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Leadership Capability for Market Orientation and Learning Orientation and Its Impact on the Institution Performance and Competitiveness: A case of STIE Indonesia

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Abstract

Main problem in this study is the competitiveness of STIE as Private Higher Education in particular is still relatively low. This condition can occur in any area including West Java and Banten. This is presumably caused by several variables: Leadership Capability, Market Orientation, Learning Orientation and Institution Performance is not maximized. Research designs are grouped into descriptive research and verification to analyze the causal relationship between the variables studied while processing the data using descriptive analysis techniques and testing hypotheses with PLS (Partial Least Square). Descriptive analysis showed that the leadership capability of STIE, market orientation, learning orientation, institution performance, and competitiveness in the institutional environment of STIE at KOPERTIS Region IV West Java and Banten Management Faculty accredited B including the high category, partial and simultaneous.

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Keywords: Competitiveness, Leadership Capability, Learning Orientation, Market Orientation, Institution Performance.

1. Introduction

The role of education is very important in life. According to Law No. 20 of 2003 on National Education System, education is a conscious and deliberate effort to create an atmosphere of learning and the learning process so that learners are actively developing the potential for him to have the spiritual power of religion, self-control, personality, intelligence, noble

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character, and skills needed him, society, nation, and state. Thus the importance of the role of education, then in 1945 mandated that every citizen has the right to education, teaching and government seek to organize a national educational system whose implementation is regulated by law.

In Indonesia, efforts to improve the quality of early pension high tance has been conducted by the Higher Education with a concept HELTS (*Higher Education Long Term Strategy*) 2011-2020. HELTS concept establishes three strategic pillars of higher education that is the nation's competitiveness, autonomy and health organizations. Competitiveness is the focus of this strategy, given the rank *Human Development Index* (HDI) Indonesia is still very alarming (hdr.undp.org/en/statistics, download dated January 11, 2015). In 2004 and 2005 HDI consecutive Indonesia is ranked 111 and 110, while in 2010/2011 remained below neighboring countries (Singapore ranking 25, Malaysia ranks 63, and Thailand ranked 78th), while according to " The 2014 Global Economic Forum of the Global Competitiveness Index (GCI) "which was released World Economic Forum (WEF), the global competitiveness of Indonesia especially for Higher Education is ranked 50 of 144 countries (www.weforum.org/issues/global-competitiveness, download dated January 11, 2015).

College of Economics (STIE) as one of the College who specializes in economics is also trying to gain a sustainable competitive advantage). Based on data from the National Accreditation Agency (BAN-PT) in 2014, it is known that from about 58 courses that are accredited only 11 STIE who obtain accreditation B, there is not even in the Environment STIE Kopertis Region IV West Java and Banten accredited A. This show STIE in Environmental Kopertis Region IV West Java and Banten not yet competitive enough to compete with other universities.

As *professional service providers*, universities in Indonesia is very slow and tend to refuse to carry out marketing activities. This phenomenon is very evident especially in public universities (PTN), which has always been a bone of contention for prospective students. The decision makers assume that marketing activities are often identified with the promotion are not necessary, because without such activity they can still *survive* and did not find any significant problems. There is also the assumption that the concept of market orientation is not in accordance with the purpose of education. This opinion is based on the perspective that identifies market orientation with activities for profit as much as possible through the fulfillment of all the needs and desires of customers. Among polemic implementation of market orientation in the college, the contribution of this concept to increasing college performance has been proven empirically (Yeni 2007).

Research Problem

1. How does the Leadership Capability to Market Orientation?
2. How does the Leadership Capability of the Learning Orientation?
3. How does the Leadership Capability of the Institution Performance ?
4. How does the Leadership Capability of the STIE Competitiveness ?
5. How does the Market Orientation on STIE Performance?
6. How does the Market Orientation on STIE Competitiveness ?
7. How does the Learning Orientation on STIE Performance?
8. How does the Learning Orientation on STIE Competitiveness?
9. How does the Performance of the STIE Competitiveness ?
10. How Competitiveness Index STIE within Kopertis Region IV West Java and Banten Accredited B?

2. Review Literature

2.1 Capability Leadership

Here are some definitions of leadership drawn from Training Materials Leadership, Managerial Skills Training SPMK - January 2003:

Leadership is a personal attitude, which leads implementation of activities to achieve the desired goals. (Hemhiel & Coons, 1957, 7)

Meanwhile, according to Sarros and Butchasky (1996), "*leadership is defined as the purposeful behavior of Influencing others to contribute to a commonly agreed goal for the benefit of the individual as well as the organization*

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