



Determinants of Competitive Advantage and Institution Image

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ABSTRACT

The purpose of this research is: To develop the result of the study on the performance of value creation and the management of students' relation implemented by PS-MM in DKI Jakarta. Assessing competitive advantage, image of PS-MM, and confidence of student of MM study program in DKI Jakarta. To develop a model of the influence of value creation and student relationship management on the competitiveness of PS-MM in DKI Jakarta. Develop a model of value creation influence and management of student relation to student's belief and image of PS-MM in DKI Jakarta. Develop a model of competitive advantage to student's belief and image of PS-MM in DKI Jakarta. To examine the relationship modelS on PS-MM image and the belief of MM students in DKI Jakarta. The research method used is descriptive survey method and explanatory survey with unit of analysis is Higher Education which has MM Study Program in DKI Jakarta, and observation unit of PS-MM students in DKI Jakarta with sample size 262 people, according to the method of analysis used, SEM. Based on the results of the research, it is found several things as follows: Universities that have MM study programs should create values that are more closer to the desire of more than students, by opening more concentration on the needs of the students themselves. The ease of conducting the thesis should be improved. The college reputation must begin to be improved by improving the quality of its graduates. Emotional relationships of students should be further improved. In order to improve the competitiveness of PS-MM and student's belief, a value creation program that is more appropriate to the needs and wants of the students should be established. Likewise, to improve the image of Higher Education, the student management program is absolutely necessary.

Keywords: Value Creation Performance, Student Relation Management, Trust, Image

JEL Classifications: M31, M21, M10

1. INTRODUCTION

The constantly changing and uncertain nature of the environment, and entering the era of globalization, ie each country has no limits anymore considering. The situation requires every organization to be able to adapt the fluctuation of change in exploiting every opportunity and even addressing various challenges to opportunities.

The existence of the organization of the environmental situation is determined by the creation of a balance between organizational capability derived from internal resources and the environment derived from external forces. The balance is a manifestation of the superiority over an organization.

Indonesia is an archipelagos country that has a very potential natural resource, when viewed from the resources owned by Indonesia, then Indonesia should have a high competitiveness than other countries whose resource potentials under Indonesia,

but in fact competitiveness owned by Indonesia is relatively low compared to other countries, this is due to the quality of Indonesian human resources itself is less able to exploit the potential of natural resources owned.

The quality of human resources in a country is largely determined by the education held in that country. In Indonesia the implementation of education in all areas has been done, including higher education, but its impact on changes in Indonesia's progress is relatively less meaningful.

In order to anticipate the above situation, Universities have developed a principle of actualization of autonomy that is suitable, simple, productive, and adaptive. The basic policy of Higher Education development outlines the need to develop a conferencing towards a comprehensive system that includes State Universities (PTN) and Private Universities (PTS) in a coaching pattern. This direction reflects that each university is in the level of equality by not seeing the status of PTN or PTS.

This will have an impact that the quality of the university depends heavily on community appraisal. The latest development with the new paradigm of higher education is mandated as stated in the Long Term Higher Education Development Framework (KPPT-JP) 1996-2005.

Higher Education serves to develop the ability and improve the quality of life and human dignity in order to realize the national goal, therefore improving the quality of human resources is an absolute requirement to face challenges to the future. In addition, Indonesia's need to increase the nation's economic growth is one of the important factors of the national development of the current government of reform, so that it requires a high competence or expertise in the field of economy, especially management economics.

Based on these conditions, currently 52 universities in Jakarta including PTN, are trying to respond to the needs of the country by opening a master degree of management program, which is an appropriate program in providing an understanding for the government apparatus, businessmen, and other business practitioners to co-together to build the nation's economy.

As a result of the responses from 52 universities in Jakarta, the competition for the management master programs to become more intenser. The tight competition of these educational institutions strives to offer the best quality, so the benefits received by students are greater. By providing greater benefits it will increase student competitiveness.

The existence of such a competition causes a university to strive to maintain and improve the ability to ensure its survival. In other way, student or student candidate of master program of management especially in private university (PTS) tends to decrease, whereas in university (PTN) tends to increase, this can be seen from the average number of applicants each year to PTS and PTN tend to be very much different, because it can be said that students/prospective students master management (MM) more trusts in PTN than PTS, therefore Private Universities (PTS) only as a backup option.

Although there is now equality from the Government on the assessment of PTS and PTN through National Accreditation Board (BAN). (Dryden-Peterson, 2016) stated that students and prospective students consider choosing PTN because they still feel that the image of PTN is better than the PTS, and trust (trust) of society at state universities higher than to the PTS.

Because it can be said that the decline of Masters in Management (MM) students in some private universities is thought to be caused by competitive disadvantage owned by private universities and universities compared to other universities and private universities, this can be seen from the number of students per 26 June 2006 for even semester there are 7 PTS PS-MM who did not get any students, while there are 9 PTS that get students more than 300 people. Besides, it is seen from the curriculum of MM program generally in PTS itself still impressed the standard (just following the national curriculum) does not have a more focused

content on core competence, it has been applied by some private universities in Jakarta, for example STIE BINUS and Gunadarma University with an MM program specializing in Information Systems, Universitas Pelita Harapan (UPH), Universitas Prof. Dr. Muestofo Beragama, Bhayangkara University of Jakarta, and Sahid Jakarta University which make the concentration field in MM such as marketing management concentration become study program, so the competence becomes more special, but other PTS still offer standard PS-MM (Guideline of Graduate Program Implementation, DIKTI, 2002).

While viewed from the curriculum (educational product itself in the program of economics of private universities in Kopertis Region III DKI Jakarta) is relatively the same because adjusted to the national curriculum, tariff/price to enter PTS itself is now relatively the same, the location of PTS is also spread in Jakarta and the surrounding is less a consideration of students, as well as the existence of lecturers and other education personnel is relatively no different, because lecturers that teach in private universities also teach at PTN, teaching and learning process is relatively similar to the provisions of the Directorate General of Higher Education (DIKTI), and infrastructure physical use is still under consideration by students/prospective students.

(Zhang, 2015) in the journal of product and brand management say that "image is on the receiver side" while "identity is on the sender's side". That is, images (images) is how the public interpret all the signs that are issued/delivered by the brand through goods, services and communication program. In other words, the image is a reputation whereas according to (Zhang, 2015), that image is "organizational image as perceptions of an organization reflected on the association held in consumer memory.

Thus, in order for the brand image to be obtained in accordance with or close to the desired brand identity, the company must understand and be able to exploit the elements that make up and create a strong brand, that is, the ability of a company to create value for customers and maintain good partnership with customers.

Based on the above statement, the unfavorable PTS image is caused by the inability of universities to create more value of the students (value creation), and less maintain good relationship of their students (Galvagno & Dalli, 2014).

This is seen from the standard of PS-MM curriculum implementation and still pay less attention to the importance of maintaining relationships of alumni, so alumni ties are generally inactive. Therefore, in this study Master Program Management (PS-MM) held by Private Universities (PTS) to be investigated further, because the problem is in PS-MM held by PTS.

2. LITERATURE REVIEW

2.1. Value Creation Performance

According (Bettencourt et al., 2014), the creation of customer values focusses on the customer (customer focus), core competence

in the business domain, and collaborative network on business partners. This means that a company can create customer value if it is able to always focus on customers, have core competencies, and have business partners in the network collaboration. Therefore, a company is able to perform value creation well if it has known clearly the shift in customer demands, its core competence is able to serve the shift of customer demands and have partners in a business network in case of capability gap in serving the shift of customer demands. Because of that value creation can be said how a company is able to communicating & delivering value.

2.2. Student Relation Management

(Studer, 2016), says that: The Purchase of Business is to create customers. Implicit in his word is the importance of maintaining the consumer and enhancing deeper relationships with him. Building relationships of consumers is said to be the most powerful weapon to ensure that consumers will be more loyal and tied to the company. Here the need for customer relationship management (customer relationship management), a comprehensive approach to creating, maintaining and improving relationships of consumers.

The ability of companies to create value and establish good relationships of customers will increase competitive advantage, according to (Cabiddu et al., 2013) in the 3Cs models, stating that strategies to enhance positional excellence are one of competitive advantage, and companies will be able to achieve competitive advantage if they are able to provide superior value for their customers (superior customer value), the superior value will be obtained if the company always do value creation and translate good relationship with the customer.

(Limakrisna & Yoserizal, 2016) states, to win the competition, a company can create two basic competitive advantages: Total cost leadership) and differentiation. The two basic advantages if (overall cost leadership a related to market coverage can yield three generic strategies namely: Cost leadership and differentiation for broad segments and focus for narrow segments directly competitive advantage through marketing can be obtained from differentiation and focus segment.

2.3. Trust

(Curth et al., 2014) Competitive advantage that can be achieved by a company will improve the positive image of the company in the eyes of customers that ultimately customer confidence in the company will be formed by itself. The importance of trust becomes the latest talk of selling over the internet, where sellers and buyers often do not meet directly or rely more on trust.

Some situations and indicators of the trust are said by (Wang, 2009), as follows:

1. Probity (focus on trust and integrity and reputation).
2. Equity (related to fair-mindedness, benevolence).
3. Reliability (in relation to the reliability and accuracy and consistency of the product or service expected in some respects related to the warranty issued by the company).

If the company can show trustworthy to the consumer then the consumer will trust the company and its relationship pattern

(Severi & Ling, 2013). (Nguyen, 2013) says that the minds of consumers when he wants to establish a relationship are whether the company can be trusted so that it will improve the corporate image.

2.4. Image

Corporate image will be formed how far the company is able to establish good relations of customers and have competitive advantage. Aaker in (Sichtmann & Diamantopoulos, 2013) define brand image as “a set of associations, usually organized in some meaning way” (a set of associations that are structured in various meaningful forms).

(Sofiaty & Limakrisna, 2017) say that “image is on the receiver side” while “identity is on the sender’s side”. That is, images (images) is how the public interpret all the signs that are issued/ submitted by the brand through its services and communication program, so that corporate image can be formed by the program communication or promotion. Thus, in order for the brand image to be acquired in accordance or approaching the desired brand identity, the company must understand and be able to exploit the elements that make up and make a brand a strong brand.

In other words, the image is a reputation whereas according to (Rizan et al., 2012) opinion, is that “organizational image as customer confidence and building customer trust”.

3. RESEARCH METHOD

The research method is descriptive survey and explanatory survey. Therefore, the type of investigation into this research is causality is the type of investigation that states the existence of the relationship between the independent variables of Management Relationship with students (Customer Relationship Management) and Value Creation to the image and belief of students based on cause and effect relationship. The unit of analysis of this research is the PS-MM Students in DKI Jakarta.

Duration of this research is time horizons which is crossing section that information about part of population (sample of respondent) is collected directly at empirical place of incident, with purpose to know opinion from some population to object that being researched, as proposed by (Limakrisna & Ali, 2016). The time of this dissertation research is from September 2016 to April 2017.

Sources of data/information about this study based on the type of data required. In this case the data can be divided into two namely primary data and secondary data. Primary data is data obtained from the respondents directly collected through field surveys using specific data collection techniques made specifically for it (Limakrisna & Ali, 2016) In this study the number of variables studied is 5.

Based on the calculation of proportional to size it appears that the minimum sample size is 200, but for research purposes then the sample size to 262.

4. RESULTS

4.1. Performance of Value Creation and Management of Student Relationship in Management Master Program in DKI Jakarta

4.1.1. Performance value creation program magical management study

The Value Creation Performance of Master of Management Program is emphasized to fulfill the basic needs of the students, such as students who work as civil servants for promotion, while the need for students is considered less attention, such as increasing the competence of students to be able to entrepreneurship and increase their company turnover, lack of special competencies designed by PS-MM for students. Then college students considered that universities are actually easy to raise their image of business network collaboration.

4.1.2. Management of student relationship (customer relationship management) at master program management in Jakarta

Student management of PS-MM is by providing student card, offering scholarship program, giving other facility (like library online, internet access, etc.), maintaining familiarity between faculty and administration staff with students, ease of thesis guidance (but still considered relatively difficult), giving invitations (workshops, workshops, seminars, etc.), facilities for teaching and learning, cooperation with graduates, and cooperation with foreign universities to improve student insight.

4.2. Competitive advantages, PS-MM imagery, and student confidence of PS-MM in DKI Jakarta

4.2.1. The competitive advantage of PS-MM in DKI Jakarta

The effort to increase the competitive advantage of the PS-MM Competition is to offer an interesting concentration, strive to always make a difference between other courses, and strive to offer lower/affordable tuition in students. The confidence in PS-MM Students in DKI Jakarta on the promises, honesty, and integrity of Higher Education is considered high, but trust in reputation and the organizer of PS-MM is still considered less.

4.2.2. Image PS-MM

Private PS-MM image is now known by previous students, but still considered to have less interesting learning program, and emotional relationship with students is still considered weak.

4.2.3. Student trust PS-MM

The trust in PS-MM Students in DKI Jakarta on the promises, honesty, and integrity of Higher Education is considered high, but trust in reputation and the organizer of PS-MM is still considered less.

In testing the hypothesis in this study using Statistical Equation Model (SEM), based on the results of the analysis, then obtained the overall model of the SEM structure as follows in Figure 1:

5. DISCUSSION

5.1. The Influence of Value Performance and Student Relation Management to Competitive Advantage of PS-MM in DKI Jakarta

From Table 1, it is known that Value Creation Performance has parameter estimate at 0.63 to competitive advantage, while

parameter estimation of Student Relation Management to competitive advantage is 0.35. Multiple correlation coefficient (R^2) of 0.52 shows the contribution to change in competitiveness variable caused by Performance of Value Creation and Management of Student Relation of 52% while the rest influenced by another factor.

5.2. The Influence of Value Creation Performance and Management of Relation with Student to Student's Faith and Image of MM Study Program in DKI Jakarta

In the second hypothesis, performance value creation and student relation management variables are exogenous latent variables that affect student's confidence variable and PS-MM image as endogenous latent variable.

From Table 2 it is known that Value Creation Performance has an effect of 0.35 to Student Belief and 0.26 to PS-MM Image, meaning that any change in the Value Creation Performance of one unit will give a change of trust on an average of 0.35 and Citra PS-MM of 0.26. While the change in Student Relationship Management for one unit will give a change of Student Confidence of 0.44 and Citra PS-MM of 0.25. Multiple correlation coefficient (R^2) for Value Creation Performance and Student Relation Management to Student Trust is 0.15 or 15% (other factor 0.85 or 85%) while to Image of PS-MM equals to 0,07 or 7% (other factor 0.93 or 93%) which means that every change in student confidence, 15% is caused by value creation performance and student relation management while the remaining 85% is influenced by other factors. Any change in the image of PS-MM, 7% is caused by value creation performance and student relation management while the remaining 93% is influenced by other factors, which should be further investigated.

5.3. The Influence of Competitive Advantage to Student Trust and Image of MM Study Program in DKI Jakarta

In this third hypothesis the competitiveness variable is the latent variable that influences the student confidence variable and the image of PS-MM as endogenous latent variable. The calculation results are presented in Table 3 as follows:

Table 1: The influence of value creation performance and student relation management to the competitive advantage of PS-MM in DKI Jakarta

Variable	Competitive advantages	R^2
Value creation performance	0.63	0.52
Student relation management	0.35	

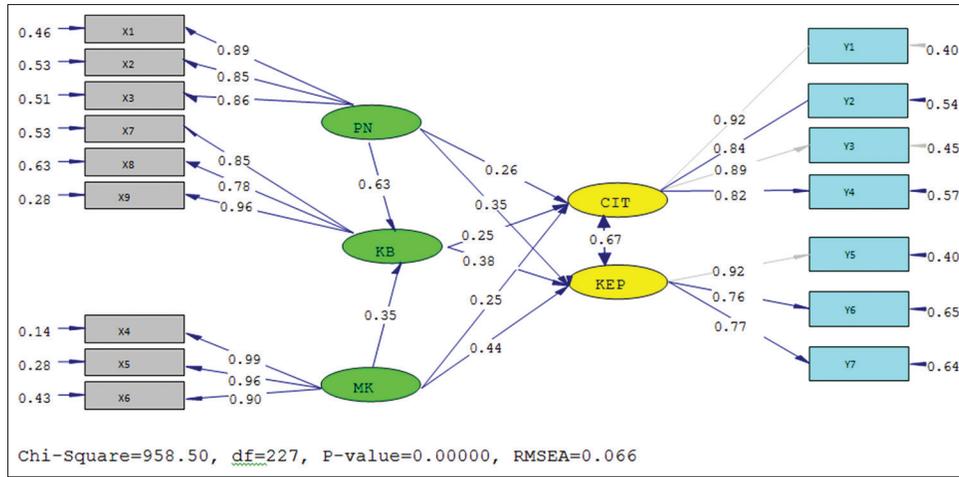
Source: Processing results with LISREL 8.30

Table 2: The influence of value creation performance and student relation management against Student Trust and Citra PS-MM in DKI Jakarta

Variable	Student Trust	R^2	Image PS-MM	R^2
Value creation performance	0.35	0.15	0.26	0.07
Student relation management	0.44		0.25	

Source: Processing results with LISREL 8.30

Figure 1: The overall model of structure equations results data processing



From Table 3, it is known that competitive advantage has parameter estimate of 0.38 to student’s trust and 0.26 to PS-MM image. This means that any change in the competitiveness of competing PS-MM of one unit will cause a change in the student’s confidence in 0.38 and the PS-MM image of 0.26. Coefficient of multiple correlation (R^2) competitive advantage to student’s trust equals to 0.14 or 14% (other factor equal to 0.86 or 86%), while to image of PS-MM equals to 0.06 or 6% (other factor equal to 0.94 or 94%), stated that the contribution to students’ confidence change was 14% due to competitive advantage and the contribution of PS-MM images change of 6% caused by competitive advantage.

5.4. Relation of Student Trust with Image of MM Study Program in DKI Jakarta

In this fourth hypothesis, student confidence variable as exogenous latent variable has relationship of PS-MM image as endogenous latent variable. The calculation results are presented in Table 4 as follows:

From Table 4, it is known that student’s belief has parameter estimate at 0.67 with PS-MM image. This means that the relationship between student’s belief and Citra PS-MM is high enough, meaning that students will believe in PS-MM if the image of PS-MM is good in the eyes of students and society, known by society, has good reputation, for prospective students, so that students will be emotionally involved with the PS-MM, and vice versa PS-MM image will be built well and positively in the eyes of students and other community if the students in PS-MM environment have high confidence in PS -MM, so prospective students or the outside community will be obsessed that the PS-MM has a good image.

The coefficient of multiple correlation (R^2) of student confidence in PS-MM image is 0.45 or 45% (other factor is 0.55 or 55%), stated that the contribution to student’s change of change is 45% caused by PS-MM Image, and vice versa change of image of PS-MM is equal to 45% caused by student’s trust, while another factor is equal to 55% which must be examined further.

6. CONCLUSION

Based on the results of data analysis and discussion that has been done, the conclusion:

Table 3: Structural competitive advantages to student trust and citra PS-MM in DKI Jakarta

Variable	Trust Student	R^2	Citra PS-MM	R^2
Competitive Advantages	0.38	0.14	0.25	0.06

Source: Processing Results with LISREL 8.30

Table 4: Structural student confidence with PS-MM Image in DKI Jakarta

Variable	Image PS-MM	R^2
Trust student	0.67	0.45

Source: Processing Results with LISREL 8.30

1. The Value Creation Performance of Master of Management Program is emphasized to fulfill the basic needs of the students, such as students who work as civil servants for promotion, while the need for students is considered less attention, such as increasing the competence of students to be able to entrepreneurship and increase their company turnover, lack of special competencies designed by PS-MM for students. Then college students considered that universities are actually easy to raise their image of business network collaboration.
2. Student managements of PS-MM is by providing student card, offering scholarship program, giving other facility (like library online, internet access, etc.), maintaining familiarity between faculty and administration staff with students, ease of thesis guidance (but still considered relatively difficult), giving invitations (workshops, workshops, seminars, etc.), facilities for teaching and learning, cooperation with graduates, and cooperation with foreign universities to improve student insight.
3. The effort to increase the competitive advantage of the PS-MM Competition is to offer an interesting concentration, strive to always make a difference between other courses, and strive to offer lower/affordable tuition in students. Private PS-MM image is now well known by previous students, but still considered to have less interesting learning programs, and emotional relationship with students is still considered weak. The confidence in PS-MM Students in DKI Jakarta on the promises, honesty, and integrity of Higher Education is

- considered high, but trust in reputation and the organizer of PS-MM is still considered less.
4. the performance of value creation and management of students' relevance affects collectively the competitive advantage of PS-MM in DKI Jakarta, but when viewed partially the performance of dominant value creation influences the competitive advantage of student's relation management.
 5. Performance of value creation and management of student relation simultaneously affect student's trust and image of MM Study Program in DKI Jakarta, but partially dominant student's management influence student's trust, while performance of dominant value creation influences PS-MM image.
 6. Competitive Advantage Influence on Student Trust and Image of MM Study Program in Jakarta, but its influence on student's belief is more dominant than affecting image of PS-MM.
 7. Trust Students has a close relationship of the Image Studies Program MM in Jakarta, meaning students will believe in the PS-MM if the image of PS-MM itself both in the eyes of students and society, known by the community, has a good reputation, prospective students, so that students will be emotionally involved in the PS-MM, and vice versa PS-MM image will be built well and positively in the eyes of students and other communities if the students in the PS-MM environment have high confidence in PS-MM, so that prospective students or the outside community will be obsessed that the PS-MM has a good image.

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