

DETERMINING BASIS FOR
THE POSITION OF
COMPETITIVE ADVANTAGE
AND THE CHOICE OF
STRATEGIC ALTERNATIVES IN
WIDYA MANDALA CATHOLIC
UNIVERSITY OF SURABAYA

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DETERMINING BASIS FOR THE POSITION OF COMPETITIVE ADVANTAGE AND THE CHOICE OF STRATEGIC ALTERNATIVES IN WIDYA MANDALA CATHOLIC UNIVERSITY OF SURABAYA

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ABSTRACT

This study aims to perform analysis of competitive advantage on Widya Mandala Catholic University. Prior to determining the position of competitive advantage and strategies, identification of internal and external factors were conducted to identify the existing strengths and weaknesses as well as opportunities and threats that were likely to emerge. The study used descriptive qualitative method. The results of the analysis were then formulated in the form of SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis and matrix analysis using IFE (Internal Factors Evaluation) matrix, EFE (External Factors Evaluation) matrix and IE (Internal-External) matrix. The study found out that the result of IE matrix positioned Widya Mandala Catholic University in cell V. This position indicated that the strategy produced by Widya Mandala Catholic University was Hold and Maintain strategy with two proposed strategic alternatives namely Market Penetration and Product Development.

Keywords: SWOT Analysis, Internal Analysis, External Analysis, Competitive Advantage

INTRODUCTION

Recently, there has been a tight competition among higher education services especially among private universities. Therefore, private universities must be able to identify the position of its competitive advantage and then choose and determine the appropriate strategies in accordance with their competitive advantage. Widya Mandala Catholic University is no exception.

Widya Mandala Catholic University was founded on September 20, 1960 by Yayasan Widya Mandala under Diocese of Surabaya. Widya Mandala Catholic University is a private university that is responsible not only for social mission but also for the foundation (Yayasan Widya Mandala) providing capital.

Higher education as a place to prepare qualified human resources has a strategic role. Hence, it needs managing and developing in order to follow the rapid pace of development. Rondonuwu (1998) states that to "survive" in a competition needs the toughness of human resource finance, system and management approach which are open, objective and adaptive to both internal and external environment.

Strengths and weaknesses as well as opportunities and threats possessed by a university can be analysed using SWOT analysis. SWOT analysis identifies Strengths, Weaknesses, Opportunities, and Threats faced by an organization. Strengths and Weaknesses are identified from internal factor assessment, while Opportunities and Threats are identified from external factor assessment (Dyson, 2004). Analyzing internal and external factors by using SWOT analysis helps to determine the current situation and to identify major prospect and significant

challenge. When used appropriately, SWOT can provide good basic in formulating policies (Houben et al., 1999). It is important to perform SWOT analysis in order to determine what competitive strategies Widya Mandala Catholic University should apply. The results of SWOT analysis then were evaluated to know the weight and rating of each factor of strengths, weaknesses, opportunities, threats by using Internal Factors Evaluation (IFE) matrix and External Factors Evaluation (EFE) matrix. The results of IFE matrix and EFE matrix were then put on Internal-External (IE) matrix.

LITERATURE REVIEW

Higher education is responsible for performing education, research, community service as stated in Indonesian Government Regulation No. 20 of 2003, article 20 paragraph (2) (Association of Indonesian Publishers, 2010b:11). University as a professional organization is asked to provide sustainable quality improvement. In order to achieve the ultimate goal of higher education, professionally, university should create a work environment that allows the academic community to collectively achieve optimal performance in accordance with the agreed standards referring to the vision and mission that has been set.

Indonesian Government Regulation No. 17 of 2010, article 187 states that community participation in education works to improve access, quality, competitiveness, relevance, governance, and accountability in the management and organization of education (Association of Indonesian Publishers, 2010a:123). Therefore society as government partners is given the opportunity to participate in the broadest term of national education. The form of public participation is the establishment of private universities. Private university is a response to the high wishes of the people on the services of higher education that cannot be fully accommodated by the public university established by the government.

Strategy is a plan put together comprehensively and integratedly that links strategy of corporate advantage with environmental challenges designed to ensure that the company's main goal can be achieved through proper execution by companies (Jauch and Glueck, 1997:12). Strategic management is related to formulation and implementation strategy in the company. Jauch and Glueck (1997:6) define strategic management as a number of decisions and actions leading to the formulation of a strategy or a number of effective strategies to help achieve company goals. Strategic management process is the way how strategic planners determine the goals and make decisions.

Strategic management in general can be interpreted as a set of managerial decisions and actions that lead to the preparation of effective strategies to achieve organizational goals. In preparation of the strategy, environmental analysis such as SWOT analysis by comparing the strengths and weaknesses of internal organizational environment with opportunities and threats of external organizational environment needs to be performed. The use of strategic management greatly affects the success of an organization in achieving the objectives in the future. Errors in the implementation of the strategy will result in a situation in which a lot of organizations have problems and even lead to the bankruptcy.

Competitive Advantage can be achieved by an organization by creating a better customer value than that of other competitors at the same price or creating the same customer value as that of other competitors at a lower price. Christiananta (1996) defines competitive advantage as advantage in human resource possessed by enterprise compared to that of its rivals.

Valentin (2001) suggests that the SWOT analysis is the conventional approach to the search for insight in how to achieve the desired harmony. Panagiotou (2003) argues that the SWOT method is open and unstructured offering to users and planners to look for these variables, or

what to do and what the best way to incorporate them in the formulation of strategy is. The most important thing is that the systematic SWOT analysis can be carried out in all aspects of the organization's situation. This analysis provides a dynamic and useful framework for the analysis of the strategy as a result.

After a SWOT analysis is conducted, there are several variations of alternative strategies developed by strategic management scholars, among others are the Glueck generic strategy (Jauch and Glueck, 1997:216), Porter generic strategies (Umar, 1999:141-143), and group strategies - the main strategy according to David (David, 2009:252-273). In addition to the SWOT analysis, another technique that can be used to formulate a grand strategy of the organization is the SWOT matrix. This matrix can clearly describe how opportunities and threats of external environmental faced by the organization can be tailored to the strengths and weaknesses of the organization.

RESEARCH METHODS

This research is descriptive qualitative study aiming to find what the most appropriate strategy that can be applied in Widya Mandala Catholic University is. According to Bagdan and Taylor in Moleong (2010:4), qualitative research is a research procedure that produces descriptive data in the form of written or spoken words of the people and behaviors that can be observed. According to Travers (1978) in Umar (1999:21), descriptive method aims to describe the nature of things in progress at the time when the research was conducted and to examine the causes of a certain symptom. Meanwhile, according to Gay (1976) in Umar (1999:21), this method aims to answer questions concerning anything at the time of the research process.

Descriptive analysis is a study that describes the state of the object of research or problems that exist in the research namely the identification and analysis of key success factors. Case studies usually combine data collection methods such as archives, interviews, questionnaires, and observations. Evidence obtained is qualitative (eg words), quantitative (eg numbers), or both.

Subject targets used in this study were the key persons (structural officials having a role as policy makers namely the Dean and Head of Department) in the undergraduate Faculty in Widya Mandala Catholic University namely the Faculty of Teacher Training and Education, Faculty of Pharmacy, Faculty of Business, Faculty of Engineering, Faculty of Agricultural Technology, Faculty of Psychology, Faculty of Philosophy, Faculty of Communication Sciences, Faculty of Nursing, and Faculty of Medicine. There were 18 key persons from 10 faculties.

Success factor aspects used in this study include internal factors, namely Strengths, and Weaknesses, as well as external factors namely Opportunities and Threats that exist in the undergraduate faculty in Widya Mandala Catholic University.

In order to measure aspects of the success factors, it needed to be explained operationally. Success factors were obtained from information consisting of internal factors (strengths and weaknesses) and external factors (opportunities and threats) given by key persons. Internal factors (strengths and weaknesses) used were based on the results of self-evaluation of ten (10) faculties while external factors (opportunities and threats) used were based on Pearce II and Robinson (2009:112).

Internal factors (strengths and weaknesses) consist of the Vision, Mission, Goals and Objectives, as well as its strategies for achievements; Governance, Leadership, Management Systems and Quality Assurance; Students and Graduates; Human Resources; Curriculum,

Learning, and Academic Atmosphere; Financing, Infrastructure, and Information Systems; Research, Service/Community Service, and Cooperation. External factors (opportunities and threats) consisted of the Economic, Social, Politics, Technology, New Private Universities, Substitute for Institutions of Higher Education, and College Student.

Methods used in the data collection procedure in this study were Focus Group Discussion (FGD) involving structural officials having a role as policy maker (key persons), questionnaires, and interviews.

Having found the competitiveness and competitive advantage, the SWOT analysis was conducted to formulate appropriate strategies as a solution to make the threat into an competitive opportunity to improve their competitive advantage. Another technique that can be used to formulate a grand strategy of a university was matrices. In practice, this matrix was integrated into the framework of decision-making phases namely Phase 1 and Phase 2. Phase 1 is also called the input stage because it serves to summarize the basic information required in the formulation of strategy. In phase 1 of this study, two types of matrices namely External Factors Evaluation (EFE) Matrix and Internal Factors Evaluation (IFE) Matrix (David, 2009:158-159) were used. Phase 2 is also called matching stage because it focuses on the generation of alternative strategies that can be implemented through the incorporation of major internal and external factors. In phase 2 of this study, the matrix used was IE (Internal-External) Matrix (David, 2009:330).

RESULTS AND DISCUSSION

Results of weighting, rating, and multiplication of weights and rating of internal factors (strengths and weaknesses) on Widya Mandala Catholic University can be seen in Table 1 in appendix.

Table 1. Average Weight Scale, Rating, and Multiplication of Weights and Rating of Internal Factors (Strengths and Weaknesses) Widya Mandala Catholic University

No.	Internal Factors Strengths	Average Weight	Average Rating	Multiplication of Weights and Rating
1.	Vision, mission, goals, and objectives of the study program are conceived and implemented by the entire academic community.	0.0365	3.1667	0.1155
2.	Structural officials, lecturers, administration staff and laboratory technician as well as students in courses established harmonious and cooperative relationship.	0.0360	3.3889	0.1221
3.	Study program has guideline on program management that has been socialized well.	0.0368	3.3333	0.1228
4.	Study program has a quality assurance mechanism to ensure academic quality.	0.0379	3.3333	0.1262
5.	Study program has regular and transparent student admission selection system.	0.0300	2.8889	0.0866
6.	Study program has competency of graduates in accordance with the requirements.	0.0345	3.2778	0.1132
7.	Study program has qualified lecturers.	0.0379	3.5556	0.1349
8.	Study program has qualified administration staff and laboratory technicians.	0.0344	3.2222	0.1108

9.	The curriculum is designed in accordance with the vision, mission, goals, and objectives of the study program.	0.0379	3.5556	0.1348
10.	Existing learning methods in the study program has been formulated in the syllabus.	0.0375	3.7222	0.1396
11.	There has been good interaction between students and lecturers of the study program.	0.0380	3.5000	0.1331
12.	There has been good interaction among lecturers of the study program.	0.0351	3.2778	0.1151
13.	Study program has classrooms, laboratory, facilities supporting the learning process as well as other facilities that are very supportive on the learning process.	0.0362	3.2778	0.1185
14.	Universities and foundations have high commitment so that funds are available to ensure adequate operational costs and development courses.	0.0297	2.3333	0.0692
15.	Integrated Information System supported by adequate server data is very useful for study program.	0.0309	2.4444	0.0755
16.	Study program has an improvement on qualified research study.	0.0334	3.0000	0.1001
	Total Weight of Strengths	0.5627		
	Total Weight x Rating of Strengths			1.8182

No.	Internal Factors	Average Weight	Average Rating	Multiplication of Weights and Rating
	Weaknesses			
1.	Monitoring and evaluation mechanism of the strategic plan of the study program in an effort to achieve the vision, mission, goals, and objectives have not been fully achieved.	0.0313	2.7778	0.0870
2.	Streamlining new organizational structure leads to task overload of the existing leaders in the study program.	0.0345	2.8333	0.0978
3.	Planning and development program that exist in the study program is based on a solely internal analysis.	0.0181	2.3333	0.0422
4.	Existing staff of the study programs has lack commitment in the application of academic quality assurance system.	0.0272	2.7778	0.0755
5.	Student's awareness decreases course in exploiting the opportunity for participation in extra-curricular activities.	0.0218	2.4444	0.0532
6.	Communication, analytical, and decision-making skills in the study program still needs to be improved.	0.0326	2.9444	0.0961
7.	Educators (lecturers) in the study program have not run the existing job description well.	0.0232	2.6667	0.0620
8.	Education personnel (administration staff and laboratory technician) in the study program have not run the existing job description well.	0.0244	2.7222	0.0665
9.	Evaluation and the curriculum review for the study program with existing mechanisms require substantial time and cost.	0.0261	2.5556	0.0666

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10.	Existing learning methods in most courses are still using teacher centered method so that students are less active.	0.0201	2.4444	0.0491
11.	Study program is still lacking in performing research activities involving student.	0.0244	2.6111	0.0638
12.	Study program is still lacking in performing community service that involves students.	0.0243	2.4444	0.0594
13.	The study program is less intensive in using infrastructure.	0.0231	2.7222	0.0629
14.	Available funding sources in the study program still depend on the contribution of education.	0.0292	2.6667	0.0778
15.	Study program in utilizing existing information systems in the learning process is still not optimal.	0.0256	2.7222	0.0697
16.	Research application for teaching and learning is still not optimally used by the study program.	0.0254	2.5000	0.0635
17.	Research application for community service is still not optimally used by the study program.	0.0259	2.4444	0.0634
	Total Weight of Weaknesses	0.4373		
	Total Weight x Rating of Weaknesses			1.1564
	Total Weight of Strengths and Weaknesses	1.0000		
	Total Weight x Rating of Strengths and Weaknesses			2.9746

Source: Processed data

The result of multiplication of weights and rating of internal factors (strengths and weaknesses) on Widya Mandala Catholic University showed that the resulting score was 2.9746 which are in the Moderate region in Internal External (IE) Matrix.

Results of weighting, rating, and multiplication of weights and rating of external factors (opportunities and threats) on Widya Mandala Catholic University can be seen in Table 2.

Table 2. Average Weight Scale, Rating, and Multiplication of Weights and Rating of External Factors (Opportunities and Threats) Widya Mandala Catholic University

No.	External Factors Opportunities	Average Weight	Average Rating	Multiplicati on of Weights and Rating
1.	Today, people are more likely to invest their funds for education.	0.0564	2.8889	0.1628
2.	Communities are increasingly aware that education is an important requirement.	0.0631	3.1111	0.1963
3.	Back to school movement can increase public awareness to continue their education to higher education.	0.0530	2.8889	0.1531
4.	Government policies can encourage the growth and development of private universities.	0.0535	2.9444	0.1576
5.	Advances in technology can make the learning process more effective, in this case they supports the teaching equipment (such as LCD, internet, etc.).	0.0729	3.5000	0.2550
6.	New private universities emerge but the old ones still have the opportunities because the new private universities have no experience.	0.0481	2.7222	0.1310

7.	Substitutes for institutions of higher education (such as courses, technical colleges, etc.) emerge but the old private universities still have the opportunities because the substitutes for the higher education institutions do not offer degrees.	0.0529	2.8333	0.1499
8.	Many high school graduates cannot attend state universities so that there are positive opportunities for private universities.	0.0548	2.7778	0.1522
	Total Weight of Opportunities	0.4547		
	Total Weight x Rating of Opportunities			1.3580
<i>External Factors</i>				
<i>No.</i>	<i>Threats</i>	<i>Average Weight</i>	<i>Average Rating</i>	<i>Multiplication of Weights and Rating</i>
1.	Education funding is more and more expensive.	0.0644	3.1111	0.2003
2.	Society demands certainty to get a job after finishing universities.	0.0702	3.3889	0.2378
3.	Increasing public demands for better quality and service of private universities.	0.0694	3.2222	0.2237
4.	Government policy that gives permission for state universities to open the extension program would threaten the existence of private universities.	0.0466	2.7222	0.1269
5.	The easiness given by the government to open a new private university results in a tighter competition.	0.0433	2.8333	0.1226
6.	Rapid technological advances demand private universities to be able to keep up with innovations in the field.	0.0685	3.4444	0.2361
7.	Interest of prospective new students enrolling private universities will decline if there is a new private university emerging.	0.0513	2.8333	0.1452
8.	Institutions of higher education substitutes (such as courses, polytechnic, etc.) is more labor market oriented.	0.0661	3.1667	0.2093
9.	Student who are score-oriented (Achievement Index) think that it is easy to get good grades in private universities.	0.0382	2.4444	0.0935
	Total Weight of Threats	0.5180		
	Total Weight x Rating of Threats			1.5953
	Total Weight of Opportunities and Threats	0.9727		
	Total Weight x Rating of Opportunities and Threats			2.9533

Source: processed data

The result of multiplication of weights and rating of external factors (opportunities and threats) on Widya Mandala Catholic University showed that the resulting score was 2.9533 which are in the Moderate region in Internal External (IE) Matrix.

The mapping of the total value of IFE and EFE of Widya Mandala Catholic University indicated that the position of the IE Matrix lay at coordinates (2.9746; 2.9533) located in the

cell V (Figure 1). This position had the implication that the most appropriate strategy was to use Hold and maintain strategy. Hold and maintain strategy consists of market penetration and product development strategies.

Total Score of IFE

		Strong 3,0	Moderate 2,0	Weak 1,0
Total Score of EFE	4,0 Strong	I	II	III
	3,0 Moderate	IV	V	VI
	2,0 Weak	VII	VIII	IX

Figure 1. Internal-External Matrix of Widya Mandala Catholic University

Source: processed data

This approach explained that currently Widya Mandala Catholic University is at moderate position in the external environment which has a chance to anticipate the threats existing around the organization and it had a lot of strengths in an internal environment that can be used to exploit the existing opportunities. Strategies that can be developed by Widya Mandala Catholic University in the future are:

1. Market penetration strategies that can be performed by Widya Mandala Catholic University are as follows:
 - a. Designing curriculum that refers more to the world of work with the hope that the gap between the conditions of world of work and education will be resolved.
 - b. Encompassing students who have high achievements but they cannot afford the financial support by giving tuition waivers to prospective students.
 - c. Providing quality improvement services to lecturers and students for both academic and administrative services.
2. Product development strategies that can be performed by Widya Mandala Catholic University among others are:
 - a. Human resource development including the development of lecturers and education personnel. The potential of existing lecturers can be used to handle activities that directly impact the image enhancement of the institution for example through the establishment of study centers and consulting services while for education personnel, improving the quality of services can be done through a pattern of continuous coaching and training in accordance with assignment and expertise of each personnel.
 - b. Research and development lead to continuous innovation that can produce immediate benefits for both Widya Mandala Catholic University and society in general.

CONCLUSION

Result of Internal factor analysis showed that Widya Mandala Catholic University had value of IFE < 3 and it indicated that Widya Mandala Catholic University had moderate internal position. It meant that they had the strengths to overcome existing weaknesses. Result of

external factor analysis showed that Widya Mandala Catholic University had value of EFE < 3 and it indicated that Widya Mandala Catholic University had a moderate external position. It meant that they had a chance to avoid the existing threats.

Result of IE *Matrix* proved that Widya Mandala Catholic University lies on cell V. This indicated that Widya Mandala Catholic University still had a competitive advantage to overcome internal weaknesses as well as responded to external opportunities around them so as to avoid the existing threats. IE Matrix indicated that the strategy produced by Widya Mandala Catholic University was Hold and Maintain strategy with two proposed strategic alternatives namely Market Penetration and Product Development.

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