Business School’s Performance Management System Standards Design

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Abstract
This paper aims to compare various Performance Management Systems for business school in order to find the strengths of each standard as inputs to design new model of PMS. There are many critical aspects and gaps notified for new model to improve performance and even recognized that self evaluation performance management is not well developed in school toward a competitive education market. The exploratory study and comparative study methodology were used to develop a conceptual model based upon literature review. An exploratory study approach was used to investigate the way in which PMS actually evolve within business school institution, while comparative study was done to determine relationship among PMS based on literature review and secondary data. Based on information gathered about several standards applied for business school, hopefully, there will be a valuable opportunity to create new PMS model that could cover every weaknesses and strengths that each standard had, and the new model will manage business school performance more comprehensively as well.

Keywords: PMS, design, business school

1. Introduction
Issues relating to performance management system have been on serious agenda of business school institutions for last twenty years following the similar attention on corporate organizations. Armstrong (2000) defines performance management system (PMS) as a mean in delivering sustained success through strategic and integrated process by developing the performance of workers or staffs and by individual and teams capabilities improvement. Heinrich (2002); Ittner and Larcker (2001); Otley (1999); and Kravchuk and Schack (1996) define PMS as steps to define goals, strategy selection to attain goals, to allocate decision rights, and to measure and reward performance. This will leads institution to have an appropriate steps for setting its goals, where to go and how to be there. Accordingly, Thomas (2007) noticed parallel and quite important discussions about the character, significance and relevance of business schools in the recent growing environment competition. Some comments e.g. from Mintzberg (2004) or Ghoshal (2005) have simultaneously indicated business schools doing irrelevant research, too market focus and pandering to the ratings, weak in asking important questions, practicing curricular fads, and not focus to professional managerial skills but to specialist and analytical skill.

Furthermore, in Indonesia, there is official standard for measuring performance of higher education called BAN PT Accreditation, but there is no specific standard to measure business school. Hence, Indonesia BAN PT is used to measure all kind of study program or department in university or college. This research aim to explore the effectiveness of BAN PT for business school PMS through comparative study with other PMS applied in various developed country, in order to find any weaknesses or opportunities that could be a foundation for a better improvement of Indonesia PMS.

Accordingly, PMS has been playing an important role in managing organization performance over time towards desired goals (Carpineti, 2008). The main purposes of PMSs as noted by e.g. Simons (2000) or Kaplan and Norton (2001) are supporting the process of decision making with sufficient information considering achievement of the targets and the accuracy of the estimation. PMS also aims to reflect organizational culture and philosophy (Medori & Steeple, 2000), and describe how well the financial and non-financial indicators of
organization performs (Wibisono & Khan, 2002).

Moreover, Bititci et al. (2006) consider the most essential thing in a design of performance management system that PMS is evolving the style of management style and the culture of organizational. In their citation review, Marr and Schiuma (2003) found contributors in performance management systems design from a broad diversity of subject areas including management, OM, marketing, finance, accounting, economics, HRM, organizational behavior and as well as managing higher education. The number of many researchers in the area of performance management system is because the failure of certain aspects in achieving standard performance like researched by Longenecker et al. (1999). He found that the critical contributing factors to organizational failure in achieving the performance standard are leadership, customers and marketing, financial management, as well as systems and structure. Here are aspects and how they are relating with the model can be described in Table 1.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Relation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication, leadership,</td>
<td>Effective means to manage the</td>
</tr>
<tr>
<td>empowerment, motivation, and</td>
<td>performance system</td>
</tr>
<tr>
<td>team work</td>
<td></td>
</tr>
<tr>
<td>Specifying, designing and</td>
<td>These apply to the mean in</td>
</tr>
<tr>
<td>developing processes and</td>
<td>managing performance</td>
</tr>
<tr>
<td>services</td>
<td></td>
</tr>
<tr>
<td>Problem diagnosis and</td>
<td>These apply to the mean in</td>
</tr>
<tr>
<td>improvement tools</td>
<td>managing performance</td>
</tr>
<tr>
<td>Management system standards</td>
<td>These apply to the mean in</td>
</tr>
<tr>
<td></td>
<td>managing performance</td>
</tr>
<tr>
<td>Excellence models and awards</td>
<td>Criteria in the model is set to the</td>
</tr>
<tr>
<td></td>
<td>mean in managing performance</td>
</tr>
<tr>
<td>Strategic management</td>
<td>Policy sets to govern the mean in</td>
</tr>
<tr>
<td></td>
<td>managing performance</td>
</tr>
<tr>
<td>Corporate governance</td>
<td>Policy sets to govern the mean in</td>
</tr>
<tr>
<td></td>
<td>managing performance</td>
</tr>
</tbody>
</table>

Source: Literature survey on PMS, 2013.

Based on Table 1, first dimension consists of five aspects including communication, leadership, empowerment, motivation, and team work are effective means to manage the performance system. The second, third, fourth and fifth dimension, including: specifying, designing and developing process and services, problem diagnosis and improvement tools, management system standards and excellence models and awards apply to the mean in managing performance. Meanwhile, the last two dimension as depicted on the Table 1, namely strategic management and corporate governance would set as the policy to govern the mean in managing performance. Accordingly, De Toni and Tonchia (2001) note orientation of PMS conventionally headed for controlling productivity and cost of production. However, literatures discuss large reason diversity for implementing PMS, not just only provide Top Management with formal devices to control or formulate and communicate strategy, PMS could be developed to support OM, to stimulate and enable managers to improve activities (Wouters, 2009). Other researchers i.e. Agostino et al. (2012) focused on one specific managerial instrument i.e. performance measurement system (PMS) for public research centre, while Vidalis (2012) evaluated performance of a merge supply system, and Vijande and Gonzalez (2007) modeled research based survey by implementing an EFQM excellence for total quality model and firms performance.

2. PMS Standard for Business School

Fryer et al. (2009) list some literatures that categorizes the main features of a triumphant PMS as being: (a) an alignment of the PMS and the current systems and organizing strategy; (b) a leadership commitment; (c) a culture to improve and identify better achievement; (d) stakeholder concern; and (e) continuous monitoring, feedback, dissemination and learning from results (Wang & Berman, 2001; De Waal, 2003; Franco & Bourne, 2003; CSM, 2006; PMMI, 2005; SAS Institute, 2005). Moreover, there were several international standards that were used to measure business school performance, namely: EQUIS (The European Quality Improvement
if the institution cannot meet the context of implementing it, due to the institution has to develop a system that
demonstrate the apprehension of stakeholder in academic  environment; this part becomes a limitation of EQUIS
application, eligibility, self-assessment, peer review an d awarding body. The last three stages are used to
Urgel (2007) notes that EQUIS accreditation process involves 6 stages that have a good structure: inquiry,
Administration, (9) Internationalization, and (10) Corporate Connections.

2.1 AACSB (The Association to Advance Collegiate Schools of Business)

AACSB is a scheme for undergraduate and graduate education for business administration and accounting
accreditation internationally in assuring quality and uphold excellence and continuous improvement. It was
founded in 1916 and in 1919 adopted the first accreditation standard. A revision of standards for its relevancy
and applicability for global business program was revised in 2003 as for supporting and encouraging quality in
educating management subject worldwide. Although the standards are set as challenging standard however they
are still realistic to be achieved. It challenges stakeholders in education institution to enhance and guiding
improvement continuously in its programs. Academic quality can be shaped by implementing the educational
standards by individual of faculty members when they interact with students in a systematic program as an
institution support. Hence the educational quality can be created by doing the observation, recognition and
motivation by all of institution member. There are four categories with 15 standards with 94 assessment criteria
for business accreditation in AACSB. Those categories are: (1) Standards of Strategic Management and
Innovation, (2) Standards of Participants- Students and Faculty, and Professional Staff, (3) Standards of Learning
and Teaching, and (4) Standards of Academic and Professional Engagement. Joyner et al. (2003) notes the core
of the AACSB is that standards of quality are pursued in order to retain the institution be accredited with 15
standards, however it is not likely possible for smaller schools due to their size and lack of accomplishing
research on relevant topics especially in business. The other point that AACSB timeline, it takes up to five years
to do a preparation for the pre-accreditation process and two more years in the process of initial accreditation
(even though a small number of schools needed a complete seven years to fulfill the requirement process). It
means takes along time to finish all the process. This is one of the limitations of AACSB. It can be considered as
not contextual for higher education institution in Indonesia, since lots of schools are not in large scale. The other
limitation in AACSB is that institution should report the profile by itself; it will become the constraint when one
institution could not track the instructions precisely. It was also found out double calculate of some graduates
and also discover dissimilar number of faculty member. If AACSB try to make the data profiles become valuable
in the assortment of similar groups or for any other purposes, then the data accuracy and reliability should
become the priority through establishing a clear and easy implementing standards. Once this discrepancy
effectively addressed then the data profile presented by AACSB would be usefulness.

2.2 EQUIS (The European Quality Improvement System)

EQUIS is meant for higher education institutions in management and business administration as quality
assessment, improvement, and accreditation for international system. The primary goal of EQUIS is to elevate
the standard that can be attained by management institution in the world. One institution that has earned the
accreditation should demonstrate quality in its entire daily activities, including any research programs or
connecting the business environment, as well as internationalization with higher level achievement. EQUIS as an
international body has been recognizing worldwide. More than a hundred higher education institutions have been
awarded EQUIS, with more than thirty countries represented among the accredited schools. The assessment
target which is done by EQUIS is not partial or only degree programs but entire activities, from one department
to another, from one division to another, up to sub-units of the institution. It includes research, executive
education provision, e-learning units, as well as community outreach. Higher education institutions have to be
primarily devoted to management education. EQUIS seeks to equalize the relation among the business
professionals and a quality in academic environment by doing the very harmonize communication with the
corporate world. A strong interface with the world of business is, therefore, as much a requirement as a strong
research potential. The criteria standards of EQUIS are set into 10 chapters with 63 assessment criteria, covering
the special scope: (1) Context, Governance and Strategy, (2) Programs, (3) Students, (4) Faculty, (5) Research
and Development, (6) Executive Education, (7) Contribution to the Community, (8) Resources and
Administration, (9) Internationalization, and (10) Corporate Connections.

Urgel (2007) notes that EQUIS accreditation process involves 6 stages that have a good structure: inquiry,
application, eligibility, self-assessment, peer review and awarding body. The last three stages are used to
demonstrate the apprehension of stakeholder in academic environment; this part becomes a limitation of EQUIS
if the institution cannot meet the context of implementing it, due to the institution has to develop a system that
include self assessment as a standard of quality with maximum effort and contribution at all participant in order
to achieve best improvement. The institution standard at quality management process should fit with EQUIS accreditation process, although ways the program will not be succeeded. However the process for peer review in EQUIS does not inform the school of their recommendation during the final feedback session, whereas this is always done at the end of other accreditation visits. This fact describes us that what the team done is only recommending the finding and the final decision is on the Awarding Body of EQUIS. The awarding body, at certain condition, will return any recommendation that not meet with EQUIS standards.

2.3 ABEST21

The Alliance on Business Education and Scholarship for Tomorrow, a 21st century organization (ABEST21) is one of the members of Global Knowledge Network Conference. This conference exchanged important vision and sight and approved to promote education for business school on a globally basis by supporting mutual benefit as well as working collaboration among the member of the institutions. ABEST21 is a non profit organization that established in 2005 with main purpose to improve management of education in business school and also build mutual cooperation among the institution through several activities including: giving advice and support for research and educational activities for better improvement, increasing quality through accreditation standards, sharing any valuable information especially on curriculum, teaching material, or methods, and building many activities that open to external stakeholder like joint research, courses, conferences, symposium or global teaching class.

ABEST21 has 18 standards with 77 assessment criteria, that group in five chapters, namely:

- Chapter one Mission Statement: Mission Statement, Mission Imperative, Mission Statement for Continuous Improvement, Financial Strategies,
- Chapter two Educational Programs: Learning Goals, Management of Curricula, Educational Level, Measures to Improve Educational Quality
- Chapter three Students: Student Profile, Student Admission, Student Support, And Student Incentive
- Chapter four Faculty: Faculty Sufficiency, Faculty Qualifications, Faculty Support, Responsibilities of Faculty Members
- Chapter five Supporting Staff and Infrastructure: Educational Responsibilities of Staff, Infrastructure Support

2.4 BAN PT Indonesia

The vision of the National Accreditation Agency for Higher Education (Badan Akreditasi Nasional Perguruan Tinggi-BAN-PT) is to become an accountable agency for higher education accreditation in Indonesia and be the honorable and respectable agency, and becomes reference for other external quality assurance agencies. Its missions are (1) implementing credible, accountable, and responsible higher education accreditation in Indonesia, and (2) supporting the implementation of the strategic plan of National Education Ministry related to higher education external quality assurance. The aims of BAN-PT are (1) providing national accreditation to all study programs, and the public, religion-based, private, as well as government service of higher education institutions, which are providing academic and professional education programs, and (2) providing information on the accreditation results to the users of institution’s graduates.

Accreditation standard is a standard which must be fulfilled by a study program in higher education institution that consisted of some parameters (element of assessment). This can be used as a basis for measures and specifies quality and eligibility of a study program to carry out its programs. The BAN-PT accreditation consist of seven standards with 83 assessment criteria: (1) Vision, mission, objective and target, and attainment strategy, (2) Governance, leadership, management system, and quality assurance, (3) Student and graduated student, (4) Human resource, (5) Curriculum, study and academic atmosphere, (6) Tuition fee, facilities, and Information system, (7) Research, community service and cooperation.

The most common question about BAN PT accreditation is its feasibility of accreditation mechanism. Since the number of study program is very large; there was a question whether or not this program can be done in detail and comprehensive with the limit number of assessors. And it is not only about the number but also the capability and time that assessors must have to do. Other limitations are the balance of assessment, for instance the assessment of administrative report from the institution or study program versus the assessors observation result from the field, or the balance portion assessment of process and result from study program, since the portion of administrative report are more dominant than the actual performance. The last limitation of BAN PT accreditation is the objectivity, independency and transparency in evaluation of one study program to another.

There are several shortcomings in implementing the BAN-PT accreditation, they are: the orientation of the
accreditation, assessment mechanism, accreditation result, assessment process, and the number of assessor team.

Table 2. Shortcomings of BAN-PT accreditation

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Shortcomings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation</td>
<td>Result orientation, not process improvement</td>
</tr>
<tr>
<td>Assessment mechanism</td>
<td>Generalizing across the entire study program in Indonesia, whereas different study program would have different achievement and nature</td>
</tr>
<tr>
<td>Accreditation result</td>
<td>Only in the form of certificates, whereas it should be as an input for improvement process</td>
</tr>
<tr>
<td>Assessment process</td>
<td>Only 2 days, it is not sufficient to make sure the real condition of each study program</td>
</tr>
<tr>
<td>Number of assessors</td>
<td>Only 2 persons, it is inadequate to assess hundred indicators.</td>
</tr>
</tbody>
</table>

Source: Study on PMS, 2013.

As can be seen on Table 2 there are five shortcoming dimension of BAN-PT accreditation, namely the orientation, assessment mechanism, accreditation result, assessment process, and number of assessor. The first shortcoming dimension talk about how the BAN-PT accreditation scheme stressed on the result of its accreditation not in the process of improvement. This dimension lead to one institution only busy in doing the accreditation process, and forget about the real objective of the accreditation which is to maintain the good achievement and improve the future quality. Another shortcoming is on assessment mechanism, that generalizing across the entire study program in Indonesia, whereas different study program would have different achievement and nature. This shortcoming leads to the same scheme of performance standard, and lack of the flexibility for different study program. The other three dimensions, namely: accreditation result, assessment process and number of assessors are the shortcoming in the form of accreditation process and result. Those shortcomings in general are should be answered by the Indonesia national accreditation body to make the scheme easy to implement and make one institution become better and better in its performance.

3. Research Methodology

Minichiello et al. (1995) recommend there are differences between qualitative and quantitative research methodology based on conceptual and methodological chosen. Qualitative research describes the relationship among object along with their meaning and how finding will influence same actions. In the other side, different from qualitative, quantitative research use many calculations to capture such phenomena or finding. Furthermore the uses of a qualitative methodology, according to Sarantakos (1998) describe much information in detail but not include statistical analysis, but emphasize more with descriptive data with complete information. Based on the significance, this study is using exploratory and comparative study for research methodology. The exploratory study and comparative study methodology were used to develop a conceptual model based upon literature review. The exploratory study approach was used to investigate the way in which PMS actually evolve within business school institution. It was done by in-depth interviews to 24 Indonesian business school’s deans, vice-deans, or QA administrators concerning their PMS implementations, to find out whether the existing system has been an effective tool for measuring its performance as well as reflecting the business school quality. A comparative study was done to determine relationship among PMS based on literature review and secondary data from business school’s documentation review about PMS implementation in business school institution, and other important related documents with the research focus, i.e. the foundation, basic information, vision and mission statement, strategy formulation, financial, academic, brand, industrial partnership, institution partnership, student satisfaction and loyalty, industrial acceptability, internationalization, teaching and learning, research activities, community services, administration, lecturer and staff, student, library and academic journals, stakeholder, technology, and management practice.

4. Comparing PMS Standards

Based on comprehensively discussion, following table will briefly describe the framework that use in national accreditation BAN PT and international accreditation: AACSBB, EQUIS, and ABEST21, that would be used as a comparing aspect for the performance management systems and several important indicators in this study. PMS
frameworks have their relative benefits and limitations. The mapping of national and international frameworks and a comparison among them is illustrated in Table 3.

Table 3. Business school’s PMS framework

<table>
<thead>
<tr>
<th>Aspect</th>
<th>BAN-PT</th>
<th>AACSB</th>
<th>EQUIS</th>
<th>ABEST21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural based/historical reason</td>
<td>Indonesia</td>
<td>American Business School</td>
<td>Europe</td>
<td>Japan, Asia</td>
</tr>
<tr>
<td>Internationalization</td>
<td>Just in term of number of international collaboration</td>
<td>Global agenda</td>
<td>Focus on top international schools.</td>
<td>Internationalization</td>
</tr>
<tr>
<td>Adoption of national Accreditation system</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Scope</td>
<td>All type of study program within university</td>
<td>Management and accounting programs at the entire university</td>
<td>Business school</td>
<td>Business schools which offer educational programs for management education</td>
</tr>
<tr>
<td>Accreditation process</td>
<td>Self evaluation and visit by two assessors</td>
<td>Rigorous self evaluation and comprehensive peer review process</td>
<td>Self evaluation and peer reviewed by 3 experienced deans &amp; one company world member</td>
<td>Self evaluation and ABEST assessors</td>
</tr>
<tr>
<td>Entering the process of accreditation</td>
<td>Mandatory</td>
<td>Voluntary</td>
<td>Voluntary</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Number of standard/perspectives</td>
<td>7</td>
<td>15</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Assessment criteria (indicators)</td>
<td>83</td>
<td>94</td>
<td>63</td>
<td>77</td>
</tr>
<tr>
<td>Milestones</td>
<td>No milestone</td>
<td>No milestone</td>
<td>No milestone</td>
<td>No milestone</td>
</tr>
<tr>
<td>Comprehensiveness</td>
<td>Independent</td>
<td>Independent</td>
<td>Independent</td>
<td>Independent</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>Relates to BAN-PT standard</td>
<td>Relates to AACSB standard</td>
<td>Relates to EQUIS standard</td>
<td>Relates to ABEST21 standard</td>
</tr>
<tr>
<td>Display</td>
<td>Table</td>
<td>Description of achieved indicators</td>
<td>Description of achieved indicators</td>
<td>Description of achieved indicators</td>
</tr>
</tbody>
</table>

As described on Table 3, there are twelve different research aspects for the performance management systems to be compared among the accreditation scheme, namely: cultural based/historical reason, internationalization, adoption of national accreditation system, scope, accreditation process, entering the process of accreditation, number of standard/perspectives, assessment criteria (indicators), milestone, comprehensiveness, benchmarking, and display. The first aspect is cultural based or historical reason. Since the proposed framework is becoming the facilitator, it is clear that proposed framework will be international based on Indonesian culture and attempts to help Indonesia business school in attaining international accreditation that’s why it also adopt the national
accreditation standard, while others framework are based the origin of the country. For instance, Trapnell (2007) noted the AACSB model has been based on the business school of the American type. Consequently, this fact leads to the decision maker of one non American based school to adjust their system for getting an accreditation to be success. That is why later the AACSB standard experienced a major revision, the so-called Blue Ribbon revision for adjusting its standard for becoming worldwide standard, so every business school in the world can easily adopt this scheme or accreditation. On the table 3 also can be seen that EQUIS has never endeavored to espouse the role of national systems for the European accreditation in its process or standards. Meanwhile, in a scope aspect, it can be seen except for BAN-PT most of frameworks are scoping in the field of business school, although some are for accounting, hence the proposed framework are specifically for business school. Moreover in accreditation process most of model need a self evaluation and a peer review process with different degree, while in the proposed framework since it is a mean for internationally accredited, it just need the self evaluation process with the consciousness to be better in implementation. Hence the process is also voluntary, not a mandatory like the BAN PT accreditation.

The next aspect is the proposed standard, with different number of standard and assessment criteria. It has 3 standards and 50 main indicators as a priority and 87 others indicators to make sure that it will achieve the specific international standards. The ninth aspect is milestone, where the proposed framework is based on the primary or priority indicators then goes to the supporting indicators to achieve better performance. The next aspect is comprehensiveness, where the proposed framework can be used simultaneously in achieving standard by BAN-PT, AACSB, and EQUIS if all 137 standards have been achieved and can be developed further into software for the proposed framework. Following Table 4 will summarize the strengths and weaknesses of each type of accreditation standard.

Table 4. Strengths and weaknesses of accreditation

<table>
<thead>
<tr>
<th>Accreditation</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAN PT</td>
<td>• Mandatory for entering the process for all study program&lt;br&gt;• Table display&lt;br&gt;• Based on Indonesian culture</td>
<td>• For national only&lt;br&gt;• Not focus on business and management school, it is used for all type of study program within university&lt;br&gt;• Relate to its own standard&lt;br&gt;• Independent, just for achieving its own accreditation</td>
</tr>
<tr>
<td>AACSBS</td>
<td>• International recognized&lt;br&gt;• Specific scope on Management and accounting</td>
<td>• Expensive for Indonesian Institution&lt;br&gt;• No milestone&lt;br&gt;• Description of achieved indicators&lt;br&gt;• Relate to its own standard&lt;br&gt;• Independent, just for achieving its own accreditation</td>
</tr>
<tr>
<td>EQUIS</td>
<td>• International recognized&lt;br&gt;• Specific scope on business school</td>
<td>• Expensive for Indonesian Institution&lt;br&gt;• No milestone&lt;br&gt;• Description of achieved indicators&lt;br&gt;• Relate to its own standard&lt;br&gt;• Independent, just for achieving its own accreditation</td>
</tr>
<tr>
<td>ABEST21</td>
<td>• Specific scope Business schools which offer educational programs for management education</td>
<td>• Still a new one, just recognized for limited Asia Pacific region&lt;br&gt;• No milestone&lt;br&gt;• Description of achieved indicators</td>
</tr>
</tbody>
</table>
As can be seen on Table 4, for internationally PMS framework the general strengths are placed on their international recognition and in specific scope for business schools. Along with it, the general weakness is that accreditation scheme commonly expensive. Meanwhile, for Indonesian context, BAN PT accreditation for the Indonesian higher education institution is a generic framework for entire study program, not specific for business school, while it has the same standard for all without seeing the type of the institution, i.e. the nature of social science differs from the natural science. In addition as mentioned earlier Wijatno (2009, p. 198) noted in the process of college performance management system, there are some shortcomings, namely (1) lack of support from top leaders and do not involve the entire college, (2) it is prepared not based on the direct interest of the institution (not an integral part of the university management), namely: lack of association with institution vision, mission and goals and also has not be based of internal planning, (3) performance measurement results are not socialized properly, and (4) system is not dynamic, so it is not able to anticipate or even fix the occurring errors. Hence Purbey et al. (2007) noted the blueprint of an effective framework for specific business school context, which consists of the collection of correct measure and approach for evaluating outcome, is central to support an institution’s operations with its strategic direction.

Accordingly, there are several barriers that business school might face when they decide to adopt certain standards. Seymour and Dhiman (1996) found 3 potential barriers including identity of the organization, definition of quality, and unit of analysis. Basically, the identity of the organization can be very unique and very unlikely among other because it is describe the situation in the organization with a subjective perception and somehow result bias judgment, while definition of quality considers the standard that set by institution in its daily activities. For most of Indonesian business school the standard of its quality is following to the Indonesian government has already sets. However, some measurement in quality standards is based on its input not the output. For instance in one accreditation standards, it finds that the standards in several categories keep emphasizing on inputs, i.e. the number of faculty member, development and composition, the content of the curriculum content, or the resources of the instruction resources. It can be easily understood, since the measurements of the inputs are surely much easier to assess than the measurements of the outputs. The last major obstacle is unit of analysis. In such organization the unit of analysis for assessing the performance is in the lower level of the institution organization structure. Hence the assessment is done in, for example in the department or the unit of working team. On the other hand, the achievement of such performance is definitely based on the institution decision, mean that one department cannot attain better or best level if it is not supported by others department or the institution as a whole. The other things come up with this obstacles is about setting the standard for each of unit analysis. Since the scope and working nature is also different. Hence the responsibility of Top Management become harder and complex when the unit analysis is become lower and lower.

Lawrence and Dangerfield (2010) come up with the discussion on other obstacles of complex nature of students in the business schools environment. They highlighted that student at one times can be placed as input, served as process, and also become an output of one higher education institution. Student can become a product, a customers and also partners at one time. In their research Lawrence and Dangerfield (2010) also stressed the way in transferring of academic programs that makes the examiners of such accreditation scheme feels delightful while they are unsatisfied with the community service and research mission perspective. Moreover both researchers also noted recommendations for easiness in implementing such accreditation schemes. They are including the expert that meet the requirement for preparing the application, aware for research procedure, clear role for supporting staff, overview the accreditation guideline before the institution submitting the application, and always prepared for any feedback based on the application.

5. Conclusions, Limitation, and Recommendation

Performance management system framework is a set of factors and a group of activities that impact institution’s performance that should be managed based on a conceptual structure intended to serve as a support or guidance for the building of performance management system that expands the structure that higher education can use for increasing their competitiveness. It is also can be used as a tools for having not just a group of steps in achieving
higher performance but also as an evaluation from the most significant factors that relate to the performance of institution. Based on information gathered about several standards applied for business school, there will be a valuable opportunity to create new PMS model that could cover every weaknesses and strengthens the strengths and opportunities that each standard had, hopefully the new model will manage business school performance more comprehensively.

The PMS model deals with a huge amount of data and knowledge with several limitations because of contextually aspects, up to date of standards of benchmarking, and rate of business school and management progress in the world. The limitations are:

(1) The PMS model was validated in Indonesian business school environment therefore the adjustment should be made for certain performance variables and the related knowledge to be implemented in the other environments.

(2) Based on theoretical reviews, it can be concluded that in the design of performance management system should consider benchmarking, both internally and externally. However, since the internal benchmarking is the comparison of institutional performance to its performance from time to time, to ensure how the system is running well it should be tested in the future, whereas in the proposed model the data needed is not exists or provided.

Moreover, a number of benefits have also been noted for the application of business school PMS standards: (1) Each of standards can be used to advise the management relates to the business school performance and how to improve its competitiveness and where to concentrate their efforts, (2) It offers an integrated approach that can be used as a learning process and guidance to direct all staff and lecturers in the same directions of improvement processes, (3) The standard is also intended as a forerunner benchmarking system for the business school in Indonesia, so the competitiveness of them will increase to encounter foreign universities as well as to improve the school performance and quality.

However, the presented research in this report is a novel and a simple approach to the PMS that need to be further research to make an integrated, on-line system and internationally accepted. The following recommendations are made for further research.

(1) This model is to be implemented in business school and management only, that may be for other school or environment has difference perspectives, variables, indicators, and benchmark standards. It could be expanded to be available for the other environment by developing relevant performance perspectives and general variables that could be implemented for use in widen environments.

(2) For practicality aspect, the preparation software is highly recommended for the completeness of the model with the addition of knowledge based aspects.

(3) It is also recommended that PMS model be validated in other countries, as this will provide further opportunities for its improvements. This could be as an embryo to quality assurance system for business school and management, as well as a tool for higher education for computer-based accreditation systems, on line, and self-assessment that need an expert and full knowledge person in school of business and management in a site visit processes.

References


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