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ANALYSIS OF THE EFFECT OF ABSORBTIVE CAPACITY ON THE PERFORMANCE OF S1 MANAGEMENT STUDY PROGRAMS IN KOPERTIS IV WEST JAVA-BANTEN

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Abstract: The capacity to absorb knowledge is the ability of organization to gather external information which is then used for organizational development and innovation. The development of the education world, rapid competition and intense competition among study programs, especially management study programs, require the determination of innovation strategies that have competitive advantages. The success of an organization in facing competition depends on how the organization optimizes the capacity of absorbing knowledge that has an impact on the performance of the study program. This research was conducted on the S1 Management Study Programs at Kopertis 4 West Java. The method used in this research is descriptive and verification method. It also used Structural Equation Modeling (SEM) analysis technique. The ability to absorb knowledge is shaped by 4 dimensions, namely the ability to acquire knowledge, the ability to assimilate knowledge, the ability to transform knowledge, and the ability to exploit knowledge. The results showed that the ability to absorb knowledge has a high contribution to the performance of study programs. The dimension of the ability to transform knowledge is the largest dimension contributing to the ability to absorb knowledge with a loading factor of 0.811 with an r^2 value of 65.7%. The ability to absorb knowledge significantly influences the performance of study programs.

Keywords: Absorptive Capacity, Study Program Performance.

INTRODUCTION

Globalization is marked by the rapid development of science and technology, especially the development of information technology and transportation resulting in increasingly fierce competition (hypercompetitive) and a rapidly changing environment (turbulence). High competition and the high speed of change require organizations to change the paradigm from originally relying on resource-based to knowledge-based. Organizational progress is determined by the skills and expertise of employees in creating knowledge within organizations (organizational knowledge creation).

Educational products in high educational institutions are offered in the form of study programs, as such that study programs have a large role in the advancement and quality of education in those educational institutions. The study programs are regulated by Government Regulation No. 4 of 2014. Furthermore, the study program is defined as a program that includes a unified learning plan as a guideline for organizing education launched on the basis of a curriculum and intended so that the students can master knowledge, skills, and attitudes in accordance with curriculum objectives .

The followings are the conditions of the accreditation status of S1 Management study programs at private universities in Kopertis Region IV Jabar-Banten area, i.e.:

Table 1: Accreditation Status of S1 Management Study Program of Private Universities in Kopertis IV Jabar-Banten area

No	Accreditation	Number of Study Program
1	A	6
2	B	30
3	C	64
Jumlah		100

Source: Badan Akreditasi Nasional Perguruan Tinggi Tahun 2016

Table 1 shows that most of the accreditation status of S1 management study programs in private universities in Kopertis Region IV West Java-Banten has accreditation level of C (64 study programs). This situation shows that the performance of S1 management study programs in Kopertis Region IV West Java-Banten is still not yet optimal and needs to be improved, because the graduates of study program with the accreditation level of C will find difficulties in getting a job due to many agencies either private or government agencies set a minimum accreditation value of B in the recruitment of prospective employees. This condition will further increase the number of unemployed college graduates in Indonesia.

Ramirez (2007) states that very valuable resources for universities are teaching staff (lecturers), researchers, students, and education staff (administrative staff), as well as their organizational processes and relationship networks. For a study program staff, the chair of the study program, the study program secretary and the education or administrative staff are supporting resources who have an important role in the performance of the study program.

The source of organizational knowledge is intellectual capital. Intellectual capital which is a source of knowledge for organizations will provide value to the organization if it is managed properly, through the ability to absorb knowledge (absorptive capacity). The importance of the ability to absorb knowledge was stated by Srivastava (in Lenny Martini and Tjakraatmadja, 2011) that the cognitive resources available to the organization would be

useful if knowledge absorption occurs. Through the ability to absorb knowledge, the knowledge of the organization will increase and form new knowledge, and improve the quality of personal and organizational. This opinion is supported by Noris (2003) which states that sharing knowledge carried out through the ability to absorb knowledge is an activity that must be carried out in academic institutions to maintain sustainability and achieve competitive advantage in its role as a center of knowledge or center of excellence.

Preliminary study was conducted on 30 respondents consisting of 10 study program leaders, 10 study program secretaries, and 10 administrative staff supporting the study program. Preliminary research conducted on the S1 management study program in Kopertis Region IV West Java-Banten using a questionnaire and a scale of 1-5, where the value of 1 is the lowest score, and the value of 5 is the highest score.

The followings are the phenomena relating to the ability to absorb knowledge (absorptive capacity), i.e.:

Table 1: Preliminary Survey on the Ability to Absorb Knowledge

No	Statement	Average Score
1	The study program conducts regular expertise group meetings	3,07
2	The study program encourages and facilitates the use of email and intranet to accelerate the process of activities	3,22
3	Has a special room designed for the knowledge sharing activity	3, 00
4	The study program regularly holds scientific meetings by inviting experts	3,24
5	Activities related to scientific meetings are still very limited	3,14
6	The study program always reviews and examines input relating to the desires and expectations of consumers / users	3,23
7	The study program stores and documents all new knowledge for future reference	3,34
8	The study program regularly holds meetings to conduct an evaluation of the process that has been carried out	3,45

Note: Score 1: lowest; 5: highest

Source: Processed from the 2016 survey

Based on this phenomenon it can be mentioned that the S1 Management study programs at private tertiary institutuniversities in Kopertis Region IV West Java-Banten have not been optimal in the ability to absorb knowledge.

LITERATURE REVIEW

The ability to absorb knowledge is the core of knowledge sharing activities. According to Nonaka and Takaeuchi (in Awad & Ghaziri, 2004), knowledge sharing is a management process that includes the acquisition, creation, transfer, codification, and distribution of knowledge. The aspects of knowledge sharing were also put forward by Zahra and George in Affandi, A (2009,13) who did the reconceptualisation of the ability to absorb knowledge. Then Cohen and Levinthal introduced an additional component, namely activities that facilitate the merging of existing knowledge with newly acquired and assimilated knowledge. Zahra and George (2002) express a reconceptualization that connects knowledge resources, absortive capacity and organizational capabilities in generating competitive advantage. Absortive capacity consists of Potential Absortive Capacity (PAC) which includes

the ability to acquire and assimilate, and Realized Absortive Capacity (RAC) which includes the ability to transform and exploit knowledge.

So the concept of the ability to absorb knowledge from Cohen and Levinthal which has three dimensions is reconciled by by Zahra and George (2002) into 4 dimensions, namely:

a. The ability to acquire knowledge
b. Ability to assimilate knowledge
c. The ability to transform knowledge
d. The ability to exploit knowledge

Henceforth, this dimension of the ability to absorb knowledge from Zahra and George will be used in this study.

Furthermore Zahra and George in Affandi, A (2009,13) propose a model that connects external sources of knowledge and experience as antecedents, absorptive capacity as moderator, and competitive advantage as outcomes, which include strategic ability, innovation ability, and performance improvement.

Sharing knowledge has great benefits in the learning process and improving personal and organizational quality. It is increasingly understood that science is not something that belongs absolutely to both individual and organization. Knowledge is dynamic and improving. With that unique nature, knowledge is a form of asset that if it is shared (shared knowledge), it will actually grow and develop (Raubet et al, 2000). Therefore knowledge sharing is an activity in which the process of improving an organization towards a better direction in order to achieve sustainable progress (sustainability), as such in the end together with others can provide benefits for human life (Bragdon, 2006).

The benefits of knowledge sharing were also stated by Noris et al (2003) which stated the benefits of knowledge sharing in an academic environment namely that these activities must be carried out in academic institutions and must always be developed to maintain sustainability and achieve competitive advantage in its role as a center of knowledge or center of excellence. As important as the role of knowledge sharing is, Nonaka and Takaeuchi (in Andrawina, 2008) expressed that only organizations or companies having ability to produce new knowledge in a sustainable manner is able to achieve a better position or competitive advantage.

Knowledge sharing becomes an important process for a work team, because if knowledge is not shared, then the cognitive resources available to the organization will not be useful (Srivastava, 2006). In a successful process of sharing knowledge, knowledge receivers will get an increase in their stock of knowledge without causing a reduction in stock of knowledge from the sender. So the addition of stock of knowledge will exist on both sides. The activity of donating knowledge and collecting knowledge can lead to a new understanding.

Study Program Performance

Performance is the result of work achieved by someone in carrying out the tasks assigned to him in accordance with predetermined criteria. *Malthis & Jackson* (2009)

revealed that performance is anything that is done and anything that is not done by employees which includes the quantity and quality of the results, timeliness, attendance and ability to cooperate. Furthermore, *Michael and Larson* stated that employee performance showed a behavioral outcome that was assessed by several criteria or quality standards of a work. If the employee's behavior gives work results that are in accordance with the standards or criteria set by the organization, then the employee's performance is classified as good, and vice versa if the employee's behavior provides work results that are not in accordance with the standards or criteria set by the organization, then the employee's performance is classified as poor.

Moeheriono (2010) said that performance is a picture of the level of achievement of the implementation of a program of activities or policies in realizing the goals, objectives, vision and mission of the organization as outlined through organizational strategic planning. The study program carries out learning activities or policies in realizing the goals, objectives, vision and mission of the higher educational institutions. Therefore the performance of the study program determines whether or not a higher educational institution will progress.

Based on Government Regulation No. 19 of 2005, the study program is a place where the teaching and learning process runs between lecturers, administrative staff and students in accordance with applicable education standards. Performance serves as an instrument to determine whether the higher educational institutions have the ability to maintain their lives, as well as a basis for formulating future tertiary planning activities and as information for stakeholders, regarding achievement and success of tertiary education. The measurements used to assess performance depend on how the tertiary study program will be assessed and how the targets will be achieved. The quality of study programs is a reflection of the totality of conditions and characteristics of inputs, processes, outputs, results, and impacts, or services / performance of study programs which are measured from a number of standards as benchmarks to determine and reflect the quality of higher education institutions.

Performance aspects according to BAN PT are as follows:.:

1.Vision, mission, goals, and objectives, and achievement strategies.
2.Governance, leadership, management system, and quality assurance.
3.Students and graduates.
4.Human resources
5.Curriculum, learning, academic atmosphere.
6.Information systems, financing, facilities and infrastructure.

Considering that one of the core business of the university is knowledge management, then one of its elements is the knowledge sharing. Without knowledge sharing, the learning process which is the process of improving knowledge will be hampered. Individuals who share knowledge with others will not lose their knowledge, but will multiply the value of that knowledge or science. Through knowledge sharing there will be an increase in the value of knowledge possessed by the organization. The addition of this value will affect employee performance (Zack, McKeen and Singh, 2009; Ha, Lo and Wang, 2016).

In addition to the causality between the intellectual capital, the knowledge-sharing activities and commitment to institutional performance, this research also analyzes the relationship among the three variables. Knowledge management is the basis of the

intellectual asset management, which contributes to the improvement of the organization. One important application of knowledge management is knowledge sharing. Hsu (2008) has also concluded that knowledge sharing plays on important role on improving the performance and such a role with be more important through human capital with more quality. The intellectual capital consisting of human capital, relationship capital, and structural capital which exists in the organization will grow and expand if it is shared or distributed to employees (Radaelli et al., 2011; Reza and Mehrabian, 2015; Djulius, 2017b). Moreover, the application of knowledge management must be supported by the commitment of employees to build a prime company which is capable to compete with other companies. If the employees do not have good commitment to the company then the implementation of knowledge management will not lead to significant progress in terms of the knowledge and will also affect the knowledge of the organization (Li-Ying, 2015; Djulius, Juanim and Ratnamiasih, 2018). Finally, this research also hypothesizes the relationship between intellectual capital and commitment. Through high commitment, the knowledge gained from the institution can be transformed into new knowledge. The main issue of knowledge management is not just information technology but also the behavior that enables organizational members to increase their knowledge, and their work unit as well, by combining the existing knowledge with new knowledge (Yi-Ching Chen, Shui Wang and Sun, 2012; Zeinoddini, Esfahani and Soleimani, 2015; Wilkins, Butt and Annabi, 2017).

RESEARCH METHODS

The method used in this research is descriptive method and verification method. This research was conducted on the S1 Management study program in Kopertis Region IV West Java and Banten.. The respondent is the head, the secretary, and the administrative staff of the study program. The population was 276 with samples of 156. The analysis technique used was Structural Equation Modeling (SEM).

FINDINGS AND DISCUSSION

Variable Capacity to Absorb Knowledge (Absorptive Capacity)

The capacity to absorb knowledge which is formed by 4 (four) dimensions with 22 indicators states that the ability to acquire knowledge as measured by 6 indicators has a loading factor value of 0.675 with an r^2 value of 45.6%. While the dimension of ability to assimilate knowledge measured by 6 indicators has a loading factor value of 0.391 with an r^2 value of 15.3%. The next dimension as forming of knowledge sharing is the dimension of the ability to transform knowledge as measured by 5 indicators having a loading factor value of 0.811 with an r^2 value of 65.7%. The fourth dimension that forms the capacity to absorb knowledge is the ability to exploit knowledge as measured by 5 indicators having a loading factor value of 0.580 with an r^2 value of 33.6%.

Based on these results, it can be seen that the capacity to absorb knowledge formed by 4 (four) dimensions as forming dimensions shows the result that the dimension of ability to transform knowledge is the dimension that mostly contributes to knowledge sharing. This indicates that with the transfer of knowledge to all partie, in this case the lecturers and administrative staff, will have a positive impact because it does not need all member of the

academic community to participate in the seminar but instead quite a few lecturers and administrative staff. In addition, the ability to assimilate knowledge is also needed to review information about user needs and to improve the competency of the academic community.

Study Program Performance Variables

The performance of the study program formed by 7 (seven) dimensions with 45 indicators states that the dimensions of the Vision, Mission, Objectives and Targets, and Achievement Strategies. as measured by 9 indicators has a loading factor value of 0.628 with an r^2 value of 38.4%. While the dimensions of Governance, Leadership, Management System, and Quality Assurance measured by 8 indicators have a loading factor value of 0.722 with an r^2 value of 52.2%. The next dimension as forming the performance of the study program are students and graduates measured by 6 indicators having a loading factor value of 0.558 with an r^2 value of 31.2%. Dimensions of Human Resources is a shaper dimension of the study program performance as measured by 5 indicators has a loading factor value of 0.435 with an r2 value of 18.9%. Dimensions of Curriculum, Learning, and Academic Atmosphere are forming dimensions of the performance of study programs as measured by 7 indicators having a loading factor value of 0.369 with an r^2 value of 13.6%. Furthermore, the forming dimensions of the study program performance are the dimensions of the Financing Information System, Facilities and Infrastructure as measured by 5 indicators having a loading factor value of 0.243 with an r^2 value of 5.92%. While the last forming dimension of the performance of the study program is the dimension of Research, Service / Community Service, and Work that is measured by 5 indicators having a loading factor value of 0.258 with an r^2 value of 6.6%.

Based on these results, it can be seen that the performance of the study program measured by 7 forming dimensions shows the results in which the dimensions of Governance, Leadership, Management System, and Quality Assurance have a greater value of loading factor compared to other dimensions. This indicates that a university is considered good if Governance, Leadership, Management System, and Quality Assurance are good, because it is the Governance that causes all dimensions to increase. With a good Governance, a college will be attractive to consumers. On the contrary, an improper leadership and a bad management system will cause the non-condusive teaching and learning system and will hamper adherence to the existing SOP. Therefore quality assurance system is needed so that the higher educational institutions, especially the study programs, can have different / specific advantages compared to other higher educational institutions because every academic and non-academic activity is always guaranteed and in compliance with applicable regulations.

CONCLUSION AND SUGGESTION

1. The results of the descriptive analysis show that the ability to absorb knowledge is in the range of good enough to very good. However, there are still several aspects of weakness, i.e.:
   - Knowledge obtained from experts or other organizations has not been used yet by study programs to further improve the management of study programs,.

- Study programs have not been able to use their knowledge to improve existing work processes.
- Study programs have not been able to find new ways to combine their knowledge with new potentiasl or opportunities

2. The average respondent's responses to the study program performance variables are in the range of good enough to very good. However, there are still some aspects of weakness such as:
   - the study program has not monitored and evaluated the academic performance of the lecturers and the performance of the educational staff
   - the study program has not provided a Lecture and Syllabus Unit for each course as a guide for lecturers in carrying out the teaching process, and
   - the study program does not always provide administrative requirements for teaching and learning activities, such as lecturer attendance list, student attendance list, teaching material.

There is a significant influence of the ability to absorb knowledge on the performance of study programs. The better the commitment of the study program will improve the study program performance.

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