## INSTITUTIONAL IMPROVEMENT OF AN INDONESIAN ISLAMIC HIGHER EDUCATION

# The "Blue Ocean Strategy" of the State Islamic Institute of Tulungagung

#### Chusnul Chotimah

IAIN Tulungagung, Indonesia chusnultata@gmail.com

#### Abstract

Scholarly discussions on institutional development could be divided into two categories; "Blue Ocean Strategy" and "Red Zone Strategy" approaches. Blue Ocean Strategy is characterised by creating new innovation and market without locating institution to compete with other institution. Meanwhile, Red Zone Strategy emphasizes on initiating a different innovation in order to contest in the marketplace. This article examines the transformation of IAIN Tulungagung from STAIN to IAIN in 2013. This article employs qualitative approach and demonstrates that IAIN Tulungagung has created a creative innovation such as initiating Edu-fair event to attract new students, bulding a new brand, establishing the advance program to promote its institution, and developing the human capital. This strategy indicates that IAIN Tulungagung applies Blue Ocean Strategy in developing its institution such as Decrease-Delete-Create-Increase becomes Passive-Save-Create-Increase.

[Pengembangan kelembagaan bisa dilakukan melalui berbagai strategi, salah satunya adalah penciptaan terobosan baru yang dikenal dengan istilah blue ocean. Blue Ocean Strategy merupakan cara untuk mengembangkan lembaga tanpa harus bergelut di zona ketat persaingan dengan lembaga lain. Berbeda dengan Red Ocean Strategy, Blue Ocean mensyaratkan lahirnya ruang pasar baru atau inovasi yang berbeda dengan yang sudah ada. Sehingga strategi

ini lebih menekankan bagaimana sebuah organisasi atau lembaga untuk tidak memenangkan persaingan dengan cara melakukan strategi vis á vis dengan kompetitor atau pesaing. Artikel ini mengkaji tentang pengembangan kelembagaan LAIN Tulungagung melalui penciptaan terobosan-terobosan baru yang terangkum dalam strategi blue ocean, mulai sejak alih status dari STAIN ke IAIN pada tahun 2013. Dengan menggunakan pendekatan kualitatif, artikel ini berfokus pada strategi pengembangan kelembagaan IAIN Tulungagung melalui berbagai terobosan baru: Penciptaan Value Innovation, Rekruitmen Intensif Mahasiswa melalui Edufair yang out of box, Penciptaan Branding, Penyelenggaraan Program Unggulan, Penyelenggaraan Promosi Lembaga, dan Peningkatan Sumber Daya Manusia. Kesemua terobosan baru tersebut merupakan strategi blue ocean yang dijalankan IAIN Tulungagung dengan mengacu pada skema kerja empat langkah yang berbeda dengan lembaga profit, yaitu dari Kurangi-Hapuskan-Ciptakan-Tingkatkan menjadi Pasifkan-Amankan-Ciptakan-Tingkatkan.

**Keyword:** Institutional Improvement, Higher Education, Blue Ocean

#### Introduction

Recently Islamic Universities under the Ministry of Religious Affairs administration in Indonesia are recognized equal with other universities under the Ministry of Higher Education. Since 2014, the Indonesian President Joko Widodo has merged the Ministry of Research and Technology with Higher Education, then named as the Ministry of Research, Technology and Higher Education. Consequently, Islamic universities have a privilege to set up and develop non-Islamic faculties in their universities.

In addition, the new regulation has also significantly facilitated a rapid transformation of higher educational institutions under the Ministry of Religious Affairs from college to institute and then university. In order to differentiate their distinctive feature with non-Islamic universities, however, they create an epistemological approach to bridge Islamic

studies with social and natural sciences. One of the significant initiative promoted by former Rector of State Islamic University Sunan Kalijaga, Amin Abdullah called as 'integration and interconnection' of Islamic knowledge with natural and social sciences.

One of Islamic higher educational institutions which changes its status from College to Institute is The State Islamic Institute/IAIN Tulungagung which is previously known as the State Islamic College/STAIN Tulungagung. The transformation from the college to the the institute took a place in December 2013 based on the Presidential Regulation Number 50 on August 6, 2013. Afterwards, IAIN Tulungagung firstly develops some new faculties including Faculty of Sharia and Islamic Law (FASIH), Faculty of *Tarbiyah* and Teaching Training (FTIK), Faculty of *Ushuluddin Adab* and *Da'wah* (FUAD), and Faculty of Islamic Economics and Business (FEBI).

Secondly, the transformation of IAIN Tulungagung followed by the increasing number of students. Initially they were only three thousand students in 2014 and then the number develops significantly in 2018 around fifteen thousand six hundred and sixty-three students. Moreover, IAIN Tulungagung has improved the quality of learning by obtaining **B** point for institutional accreditation degree and **A** point for the department degree indicated by the increasing number of lecturer with PhD, tenured lecturers, improving the quality of research, and community service. Finally, it builds a new brand namely *Kampus Dakmah dan Peradaban* (proselytization and civilization campus) In addition, the distinctive tagline of "santri kuliah" attracts Southern *Mataraman* community of Muslim.

The four evidences mentioned above indicate that IAIN Tulungagung experiences a substantial development. These evidences demonstrate that IAIN Tulungagung employs Blue Ocean Strategy<sup>1</sup> to develop its institution by opening new opportunities and building

<sup>&</sup>lt;sup>1</sup> W. Chan Kim & Renée Mauborgne, "Blue Ocean Strategy", *Harvard Business Review* (Boston: Harvard Business Scholl Publishing Corporation, 2004), p. 2.

new market shares without emphasizing on competing with existing institutions.

This article examines the strategy IAIN Tulungagung to improve the quality of institutions by using the Blue Ocean Strategy in analysing the recruitment process of new students at IAIN Tulungagung, its efforts to build up a branding and its strategi to maintain stakeholders. This research drawn its data from qualitative method. <sup>2</sup>

### **Institutional Development**

The fundamental purpose of strategic planning in higher education is to provide an examination process and a continuously evaluation of its strengths, weaknesses, objectives, resources and future prospects to establish a coherent plan which responds to innovation and development of the institution. The strategic planning at the university nowadays is more important than previous decade. A rapid transformation of communication and information technology, financial flows, human resources, and rapid changes of environmental aspects where higher education operated, requires an appropriate strategic plan.<sup>3</sup>

A university college makes some strategic plan for various reasons. Some of them are starting from the education management council provides mandate to make a strategic plan in order to solve problems and improve the performances of campus. The strategic plan becomes urgent as Rowley argues that strategic plan is the best approach to achieve a successful organization in the future and also to prepare the organization to confront the threats and the external opportunities of

<sup>&</sup>lt;sup>2</sup> Denzin N. and Lincoln Y. (eds.), *Handbook of Qualitative Research* (London: Sage Publication Inc., 2000), p. 3; K. Hammarberg, M. Kirkman, & S. de Lacey, "Qualitative Research Methods: When to Use Them and How to Judge Them," *Human Reproduction*, Vol. 31, No. 3, 2016, pp. 499.

<sup>&</sup>lt;sup>3</sup> Fred M. Hayward and Daniel J. Ncayiyana, *A Guide to Strategic Planning for African Higher Education Institutions* (South Africa: Centre for Higher Education Transformation, 2003), p. 3.

the organization requiring a response in the future.<sup>4</sup>

The standardized elements of strategic objectives of the Indonesian university colleges can be seen from three points as follows: first, the national standards for Higher Education; the graduate of competencies, the quality of learning, the learning process, the assessment of learning, the lecturers, the learning facilities and the infrastructures, the management of learning and financing of learning. Second, the national standard of research quality; research results, research contents, the research processes, the research assessments, the researchers, the research facilities and infrastructures, the research funding and management. Third, the national standard of community service such as; the results of community service, the content of community service, the community service assessment, the implementer of community service, the facilities and infrastructures for community service, the community service in funding and financing.<sup>5</sup>

## The Blue Ocean Strategy

A strategy is direction and scope of an organization in the long term period to achieve goals in the changing environment through the configuration of competencies and resources to reach the target of stakeholders.<sup>6</sup> According to Hunger and Wheelen, strategy is understood as a comprehensive plan of a corporation to achieve its own mission and goal. This plan maximizes the advantages of opportunities and minimizes the risk of competitiveness.<sup>7</sup> It refers to a corporate and business level

<sup>&</sup>lt;sup>4</sup> D. J. Rowley and H. Sherman, "Implementing the Strategic Planning for High Education," *Summer*, 2002, p. 5-14.

<sup>&</sup>lt;sup>5</sup> The regulation of research ministry, Technology and high education of Republic Indonesia No. 44 about National standardized for high education. 2015.

<sup>&</sup>lt;sup>6</sup> G. Johnson, K. Scholes and R. Whittington, Exploring Corporate Strategy, 8<sup>th ed.</sup> (Essex: Pearson Education Limited, 2008), p. 3.

<sup>&</sup>lt;sup>7</sup> J. David Hunger dan Thomas L. Wheelen, *Manajemen Strategis* (Yogyakarta: Andi, 2003), p. 16.

strategy.<sup>8</sup> In addition, the more complete level is corporate, business, and functional level strategy.<sup>9</sup>

Furthermore, Blue Ocean Strategy is also a strategy to create new marketplace instead of competing in the existing market. This strategy more emphasizes on how organization or institution does not pay its attention to implement a vis- à- vis strategy with the competitors but put its efforts to create new market niche. In my case study, the concept of corporation here refers to an educational organization. In the educational management, a leader has to see an appropriate opportunity to open new study programs or department which have not been opened by other education institutions. Blue Ocean Strategy highlights "don't compete in the same market, but open up new markets and make competitors be irrelevant because of the markets we create have totally new rules." The process of arranging the strategies in an organization are carried out in the following stages: first, environmental scanning (external and internal); second, the formulation of strategies (strategic planning); third, the implementation of strategy, and *fourth* the evaluation and control.<sup>10</sup> Accordingly, the process of management strategy includes the following steps: first, identifying the resources, namely learning the advantages and disadvantages compared to the competitors; second, establishing the capabilities; third, determining the potential resources and the capability of the organization; fourth, finding the interesting industry; fifth, choosing the best strategy of the corporation by utilizing the external opportunity resource and capability.11

The Blue Ocean Strategy (BOS) is the acronym of Red Ocean Strategy. Implementing BOS requires a genius, creativity and intelligence in seeing market niche. Many businessmen who lack of calculations and

<sup>&</sup>lt;sup>8</sup> R. W. Griffin & R. J. Ebert, *Bisnis* (Jakarta: Erlangga, 2006), p. 147

<sup>&</sup>lt;sup>9</sup> Ismail Solihin, *Manajemen Strategik* (Jakarta: Erlangga, 2012), p. 10.

<sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup> R. D Ireland, R.E Hoskisson & M.A. Hitt, The Management Strategy: Concepts and Cases. <sup>9th</sup> edition (Canada: South-Western Cengage Learning International Edition, 2011), p. 39-40.

sufficient financial support finally discontinue in unfinished goal. The rapid change of society because of globalization has made the Blue Ocean strategy as an important strategy because it will be duplicated by others, even the competitors. In other words, it makes Blue Ocean became a Red Ocean strategy.

Kim and Mauborghne in Tavallae<sup>12</sup> argue that there are nine remarkable points indicate the strength of Blue Ocean Strategy, First, Blue Ocean Strategy is a blend of 150 strategies which have been carried out by more than 30 industries for 100 years (1880 -2000); second, Blue Ocean Strategy is an effort to create a uniqueness with low cost simultaneously; third, instead of competing with the existing industries, Blue Ocean Strategy focuses on creating a new market niche; *fourth*, it offers a set of methodologies and tools to create new market spaces; fifth, Blue Ocean Strategy offers methodologies and systematic process which is renewable in creating innovations from existing companies and new companies; sixth, the framework and tools used in the Blue Ocean Strategy include: a four-step framework, a create-reduce-level-create schemes, a canvas strategy, a value curve, a pioneer-migrator-settler (PMS) map; seventh, the framework and tools are visually designed which is not only to create an effective company policy formulations, but also to execute effectively through easy communication; eighth, the Blue Ocean Strategy covers the formulating strategies and executing strategies; ninth, there are 3 key of concepts in building the Blue Ocean Strategy: the value of innovation, the adoption in tiping point of leadership and a fair process. Generally, the distinction between Blue Ocean and Red Ocean can be seen in the table below:13

<sup>&</sup>lt;sup>12</sup> R. Tavallaee, "The Blue Ocean Strategy as Revolutionary in the Field of Strategic Management, *Police Journal of Human Development*, 2010, pp. 55-77.

<sup>&</sup>lt;sup>13</sup> W. Chan Kim & Renée Mauborgne, Blue Ocean Strategy: Menciptakan Ruang Pasar Tanpa Pesaing dan Menjadikan Persaingan Tidak Lagi Relevan (Jakarta: Noura Books, 2016), p. 20.

RED OCEAN	BLUE OCEAN
Competing with the existing market	Creating new market niche
space	
Winning the competition	Being irrelevant competition.
Exploiting the market request-ever	Creating and catching new opportunities
Choosing between the fund-value (value-cost trade-off)	Smashing of cost-value changed
Collaborating all the corporation activities system with the strategic	Collaborating all of the corporation system to overtake the differentiation with cost-off
selection between different cost-off	(low budget)
(low budget)	

Table 1: Red and Blue Ocean in Comparison

Kim and Mauborgne's explanation on the distinction between Red and Blue Ocean can be summarized as it suggests to create a new market opportunity rather than competing in the same field. A meticulous Blue Ocean Strategy has been carried out by educational institutions including universities. Every university has its own strategy to strengthen institution which is not always the same as other institutions. The first step to implement Blue Ocean Strategy in higher education level is to conduct an environmental analysis. It intends to analyse strength and weakness or called as internal environment as well as opportunities and challenges of the institution named as external environment. In short, the Blue Ocean Strategy is developed as the foundation of university in achieving its vision, mission and purpose in developing learning activities, research, and community service to create competent graduates in entering labor market.

## Institutionalisation of the Blue Ocean Strategy

In this section, I would like to introduce some important elements of the blue ocean strategy that have been implemented by the State Islamic Institute of Tulunggung. These elements include cultural aspect of innovation, intitutional strategy in students' recruitment, excellent programs, promotion and branding, and human resource development.

## Culture of Innovation: Values-Oriented Approach

Institutional development requires its own strategy to achieve the main target. It includes developing some values as a starting point of person or group in developing an institution, determining its actions, taking policy steps and implementing them based on the vision and mission of the institution.<sup>14</sup> In relation to IAIN Tulungagung, it has created a new brand to resonate and promote its institution namely *Kampus Dakwah dan Peradaban* (Proselytization and civilization campus). This brand is being internalized by academic community of IAIN Tulungagung through policies and activities. It could be said that this innovative value is the new breakthrough of IAIN Tulungagung since there is no other Islamic institutions use the similar label.

According to Robbins "the values become an important thing to be built as a foundation to understand the attitude, motivation and the effectiveness of individual perception and group in the organization. An individual will understand about whether the conceptualized ideas are free of value or not, "should" or "not supposed to." The brand of *Kampus Dakwah dan Peradaban* is constructed as an inherent value for all the academic community at IAIN Tulungagung. It inspires idea about what is considered as important for academics in IAIN Tulungagung to carry out their activities. In line with Robin, Mulyana mentions that the value is a conception which influences the way of choices, goals and

<sup>&</sup>lt;sup>14</sup> Chusnul Chotimah, "Inovasi Kelembagaan Pondok Pesantren Melalui Transformasi Nilai: Studi Kasus di Pondok Pesantren Amanatul Ummah Pacet Mojokerto," *Jurnal At-Turats*, Vol. 13 No. 1. 2019.

<sup>&</sup>lt;sup>15</sup> S.P. Robbins, Organizational Behavior (New Jersey: Prentice Hall, Inc, 1991), p. 158.

<sup>&</sup>lt;sup>16</sup> Madyo Ekosusilo, Hasil Penelitian Kualitatif Sekolah Unggul Berbasis Nilai: Studi Multi Kasus di SMAN 1, SMA Regina Pacis, dan SMA al-Islam 01 Surakarta (Sukoharjo: UNIVET Bantara Press, 2003), p. 22.

the final goal of the actions.<sup>17</sup> As a result, the brand has constructed an organizational values and embedded in individual and organizational behavior.

#### Students' recruitment

The strategy to develop an institution does not take a merely single strategy but it employs various strategies. One of the strategies is to make an innovative model of recruiting student such as offering a variety of departments and opening new faculties. This initiative has facilitated a widely opportunity to attract new students. Moreover, a broad range of modules offered by IAIN Tulungagung, in turn it transforms IAIN Tulungagung to become a university. If previously, IAIN Tulungagung has only a dozen of modules, recently it has more than 45 courses. Consequently, the number of students has increased significantly. When it was a university college (STAIN) with a limited department, the number of students who enrolled to university college was about 1000 to 1,500 students. After it transforms to IAIN the number has increased sharply about 4,500 to 5,000 students.

One of the significant elements to realize a successful Blue Ocean Strategy is an innovative leader who pays its fully attention to develop his/her institution including to foster student enrollment. According to Dunnette and Hough the recruitment theory consists of three things, namely process, independent and dependent variables. These variables interconnect and affect to the recruitment process. Process variable is a mechanism which determines the results of various recruitment methods. Independent variable is a general description of the practice of recruitment. Meanwhile, dependent variable is the result of the recruitment process.

Independent variable in the recruitment new university students' is a legal basis or a set of regulations that form the basis of recruitment, standard operating procedures, decisions considered as the part of new

<sup>&</sup>lt;sup>17</sup> *Ibid*.

student recruitment. The last variable which affects the recruitment process is the dependent variables in which cases are the interest and commitment of prospective students to attend the learning process.<sup>18</sup> Based on this theory, the process of admitting new students must reflect that the process is fair, transparent and non-discriminatory without distinguishing gender, social status or financial ability level from the student selves.

### Excellent Programs

The continuation of institutional development strategy is to make a new innovation by presenting excellent programs which demonstrate characteristic of IAIN Tulungagung including developing some research institutions and centers in IAIN Tulungagung in order to make an animated academic milieu such as establishment of Institute for Javanese Islamic Research (IJIR), Literacy Study and Development Center (PSPL), Center for Economics and Policy Studies (CEPS), Center of *Fiqh Nusantara* (C-FINUS), Legal Aid Post (Pusbakum), Islamic Boarding School Study Center, and Center for Legal Studies and Regional Autonomy (PUSKOD). By establishing research centers, IAIN Tulungagung intends to accelerate its institution as knowledge production and to create research networks with stakeholders.

The program mentioned above has significantly branded IAIN Tulungagung as the center of excellence in education and research by showing its uniqueness and differentiation.<sup>19</sup> In addition, it also enhances the quality and capacity of the lecturers. In short, this example demonstrates Blue Ocean Strategy which emphasizes on distinctiveness rather than commonness.<sup>20</sup>

<sup>&</sup>lt;sup>18</sup> M.D. Dunnette & L.M. Hough (eds.), *Handbook of Industrial and Organizational Psychology*, Vol. 2. (Mumbai: Jaico Publishing House, 1998), p. 401.

<sup>&</sup>lt;sup>19</sup> R. Tavallaee, "The Blue Ocean Strategy..., pp. 55-77.

<sup>&</sup>lt;sup>20</sup> W. Chan Kim & Renee Mauborgne, "Blue Ocean Strategy..., p. 18.

#### Promotion and Branding

One of key strategies to introduce the institution to public is through promotion and publicity. Promotion can employ various ways from direct promotion or personal selling<sup>21</sup> with word of mouth<sup>22</sup> or indirect advancement using social media. IAIN Tulungagung have used direct and indirect ways to socialize its institution to public including Edu-fair event. Edu-fair is carried out through active and intensive participation of stakeholders to sounding IAIN Tulungagung reaching across districts, cities and even provinces.

In order to achieve its goal, IAIN Tulungagung designs Edu-fair program to target new potential students as many as students as possible. Even though the first step is projected to target a number of potential students, then it has to focus on the quality aspect. The institutional promotion also involves the community of academics within the campus by inviting wider audiences outside the campus community. Audiences are allowed to visit and get to know IAIN Tulungagung's vision and mission through its programs. Some of its related events include "community market" (Pasar Rakyat), ritual exercises (*Tirakatan Malam*), *Gerebek Bhinneka* and *ketoprak* a traditional performance art..

A communal market (*Pasar rakyat*) is held after new students enrollment and it is opened for public for a week. This event has become a bridge between the campus and community. This strategy is the follow-up of personal selling, namely Cooper selling, according to Kotler that there are several steps must be done: selecting and sorting prospects

<sup>&</sup>lt;sup>21</sup> Personal selling is the interaction between individuals, face to face with the aim of creating, improving, mastering, or maintaining relationships that are mutually beneficial to others. Basu Swastha, *Manajemen Pemasaran* (Jakarta: Publisher Liberty, 2002), p. 260; Fandi Tjiptono, *Manajemen Jasa* (Yogyakarta: Andi Offset, 2000), p. 224. *Personal selling* is direct communication (face to face) between the seller and prospective customers to introduce a product prospective customer and make them understand about the product so, they will try to buy it.

Word of mouth (WOM) is an oral communication by mouth from a person to another about the product. Tatik Suryani, *Perilaku Konsumen di Era Internet Implikasinya pada Strategi Pemasaran* (Yogyakarta: Graha Ilmu, 2013), p.169.

(*public market*), approaching, making presentations and demos, accepting the objections from consumers in this case of input from the wider community, close the sale, which is to end the promotional activity and limiting it within a certain period of time. <sup>23</sup> This strategy is intended to attract the public by using a local culture-based approach and this is as an intangible promotion.

## Human Resources Development

The other innovations created by IAIN Tulungagun is developing the quality of its human resources. One of human resource programs focuses on students called as Madin (*Madrasah Diniyah*). This program involves *pesantren* alumni, lecturers and staffs. The program focuses on student mentoring to attend competitions national-international scale, community service programs through KKN (Community Development Participation); National-KKN (Community Development Participation) which is carried out across districts and provinces; and Nusantara-KKN (Community Development Participation). The aims of this program is to make a good environment for students to have an excellent achievement in academic as well as non-academic purposes.<sup>24</sup> For example, the achievement of the IAIN Tulungagung volley ball team in championship among the PTKI has in turn built a strong public image of IAIN Tulungagung as best destination for study.

IAIN Tulungagung also provides several awards and scholarships for local community of Ploso Kandang Village, orphanage scholarships, non-academic achievement scholarships for *hafiz*, academic achievement scholarships, and work scholarships. Moreover, IAIN Tulungagung also offers scholarships for its lecturers and staffs to pursue study in higher

<sup>&</sup>lt;sup>23</sup> Philip Kotler & Gary Amstrong, *Prinsip-Prinsip Pemasaran*, trans. Damos Sihombing (Jakarta: Erlangga, 2001), p. 224.

<sup>&</sup>lt;sup>24</sup> *Image* is a number of beliefs, perceptions, and impressions of the society in organization. *Image* is identical to the image that represents organizational values in the eyes of public. Positive image is in the minds of the community is the organization's good image. Philip Kotler, *Manajemen Pemasaran Analisis, Perencanaan dan Pengendalian* (Jakarta: Erlangga, 2005), p. 46.

degree and to enhance their capacity through trainings and workshops.

In the framework of Blue Ocean Strategy, IAIN Tulungagung also uses bussiness model namely creating progressive innovation which have not used by its competitors. According to Kim rapid technological advancements have substantially increased industrial productivity. When the number of competitors increase and the supply exceeds demand, the monopoly of the market has faded. As a result, the commoditization of products and services are getting faster and the price has become unstable. The only way to win the competition is to create a progressive innovation and market niche. According to Kim & Mauborgne as cited by Hermanto, blue ocean strategy focuses on growing demand and moving away from competition by creating a value and uniqueness that is not just unique, but also a more profitable market share.<sup>25</sup>

As mentioned above there are two areas in the business world: Red Ocean and Blue Ocean. Red Ocean is the picture of current business competition and a well-known market space, consumers and customers. While the blue ocean is focusing on creating a new market space. In this Red Ocean Strategy, industry boundaries have been defined and accepted by business people. In this case, the company tries to defeat their opponents in order to get demand from a larger market shared. In contrast, Blue Ocean Strategy explores market space, demand creation, and opportunities.<sup>26</sup>

The progressive innovation if analyzed in the four-steps schemes of Blue Ocean namely *reduce-abolish-create-increase* is the third scheme.<sup>27</sup> Based on the explanation above, the four-step work scheme undertaken by IAIN Tulungagung is different from the profit institution. In the development of educational institutions, the work scheme "reduces"

<sup>&</sup>lt;sup>25</sup> Hermanto, "Implementation Blue Ocean Strategy at Group Wings", *Jurnal Ilmiah Faktor Exacta*, Vol. 4. No. 2 June 2011, pp. 149-150.

<sup>&</sup>lt;sup>26</sup> A. Ehteshami Akbari Rostami, "The Blue Ocean Strategy ", *Journal Research Tadbir Management*, No. 223, 2011, pp. 46-48.

<sup>&</sup>lt;sup>27</sup> W. Chan Kim & Renee Mauborgne, "Blue Ocean Strategy..., pp. 32.

and "abolish" can be applied in purely bussiness matter not in education. Instead of using "reduce-abolish-create-increase" it employsto "passive-secure-create-increase."

#### Conclusion

The above discussion unveils the importance and the practices of blue ocean strategy for institutional improvement of an Indonesian Islamic higher education, the IAIN Tulungagung. As this article argues, culture of innovation explains the rapid improvement of the institute that sucessfully creates new educational market spaces. This blue ocean strategy emphasizes on how an organization or institution does not win the competition by carrying out a vis-à-vis strategy with competitors. Among the new innovations of IAIN Tulungagung using Blue Ocean strategy are the creation of value innovations in the form of jargon of IAIN Tulungagung as the Kampus Dakwah dan Peradahan, students' recruitment through edu-fair branding, developing networking both local and international, implementing excellent programs: the Madin curriculum injection in lectures, the existence of study centers, promotion and branding of the institute, and human resources improvement. The blue ocean strategy carried out by IAIN Tulungagung refers to a four-step work scheme that is different from the profit institution, which is from "reduce-abolish-create-increase" to "passive-secure-create-increase."

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