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Universitas
Atma Jaya Yogyakarta

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Table of Contents

Cover page

Preface

- Welcome Speech from Conference Chair
- Welcome Message from Rector of ITS Surabaya
- Welcome Message from Rector of Universitas Atma Jaya Yogyakarta
- Keynote Speakers
- Industrial Engineering ITS
- Universitas Atma Jaya Yogyakarta

Committee

Conference Sponsor

List of Papers

Industrial Engineering - Decision Making

1. Annisaa Novieningtyas and Pri Hermawan. Group Model Building for Policy Making (Case Study: Beef Cattle at West Sumatra) 1
2. Pri Hermawan, Yuliati Komar and Soehartati Gondhowiardjo. A Network-based Collaborative Decision Making Model in Reducing Cervical Cancer Spread in Indonesia. 13
3. Erika Fatma. Development of Sustainable Tuna Processing Industry through System Dynamics Simulation. 20
4. I Made Ronyastra, I Ketut Gunarta and Udisubakti Ciptomulyono. A Multi Criteria Decision Analysis for Reinvestment Action Portfolio Selection Problem in an Indonesian Real Estate Company 27
5. Stefanus Eko Wiratno, Effi Latiffianti and Kevin Karmadi Wirawan. Selection of Business Funding Proposals Using Analytical Network Process: A Case Study at a Venture Capital Company 36

Industrial Engineering – Logistics

1. Farida Pulansari, Dwi Donoriyanto and Iriani. Performance Assessment Mechanism for Reverse Logistics Maturity Implementation toward Sustainable Manufacturing Systems: A Conceptual Framework 42
2. Adi Budipriyanto, Budisantoso Wirjodirdjo, Nyoman Pujawan and Saut Gurning. Berth Allocation Problem under Uncertainty: A Conceptual Model Using Collaborative Approach 51
3. Nur Ulfa Hidayatullah and Ali Musyafa. Hazop Study on Fuel Distribution System Based on Anfis Layer of Protection Analysis in Surabaya Installation Group PT Pertamina Tanjung Perak 59
4. Ardian Rizaldi, Meditya Wasesa and M Noviar Rahman. Yard Cranes Coordination Schemes for Automated Container Terminals: An Agent-Based Approach 66
5. Meditya Wasesa, M Noviar Rachman, Ardian Rizaldi and M Mashuri. Relocating Multiple-Tenants Logistics Center: Lesson Learned from an Air Cargo Terminal Relocation Project 74
6. Siti Nurminarsih, Ahmad Rusdiansyah and Nurhadi Siswanto. Inventory Ship Routing Problem (ISRP) Model Considering Port Dwelling Time Information 80
7. Sonny Sanjaya and Tomy Perdana. Logistics System Model Development on Supply Chain Management of Tomato Commodities for Structured Market 89

Industrial Engineering – Manufacturing system

1. **Wiwid Widiastih, Putu Dana Karningsih and Udisubakti Ciptomulyono.** Development of Integrated Model for Managing Risk in Lean Manufacturing Implementation: A Case Study in an Indonesian Manufacturing Company 95
2. **Joko Sulistio and Tri Astuti Rini.** A Structural Literature Review on Models and Methods Analysis of Green Supply Chain Management 103
3. **Sri Indrawati and Muhammad Ridwansyah.** Manufacturing Continuous Improvement Using Lean Six Sigma: An Iron Ores Industry Case Application 111
4. **Sri Hartini and Udisubakti Ciptomulyono.** The Relationship between Lean and Sustainable Manufacturing on Performance : literature review 117
5. **Maria Anityasari and Aulia Nadia Rachmat.** Lesson Learnt from Top-Down Medium Enterprises Selection for Green Industry Pilot Project in Surabaya 126
6. **Putu Karningsih, Dewanti Anggrahini and Muhammad Syafi'i,** Concurrent Engineering Implementation Assesment. Case Study in an Indonesia Manufacturing Company 133
7. **Nani Kurniati, Ruey-Huei Yeh and Jong-Jang Lin.** Quality Inspection and maintenance: the framework of interaction 140

Industrial Engineering – Operation management

1. **Suhendi Irawan.** The Effect of Choosing a Transportation Vendor and the Performance of Transportation Vendor on the Performance of Shipping Goods to Consumer: A Case Study of DB Schenker Freight Forwarder 147
2. **Jugkrit Mahoran, Sukanya Wonglakron, Sumalee Namachote and Naruphon Oanwimon.** Risk Management of Villagé Funds in Muang District, Suphanburi Province. 152
3. **Susanto Sudiro and Sha'ri Mohd Yusof.** Managing WIP buffer with combination of feeding materials scenario and conventional control theory of single type of hospital bed production 159
4. **Agung Sutrisno, Indra Gunawan and Stenly Tangkuman.** Modified FMEA Model for Accessing the Risk of Maintenance Waste 167
5. **Filemon Yoga Adhisatya, The Jin Ai and Dah-Chuan Gong.** Economic Lot Scheduling Problem with Two Imperfect Key Modules 173
6. **Bupe Mwanza and Charles Mbohwa.** An Assessment of the Effectiveness of Equipment Maintenance Practices in Public Hospitals. 179
7. **Bupe Mwanza and Charles Mbohwa.** Design of a Total Productive Maintenance Model for Effective Implementation: A case study of a Chemical Manufacturing Company 185
8. **Hafid Budiman.** Increasing Compressor Reliability with The Weibull Distribution Analysis 194
9. **Paulus Wisnu Anggoro and Baju Bawono.** Reverse Engineering Technology in Redesign Process Ceramics: Application for CNN Plate 199
10. **Endang Retno Wedowati, Moses Laksono Singgih and I Ketut Gunarta.** Integrated Production Planning and Scheduling for Mass Customization in Food Industry: A Conceptual Framework 205
11. **Taufik Djatna and Wenny Dwi Kurniati.** A System Analysis and Design for Packaging Design of Powder Shaped Fresheners Based on Kansei Engineering 213
12. **Taufik Djatna and Muhammad Raja Ihsan.** A Fuzzy Associative Memory Modeling for Production Equipment Status Assessment 220
13. **Taufik Djatna and Fajar Munichputranto.** An Analysis and Design of Mobile Business Intelligence System for Productivity Measurement and Evaluation in Tire Curing Production Line 225

14. Sazli Tuttur Risyahadi. Scheduling Model of Harvesting Strawberry Considering Product Decay During Storage	231
15. Chaterine Alvina Prima Hapsari, Deny Ratna Yuniartha and Ignatius Luddy Indra Purnama. Tour and Break Scheduling for Shift Operators in Hard Disk Drive Manufacturer	239
16. Jwannarakso Phen. An influence of packaging design on customer purchase intention	247
17. Dewanti Anggrahini, Putu Dana Karningsih and Martian Sulistiyono. Managing Quality Risk In A Frozen Shrimp Supply Chain (A Case Study)	251
18. Anny Maryani, Sritomo Wignjosebroto and Sri Gunani Partiwi. A System Dynamics Approach for Modeling Construction Accidents	259
19. Naning Aranti Wessiani and Satria Oktaufanus Sarwoko. Risk Analysis of Poultry Feed Production Using Fuzzy FMEA	265
20. Mohamad Faisal Mohamad Sobri, Hawa Hishamuddin, Noraida Azura Md Darom. Disruption Recovery for a Single Stage Production-Inventory System with Optimal Safety Stock	OM1

Industrial Engineering – Operation research

1. Wahyuda and Budi Santosa. Dynamic Pricing in Electricity: Research Potential in Indonesia	276
2. Chirag Sancheti, Aditya Balu and Amit Kumar Gupta. Simulation based optimization of productivity using Flexsim	283
3. Budi Santosa and I Gusti Ngurah Agung Kresna. Simulated Annealing Algorithm to Solve Single Stage Capacitated Warehouse Location Problem (Case Study : PT. Petrokimia Gresik)	289
4. Yuanita Handayati, Togar Simatupang and Tomy Perdana. Value Co-Creation in Agri-Chains Network: A Hard Agent Based Simulation	298
5. Budi Santosa and Ade Lia Safitri. Biogeography-based Optimization Algorithm for Single Machine Total Weighted Tardiness Problem	307
6. Gilang Almaghribi Sarkara Putra and Rendra Agus Triyono. Proposing a Neural Network Method for Instrumentation and Control Cost Estimation of the EPC Companies Bidding Proposal	313
7. Sattarpoom Thaiparnit, Baramee Osateerakul and Danupon Kumpanya. Algorithm Design in Leaf Surface Separation by Degree in HSV Color Model and Estimation of Leaf Area by Linear Regression	320
8. Danupon Kumpanya and Sattarpoom Thaiparnit. Parameter Identification of BLDC Motor Model via Metaheuristic Optimization Techniques	326
9. Sinta Devi, Imam Baihaqi and Erwin Widodo. Modeling Strategy of Purchasing Consortium to Optimize Total Purchasing Cost Considering the Dynamic Condition of Organizaion	332
10. Taufik Djatna and Imam Muharram Alitu. An Application of Association Rule Mining in Total Productive Maintenance Strategy: An Analysis and Modelling for Wooden Door Manufacturing Industry	340

Industrial Engineering – Product Development

1. Yosephine Suharyanti, Subagyo, Nur Aini Masruroh and Indra Bastian. The Scheme of Product Development Process as a Trigger to Product Success: A Theoretical Framework	347
2. Ishardita Pambudi Tama and Wifqi Azlia. Development of Customer Oriented Product Design Using Kansei Engineering and Kano Model (Case study of Ceramic Souvenir)	355
3. Taufik Djatna, Luh Putu Wrasiaty and Ida Bagus Dharma Yoga Santosa. Balinese Aromatherapy Product Development Based On Kansei Engineering And Customer Personality Type	362

4. **Dyah Santhi Dewi, Bambang Syairudin and Eka Nahdliyatun Nikmah.** Risk Management in New Product Development Process for Fashion Industry (Case Study : Hijab Industry) 368

Industrial Engineering – Project Management

1. **Jeyanthi Ramasamy and Sha'ri Mohd Yusof.** A Literature Review of Subsea Asset Integrity Framework for Project Execution Phase 376
2. **Baju Bawono and Paulus Wisnu Anggoro.** Utilization Of Rapid Prototyping Technology to Improve Quality Souvenir Product 384

Industrial Engineering – Supply Chain Engineering

1. **Irwan Syahrir, Suparno and Iwan Vanany.** Healthcare and Disaster Supply Chain : Literature Review and Future Research 390
2. **Yudi Fernando and Sofri Yahya.** Challenges in Implementing Renewable Energy Supply Chain in Service Economy Era 398
3. **Araya Uengpaiboonkit.** The Marketing's Factors that Effect to Consumers Decisions of Organic Rice in Surin, Thailand 404
4. **Layung Prasetyanti and Togar Simatupang.** Proposed Framework for Service-Dominant-Logic Based Supply Chain 408
5. **Taufik Djatna and Rohmah Luthfiyanti.** An Analysis and Design of Responsive Supply Chain for Pineapple Multi Products SME Based On Digital Business Ecosystem (DBE) 416
6. **Erwin Widodo.** A Model Reflecting the Impact of Producer Substitution in Dual-Channel Supply-Chain Inventory Policy 423
7. **Taufik Djatna and Hety Handayani Hidayat.** An Optimized Supply Chain Model for Determination of Distribution Center and Inventory Level in A Coconut Water Agro-Industry 430
8. **Slamet Setio Wigati and The Jin Ai.** An Integrated Production System Model for Multi Supplier Single Buyer with Non Conforming Item and Product Warranty 436
9. **Yoshua Perwira Hartono, Ririn Diar Astanti and The Jin Ai.** Enabler to Successful Implementation of Lean Supply Chain in A Book Publisher 443
10. **Sutrisno and Purnawan Adi Wicaksono.** Optimal Strategy for Multi-product Inventory System with Supplier Selection By Using Model Predictive Control 450
11. **Iwan Vanany, Anny Maryani and Bilqis Amaliah.** Blood Traceability System for Indonesian Blood Supply Chain 457

Industrial Engineering – Safety & Ergonomic

1. **Natalie Carol Skeepers and Charles Mbohwa.** A Study on the leadership behaviour, safety leadership and safety performance in the Construction industry in South Africa 464
2. **Herry Christian Palit and Debora Anne Yang Aysia.** The Effect of Pop Musical Tempo during Post Treadmill Exercise Recovery Time 470
3. **Eko Nurmiyanto, Udisubakti Ciptomulyono, Suparno and Sudiyono Kromodihardjo.** Manual Handling Problem Identification in Mining Industry : the Ergonomic Perspective 475
4. **Wiyono Sutari, Murni Dwi Astuti, Yusuf Nugroho Doyobekti and Yuvie Mutiarasari.** Analysis of Working Posture Effect on Muscular Skeleton Disorder of Operator in Stamp Scraping in Batik Stamp Industry 483
5. **Rino Andias Anugraha, Wiyono Sutari and Ilma Mufidah,** The Design of Working Desk of Batik Scraper by Using the Principles of Ergonomy 488

6. **Budi Praptono, Yusuf Nugroho Doyo Yekti, I Gede Wisuda Pura and Fransiskus Tatas Dwi Atmadji.** Prevention of Musculo Skeletal Disorders of Green Beans Farmer Through Application of Ergonomics in Order to Developing Manual Handling Equipment 496
7. **Manik Mahachandra, Yassierli and Erdo Garnaby.** The effectiveness of in-vehicle peppermint fragrance to maintain car drivers' alertness 500
8. **Yassierli, Manik Mahachandra and Ifikar Satalaksana.** Fatigue Evaluation of Fuel Truck Drivers 506
9. **Ayu Bidiawati and Eva Suryani.** Improving the Work Position of Worker's Based on Quick Exposure Check Method to Reduce the Risk of Work Related Musculoskeletal Disorders 512
10. **Bernadus Kristyanto, Brillianta Budi Nugraha, Anugrah Kusumo P and Kristanto Agung N.** Head and Neck Movement: Simulation And Kinematics Analysis 518
11. **Ronny Noriyati, Wisnu Rozaaq, Ali Musyafa and Adi Supriyanto.** Hazard & Operability Study And Determining Safety Integrity Level On Sulfur Furnace Unit : A Case Study In Fertilizer Industry 525
12. **Dyah Santhi Dewi and Tyasilia Septiana.** Workforce Scheduling Considering Physical And Mental Workload: A Case Study Of Domestic Freight Forwarding 531

Industrial Engineering – Suporting topics in Industrial EGINEERING

1. **Hatma Suryoharyo and Niken Larasati.** Sustainable Livelihood Framework As An Approach To Build Community Based Security 539
2. **Ngurah Wira, Amelia Kurniawati and Umar Yunan.** The Design of Best Practice on The Media Transfer Activities and Preservation Based on Knowledge Conversion with SECI Method 546
3. **Sri Gunani Partiw, Elly Agustiani and Anny Maryani.** Preparation for Designing Business Strategy of Bamboo Cultivation in Bondowoso 552
4. **Yosephine Suharyanti and Alva Edy Tontowi.** Market Response as a function of Design, Competition, and Socio-political Condition: An Empirical Model 558

Service Science – Service Business Design & Strategy

1. **Tri Ramadhan, Dermawan Wibisono, Reza Ashari Nasution and Santi Novani.** Design of Self Service Technology on Passenger Shipping Transportation Service System in Indonesia 566
2. **Ratna Hidayati and Santi Novani.** A Conceptual Complaint Model for Value co-Creation Process 574
3. **Mikhael Tjhi, Jann Hidajat Tjakraatmadja and Santi Novani.** Designing value co-creation process in organic food product distribution Case study in Bandung 579
4. **Nurtami Prihadi and Santi Novani.** Value Co-Creation among Stakeholders in Solo Tourism Development: Service System Science Perspective 591
5. **Arlavianyssa Pradiva Arru and Santi Novani.** Value Co-Creation in Solo Tourism by Using Soft System Dynamics Methodology 601
6. **Rizki S. Nurfitri and Mursyid H. Basri.** Developing Clinical Pathway Model in Public Hospital as Basic Component of Casemix System 609
7. **Watcharee Phetwong and Krisorn Sawangsire.** The Development of Computer Game for Historic Sites Learning in Suphanburi. 617
8. **Lidia Mayangsari and Santi Novani.** Multi-stakeholder Co-Creation Analysis in Smart City Management: An Experience from Bandung 622


Service Science – Service Delivery & Operations

1. **Imam Djati Widodo and Harwati Sutanto. AR MBA: Linkage Pattern of Visited Tourism Object** 628
2. **Liane Okdinawati, Togar M. Simatupang and Yos Sunitiyoso. Value Co-creation Map in Collaborative Transportation** 635
3. **Americo Azevedo and Maratus Sholihah. Innovative Costing System Framework in Industrial Product-Service System Environment** 642
4. **Iwan Vanany, Udisubakti Ciptomulyono, Muhammad Khoiri, Dody Hartanto and Putri Nur Imani. Willingness to Pay for Surabaya Mass Rapid Transit (SMART) Options** 649

Service Science – Service Quality

1. **Agus Mansur and Rizky Destiana Hapsari. Analysis of the Public Transportation Service Quality on Trans Jogja Transportation** 658
2. **Zya Labiba and Mulih Wijaya. Improvement Quality of Industrial Training Center Through Service Quality Based on Participation Perspective** 663

Service Science – Supporting topics in service science

- 
1. **Gembong Baskoro. The concept of balancing Higher Education Institution (HEI) organization towards global and regional challenges** 670
 2. **Samhuri Ikbal Pradana, Amelia Kurniawati and Nia Ambarsari. Knowledge Management System Implementation Readiness Measurement in PDII LIPI Based On People and Organizational Structure Factors** 674

The concept of balancing Higher Education Institution (HEI) organization towards global and regional challenges

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ABSTRACT

Private Higher Education Institutions (HEI) in Indonesia was struggling to attain and or maintain excellence in their “trilogy/ Tri Dharma” of Indonesia’s education not only to improve their competitiveness but also to prepare for broadening regional/international competition among HEIs. To achieve the objective, HEI set their Policy, strategy, and programs towards achievement of excellence in the trilogy. However effort on this mission must also align with bottom line aspect for HEI survival by means of “number of enrollment”. Therefore, HEI is now in needs to improve their quality of human resources especially under fierce of competition during ASEAN Economic Community (AEC) era. In order to be competitive, human resources of HEI must acquire factors of competitiveness both hard and soft skill. Furthermore, HEI needs to operate in effective and efficient manner so that they can easily adapt to external changes. For this reasons, this paper propose a concept to balance HEI organization to achieve the objective of being competitive, efficient, and effective to cope with global and regional challenges.

Keywords: *Balancing HEI organization, HEI competitiveness, Organization Innovation*

1. Introduction

Higher Education Institution (HEI) is now faces a fierce competition due to existence of high number of HEI in Indonesia. Recent report from web of Indonesia Directorate of Higher Education Institution (DGHE) shows that total number of HEI in Indonesia is 3,121 consist of public HEI 121 and private HEI 3,000. This number implies that HEI in Indonesia struggle, in a competition, not only to survive but also to maintain its sustainability. Due to very high competition and survival ability, no wonder that some HEIs has gone beyond intolerable practice of management that lead to unlawful act. Recently, Indonesia ministry of research and education has reported several universities performed misconduct in its operation by means of granting “fake” diploma. The diploma was granted to student without fulfilling standard university operation set by law. Due to this unlawful practice, the minister of education and research has reported the case to the police (detik news 26/05/2015).

Furthermore, pressure of competition in Indonesia HEI will become tougher as regional challenge of ASEAN Economic Community (AEC) will be officially commenced by early next year. In this new playground, HEIs are expected to perform more international orientation with high quality of graduate. While in contrast, HEIs must also operate in cost effective manner especially if their financial purely come from student. These pressures have created an imbalance between pursuing excellence in “trilogy”, is also called as “tri-dharma” i.e. teaching, research, and (community) services, as a main objective of HEI and the business aspects. The focus, not surprisingly, have shifted to business aspect instead of focusing on excellence in the trilogy.

DGHE as the government representation has pushed HEIs towards fulfilment and compliance to government regulations in order to achieve competitive Indonesia HEIs. However, due to “academic and business pressures”, it is not surprisingly that several HEIs have simply shifted their mission into a commercialization of education. The commercialization of education may not be explicitly seen as most HEIs covered the commercialization in a smart negative way. However, commercialization can be identified via indicator of ratio of lecturer vs student as well as number of permanent lecturers. Therefore, DGHE have issued circular letters that warn and even will suspend license of study program and even university if DGHE found that they break the rule. It was regulated that the ratio should be 1:30 for exact science and 1:45 for non-exact science (Circular letter no. 1915/E.E2.3/KL/2015) as well

The concept of balancing Higher Education Institution (HEI) organization towards global and regional challenges

as minimum of 6 lecturers with minimum Master qualification for bachelor program and minimum Doctorate qualification for master program (Circular letter no. 4798/E.E2.3/KL/2015).

Considering the issues, therefore this paper elaborates to propose a concept of balancing HEI organization.

2. Objective of HEI

2.1. Indonesia Higher Education System

Higher education in Indonesia was regulated under the act of Indonesia higher education no. 12 year of 2012. Therefore, the operational of higher education institution must refer and obey to this act. However, in practice, compliance to this act is not easy for HEI. Many HEIs struggle to comply with the act under the (basic) condition of survival ability. In worst case situation, no wonder some HEIs focused primarily the objective on how to survive the operation. Consequently compliance to the act of higher education was only the second or even third priority. In extreme situation, HEI can even trap into a “trading” of diploma for a short cut to obtain “profit” in very short time like what has happened recently. Commercialization of (higher) education has gone too far and crashed the norm and integrity. This situation implies that the balancing between academic and business role in HEI has become a serious issue. No wonder HEI that cannot balance the role can be trapped into an extreme unethical commercialization. So what cause this situation to happen?, and what is the root cause?. The law i.e. act of higher education has been established and it was clearly regulated broad aspects of higher education under the principle in which HEI was a “not for profit” organization. One root cause may lay on the readiness of the university board to establish a university without having complete and thorough support for being a survived university. However it happened before due may to weakness on law enforcement especially for HEI.

2.2. Academic role of HEI

According to Act of HEI that main academic obligation/role of HEI is called “Tridharma PT” which is 1) teaching, 2) research, and 3) (community) services. Therefore, academic role of HEI is a “Tridharma PT” in which any HEI under the jurisdiction of Indonesia must comply to the act of HEI and obliged to perform the Tridharma in its operation. So far, the focus of academic role of the Tridharma and its portion was at minimum to comply with act of HEI. Furthermore, it is clear that focus of each HEI in developing the university (management) differ one and another. Some university still focus on the traditional “teaching” orientation, some other already move toward “research” orientation, and some small portion of excellent HEI already focus on “entrepreneurial” orientation, what next?. Focus of the university reflected the role stressed by university e.g. teaching university will stress the operation more on teaching (quality and quantity), research university will stress on research orientation (number of research, research grant, publication, etc.), while entrepreneurial university will stress on commercialization teaching, knowledge, research, and other academic work towards a “tangible/non-tangible” return. The chosen university orientation determines the operational focus, character, culture, and leadership of the university.

2.2. Business role of HEI

In the view of business where university is a “not for profit” organization indicated that university shall be able to self-sustained its operation by means of using its resources in university optimal. Consequently, if self-sustained is the objective of study programs then university leaders must find ways to finance the university themselves. Furthermore, HEI should also take the role in assisting nation economic development as well as to community welfare. This role will ensure HEI as an engine of growth towards nation competitiveness. Considering the importance role of HEI to foster competitiveness of a nation therefore it is important that HEI have strength in its financial situation by means of the ability to generate funding outside traditional source of funding i.e. from student enrollment. On the other hand, HEIs must not rely merely on its financial support from student rather they should find ways to create funding that not depends too much on student enrollment. The type of funding may come from a. (Private) donor, b. Fundraising, c. Endowment, d. Alumni, e. Government, f. Research and consultation, g. Academic projects, h.(Student) Corporation, i. Renting facilities, j. Other revenues, and k. Student enrollment fee (as the last sources of funding). It is clear, that HEIs that rely only on student enrollment fee as their sources of operation expense will soon facing problem as the organization grow. In short, business role of HEIs mean that the ability of a HEI to define concept and strategy towards generating revenue outside student enrollment fee. It is, in practice may not easy especially if the leadership and management of a HEI has less experience in managing University and limited connection to the ABGM (Academic-Business-Government-Military) link.

3. New role of HEI

The traditional role of Indonesia HEI was called “Tridharma” which consist of 1) teaching, 2) research, and 3) community services. In addition to the traditional role of HEI, there is possibility for HEIs to expand their role towards involvement in boosting nation competitiveness related to the strength of any HEI. Furthermore HEIs has further role as indicated in nation constitution and an ultimate role to build and shape nation civilization. To further expand from traditional role into additional role, logically HEI requires excellences in (some of) the traditional role.

3.1. As is situation (teaching university)

The as-is situation of HEI mainly focus on teaching activities to students. The load of teaching activities in some HEI has become overloaded where ratio between students and lecturer become unacceptable. Regulation by Directorate General Higher Education (DGHE) has set that the ratio between student and lecturer for exact science study program must not exceed the ratio of 1:30 for exact science programs and 1:45 for non-exact science programs. Therefore, Consequently HEI that cannot fulfill the requirement will face administrative sanction (Circular letter no. 1915/E.E2.3/KL/2015). Practice of private HEI indicated that due to the high demand for studying in higher education, some HEIs have operated the teaching with unacceptable ratio. This situation indicated that in majority Indonesia HEIs performed more in teaching role compare to research and community service.

3.2. Research University

A research university revealed that besides teaching role, a university expands more to a research role. Activities in a research university have gone beyond its traditional role of teaching only. University actively search, organize, and perform research for advancement of knowledge, dissemination through publication, or to find answer and or solution of the unknown or industrial problem. Therefore, a research university has to maintain a good relationship with industries and or government to attain and maintain further research. Advanced (applied) research universities can shape future technology from their proactive novel research. Indicator of a research university can be seen from its publications, Intellectual Property Rights (IPR), patents, research grant, research cooperation, etc. Furthermore, output of the research can be commercialized and turn into financial benefit.

3.3. Entrepreneurial University

Entrepreneurial university is nowadays become a well-known to universities in the world. Not surprisingly that many universities proclaim themselves to become an entrepreneurial university. The question is “What is an entrepreneurial university anyway?”, and “why this become so prominent for universities?”. A university in Indonesia by default must perform the Tridharma and therefore additional role in addition to the traditional Tridharma is an accomplishment by the university. There are many definition of entrepreneurial university and there is no definition that fits to all. The purpose of entrepreneurial university is to maximize all potential of university resources and knowhow for a commercialization without endangered the traditional university role of Tridharma. The summarized characteristic of entrepreneurial university are among others a) university environment that encourage entrepreneurial behaviors, thinking, and culture, b) A cross functional and multidisciplinary approach c) strong initiative and support from university leadership, d) idea and effort to capitalize resources and knowhow, e) Strong relationship with industry and government, f) strong adaptation of external change to internal structures [6], [2].

To enable transformation of traditional university into an entrepreneurial university therefore several adaptation to external factors must be made. The guiding framework toward transition to entrepreneurial university covers a) leadership and governance, b) organization capacity, people, and incentives, c) entrepreneurship development in teaching and learning, d) pathway for entrepreneurs, e) university-business/external relationship for knowledge exchange, f) the entrepreneurial university as an international institution, g) measuring the impact of the entrepreneurial university (OECD, 2012)

4. Discussion

Considering the needs of HEIs to be excellence in the traditional role of Tridharma, flexibility of adaptation to external changes, taking part to support nation competitiveness, as well as to maximize potentials for possible commercialization of resources and know-how therefore HEIs should be able to balance their organization. Balancing the organization covers both the roles play by HEIs and focus of the university. In general, a university can be classified into a) Teaching

University, b) Research University, or c) Entrepreneurial University. The focus of a university is very much depends on its vision, policy, and leadership direction after fully consideration of internal strengths and weaknesses. Each type of university has its own advantages and drawbacks that depend on external and internal factors of change.

This paper suggests that in order to balance the HEIs organization, the consideration of internal and external factors must be fully defined. A university can strive to its excellence if the uniqueness fits with internal capabilities and external demands. The possible fit for balancing HEI organization can be defined clearly by the criteria on each area of teaching, research, and entrepreneurial university as well as intersection in between (see **Figure 1**)

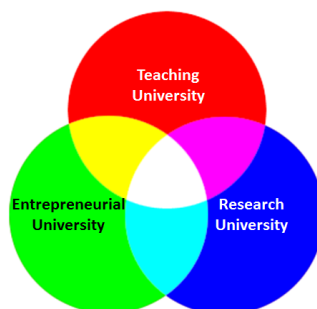


Figure 1. Cluster of a University

This paper also consider that in order to maximize the potential, university can adopt the triple helix concept i.e. partnership between university, government, and private sector. With the partnership, a university can open rooms for cooperation both for the traditional role of a university i.e. Tridharma and additional roles such as development of nation competitiveness as well as other societal needs. Especially for the coming AEC toward regional common market that enable free flow of workforce, goods, service, capital, and investment. Therefore, role of a HEI become central to develop competitive human capital as well as other opportunities to commercialize university resources and know-how.

For maximizing the potential, it is also the time for the well prepared universities to move into entrepreneurial university and further to become “international innovative entrepreneurial university” where university opens the door for international students especially from ASEAN countries to pursue higher education in Indonesia. This indicates that university must be international minded in its operation as well as excellence in the Tridharma roles.

As indicated earlier that the major drawbacks of HEIs were on the number of lecturers that meet DGHE requirements, in fact to become entrepreneurial university with international minded therefore HEIs must develop highly qualified lecturers. Quality of lecturer is extremely important for HEIs to become competitive in regional and international competition nowadays especially to attract foreign students. Furthermore, it is also important that lecturers must have professional experience prior to be a tenure lecturer so that they can bridge gab between theoretical and practical.

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