THE ROLE OF HIGHER EDUCATIONAL INSTITUTION IN REDUCING DISCREPANCY BETWEEN THE COMPREHENSION AND APPLICATION OF MANAGEMENT STUDY IN INDONESIA

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ABSTRACT
This paper revealed the discrepancy between the comprehension and practice of management study in Indonesia. This study believed that the higher educational institutions are able to lessen the discrepancy through the implementation of quality, curriculum design and cooperation with business world through research. By this, the study of management can be taught not only textbooks based but also practiced based.

Keywords: Higher education, management study, Indonesia

INTRODUCTION
Kast and Rosenzweig (1973: 2) described that complex organization development has caused the function of managerial and administration to be more important and the educational institution is required to perform the function of teaching management study. Batubara (1992: 49) said that management is a moving tool of organization or a goal accomplishment. It is also believed that management is a core of administration. The opinion of Kast and Rosenzweig (1973: 2) and Batubara (1992) showed that management study and its teaching have played an important role in the development of society.

A number of writers of management textbook such as McLeod, Jr, 1998: 26; Gibson, et al., 1988: 26; and Koontz, 1993: 66-70, have certain opinion that a good implementation of management will create not only an effective and efficient organization but also a competitive organization in the global market. They believed that modern organizations in country like US, Germany, France, and Japan show a good progress because they generally implement a good management practice. However, Pfeiffer and Sutton (2000: 7-8) proposed that some companies (manufacture company, car assembling, and semiconductor fabrication) face the problem of discrepancy between the comprehension of management principles and its practices.

Pfeiffer and Sutton (2000: 8-9) expressed that although managers know how to manage organization well, they do not fully apply and adopt the system. Their (Pfeiffer and Sutton, 2000) study showed that management study with the purpose to enhance work performance can not easily implemented in an organization (p.8).

The condition in Indonesia is similar to the condition expressed by Pfeffer and Sutton (2000). Some management practitioners and academicians in Indonesia, such as Tanoto (1992), Iqbal (1992), Sudarijanto (1992), and research team of STIEB (1997a,b,c,d) described several conditions as was expressed by Pfeffer and Sutton (2000). They believed that the implementation of management study in Asia including Indonesia will be more difficult consider that this study came from the West especially Netherlands and US (Wardhana, 1993: 15; Chow, 1995). These countries have a lot of differences in cultures, thoughts and behaviors. The condition becomes more difficult because management study is developed and processed to become theories or certain principles through a lot of practices (Sudarijanto, 1992: 21).

Pfeffer and Sutton (2000; 13) in their study, believed that the effect of the discrepancy is not obviously seen. However, it can be observed from the existence or the role of consultants whose jobs are to explain the way of managing a successful business. These consultants receive the information about practice of managing a success company, gather and then transfer it to another client. The process showed that the harmony between comprehension and management practice is very important issue (Pfeiffer and Sutton, 2000: 13).

The research team of STIEB found that from 37 companies, there are only 17 companies (46%) have manager who implement lecture subjects of marketing management and 15 companies (41.5%) have manager who implement lecture subjects of financial management. The results indicate that there are not many companies implement management subjects or materials from educational institution.
In this study, we believe that the discrepancy can be lessened through the role of higher educational institution which performs management education. This institution has facilities to organize the management teachings to be relevant with the real business condition especially by research activities. By this, the management study becomes more “down to earth” because it uses not only textbooks as its source but also actual business practices. And as a result the discrepancy between theory and practice of management in Indonesia will be lessened.

This study tries to analyze the role of higher educational institution in reducing the gap between management theory and practice in Indonesia. The research will simply answer the question: what can the higher educational institutions do to lessen the discrepancy between management theory and practice in Indonesia?

This paper is organized as follows: first section is the introduction. On second section, the writer will explain definition, function, development and some practices of management in Indonesia. The third section is the implementation of management education and the problem of discrepancy. The discussion and solutions will be proposed in fourth section and the last section is the conclusion.

DEFINITION, FUNCTION, AND MANAGEMENT DEVELOPMENT

Definition and Function of Management In Organization

Koontz and Weihrich (1993:4) defined management as a process of design and maintenance of an environment where individuals efficiently work together in a group to reach certain goals. Terry and Franklin (1982) explained the definition of management as a certain process of planning, organizing, doing, and controlling which is done to accomplish and fulfill certain goal by using human resources and others. Stoner (1995) defined management as a process of planning, organizing, leadership, and controlling of member’s efforts and the using of all other resources of organization to reach certain goals.

Mintzberg, as quoted by Mc Leod, Jr. (1986: 56) explained there are three tasks or roles of management, which are acting as interpersonal (figurehead, leader, and liaison), as information (monitor, disseminator, and spokesperson), and as decision maker (entrepreneur, disturbance handler, resource allocator, and negotiator). Koontz and Weihrich (1993:4) explained that the function and tasks of manager are: (1) planning, organizing, staffing, leading and controlling, (2) creating surplus, (3) related to productivities. Furthermore Koontz and Weihrich (1993:66-70) explained that nowadays the function of manager despite of that micro characterstic also argued to have social responsibility (social function) such as: ecological concern. Gibson, et al. (1988: 26) explained that the task of management is to know the factors which are increase affectivity of organization, group and individual.

Based on definition above, we can say that the function and tasks of management study is providing knowledge to manage organization through some ways, such as planning, organizing, staffing, and controlling, until the goals accomplished efficiently and effectively. From this we can say that the management study will give an organization a better quality compare to those who are not make use of it.

Development and Practice of Management Study

Drucker (1988: 158-159) explained that company organization should be based on innovations refer to changes that happen in community and social situation at that time. Furthermore, Drucker (1988) said that the existence businesses need changes and they change every time. The Drucker’s opinion showed that in managing an organization, a manager always faces environment changes, and these changes will influence the implementation of management theories in their organizations. From this we can say that the ways in managing company are always developed from the real practices.

Drucker's (1988) opinion is quite similar with Mc.Leod, Jr's (1986:46). Mc.Leod, Jr. (1986:46) said that most of the management theories are developed by managers through trial and error, and constantly identified propositions which can be made as a useful basic and guidelines in managing organization.

Kast and Rosenzweig (1973: 2) said that the development of management study is the cause of world organization growth. The development of organization and the need of management in every sector give consequences on the subjects of: (1) scientific research in various disciplines that related to management study, (2) development of basic body of knowledge, and (3) interaction between theory and practice.

Sudarjanto (1992: 21) expressed that management study is a science that come from management practices and processed to become certain theory or principle. Opinions of Drucker (1998), Mc.Leod, Jr. (1986), Koontz and Donnelly (1993), Kast and Rosenzweig (1973), and Sudarjanto (1992) informed us that the development of management study is based on business organization activities in community. This development becomes the theory or principle of organization management.
THE INSTITUTE OF EDUCATION AND MANAGEMENT DEVELOPMENT (IPPM, 1992: ix) found that Indonesia do not have any theories or concepts of management as Western countries do, such as Europe, US or Japan. This institution furthermore said that the practice of management in Indonesia should be rooted on its own culture belief.

Tanoto (1992:7) said that implementation of learning process to make employees comprehend and practice good management, has done through the rules that requires contracted foreign managers to transfer management knowledge to the local staffs so that the companies are able to manage modernly. However, although local staffs have the ability to understand and practice management principles that transferred by the foreign managers, the cultural values still have essential role in managing organization.

THE IMPLEMENTATION OF MANAGEMENT EDUCATION IN INDONESIA

Wardhana (1993: 11) said that management education in Indonesia started by company economic lecture in faculty of economy in Ujung Pandang. It carried on to faculty of economy in University of Indonesia (UI). The organizer of formal management education limited only in UI and Gadjah Mada University (UGM) at that time.

At the beginning of management education in Indonesia, there were only small number of Indonesians teachers/lecturers and the active lecturers were generally from Netherlands. This condition has caused the usage of Dutch curriculum in Management education.

The next phase symbolized by co-operation between Economic Faculty (Fakultas Ekonomi) – UI and Economic Faculty of UGM with University of California (Berkeley) and University of Wisconsin (Madison) (Wardhana, 1993: 13). The cooperation made the US element influenced the system of Indonesian management education. The next development was marked by the existence of master and doctoral degree in Indonesia (Wardhana, 1993: 13-15).

Chow (1995), similar with Wardhana (1993: 9) said that the design of management education curriculum in Hong Kong was made by referring to business practices in the West. Most of textbook used in teachings were adopted from business activities in US whereas the implementation took cultural consideration in the society of China (Hong Kong).

Idrus (1999) said that the facilities support to the implementation of education in Indonesia are only a few and with a minimum quality such as inappropriate library, limited access to the computer and internet and expensive textbooks.

Tampubolon (2001: 21) said that theoretically Indonesia has a good university development principle, such as system of Credit semester (SKS) and single system of university but arrangement study program and establishment of teachers working time does not carried out well. One of the factors is the weakness of human resources (lecturer) and the low level of incentives.

Tampubolon (2001: 79) described that management system of university in Indonesia tends to put power and bureaucracy facility higher than power of functional facilities. The stress on that issues cause the tendency of the university, as follows: (1) seize structural position, (2) lack of appreciation to functional position, (3) causing envy from functional position.

The conditions expressed by Idrus (1999) and Tampubolon (2001: 21) above gives description about condition of the organization of management education in Indonesia, especially the lecturer. It can be predicted that the condition will influence the development of theories or concepts of management based on Indonesian culture and also the textbooks it can produced. In addition to the three tendencies by Tampubolon (2001), it can be assumed that management teachers/lecturer in university in Indonesia will use the easy way to use facilities in teaching; such as foreign language textbooks or translated textbooks published by some publishers. This is because their orientation is more to higher position and prosperity rather than functional position.

Description of management teaching in Asia or Indonesia as explained by Chow (1995), Idrus (1999), and Tampubolon (2001) is in model of figure 2. It shows condition of development and management teaching in Indonesia.
Figure 1. The development and teaching of management knowledge in Indonesia

Figure 2 shows that the practices of management in Indonesia are implemented by university graduates. In the field, these graduates also get knowledge of management based on the practices of management by western educated foreign staffs (Tanoto, 1992).

DISCUSSION

The practices of management expressed by some researchers above (Tanoto, 1992; Iqbal, 1992; Sudarihanto, 1992; Harun, 1992; Barubara, 1992; Pfeiffer and Sutton, 2000, research team of STIEB, 1997a, b, c, d) have given description that management study is not fully practiced by graduates of management study in Indonesia. The writer believes that they can not practice the theories and concept of management because what they have learnt in university was a management study with different culture. The writer also believes that the management of modern organization is not sufficient only by implement modern theories and concept, but also must be accompanied by comprehension of local factors. Refer to the opinions discussed above, the writer realize that the development of management study in Indonesia should come from management practices of organization inside the country. Figure 2 shows the relation between business world and higher educational institutions that provide management education. It showed that the study of management can be developed by academic staff of higher educational institutions from research of management practices in Indonesia.

The writer also realize that the management theories taught in educational institution in Indonesia are western theories that were developed based on practices of organization management in the West, as it seen in figure 1. The condition occurs because the universities in Indonesia do not have a good relationship with the business sector so that transfer of knowledge between ‘theory holder’ and manager is not easy. Other possibility as shown in figure 1 is that the educational institution doesn’t put high concern to the academician to have spirit to arrive at their own theory or concept of management environment.
To solve the problem, the writer believes that universities in Indonesia should carry out two actions as follows:
1. Establishing university quality management through seven pillars as suggested by Tampubolon (2001: 238) which are: quality, vision, commitment, leadership, human resources, system / process, and active participation
2. Designing curriculum, especially in management lectures with research by Indonesian experts as the basic of knowledge as proposed by Chow (1995) and design management education based on systematic and long term planning as also expressed by Potter and McKibbin (Chow, 1995).

Based on the discussion above the writer proposed that it’s very important to have the management teaching based on certain field of business such as marketing management, financial management, human resources management, operational management, management of education, service management study, co-operation management and manufacture management. Furthermore, the writer also suggests that the scope of education of management in Indonesia can be extended from department level into faculty level.

CONCLUSION
From the discussion above, the writer concludes that:
1. There are discrepancy between management theory and practice in Indonesia
2. The discrepancy is caused by management teaching system based on Western textbooks.
3. The development of management theories and concepts based on the culture of Indonesia is important to cope with the discrepancy.
4. The Research to arrive at our own management theories can be done through university research with the support from the business sector.
5. Management academicians should be trained or provided with a higher education so that they can be self-sufficient researcher.
6. Implementation of seven pillars of qualified university management.

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