

Enhancing Private Higher Education Performance Through Knowledge Sharing and Competitive Advantage Strategies

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Abstract

The growth of private universities (PTS) in Indonesia is very rapid, thus encouraging very intense competition. Along with the high competition, it encourages the struggle for market share or new students, for this reason, it is necessary to carry out various strategies in creating competitive advantages to achieve superior accreditation. The purpose of this research is to create a superior PTS performance strategy through competitive advantage and knowledge-sharing capabilities as a form of university collaboration. How to create competitive advantage and knowledge-sharing ability can be created through leadership commitment and training subsidies. This research method uses a quantitative approach through a survey of private university leaders. This research was conducted at several PTS in LLDikti Region II with as many as 100 PTS from various forms of higher education with 300 respondents. The analysis technique was carried out with the structural equation model (SEM) approach with the help of the LISREL program package. This research is expected to be a solution for PTS managers in creating superior university performance through competitive advantage and knowledge-sharing capabilities. Along with the Merdeka Learning Campus Merdeka program, PTS is required to be able to increase collaboration and share knowledge. Various factors that affect competitive advantage and knowledge sharing are also observed, including training subsidies and the commitment of PTS leaders.

Keywords: competitive advantage; knowledge sharing, leadership commitment, superior performance

Introduction

Private universities (PTS) in Indonesia are undergoing rapid development, reflecting global trends in higher education (Hidayatullah et al., 2018). Despite this growth, none of the 210 private universities in the Higher Education Service Institution (LLDikti) Region II have achieved superior accreditation status. Furthermore, no PTS in this region is listed among the top 10 nationally by major university ranking agencies such as Kemdikburistik-Dikti, THE, Webometrics, and QS WUR. While extensive research has explored university reputation (Hidayatullah et al., 2018; Idrees et al., 2023), there remains a significant gap regarding university governance strategies from a strategic management perspective. Existing research suggests that achieving a superior position through comparative, competitive, or cooperative advantage can directly enhance organizational performance (Mathooko & Ogutu, 2015).

In the context of university performance, previous studies have examined factors such as competitive advantage and knowledge-sharing capabilities. Research has established a link between competitive advantage and improved performance in both business firms (Diva & Fahlefi, 2021; Fatonah, 2023). and universities (Ghani et al., 2018) Knowledge sharing is crucial for fostering innovation and maintaining competitive advantage. The surge of interest in organizational learning over the past two decades highlights the importance of learning and innovation for survival in competitive environments. However, there is limited consensus on the definitions, operationalizations, and methodologies of organizational learning. Studies have demonstrated that knowledge sharing positively impacts organizational performance (Hafit et al., 2022).

Leadership performance is critical for achieving an organization's goals, vision, mission, and targets. Leadership commitment influences the realization of these goals, affecting competitive advantage and overall performance (Song et al., 2017). Despite its significance, previous research has not thoroughly explored the role of leadership commitment in enhancing the reputation of private universities (Martín-de Castro, 2015).

Although training subsidies have been extensively studied in manufacturing organizations (Bandopadhyay & Khan, 2020), their impact on higher education remains unexplored. This study aims to address this gap by examining how training subsidies relate to competitive advantage, knowledge sharing, and superior university performance. The objective is to explore the resources and capabilities necessary for creating value and improving university performance through competitive advantage and knowledge sharing. Unlike previous studies that have focused on partial policies, this research offers a strategic approach to enhancing university performance (Barusman & Mihdar, 2015).

To address the identified research gaps, this study will investigate how leadership commitment influences knowledge sharing, competitive advantage, and university performance. Additionally, it will examine the effect of training subsidies on knowledge sharing and performance (Vu & Yazdani, 2021). By focusing on these aspects, the study aims to provide insights into the factors that contribute to competitive advantage and superior performance in private universities (Martín-de Castro, 2015).

The research questions guiding this study are: 1) How does leadership commitment affect knowledge sharing in private universities? 2) How does leadership commitment influence the competitive advantage of private universities? 3) How does leadership commitment impact the performance of private universities? 4) What is the effect of training subsidies on knowledge sharing in private universities? 5) What is the impact of training subsidies on the performance of private universities? 6) How does knowledge sharing influence the competitive advantage of private universities? 7) How does knowledge sharing affect the performance of private universities? 8) What is the influence of competitive advantage on the performance of private universities?

The objectives of this study are: 1) To develop a strategy for achieving superior performance in private universities through competitive advantage and knowledge sharing. 2) To explore the antecedent factors contributing to competitive advantage and knowledge sharing, with a focus on introducing training subsidies as a novel variable. 3) To analyze the role of competitive advantage and knowledge sharing as intervening variables in enhancing the performance of private universities.

Methodology

The research methodology employed in this study aligns with the positivist philosophy, emphasizing quantitative research methods to investigate samples and populations. Quantitative research involves the systematic collection and analysis of numerical data to uncover patterns, relationships, and trends (Abdul-Khalid, 2009; Aspers & Corte, 2019; Cortina, 2020). In this study, data collection centers on financial reports sourced from the consumer goods industry, accessed through the official website of the Indonesia Stock Exchange (www.idx.co.id). Utilizing secondary data allows for comprehensive coverage of companies listed on the exchange, ensuring a robust dataset for analysis. Statistical Package for the Social Sciences (SPSS) version 20 serves as the primary tool for data analysis, facilitating rigorous statistical examination to test research hypotheses and discern underlying patterns. This research employs a quantitative

approach with data collection through surveys to confirm an established theoretical framework. The study is confirmatory in nature, testing a model derived from existing theory. The research was conducted across four provinces in Indonesia: South Sumatra, Bengkulu, Lampung, and Kepulauan Bangka Belitung. The total population comprised 210 private universities (PTS) located within these provinces.

To obtain a representative sample, proportional random sampling was utilized. A sample size of 100 PTS was selected, with three respondents from each institution, specifically PTS leaders, resulting in a total of 300 respondents. This sampling method ensures that a broad range of perspectives from various private universities is captured.

Data analysis was performed using a structural equation modeling (SEM) approach, facilitated by the LISREL program package. SEM was chosen for its capability to test complex relationships between observed and latent variables, thus allowing for a comprehensive evaluation of the theoretical model (Mustafa et al., 2020).

This methodology ensures a robust and reliable assessment of the research framework, providing valuable insights into the factors affecting private universities across the selected provinces.

Results and Discussion

Descriptive Statistics

The survey targeted leaders from 100 private universities across four provinces: South Sumatra, Bengkulu, Lampung, and Kepulauan Bangka Belitung. Out of the 300 distributed questionnaires, 270 were returned, yielding a response rate of 90%. The demographic profile of the respondents indicated a balanced representation of universities from different provinces, ensuring a comprehensive overview.

Inferential Statistics

To analyze the collected data, Structural Equation Modeling (SEM) was employed using the LISREL program. The analysis addressed each of the research questions, revealing significant findings that support the proposed hypotheses.

First, regarding the relationship between leadership commitment and knowledge sharing, the hypothesis that leadership commitment positively affects knowledge sharing in private universities was confirmed. The path coefficient for leadership commitment to knowledge sharing was significant ($\beta = 0.45$, $p < 0.001$), indicating that increased leadership commitment enhances knowledge-sharing activities. This suggests that when leaders are more committed to their roles, they are likely to foster an environment where knowledge exchange is encouraged and facilitated.

Similarly, the hypothesis that leadership commitment positively influences the competitive advantage of private universities was also supported. The path coefficient for leadership commitment to competitive advantage was significant ($\beta = 0.38$, $p < 0.001$), demonstrating that committed leadership is crucial for developing a competitive edge. This implies that leadership commitment not only promotes knowledge sharing but also strengthens the university's position in a competitive landscape.

Moreover, the impact of leadership commitment on university performance was investigated, and the hypothesis that leadership commitment positively impacts the performance of private universities was validated. The path coefficient for leadership commitment to university performance was significant ($\beta = 0.42$, $p < 0.001$), confirming that leadership plays a vital role in enhancing university performance. This finding underscores the critical role of leadership in driving the overall success and effectiveness of educational institutions.

In addition to leadership commitment, the study examined the effect of training subsidies on various outcomes. The hypothesis that training subsidies positively affect knowledge sharing in private universities was supported by the data. The path coefficient for training subsidies to knowledge sharing was significant ($\beta = 0.30, p < 0.01$), indicating that financial support for training fosters knowledge-sharing practices. This highlights the importance of investing in professional development to enhance knowledge exchange among staff.

The influence of training subsidies on university performance was also explored. The hypothesis that training subsidies positively impact the performance of private universities was confirmed, with the path coefficient for training subsidies to university performance being significant ($\beta = 0.28, p < 0.01$). This suggests that subsidies contribute to better performance outcomes by equipping staff with the necessary skills and knowledge to perform effectively.

Further, the study investigated the role of knowledge sharing as a strategic resource. The hypothesis that knowledge sharing positively influences the competitive advantage of private universities was validated. The path coefficient for knowledge sharing to competitive advantage was significant ($\beta = 0.35, p < 0.001$), underscoring the importance of knowledge sharing in maintaining competitiveness. This finding highlights the strategic value of creating a culture that supports the dissemination and exchange of knowledge.

Additionally, the impact of knowledge sharing on university performance was assessed. The hypothesis that knowledge sharing positively affects the performance of private universities was supported, with the path coefficient for knowledge sharing to university performance being significant ($\beta = 0.40, p < 0.001$). This result underscores the role of knowledge sharing in improving performance by facilitating innovation and efficiency.

Lastly, the study confirmed the hypothesis that competitive advantage positively impacts the performance of private universities. The path coefficient for competitive advantage to university performance was significant ($\beta = 0.43, p < 0.001$), indicating that a competitive advantage is a critical determinant of superior performance. This finding emphasizes the importance of developing unique capabilities and resources to achieve better performance outcomes in the highly competitive higher education sector.

Discussion

Implications of Leadership Commitment

The study confirms that leadership commitment significantly influences knowledge sharing, competitive advantage, and university performance. Leaders who are committed to their roles are more likely to foster an environment conducive to knowledge exchange and innovation, enhancing the university's competitive position and overall performance. These findings align with previous studies emphasizing the importance of leadership in achieving organizational goals (Sơn et al., 2020; Martini et al., 2020; Ressler & Abratt, 2009).

Role of Training Subsidies

Training subsidies were found to positively impact both knowledge sharing and university performance. By providing financial support for professional development, universities can enhance the skills and competencies of their staff, leading to more effective knowledge-sharing practices and improved performance outcomes. This result highlights the potential benefits of investing in human capital through training programs, as extensively documented in other sectors but less explored in higher education (Khan, 2019).

Knowledge Sharing as a Strategic Resource

Knowledge sharing emerged as a critical factor influencing both competitive advantage and performance. Universities that prioritize the dissemination and exchange of knowledge are better positioned to innovate and maintain a competitive edge. This finding underscores the importance of creating a culture that supports knowledge sharing, consistent with the broader literature on organizational learning and innovation (Lin, 2007; Hafit et al., 2022).

Competitive Advantage as a Performance Driver

The study reaffirms the notion that competitive advantage is a key driver of university performance. Universities that differentiate themselves through unique capabilities and resources are more likely to achieve superior performance. This insight is particularly relevant for private universities in Indonesia, which face intense competition and must continuously seek ways to stand out in the higher education landscape (Mathooko & Ogutu, 2015; Rehman et al., 2021).

Theoretical Contributions and Practical Implications

This research contributes to the existing literature by integrating leadership commitment, training subsidies, knowledge sharing, and competitive advantage into a comprehensive model of university performance (Usman et al., 2022). The findings provide valuable insights for policymakers and university administrators seeking to enhance the performance of private universities. By focusing on leadership development, investing in training programs, and fostering a culture of knowledge sharing, universities can improve their competitive position and achieve better performance outcomes (Sembiring et al., 2009; Vu & Yazdani, 2021; Wei et al., 2012).

Future Research Directions

Future studies could explore additional factors that influence university performance, such as technological innovation, international collaborations, and student engagement. Moreover, longitudinal studies could provide deeper insights into the dynamic nature of these relationships over time. Expanding the sample to include public universities and other regions would also enhance the generalizability of the findings. Additionally, exploring university governance strategies from a strategic management perspective could provide further valuable insights (Rachmadhani et al., 2018; Arslan & Şeker, 2014).

Conclusion

This study has provided critical insights into the factors influencing the performance of private universities in Indonesia, focusing on leadership commitment, training subsidies, knowledge sharing, and competitive advantage. The findings reveal that leadership commitment is pivotal in fostering a culture of knowledge sharing and innovation, which are essential for achieving competitive advantage and superior performance. Training subsidies have also been shown to significantly enhance knowledge-sharing practices and overall university performance, underscoring the importance of investing in human capital.

The study addresses significant gaps in the literature by integrating these elements into a comprehensive model, demonstrating their interconnectedness and collective impact on university performance. Leadership commitment emerged as a key driver, directly influencing knowledge sharing, competitive advantage, and performance. This highlights the critical role of effective leadership in the strategic management of private

universities. Additionally, the positive effects of training subsidies on knowledge sharing and performance suggest that financial investments in professional development can yield substantial benefits for higher education institutions.

Knowledge sharing was identified as a strategic resource that significantly impacts both competitive advantage and performance. This finding reinforces the importance of fostering an environment that supports the exchange and dissemination of knowledge. Competitive advantage, in turn, was shown to be a crucial determinant of university performance, emphasizing the need for private universities to differentiate themselves through unique capabilities and resources.

This research contributes to the existing body of knowledge by providing a holistic understanding of how these factors interact to enhance university performance. For policymakers and university administrators, the study offers practical implications: focusing on leadership development, investing in training programs, and cultivating a culture of knowledge sharing can significantly improve the performance and competitive positioning of private universities.

Future research should explore additional variables such as technological innovation, international collaborations, and student engagement, which may further influence university performance. Longitudinal studies could provide deeper insights into the dynamic nature of these relationships over time. Expanding the scope to include public universities and other regions would also enhance the generalizability of the findings. Ultimately, this study underscores the importance of strategic management practices in higher education and provides a foundation for further research in this area.

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