



# The Impact of University Uniqueness on Indonesian Universities' Competitiveness in the New Normal Education System

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## Abstract

The new normal learning process remains extremely difficult to implement due to changing one's mentality. Educators are not agents of knowledge dissemination. Nonetheless, it must fundamentally transform into motivators, inspirations, and collaborators in the process of developing the capacity to ask critical questions about the information contained in cyberspace and the general dearth of universities. It can organize online higher education programs properly is still a small number and coupled with students' lack of comprehension of the material provided by the lecturer online, which is significantly different from the face-to-face learning method. This research was conducted descriptively by employing a quantitative approach. This research aims to ascertain the capabilities of universities and their impact on the results achieved by universities in terms of competitiveness. The study's findings indicate that the university's unique capability significantly impacts its competitiveness.

## Abstrak

Proses pembelajaran new normal masih sangat sulit dicapai karena sulitnya mengubah mentalitas dan peran pendidik bukan sebagai pelaku diseminasi ilmu pengetahuan, tetapi harus berubah drastis menjadi motivator, inspirasi, dan mitra dalam proses pengembangan kemampuan. Untuk bertanya secara kritis tentang informasi yang terdapat di dunia maya dan umumnya kurangnya perguruan tinggi yang dapat menyelenggarakan program pendidikan tinggi online dengan baik masih sedikit jumlahnya dan ditambah dengan kurangnya pemahaman mahasiswa terhadap materi yang diberikan oleh dosen melalui online, yang jauh berbeda dari metode pembelajaran tatap muka. Penelitian ini dilakukan melalui penelitian deskriptif dengan menggunakan pendekatan kuantitatif. Penelitian ini berupaya mengungkap kapabilitas yang dilakukan oleh perguruan tinggi dan dampaknya terhadap hasil daya saing yang dicapai Perguruan Tinggi. Dari hasil penelitian diketahui bahwa keunikan kapabilitas berpengaruh signifikan terhadap daya saing universitas.

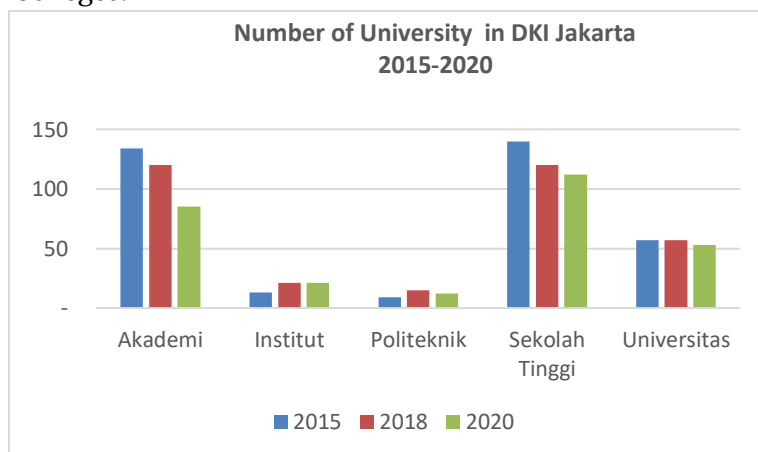
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## INTRODUCTION

Clustering of higher education is one of the consequences of Permendikbud No. 3 and 5 of 2020, which affects higher education strategies for improved performance. Clustering also encourages universities to compete for uniqueness and the best outcomes to outperform their competitors. Competitiveness bolsters branding, enhances reputation, and ensures the university's long-term viability (Hartono, 2017). The phenomenon of prospective students' (and their parents') increasing expectations for the quality of higher education is also evident in the effort required to enter state universities via independent pathways (non-SMPTN and SBMPTN). Indeed, tuition and enrollment fees can be several times higher than those associated with the non-independent route. The trend toward elitism and commercialization of education is widening the divide between prestigious private universities and smaller private universities or even those on the periphery. By contrast, all higher education theories advocate for equal rights, opportunities, and treatment (equal) in order to obtain an education as a component of the UN declaration's human rights (Verger & Bonal, 2011).

As a real picture of the demands on the importance of improving the quality of higher education, universities in the DKI Jakarta area were selected as research objects. Considering that economic activity and government are centralized in Jakarta and its surroundings, most people with high to highest purchasing power are also located in the DKI Jakarta area. The higher education preferences of DKI Jakarta residents will be higher have a wider spectrum than other regions in Indonesia. So that it can be investigated what are the key factors in the marketing of higher education along with the efforts of universities to fulfill or achieve maximum performance according to the demands of the latest legislation in the field of higher education. The current condition of higher education trends in the DKI Jakarta area can be seen from the trend of decreasing the number of higher education institutions during the 2015-2020 period. There appears to be a significant decline in the Academy and Colleges.



(Source: Processed from Directorate General of Higher Education, 2020)

**Figure 1. Development of Number of Universities in DKI Jakarta 2015-2020**

The closure of these universities generally occurs in private universities, unlike PTN, which are still very dependent on educational infrastructure contributions (SPP), institutional development contributions (SPI), and student tuition fees. It is undeniable that the sustainability of private universities in Indonesia still depends on the number of students it has successfully obtained. If it can compete with other private universities, it can meet the minimum student body needs so that it can still survive and develop. On the other hand, private universities that cannot compete for students will find it difficult to survive or merge. Therefore we need the right strategy in managing and increasing the competitiveness of universities (Wahyudin, 2015).

A university that lacks or lacks a competitive advantage will struggle to maintain its presence in the education industry, owing to the increasing number of universities each year, resulting in an increasingly fierce and complex level of competition and the industry's increasing selectiveness. Community members seek higher education assistance in selecting a college to attend (Wilkins, 2020). As Kotler and Keller (2016) emphasize, "every university faces competition." Thus, efforts to achieve a competitive advantage are critical factors in determining the success and sustainability of universities, without exception, both public and private, regardless of the level of competition at the international, national, regional, or even local level. Universities can develop their competitive advantage in a variety of ways (Demange et al., 2020).

Another factor to consider when evaluating a higher education institution's reputation during the COVID-19 pandemic, both now and in the future when implementing new normal adaptations, is the institution's willingness to implement Government provisions, in this case, those of the Ministry of Education and Culture, in the context of prevention. The spread of the COVID-19 virus on a college campus (Kemendikbud, 2020a). Numerous educational institutions worldwide are now interested in the most effective method of conducting online lectures, involving students, and comparing their effectiveness to face-to-face lectures (Mukhtar et al., 2020). Thus, COVID-19, despite its danger to humanity, has developed institutions that invest in online education (Irfan et al., 2020). Online learning systems (OLS) are web-based applications that facilitate the distribution, tracking, and management of lectures via the Internet (Dhawan, 2020). It entails utilizing information technology advances to direct, design, and deliver educational content and facilitating two-way communication between students and universities (Nash, 2020).

In the application of adaptation of new habits in the world of higher education, almost all parties (students, lecturers, parents, and the community) find their respective problems, both in terms of abilities, knowledge, habits, infrastructure readiness, mastery of technology, time information, costs, so on (Milevica, 2020). All parties must struggle to overcome all these problems according to the passage of time if they do not want to be left behind or squeezed by very fast changes in learning due to the adaptation of new habits (Dhawan, 2020). Many universities are not ready to face the challenges of online learning policy because schools, teachers, and students are not ready to move quickly from conventional learning to online learning (Shahzad et al., 2020). Online learning requires the support of good and quality information technology infrastructure (Irfan et al., 2020).

According to the Ministry of Education and Culture, online learning and learning activities that adhere to health protocol rules are new concepts that must be implemented by all universities in Indonesia. Given the uncertainty surrounding when the Covid-19 pandemic will be declared over, it creates a quandary regarding the application of learning, whether to completely rely on online learning media or to consider conducting face-to-face activities with a certain level of composition while still adhering to health protocols (Rosinger et al., 2020). The readiness of universities to embrace the new normal is a critical factor in determining a university's marketing strategy. In light of these circumstances, all parties must work together to develop a university's unique capability in order to increase students' willingness to learn in the modern era. The government, universities, students, and the community must all play a role in developing the strategic education framework that will define the universities' unique capabilities in the new normal long-term. Thus, to provide opportunities for growth and development, a university's enrollment should be balanced with a high-quality new normal learning facility, ensuring that the university possesses unique capabilities, particularly in the face of new normal competition. Openness to interacting with various strategic support is a critical trait because it enables the rapid advancement of university uniqueness strategies and results and the development of competitive advantage.

According to Mae et al. (2017), a university's uniqueness capabilities can be strengthened by focusing on various aspects such as the aspects of excellence recognized by students, graduates, users, and stakeholders as a result of experience and perceived service quality evaluations, as well as materials for promoting the excellence of universities that are respondents. Graduate achievement,

scholarship numbers, and professional certifications all reflect the university's unique capability dimension for surviving in the current education system in the new normal era. This research aims to elucidate universities' capabilities (uniqueness strategy) and their impact on competitiveness (competition results). In light of the foregoing, the research problem is as follows: How does a university's capacity for uniqueness affect its competitiveness?

## **METHODS**

This research was conducted in a descriptive manner by employing a quantitative approach. Primary and secondary data were analyzed in this study. Primary data are those obtained directly from the source, whether individuals or institutions, such as the results of interviews or questionnaires completed by researchers (Seraphin, 2021). The research was conducted by distributing questionnaires to a randomly selected college administration sample. While secondary data on higher education management was gathered from a variety of sources. Additionally, data for this study were gathered from several sources during Focus Group Discussion (FGD) activities to supplement the quantitative data analysis (Irfan et al., 2020). The data collection method is a questionnaire survey, and the data analysis and hypothesis testing are performed using the Smart PLS Partial Least Squares Regression software. According to Masruroh and Subekti (2016), PLS regression can be obtained using simple or multiple regression by performing a significance test on the predictor variables to be used in building PLS components and determining the number of PLS components formed. The purpose of PLS is to create components that can be used to predict the response variable by capturing information from the predictor variable.

This study discusses the factors that affect universities' competitiveness in Jakarta's city in survey data primary 2021. The variable used in this study is two variables. The variable is divided into one response variable and three predictor variables. The variable that acts as the response variable (Y) is the university's competitiveness with indicator mastery of technology and financial readiness. While the predictor variable used in this study is the uniqueness of the university's capabilities, including: 1) Graduate Achievement 2) Number of Scholarships 3) Infrastructure Readiness. Hypothesis for this research are:

H<sub>0</sub> : Uniqueness Of The University's Capabilities have no significant effect on University Competitiveness.

H<sub>1</sub>: Uniqueness Of The University's Capabilities have a Significant effect on University Competitiveness.

## **FINDINGS AND DISCUSSION**

This research model was analyzed using the Partial Least Square method (PLS) and assisted with SmartPLS 3.0 software. PLS is one method alternative Structural Equation Modeling (SEM) that can be done to overcome problems in the relationship between very complex variables but the size the data sample is small (30-100 samples). It has non-parametric assumptions, meaning that the data does not refer to one particular distribution (Yamin and Kurniawan, 2011). Convergent Validity is done by looking at item reliability (validity indicators) which is indicated by the value of the loading factor. A loading factor is a number that shows the correlation between the score of a question item with the indicator score indicator constructs that measure these constructs. The value of the loading factor is greater 0.7 is said to be valid. However, according to Hair et al. (2017), for a preliminary examination of matrix loading factor, approximately 0.3 is considered to have met the level minimal. A loading factor of approximately 0.4 is considered better, and for loading factor greater than 0.5 is generally considered significant. In this research, the limit of the loading factor used is 0.5. After data processing by using SmartPLS 3.0, the loading factor results can be shown as in Table 1:

**Table 1. Loading Factor**

Variable	Indicator	University Competitiveness	University Uniqness Capability
University Competitiveness	FR1	0.820	
	FR2	0.862	
	MOT1	0.532	
	MOT2	0.732	
	MOT3	0.850	
University Uniqness Capability	GA1		0.820
	GA2		0.837
	GA3		0.891
	IR1		0.881
	IR2		0.877
	IR3		0.677
	NOS1		0.847
	NOS2		0.828

Resource: Data Running by SMART PLS, 2021

As shown in Table 1, the majority of indicators in each variable in this study have a loading factor value greater than 0.50 and are thus considered valid. Additionally, the Discriminant Validity test is conducted by examining the measurement of the cross-loading value construct. The cross-loading value indicates the correlation between the indicators of each construct and the indicators of other block constructs. If the correlation between the constructs and the indicator is greater than the correlation between the block constructs, the model measurement has good discriminant validity. After processing the data with SmartPLS 3.0, the cross-loading results are displayed in Table 2:

**Table 2. Discriminant Validity**

Variable	Indicator	University Competitiveness	University Uniqness Capability
University Competitiveness	FR1	0.820	0.828
	FR2	0.862	0.881
	MOT1	0.532	0.502
	MOT2	0.732	0.631
	MOT3	0.850	0.847
University Uniqness Capability	GA1	0.746	0.820
	GA2	0.833	0.837
	GA3	0.868	0.891
	IR1	0.862	0.881
	IR2	0.820	0.877
	IR3	0.621	0.677
	NOS1	0.850	0.847
	NOS2	0.820	0.828

(Resource: Data Running by SMART PLS, 2021)

Discriminant validity is used to assess the reflective model's accuracy. The AVE of discriminant validity is set to a value of at least 0.5, with better results exceeding 0.5. In comparison, composite reliability is used to evaluate the stability and consistency of high-quality internal indicators. It is considered satisfactory if the composite reliability value is greater than 0.70. Cronbach alpha can also be used to strengthen the reliability test; a value of greater than 0.60 is recommended (Hair et al., 2017). As seen in Table 2, the value is greater than 0.5, and in Table 3, the

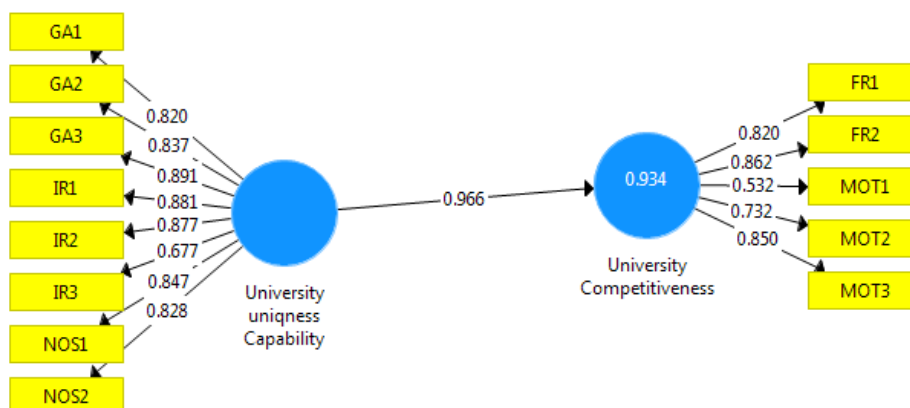
number of AVE is greater than 0,5, with a Cronbach alpha value greater than 0.60. As a result, the data are deemed reliable and valid, and the measurement model is declared satisfied.

**Table 3. Composite Reliability**

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Factor (AVE)
University Competitiveness	0.825	0.876	0.591
University Uniqness Capability	0.937	0.948	0.697

(Resource: Data Running by SMART PLS, 2021)

Additionally, it is frequently referred to as the inner model because it is used to test the hypothesis via PLS and the structural model. The inner model is used to specify the relationship between the research model's latent variables. In the structural model, the significance of 1) the path coefficient, 2) the T-statistic, and 3) the R-squared value is determined. The adjusted R2 value is 0.937, indicating that the three predictor variables can account for 93.7 percent of the university competitiveness variable. F has a significance level of 0.000 (less than 0.05), indicating that the predictor variables have an effect on the variable response jointly. The significance value of t for the three predictor variables is less than 0.05, indicating that the variable predictors have a limited effect on the response variable, as indicated by the path coefficient of 0.966. H1 is accepted as true: The University's unique capabilities significantly impact the University's competitiveness. From 2020 to 2021, this study examines university competitiveness and its factors. Figure 2 illustrates the test results.



**Figure 2. Regression PLS Result Run by SMART PLS Software**

The findings indicate that a university's unique capability has an effect on its competitive advantage, in accordance with Lisnawati and Gunarto (2021), Wahyudin (2015), and Gunarto and Gafar (2016). Education in Indonesia remains dependent on the number of graduate students, the availability of scholarships, and the readiness of infrastructure (Mae et al., 2017; Miraza & Hafas, 2016), thereby becoming a determinant of the advanced university (Harzing & Giroud, 2014), and also one of the keys to achieving competitive advantage (Li & Liu, 2014). A company's or organization's competitive advantage is based on unique or special resources and acts as a deterrent to imitation by competitors (Miraza & Hafas, 2016). The findings indicate that the greater the university's unique capability, the greater the university's competitive advantage. This finding corroborates Gunarto et al. research (2021), which indicates that the more superior and unique the higher education resources, the stronger the competitive advantage. Universities can develop a competitive advantage by developing distinctive values difficult for competitors to imitate (Wen-Cheng et al., 2011). The competitive advantage can pose a long-term threat to competitors (Liu, 2013) and can also result in increased value for customers (Dereli, 2015).

As a result of the findings, infrastructure readiness was identified as the second most important determinant of uniqueness capability in Indonesian universities, which is critical in the era of new normal education. According to Rosinger et al., the value implies that online learning media or face-to-face activities and adherence to health protocols are still factors in selecting a university (2020). When faced with economic hardship Covid -19, a number of scholarships become one of the strong reasons for a student to choose a university in Indonesia, particularly in Jakarta. As the number of parents who are unable to pay for college increases, the number of scholarship needs in Indonesia increases, as evidenced by the results of this study, which indicate a high value for scholarship needs and almost all respondents who agree that Graduate achievement is the most important indicator of a university's competitiveness. This result bolstered Dhawan's (2020) argument; Milevica (2020). Unique capabilities, such as superior quality to competitors, enable output production, specifically quality graduates (Miraza & Hafas, 2016).

Mastery of technology and financial readiness has also proven to be university competitive advantages that involve advances in information technology to direct, design, and deliver learning content and facilitate two-way communication between students and universities (Nash, 2020). In the application of learning, whether online learning media or face-to-face activities with a certain level of composition (Rosinger et al., 2020). In the context of new normal readiness, the university must be able to provide facilities that support health protocols set based on controlling covid-19. This clearly requires funding and readiness for funding from within the institution. Therefore universities that are less capable of funding both in providing facilities that are in accordance with health protocols and providing scholarships and cost reductions for students who are in a difficult economy due to covid-19 will be left behind in the competition, and they will lose the number of students and prospective students. Universities with competitive advantages can always understand changes in the market structure to determine the right and effective marketing strategy (Rahmasari, 2011).

## **CONCLUSION**

This study concludes that the university's unique capability contributes significantly to its competitive advantage in DKI Jakarta, Indonesia. The greater the university's unique capability, the greater its competitive power against other institutions, thereby increasing their competitive advantage. Graduate achievement is a university's most important unique capability in terms of competitive advantage, followed by infrastructure readiness and the number of scholarships. Mastery of technology has emerged as a critical component of Indonesian universities' competitiveness under the new normal education system. Although face-to-face lecture trials have been conducted in several major cities throughout Indonesia, the study's findings indicate that people continue to prioritize technology readiness when choosing universities. Therefore, university funding must be prepared appropriately, including scholarships for students whose parents have been laid off due to the COVID-19 pandemic. Additionally, the right marketing strategy plays a critical role in strengthening communication and winning students. As a result, additional research is necessary to determine the effectiveness of marketing strategies in communicating the university's unique capability to enhance its competitiveness in the new normal era.

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