfilled is prepares the students with useful knowledge as big as possible that can support when they ready to work.

Elective courses have many different variations among business schools; commonly every business schools have elective courses in Marketing, Finance, Operation Management, and Human Resource area. But in several business schools also have specialization area, such as Decision Sciences, Corporate Governance, etc. From the analysis that has been conducted reached the conclusion that MBA ITB has less variation both of compulsory subjects and elective courses.

As a technological-based education institution is one of the main organization output for ITB to conduct and produce research. Development of ITB became research universities have been initiated by developing a strong research culture that supports the growth of cultural attitudes that characterize research universities. One of the policy instruments that are used to encourage the development of research culture is through the provision of ITB research funds (autonomous), which has begun to be implemented in 2004 and continues to this day with a total budget in 2009 reached USD 10.75 billion. With these research funds, ITB can direct and control the activities of strategic research for the benefit of ITB in accordance with ITB priority. In term of ITB compared to the number of publications available in Asian Universities still far behind Figure 3 shows the number of publications from leading universities or colleges in Asia.

![Figure 3. Universities Number of Publication](image)

(Source: scopus.com, April 2010-2010)

From number of publication, citation and writer of international publication, ITB still far behind from the other universities, it can concluded the same condition also applies for MBA ITB. This will affect MBA ITB position in their competition worldwide.

SWOT analysis is used to analyze the strategic factors that affect a company, in this case the MBA ITB. These variables are the Strength, Weakness, Opportunity, and Threat. Strength and Weakness are the factors that affect the internal side of MBA ITB, such as corporate structure, corporate culture, and resources owned by MBA ITB.

On the other hand, Opportunity and Threat are the factors that affect from external side of MBA ITB, namely the condition of society, and an analysis of the competition in the industry.
Table 2. MBA ITB SWOT Analysis

<table>
<thead>
<tr>
<th>SWOT</th>
<th>MBA ITB Quality (&quot;A&quot; accreditation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength</td>
<td>MBA ITB graduates have a strong brand image, recognized both domestically and internationally.</td>
</tr>
<tr>
<td>Weakness</td>
<td>MBA ITB has a lack of international publication and same delivery method compared to other business schools.</td>
</tr>
<tr>
<td>Opportunity</td>
<td>MBA ITB has the opportunity to collaborate with international partners and offer a variety of courses.</td>
</tr>
<tr>
<td>Threat</td>
<td>MBA ITB faces competition from other business schools in the region.</td>
</tr>
</tbody>
</table>

From External and Internal Analysis that have been conducted for MBA ITB, it can be concluded that the root cause of MBA ITB is lack of lecturers in MBA ITB, uncompetitive curriculum compared with the competitor especially from foreign country, lack of international publication and same delivery method that already implemented by the other competitor.

III. BUSINESS SOLUTION

In this chapter will describe alternative solutions that can be applied to resolve problems faced by MBA ITB. As has been discussed in Chapter 2, it could be identified that the root cause for MBA ITB consists of several parts, which are as follows.

- Courses Offering needs improvement
- Delivery Method needs improvement
- Lack of lecturers
- Lack of International Publication

Product development of MBA ITB will become one of the key improvements to MBA ITB graduates quality, so with improved quality, MBA ITB graduates not only able to compete with the Graduate from business school and management in the domestic country, but also compete with graduates from foreign country.

A. Alternative of Business Solution

MBA ITB is considered one of the big players in business and management education providers in the master degree program in Indonesia. Brand Image of MBA that refuge under ITB, become a competitive advantage compared to other competitors, which do not yet have the power of brand image as strong as ITB. In addition, with the amount of experience and innovation that has been done, MBA ITB can affect the level of competition naturally.

B. Analysis of Business Solution

Learning Methods Solution

If we do benchmarking learning methods in MBA ITB with the methods offered on other business school in ASEAN country and ABEST21, then it would seem a pretty glaring difference. As majority, MBA ITB using case study method equipped with lecture, group discussion, and reading. Meanwhile in other country mostly using virtual project, this combined with OJT and case studies as methods that are seeded. Singapore and Thailand mostly using these combinations, especially in Singapore, lecture and reading text book only as complementary, the main methods are using case studies that equipped with OJT and virtual project.

To improve MBA ITB quality in this section, author suggests adding these two (2) learning methods which is On Job Training and Virtual Project more intensely in the future.

Course Offering Solution

Table 3. Course Benchmarking

<table>
<thead>
<tr>
<th>Concentration</th>
<th>Lecture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory Subject</td>
<td>1. Soft Skill</td>
</tr>
<tr>
<td></td>
<td>2. Economics</td>
</tr>
<tr>
<td></td>
<td>3. Strategy and Management</td>
</tr>
<tr>
<td></td>
<td>4. Information Technology</td>
</tr>
<tr>
<td></td>
<td>5. Research</td>
</tr>
<tr>
<td>Finance</td>
<td>1. International Finance</td>
</tr>
<tr>
<td></td>
<td>2. Fixed Income Securities</td>
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<tr>
<td></td>
<td>3. Advanced Corporate</td>
</tr>
<tr>
<td>Marketing</td>
<td>1. Advertising and Promotions</td>
</tr>
<tr>
<td></td>
<td>2. Global Marketing</td>
</tr>
<tr>
<td></td>
<td>3. Channels and Pricing</td>
</tr>
<tr>
<td>Operation Management</td>
<td>1. Inventory Management</td>
</tr>
<tr>
<td></td>
<td>2. Production Scheduling and</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td>1. Industrial Relation</td>
</tr>
<tr>
<td></td>
<td>2. Performance Management and Reward System</td>
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<tr>
<td></td>
<td>3. Compensation Management</td>
</tr>
<tr>
<td></td>
<td>4. Organizational Development</td>
</tr>
</tbody>
</table>

Courses offered can be quite diverse, ranging from compulsory subjects until elective courses. However, in overall it must still reflect high entrepreneurial spirit that can be applied directly by MBA ITB students. Beside the courses, there are also differences in the form of final project, in MBA ITB, final project in form of thesis, meanwhile the choices of final project can be additional 3 courses without thesis, business plan, business project consulting.
International Publication and Lecturers Solution

International publication nowadays becomes one of indicators of World Class University. In line with its vision to become World Class business school, MBA ITB should encourage their student to write international publication starting as soon as possible.

Become World Class business school means the larger prospective students that will join MBA ITB in the future, to solve this problem MBA ITB should add more lecturers and prepare first to welcome more prospective student than now.

IV. CONCLUSION AND IMPLEMENTATION PLAN

After doing an analysis of business solutions and drawing up a strategy, in this chapter will discuss the implementation plan for the strategy in order to improve MBA ITB's performance in the future. Program implementation will be undertaken in the following areas: course offering, learning methods, the number of lecturer and international publication.

On courses offering, priority with compulsory subject such as soft skills, research, etc. after that provide more variations on elective courses prior to Marketing and Finance management.

Start obligate On Job Training as soon as possible and adding more virtual project such as business simulation intern MBA ITB. For human resources, start to recruit lecturers that fulfill MBA ITB’s qualification. In international publication, MBA ITB has started their plan to obligate their students to write article based on their final projects as condition before they do final defence.

In conclusion, to be able compete with global business school competition, MBA ITB need to be able to improve their competitive advantage. Competitive advantage consists of the quality of product, delivery methods and quality of lecturers. MBA ITB should improve their quality if they want to compete in higher level, because business environment always changes everyday.

ACKNOWLEDGMENT

This paper is written based on the author’s final project at MBA ITB supervised by Dr. Ir. MustikaSufiatiPurwanegara, MSc, who has been relentlessly motivating the author to accomplish the final project. The author would like to thank you MBA ITB where the final project has taken place.

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