

# PROMISING ETHIC ISSUES AND COMPETITIVE ADVANTAGE OF HIGHER EDUCATION

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## ABSTRACT

*This paper is the first to explore the promising ethic issues and competitive advantage of the Polytechnic as a higher education. Promising ethic issues based on research in service marketing triangle context in the Polytechnic can be met if performance improves product attributes and implements promotion mix as well. Promises ethics of the Polytechnic can be achieved optimally and be given the implications for competitive advantage of the Polytechnic. The purpose of this study was to analyze and determine the influence of product attributes and promotion mix on promises ethics in service marketing triangle and its implications on competitive advantage of the polytechnic in West Java and Banten, Indonesia. The results in this studies, show that: (1) Product attributes, promotions mix, promises ethics in service marketing triangle context and competitive advantage of the Polytechnic in West Java and Banten are categorized as good; (2) Product attributes and promotion mix influence on promises ethics in service marketing triangle context of the Polytechnic; (3) Product attributes and promotion mix influence on the competitive advantage of the Polytechnic; (4) Promises ethics in service marketing triangle context influence on competitive advantage of the Polytechnic; (5) Product attributes and promotion mix through promises ethics in service marketing triangle context influence on competitive advantage of the Polytechnic. However, based on this study, the arguing issues that institution of higher education can increase their competitive advantage as a result of a stronger are created from a based view of the management strategy. Secondary issue based on data resources that could be used for testing by managers and academicians are identified, and to create a potential advantage for future higher education in regional and global collaboration.*

**Key Words:** *promising ethic issues, competitive advantage, polytechnic as a higher education.*

## INTRODUCTION

Conceptually, in the present age the era of ethics, promises ethics is widely discussed and stirred phenomenon in development and social science discourses today. Promises ethics can be used by many professionals. The promises ethics guides by placing a focus on human behavior and contractual with other professionals whose job duties affect others' lives usually receive, as part of their formal training, courses that address ethical issues common to their professions. In many countries, promising ethic issues and competitive advantage of the Polytechnic as a higher education, suggests that social consciousness, if not conscience, has awakened to the questions of ethics. However, the promising ethical issues in higher education, polytechnic or college teaching as part of human ethics in regional and global collaboration. This writing essay based on studies about the influence of product

attributes and promotion mix on the promises ethics and its implications on competitive advantage of higher education (A Survey on the Perception of Polytechnic Students in Kopertis Region IV of West Java and Banten, Indonesia).

### **Background of Study**

The condition of higher education (PT) in Indonesia is currently facing competition not only local, but also regional and global competition. Globalization has led to competition for educational institutions that is not only local or regional, but also international. Global competition impacts in the education sector, one of the internationalization of higher education, which is manifested through the four forms, namely: (1) the opening of branches of universities in other countries (like the class extension), for example, American universities to open a branch in Asia; (2), the cooperation between the universities of the country with universities in other countries that offer degree programs, (3) lecture remotely through both print and virtual media over the internet. A number of leading universities in the United States, Europe, and Australia offers degree programs through this model, and (4), the comparative study of the quality of higher education that produces college ranking compared to some other college. The global competition will inevitably be faced by universities in Indonesia, both public and private.

Competitive conditions also occurred in West Java and Banten. Of the total number of new admissions were captured as many as 363,198 students nationally, and for West Java-Banten region, it is received only 52 605 students outside the college admissions lane country. With this amount, any program of study (study program) can only obtain 20 new students. The amount per study program is the average. The facts is, there is a study program at a private university (PTS) can acquire new students up to hundreds or even thousands of people, or vice versa, there is a study program that only 2-5 people interested new students (Directorate General of Higher Education Ministry of National Education, 2011).

Competition faced by the private universities will be heavier and tighter. Currently in Indonesia there are about 3147 colleges with 15,819 courses. Of these, as many as 15.6% or 491 colleges located in West Java and Banten. With that number, West Java has the highest number of colleges in Indonesia. Recent data, in 2010, of 115 private college (PTS) in West Java - Banten nearly 40% of them in an unhealthy condition due to lack of students (Kopertis of Region IV, 2011).

Competitive advantage to be owned by polytechnics should be tailored to the potential and variety of its resources. The ability to generate superior value that is deemed worthy to polytechnic believed in vocational education. Vocational education programs believed to be an option to boost the skills and practical skills according to related field; benefits, quality, product-specific attributes, events product use, the position of the competitor's product and product class classification. However, the promotion mix should also be managed properly in order to achieve the expected target. The phenomenon of the use of the promotion as part of the marketing strategy in polytechnic colleges in particular lately, progressively increased with the installation of banners on campus, and even in the streets of strategic, advertisements in newspapers, radio advertising, putting up posters, sending fliers to the address of prospective students, put leaflets in places frequented by the public and so on.

Thus, referring to the need to know the position of ethics in service marketing triangle context, the identification of empirical support for the general theory of marketing ethics and ethical phenomenon, product attributes and the promotion mix, and competitive advantage on polytechnic education programs, research needs to be done to clarify the relationship between these aspects. However, the promises ethics in service marketing as part of philosophy and human ethics of business and development.

## **Literature Review**

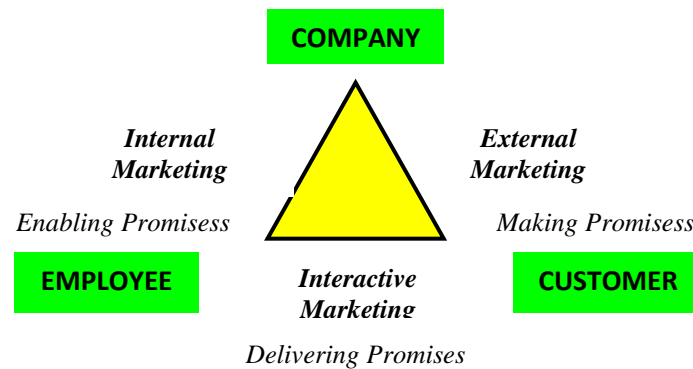
Grand Theory used in this study is the theory of consumer behavior. Schiffman and Kanuk (2000) argue that consumer behavior is an individual activity in finding information, purchasing, using something, evaluating against products and services in the hope of satisfying his desire. The essence of consumer behavior includes two elements, namely (1) the decision making process (decision process) and (2) the act or physical activity. Everything involves individuals in assessing, acquiring and using goods and services. Middle Range Theory or the theory used in this study is the theory of Strategic Marketing for educational services with the applicable theories (*Applied Theory*) relating to services marketing mix theory, the theory of competitive advantage, and the theory of marketing ethics. According to Kotler and Fox in *Strategic Marketing for Educational Institutions* (2000:5), educational institutions realize that they have a lot of marketing issues, ranging from the declining number of students who enroll, small grants for education and other sources of income, while operating costs continue to rise. It is reminded that the educational institutions are also thinking about the reliance on markets where they are. Many educational institutions are in the face of changing expectations and needs of students, while increasing competition to acquire new students and new funding sources.

The results which are relevant to the performance of product attributes can be summarized as follows: (1) Iversen (2002) concludes that one way to achieve competitive advantage is by continuing to produce and elaborate synergies between the assets and facilities owned by the company, because the use of assets provides efficiency, when the company has different products with competitors' assets, it will be different, (2) Broun (2006), concludes that the differentiation of the packaging gives a unique impression on the product, (3) Raduan and Haslinda (2009) concludes that organizational capabilities include Informational, product development, relationship building associated with competitive advantage, (4) Yusuf Abdullah (2011), concludes that the product strategy and value creation affect competitive advantage. Product attributes in this study is the overall product or item that is offered by the seller, in this case, polytechnic, to be noticed, requested, sought, bought, used, or consumed in the market in terms of students as the fulfillment of a need or desire of the relevant market, it is seen from the 6 (six) dimensions, namely: (1) Product benefits including: accuracy benefits according to need, peculiarities of benefits, and the benefits diversity, (2) Quality of products including: high-quality products, products that are free of defects, and guarantees of quality consistency, (3) Specific product attributes, including: facility compliance with the basic nature of the product, complete facilities, and compliance of facilities benefits with an additional fee, (4) Current use of the product, including: the accuracy of the event use of the product; (5) The position of products towards the competitor including: the relative accuracy of the product compared to competitors, and (6) Classification of products class, including: product accuracy with the classification of product class (Kotler and Keller, 2009; Aaker and McLoughlin, 2010).

The process of promotion mix that utilizes all forms of promotion to create maximum impact. As with any study of Schultz, Tannenbaum and Lauterborn (Alma, 2011) and Jeans (Alma, 2011), the primary emphasis of this study is the understanding and the use of communication tools in a holistic manner. The study by Kotler and Keller (2009) reveals that promotion mix as a concept that underlies the company's efforts to integrate and coordinate the various channels of communication carefully in order to deliver a clear, consistent and persuasive about the organization and its products. Kotler's study is used as an indicator of advertising, public relations, personal selling, sales promotion, direct marketing, and online marketing.

Promises, in the view of the promises ethics, are a specific obligation that forms engagement with other parties who receive the promises. This engagement morally raises obligation that the promises made by others should be kept. Berry stressed that the basis for maintaining relationship in services is the promises that has been made to the customer. For service providers it has implications for the three activities namely make unrealistic promises, keep and fulfill the promises at the time of the delivery the services with an effort to allow the promises on the service system being built to meet those

promises (Bitner, 1995). The three important marketing activities to do the efforts are external marketing, interactive marketing, and internal marketing. The concept shows a linkage group that work together to develop, promote and deliver services that are referred to as key actors.



Source: Valerie A. Zeithaml dan Mary Jo Bitner. 2000. p 16 (adapted)

**Figure 1: Service Marketing Triangle**

Various studies relevant to the promises ethics can be summarized as follows: (1) Binter (1995) concludes that the activities of the company to attempt to meet promises has been given to the customer has something to do with the skills, abilities, motivation and system, (2) AMA (2004) concludes that the commitment of providers ethics in delivering the promises and sense of responsibility effect on the willingness to fulfill the promises, (3) Schwepker, (2005) concludes that honesty is a part of fairness and openness, and communicating it properly with the aim of creating trust for the other party, (4) Bertland (2009 ) asserts that ethical policies relating to the development of ethics in the organization that enable organizations to carry out their responsibilities, (5) Taufani (2010) concludes that the most important ethical aspects that play a role in making promises is the clarity in the promises delivery. The most important ethical aspects that play a role in enabling the most promises is the seriousness and responsibility of MM (Magister Management) program in providing the system for students. Here is the compiled research paradigm:

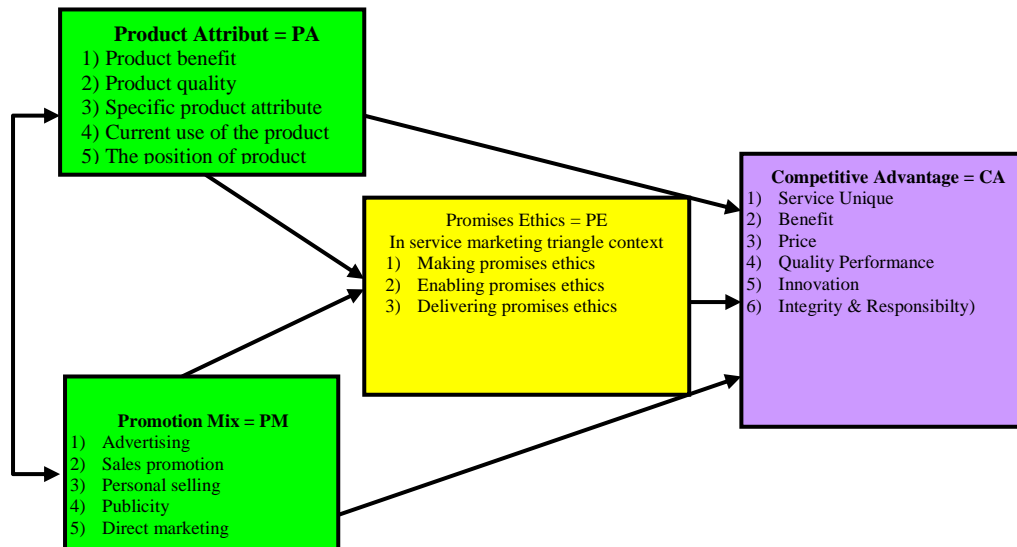


Figure 2 Research Paradigm

## Methods

This research is descriptive and verification conducted in 2011 to students in polytechnics in Kopertis Region IV of West Java and Banten. The unit of analysis in this study was the students of the polytechnic in Kopertis Region IV of West Java and Banten. In this study, it was used a range of time (time horizon) which was one shoot with the type of cross-section data. The descriptive hypotheses test used Weighted Mean Score / WMS. In the verification study with the approach in modeling and solution techniques to be used as a tool of analysis was a method of Structural Equation Modeling (SEM) based on a variant or a component, namely the Partial Least Square (PLS).

The data and information in order to uncover the full number of variables was completed with the concept, dimension, indicators, measures, and measurement scales. The main study variables (Latent Variable) are: (1) The independent variable, which is the variable of product attributes and the promotion mix, (2) The dependent variable, which is the variable of competitive advantage of the polytechnic, (3) an intervening variable, namely promises ethics in service marketing triangle context. The indicator and measure used in this study was ordinal measurement scales 1 through 5.

The population in this study is the overall characteristics of the study variables perceived by the students of the Polytechnic. The unit of analysis is 31 Polytechnics, while the unit of

observation is the active students at the private polytechnic in Kopertis Region IV of West Java and Banten. The sample size was determined in accordance with the number of samples required for the variant or component-based structural equation model (Structural Equation Model / SEM), namely Partial Least Square (PLS). The sampling method used is proportional Simple Cluster Random Sampling Method (Cochran, 2010) to all students of a private polytechnic as the population unit. From the results of these calculations, the sample size in this study is 385 respondents. The data obtained from the questionnaire spreading and the secondary data collection was carried out in 4 steps, namely coding, editing, processing the data and then analyzing the data. The data from the questionnaire spreading which is as a measure of the research variables was obtained from the answers score having ordinal level of measurement. For the descriptive analyzes, it was used Weighted Mean Score, with the aim to describe each respondent's answer to the question which is determined from each variable studied. Weighted mean scores was obtained from the following formula:

$$WMS = \frac{\sum AS}{\sum IS} \times 100\%$$

(Source: Adoption of Murray & Stephens, 2007:49)

where:

- WMS = Weighted Mean Score, which is the average of value weighted results, obtained from the ratio of total actual score with the total ideal score.
- $\sum AS$  = Actual Score, which is the total score obtained from multiplying the number of respondents, the number of questions, and the scores achieved by respondents
- $\sum IS$  = Ideal Score, which is the score obtained from multiplying the number of respondents, the number of questions, and the maximum score for each question.

## Research Findings

Based on the results of research, discussion and problem solving, it can be concluded as follows:

1. The picture of product attributes, promotion mix, promises ethics in service marketing triangle context, and competitive advantage of the polytechnic in Kopertis Region IV of West Java and Banten is categorized as good.
2. Product attributes and promotional mix have a significant influence on promises ethics in service marketing triangle context in the Polytechnic in Kopertis Region IV of West Java and Banten (for 67.41%) and it is in the high category.
3. Product attributes and promotion mix have a significant influence on the polytechnic competitive advantage in the Kopertis Region IV of West Java and Banten (for 87.44%) and it is in the very high category.

4. Promises ethics in the context of service marketing service directly influence the competitive advantage of the Polytechnic in Kopertis Region IV of West Java and Banten (66.75 %) which is categorized as high.
5. Product attributes and promotion mix through promises ethics significantly influence on the competitive advantage of the Polytechnic in Kopertis Region IV of West Java and Banten (for 33.22%) which is in low category.

Based on research findings, the promising ethic issues and competitive advantage of the Polytechnic as a higher education in service marketing triangle context in the Polytechnic can be met if performance improves product attributes and implements promotion mix as well.

## **PROMISING ETHIC ISSUES**

### **Achieving Higher Education thru Regional and Global Collaboration**

Globalization has led to competition for educational institutions that is not only local or regional, but also international. Higher education collaboration is characterized by mutual understanding and consensual decision-making resulting in creative solutions that are enhanced and altered from those that any team member would produce independently, and by common action. The collaborative process has been described from a number of perspectives including the action research paradigm, from the co-operative group process perspective and from special education's multidisciplinary team approach. The competitive advantages of the process which seem particularly applicable to inter-institutional collaborative partnerships in curriculum and practicum design, and teacher education include increased sharing of material and human resources across professional disciplines, facilitation of liaison activities among institutions, and cost effectiveness; the generation of unique solutions and better decision-making that results from the pooling and recombination of resources. The regional and global competition will inevitably be faced by universities in Indonesia, both public and private. The condition of higher education (PT) in Indonesia is currently facing competition not only local, but also regional and global competition.

However, inter-institutional collaborative partnerships, by definition alternative approaches to solving educational problems or improving educational practice, have an element of innovation. The central focus of this collaboration between these universities is on interdisciplinary and multi-level approaches to industrial based initiatives practicum that will



help to foster happier and healthier. These multi-level and multi-cultural initiatives accentuate important core issues related to the field of industrial development practicum. These include leadership growth and development, enhancement and capacity building, partnership, collaboration, empowerment and sustainability in an array of sectors.

### **Competencies and General goals required for practicum**

Polytechnic students undergoing practicum may be placed in settings in which they are engaged in direct practice or indirect in industrial and developmental settings. In achieving this mission, proactive measures need to be taken into consideration and a task force need to be form. These include the application of the ethics on industrial and developmental practice; the use of critical thinking to guide decision-making; the acceptance and understanding of diversity in practice; the participation in the development of policies that impact on human development.

The general goals of in industrial and developmental practicum at both universities is to ensure equip future graduated who possess the knowledge, skill and value base for effecting change at the local, national and global levels. A major emphasis is the development of the ability in students to apply critical thinking skills in industrial sectors and to help them to encourage citizen participation in addressing issues of economic and industrial development. A further goal is the preparation of students for pursuing graduate level education; and to improve the quality of their professional practice. Additionally, faculties from both universities also develop effective cooperative and collaborative partnerships with industrial factoring and government scenario.

### **Program Evaluation Procedures**

Evaluation is essential for ongoing and are necessary to ensure effective collaborative effort. The criterion on which an evaluation of a collaborative effort is based is needed from the outset. Collaboration is a necessary part of contemporary industrial development, and the collaboration's activities benefit the students through the provision of clear information being presented to the field instructors. Having joint orientations and field-related trainings enable field instructors to gain information regarding the commonalities and distinctions between the programs.

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