

# 1 **PARADIGM SHIFT IN BUSINESS EDUCATION AND THE ROLE OF BUSINESS SCHOOLS IN IMPROVING SUSTAINABLE COMPETITIVENESS**

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- Introductory Remarks
- Management' New Paradigm
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- Challenges in Business Education
- Sustainable Competitiveness: Why it Matters?
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- The Role of Business School in Improving Sustainable Competitiveness
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## 3 **INTRODUCTORY REMARKS**

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*"It is the pervasiveness of management practice, rather than its exclusivity, that makes quality business schools so vital to individuals, organizations, and societies around the world" (GFME, 2008)*

*"Change is inevitable. In a progressive country change is constant" (Benjamin Disraeli, 1804-1881)*

## 5 **MANAGEMENT'S NEW PARADIGM**

### 6 **Paradigm**

- Paradigm is a "worldview" or a set of assumptions
- Paradigm is a broad framework of perception, understanding, belief within theories and practices operate
- Rossman & Rollis (2003) define paradigm as "shared understanding of reality"

### 7 **Paradigm Shifts**

- Paradigm shift is a dramatic change in methodology or practice.
- Paradigm shift is a significant change in the paradigm of a scientific community, or a change from one scientific paradigm to another.

### 8 **Why Assumption Matters? (Drucker, 2001)**

- Old assumptions have become obstacles
- Two sets of assumptions
  - I. Discipline
    - a. Management is Business Management
    - b. There is –or there must be- one right organization
    - c. There is –or must be one right way to manage people
  - II. Practice
    - a. Technology
    - b. Legal
    - c. Internal
    - d. Political

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10  **Table 1. Paradigm Shift in Management: Surfing the Waves**

11  **Table 2. Paradigm Shift in Management: Organizational Changes**

12  **Table 3. Paradigm Shift in Management: Organizational Changes**

13  **Table 4. Paradigm Shift in Management: Industrial to Information Age**

Transition from Industrial to Information Age Organizations  
(Hames 1994)

14  **Figure 2. Paradigm Shift in Business: Six Eras in the History of US Business**

15  **GLOBAL TRENDS IMPACTING BUSINESS EDUCATION**

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- Globalization of value networks, from basic research to after-sales service
- Emerging worlds: the virtual world, the developing world, the green world and the inner world
- Regional economic integration → Leadership cross borders
- Demographics

17  **Global Trends Impacting Business Education**

- Increasing science and technology content of products and services → Creativity and innovativeness
- Information and communication technology
- Social responsibility, governance and sustainability

18  **CHALLENGES IN BUSINESS EDUCATION**

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- Reputation and quality assurances
- Balancing global aspirations and local needs
- The skills and attributes that b-schools should teach and develop
- The knowledge that b-schools research should generate
- The relationships that b-schools should develop
- Aligning with the future needs of organizations
- Funding and autonomy

20  **SUSTAINABLE COMPETITIVENESS**

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- In a micro economic sense "competitiveness is defined as sustainable growth in productivity driven by the quality of business strategy and operations, the quality of the business environment and the prevalent macro economic environment" (Yener, 2002)
- From a macro economic perspective "competitiveness is the degree to which a country can under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over a long term" (Garelli, 2002)

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*"The set institutions, policies and factors that make a nation remain productive over the longer term while ensuring social and environmental sustainability"*

24 25 26  **SUSTAINABLE COMPETITIVENESS: WHY IT MATTERS?**27 

- Rapid Population Growth
- Urbanization
- Globalization, economic volatility and shifting consumption patterns
- Uneven economic growth
- Lack of energy access
- Lack of access to markets
- Lack of education
- Air and water pollution
- Land degradation
- Depletion of natural resources
- Disaster Risk and Climate change

28 29 30  **Green Economy, What is it?**

- An economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environment risks and ecological scarcity (UNEP, 2011)

*Ekonomi Hijau adalah sebuah model pembangunan ekonomi yang mampu meningkatkan kesejahteraan dan mengurangi disparitas pendapatan dalam jangka panjang, sekaligus mengurangi resiko lingkungan secara signifikan*

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32  **Related Concept: Green Growth, What is it?**

- Green Growth is one the "emphasizes environmentally sustainable economic progress to foster low-carbon, socially inclusive development" (UNEP, 2011)

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*Pertumbuhan Hijau menekankan pada kemajuan ekonomi yang ramah lingkungan dalam rangka mendorong pengurangan emisi dan pembangunan inklusif secara sosial*

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34  **REGIONAL COMPETITIVENESS IN INDONESIA**35 36 37 38 39  **THE ROLE OF BUSINESS SCHOOL IN IMPROVING SUSTAINABLE COMPETITIVENESS**40 

- *Educating people*: at undergraduate, postgraduate, mid-career, executive levels;
- *Problem-solving for industry*: through contract and cooperative research, consulting, and incubation services;
- *Adding to the stock of codified knowledge*: through publications, patents and prototypes;
- *Providing public space*: coordinating networks, meetings and conferences, mentoring and exchange programs, alumni networks, industry liaison and curriculum development committees.

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- *Innovation and Learning*: b-schools can develop management innovation by teaching and cultivating key skills.
- *Innovation and Intellectual Capital Development*: management research, including the invention, implementation and diffusion of new ideas, the testing, codifying and organising of management knowledge
- *Innovation and Outreach*: b-schools engage with their communities

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- The first model is that of a *social sciences school* which has a contribution to knowledge as its primary focus, with incentives to publish in top ranked, peer reviewed academic journals;
- The second model is a *liberal arts school* which aims to ensure that managers and leaders are not just technically competent, but also have the ability to think critically about the world in which they act;
- The third model is a *professional school* which is more practice-based and tends to focus on graduate employability and the improvement of management, financial and organisational skills;
- The fourth model is a *knowledge economy school* which focuses on the development of management knowledge, and the commercialisation of scientific and technological discoveries from the wider academic community.

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52  **CONCLUDING REMARKS**

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*The pessimist complain about the wind;  
the optimist expects it to change;  
the leaders adjusts the sails.  
- William Arthur Ward*

54  **TERIMAKASIH**  
**adaryant@mb.ipb.ac.id**