

THE IMPLEMENTATION OF STRATEGIC MANAGEMENT ON COMPETITIVE ADVANTAGE IN ISLAMIC UNIVERSITY OF INDONESIA (UII) YOGYAKARTA

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Abstract

This article aims to describe the implementation of strategic management on competitive advantage in Islamic University of Indonesia (UII) Yogyakarta. There are two purposes in writing this article; firstly, to explain how the management of UII understands the concept of strategic management, and secondly, to seek for supporting factors which influence the implementation of strategic management on competitive advantage in UII. It is a qualitative research with case study approach. The respondents of this study are top management in UII like the Endowment Board Foundation as shareholders and UII's top management like rector and deans.

Keywords: strategic management, competitive advantage Islamic university

A. Introduction

Globalization process is seen as a process to bring nations and countries closer one to the other and it requires a new set of regulation.¹ Acceleration in globalization process is mainly supported by Information and Communication Technology (ICT). Firedman (2000) explains that rapid development of ICT is the prime characteristic of third-wave globalization.

¹ Mohammad Ali, Pendidikan Untuk Pembangunan Nasional: Menuju Bangsa Indonesia Yang Mandiri Dan Berdaya Saing Tinggi (Bandung: Imtima, 2014), p. 47.

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According to Mastuhu,² globalization is often translated by “spreading worldwide.” An entity—despite its scale—can be said by anyone, anywhere, and anytime. It can be in the form of idea, data, information, product, new medicine, growth, rebellion, sabotage, etc. When this entity spreads, everyone will know it within seconds. It commonly happens in politics, business or commerce; it potentially changes norms, traditions, and cultures.

The aforementioned statements illustrate that globalization brings both positive and negative impacts. It occurs 24/7 and offers unlimited options and freedom for an individual or a community. Toffler³ even mentions that there has been “overflow of selections and probabilities.” It depends on the individual capacity to maintain it. U Thant, the former UN Secretary General in the 1970s, asserts that nowadays, resources no longer restrict decision making. On the other hand, it is decision that creates resources.

According to Ali,⁴ the key for a nation in winning competition throughout globalization era is in the capacity in managing and empowering human resources, especially in science and technology. Some developed or developing countries realize the aforementioned fact; therefore, they invest heavily on improving their human resource quality. China, for instance, to respond globalization, which is currently known as “awaken giant,” strives the international path by breaking its own restricted political culture to a more open one. China is so serious in investing on human resources by developing a well-planned scientific culture. Its government specifically designs a regulation namely Science and Technology Populization Law of the People’s Republic of China in 2002. As a result, China has successfully decreased its poverty rate in the last 20 years, from 65% in 1981 to 17% in 2001.

2 Mastuhu, *Menata Ulang Pemikiran Sistem Pendidikan Nasional Dalam Abad 21 (The New Mind Set of National Education in the 21st Century)* (Yogyakarta: MSI, Universitas Islam Indonesia : Safiria Insania Press, 2004), p. 10.

3 Alvin Toffler, *Future Shock* (London: The Bodley Head, 1973), p. 22.

4 Ali, *Pendidikan untuk pembangunan nasional*, p. 55.

Based on the abovementioned data, the implementation of strategic management becomes a center of attention among educators, especially on the way to implement it in educational setting. Strategic management has been positively proven as an interactive management model in business. As a management model, strategic management has some advantages in concept, process, strategy, and evaluation. Thus, this model is then adopted and applied in education. The implementation of strategic management in education has been shown by Wheelen and Hunger⁵, Nawawi,⁶ Bryson,⁷ Akdon,⁸ Sagala⁹ and Kim and Mouborgne.¹⁰ It is also discussed in several dissertation and thesis, like, Sjarief,¹¹ Fahrurrozi,¹² Nanang¹³ and Fuad.¹⁴ To sum up, these initiators have successfully presented an analysis that strategic management, with its several steps, is proper and acceptable to be used in education. It can be seen from both functions

5. Thomas L Wheelen and J. David Hunger, *Strategic Management and Business Policy*. (Singapore: Addison Wessley, 2012).

6. Hadari Nawawi, *Manajemen Strategik Organisasi Non Profit Bidang Pemerintahan Dengan Ilustrasi Di Bidang Pendidikan* (Bulaksumur, Yogyakarta: Gadjah Mada University Press, 2000).

7. John M. Bryson, *Perencanaan Strategis Bagi Organisasi Sosial*, trans. M Miftahuddin (Pustaka Pelajar, 2005).

8. Akdon, *Strategic Management for Educational Management* (Bandung: Alfabeta, 2007).

9. Syaiful Sagala, *Manajemen Strategik dalam Peningkatan Mutu Pendidikan* (Alfabeta, 2014).

10. W. Chan Kim and Renee Mauborgne, *Blue Ocean Strategy (strategi Samudra Biru) Ciptakan Ruang Pasar Tanpa Pesaing Dan Biarkan Kompetisi Tak Lagi Relevan* (Jakarta: Serambi, 2010).

11. Djohan Sjarif, "Perencanaan Dan Penerapannya Dalam Manajemen Strategik Di Perguruan Tinggi Swasta, Kajian Empirik Terhadap Perencanaan Sebagian Konsep Manajemen Strategik Di Perguruan Tinggi Swasta (Studi Kasus PTS Jawa Barat)" (PPS IKIP, 1999).

12. Fahrurrozi, "Perencanaan Strategik Dalam Pendidikan Islam (Analisis dan Perencanaan Pengembangan Pendidikan di Ma'had Tahfihz al-Qur'an al-Amin Prenduan Sumenep Madura" (IAIN Sunan Kalijaga, 2003).

13. Nanang Nuryanta, "Perencanaan Strategik Dan Implementasinya Di Perguruan Tinggi Agama Islam Swasta (Studi Kasus Uinversitas Islam Indonesia (UII) Yogyakarta)" (2004).

14. Ikhwan Fuad, "Manajemen Stategik Pendidikan Islam Madrasah Mu'allimat Muhammadiyah Yogyakarta (Analisis Strategi Blue Ocean Kim and Mouborgne)" (PPS MSI, 2013).

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and steps of implementation, especially to support competitive advantage of particular higher education institution. However, there may be some obstacles in implementing this model in education.

Some Islamic higher education institutions have not achieved the preferred qualification. Based on Webometrics ranking, some Islamic higher education institutions—even ones with “A” accreditation—have not inducted in Top 10. Webometrics data show that State Islamic University (UIN) Sunan Kalijaga sits in rank 94 nationwide and 6,288 worldwide, Muhammadiyah University of Yogyakarta sits in rank 24 nationwide and 3,042 worldwide, and Islamic University of Indonesia (UII) sits in rank 20 nationwide and 2,812 worldwide.

Islamic University of Indonesia (UII) Yogyakarta as the sample institution is the oldest national higher education institution in Indonesia. It was established in 27 Rajab 1364 H or 8 July 1945 (Statuta UII, 2009; Thaib, 2005). UII was an initiative of some founding fathers of Indonesia, such as, Prof. Abdul Kahar Muzakkir, Drs. Mohammd Hatta, Mohammad Natsir, KH. Mohammad Roem, KH. Mas Mansur, KH. A. Wachid Hasyim, Dr. Ahmad Ramli, Mr. Muwardi, KH. R. Fatchurrahman Kafrawi, and KH. Farid Ma’ruf.

This study starts from an assumption that by implementing strategic management, Islamic University of Indonesia (UII) Yogyakarta will be able to compete nationally and globally. The focus of the study is on the process of implementing strategic management on competitive advantage in Islamic University of Indonesia (UII) Yogyakarta. Two questions that the writer tries to answer are first, how the university implements strategic management on competitive advantage, and second, what contributing factors that take part in the implementation of strategic management on competitive advantage in Islamic University of Indonesia (UII) Yogyakarta. Therefore, this study aims to find a formula used by the management of UII in implementing c on competitive advantage, as well as its contributing factors.

B. Literature Review

1. Strategic Management

There are actually several concept of strategic management on competitive advantage used in educational literature, especially those which are originated from business and industry. The writer tends to agree to a definition of strategic management by Wheelen, Hunger, and Rothaermel, as followed.

Strategic management is a set of managerial decisions and actions that determines the long run performance of a corporation. It includes environmental scanning (both external and internal), strategy formulation (strategic or long-range planning), strategy implementation, and evaluation and control. The study of strategic management, therefore, emphasizes the monitoring and evaluating of external opportunities and threats in light of a corporation's strengths and weaknesses. Originally called business policy, strategic management incorporates such topics as strategic planning, environmental scanning, and industry analysis.¹⁵

A simpler explanation on basic elements of strategic management process is described in the following figure.



Figure 1. Basic Model of Strategic Management
Adapted from Wheelen and Hunger (2012:15)

Based on the above figure, the most essential thing that an organization should pay attention to is conducting environmental scanning, both internally and externally. It is the key to decide the position of the organization among its competitors. Besides, environmental scanning will enable the organization to comprehend internal and external stakeholders' expectations.

15. Wheelen, Strategic Management and Business Policy., p. 5.

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In the context of higher education organization, Rothaermel¹⁶ asserts that “stakeholders are individuals or groups that have a claim or interest in the performance and continued survival of the firm; they make specific contributions for which they expect rewards in return”. On external environmental analysis model, Rothaermel suggests PESTEL framework which combines some external aspects affecting the organization’s performance; therefore, it needs a careful examination. Figure 2 illustrates some of the aforementioned aspects.

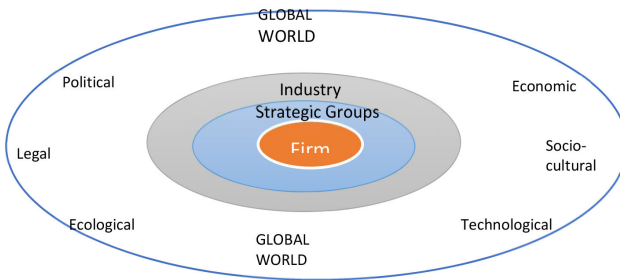


Figure 2. The Firm Embedded in Its External Environment: Global World, PESTEL Forces, Industry, and Strategic Group
Source: Rothaermel (2013, in Nuryanta, 2015:25)

Meanwhile, Wheelen and Hunger explain external environment as followed.

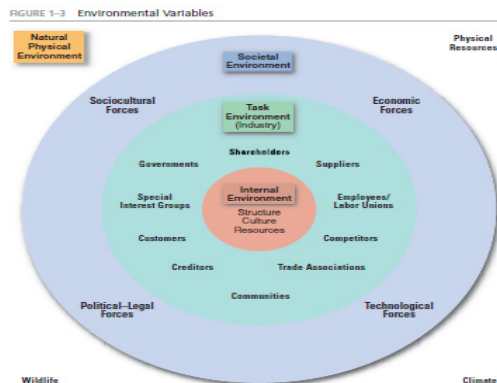


Figure 3. Environmental Variable
Source: Wheelen and Hunger (2012:16)

¹⁶ Frank T Rothaermel, *Strategic Management: Concepts & Cases* (New York: McGraw-Hill Irwin, 2013), p. 19.

Both internal and external environmental analysis will be more effective if organizational analysis uses SWOT (Strength, Weakness, Opportunities, and Threat) matrix.

After the environmental scanning is conducted by the organization, the next step is strategy formulation. It is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses (SWOT). It includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines.¹⁷ This step is labelled as strategic planning.

Organization goals are final products of the planned activity. Wheelen and Hunger,¹⁸ mention several purposes and targets that can be decided by an organization, as followed.

1. Profitability (net profits)
2. Efficiency (low costs, etc.)
3. Growth (increase in total assets, sales, etc.)
4. Shareholder wealth (dividends plus stock price appreciation)
5. Utilization of resources (ROE or ROI)
6. Reputation (being considered a “top” firm)
7. Contributions to employees (employment security, wages, diversity)
8. Contributions to society (taxes paid, participation in charities, providing a needed product or service)
9. Market leadership (market share)
10. Technological leadership (innovations, creativity)
11. Survival (avoiding bankruptcy)
12. Personal needs of top management (using the firm for personal purposes, such as providing jobs for relatives)

Besides, strategy is a corporation forms a comprehensive master plan that states how the corporation will achieve its mission and

¹⁷ Wheelen and Hunger, *Strategic Management and Business Policy*, p. 17.

¹⁸ Wheelen and Hunger, p. 19.

objectives. There are commonly three strategic levels in business organization, namely corporate strategy, business strategy, and functional strategy.

FIGURE 1-4
Hierarchy
of Strategy



Figure 4. Hierarchy of Organizational Strategy

Source: Wheelen and Hunger (2012:20)

Meanwhile, policies are broad guidelines in decision making which closely related to the formulation of a strategic implementation. Policies provide clear parameters for manager of the organization.

The next step that is also important in strategic management is strategic implementation. Strategic implementation is a process in which strategy and policy are put into action by developing program, budget, and procedure. This process requires changes in all cultures, structure, and/or system of management in the entire organization. Program aims to stated activities that need to be done by the organization. Budget is the number of fund or financial support that is used to guarantee the implementation of program. Furthermore, Standard Operating Procedure (SOP) is a step, technique, or mechanism that is required to conduct the organization's tasks.

The final step of strategic management process is monitoring and evaluation. It is a process in which corporate activities and performance results are monitored so that actual performance can be compared with desired performance. As mentioned in organization performance, performance is the end result of activities. The end result will be compared to the action plan previously made. The quality and quantity of performance highly depend on the agreed standard. On the context of strategic management, monitoring and evaluation aim at both results and process. Therefore, in this step, it will be discussed how higher education institution's leaders conduct evaluation on the implementation of strategic management from its planning to the end result.

2. Competitive Advantage

Competition in education is actually similar to one in business. In terms of higher education, the main issue on competitions is the way to create market and obtain ample future students. Thus, each higher education institution has to reach top rank in the competition. According to Rothaermel¹⁹, competitive advantage equals to lead to superior firm performance. Therefore, gaining and sustaining competitive advantage is the goal of strategic management. Additionally, Majeed²⁰ (Pablos 2006) explains the competitive advantage of a global organization. He analyzed that competitive advantage lies to a great degree in its aptitude in order to recognize and transfer tactical knowledge among various geographic locations.

In the context of strategic management, Hemmatfar et.al.²¹ explain “competitive advantage is at the core of a firm’s success or failure²²; such

19 Rothaermel, *Strategic Management*, p. 114.

20 Sadia Majeed, “The Impact of Competitive Advantage on Organizational Performance,” *European Journal of Business and Management* 3 (2011).

21 Mahmood Hemmatfar, Mahdi Salehi, and Marziyeh Bayat, “Competitive Advantages and Strategic Information Systems,” *International Journal of Business and Management* 5, no. 7 (June 19, 2010): p. 159, <https://doi.org/10.5539/ijbm.v5n7p158>.

22 Michael E. Porter, *Competitive Advantage of Nations: Creating and Sustaining Superior Performance* (Simon and Schuster, 2011).

advantage seeks to lead to control of the market and to larger-than-average profits”. Furthermore, Hemmatfar et.al.²³ state that there are 12 strategies to achieve competitive advantage that a company can develop, such as:

- a. cost leadership strategy,
- b. differentiation strategy,
- c. niche strategy,
- d. growth strategy,
- e. alliance strategy,
- f. innovation strategy,
- g. operational effectiveness strategy,
 - a) customer-orientation strategy,
 - b) time strategy,
 - c) lock in costumers and supplier strategy, and
 - d) increase switching costs strategy

According to Wahab and Rahayu²⁴, some variables in competitive advantage can be based on: (a) superior asset, which covers quality excellence, level of service excellence, level of human resources excellence, level of facility excellence, and level of image excellence; (b) superiority capability, which covers level of higher education institution excellence in developing science and technology, level of higher education institution excellence in achieving target, level of higher education institution excellence in maintaining budget, level of higher education institution excellence in managing management information system, level of higher education institution excellence in generating competent graduates, and level of higher education institution excellence in providing experts; (c) superior control, which covers level of supervision excellence on the implementation

23 Hemmatfar, Salehi, and Bayat, “Competitive Advantages and Strategic Information Systems,” p. 161–162.

24 Abdul Azis Wahab and Sudi Rahayu, “Pengaruh Penerapan Prinsip Prinsip Good University Governance Terhadap Citra Serta Implikasinya Pada Keunggulan Bersaing Perguruan Tinggi Negeri Pasca Perubahan Status Menjadi BhmN Survei Pada Tiga Perguruan Tinggi Negeri BerstatusbhmN Di Jawa Barat,” *administrasipendidikan* 487 (2013): p. 164–165.

of program's strategy, company's strategy, functional strategy, level of supervision and control excellence on marketing strategy, level of supervision excellence on production process, level of control excellence on the financial management of higher education institution. All of the above variables and indicators are always in constant comparison with rival institutions.

3. The Effect of Leadership to Competitive Advantage

To gain success in competitive advantage, leader plays a significant role in deciding the future of his/her company. Porter²⁵ says that:

Real corporate leaders believe in change. They possess an insight into how to alter competition, and do not accept constraint in carrying it out. Leaders energize their organizations to meet competitive challenges, to serves demanding needs, and above all, to keep progressing. They find ways of overcoming the filters that limit information and prevent innovation. They harness and even create external pressures to motivate changes.

Leaders had abroad view in which their national environment is integral to competitive success. They work hard to improve their environment and to encourage appropriate (though sometimes painful) government policies. As a result, leaders are often seen as statesmen, though few would describe them on actions that way. Leaders also thinks in international terms, not only in measuring their true competitive advantage but in setting strategy to enhance and extend it.

This concept of leadership has been lost in many companies. Too many companies and too many managers misperceive the true basis of competitive advantage. They become preoccupied with financial performance, soliciting government assistance, and seeking stability through forming alliances and merging with competitors. These sorts of steps are not good for companies and for nations. Today's competitive realities demand more.

25 Porter, *Competitive Advantage of Nations*, p. 14.

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Therefore, it is obvious that in gaining competitive advantage, the role of institution's leader determines the success of his/her institution. Additionally, competitiveness in recent era is a commodity, both nationally and internationally.

C. Research Methodology

This study employed a qualitative approach with case study design. This design was chosen to find the implementation of strategic management in competitive advantage in Universitas Islam Indonesia (UII) Yogyakarta. It is believed that the implementation of strategic management is different from one institution to another. Yin²⁶ mentions that each location will be single case study subject and overall subjects will become multi cases. Case study becomes the research design used in a "unified system." This unification can be in form of programs, activities, events, or a group of individuals that is bound to certain place, time, or setting.²⁷ Some studies offer in-depth analysis on particular cases, like, programs, activities, events, processes, or even, group of people. Case study is bound to certain time and activity, since researchers can collect information or data in detail using various data collection procedures in a sustained period of time.²⁸ The decision in using this approach was mainly to discover the implementation of strategic management in competitive advantage in UII.

D. Results

1. The Implementation of Strategic Management on Competitive Advantage in UII

Based on findings from various informants consisting of The Waqf Board Foundation (Yayasan Badan Wakaf UII) and dean officials, the researcher concluded some answers for research questions as follows:

²⁶ Robert K. Yin, *Studi kasus: desain & metode*, trans. M. Djauzi Mudzakir (Jakarta: RajaGrafindo Persada, 2014).

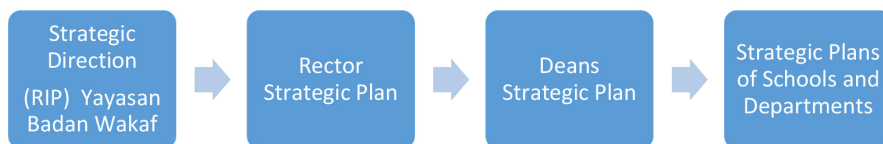
²⁷ Udin Syaefudin Sa'ud, *Modul Metodologi Penelitian Pendidikan Dasar* (Bandung: SPS UPI, 2007).

²⁸ John W Creswell and Cheryl N Poth, *Qualitative Inquiry & Research Design: Choosing Among Five Approaches*, 2013.

The concept of strategic management is well understood by shareholders and stakeholders in UII. The Waqf Board Foundation which is a UII shareholder has understood the strategic management concept by producing a strategic direction as a reference for implementers at UII in carrying out the strategic plan. The Strategic Direction is then outlined in the form of the UII Development Master Plan (Rencana Induk Pengembangan/RIP UII). This strategic direction was formulated in a work coordination meeting of The Waqf Board Foundation, involving the Advisory Board, Daily Administrators and at the same time Members of the Waqf Board Foundation after obtaining input from various parties, internal and external. This "strategic direction" officially becomes a Foundation document after signed by the Chairperson of the Waqf Board Foundation. This strategic direction contains guidelines or as a guide for UII managers and officials in running the university's strategic plan. Furthermore, this strategic direction document is the foothold for the rector who will lead the university. This strategic direction then will be broken down into a strategic plan and must be presented by rector candidates who will lead UII in the next 4 (four) years in the form of "action plans" in a presentation forum which is attended by various audiences from internal and external campus. In this forum of the action plan presentation, people will choose which concept was the best among the candidates for the rector. The university senate members will choose 3 of the best candidates for rector along with their action plans. The results based on the ranking are then submitted to the Waqf Board Foundation by the Rector and Vice Rector Election Committee to be chosen and appointed –one of them- as a rector for the next 4 (four) years. Therefore, after election, the new rector will automatically have a strategic plan for the next 4 years, which will become a reference for dean candidates to create a strategic plan in their respective faculties with a similar mechanism to the rector election. However, the dean is not appointed by the Waqf Board Foundation but by the the new rector. Furthermore, the strategic plan from the selected deans will be

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the next references for the schools and departments officials all over UII. Broadly speaking, the conceptual flow of strategic management in UII can be explained as shown in F.1. picture below:



The UII strategic plan document covers various aspects, namely: vision, mission, policy, goals and objectives of UII, environmental analysis (internal and external) in the form of SWOT including the main issues which are the challenges of managing higher education at regional, national and international levels. Work program (Operational Plan and RKAT), evaluation and control. Below is the sample of UII strategi plan:

” In 2014-2018 period, UII had established a strategic plan with topic Building Islamic University of Indonesia (UII) Yogyakarta in Globalized World through Actualization of the Contextual Islamic Value. Strategic Plan serves as a guideline for UII to direct and coordinate the work of the units under it in carrying out work programs according to the vision, mission and objectives of UII, as the main reference or guideline for work units under UII to develop programs work, as well as evaluating the operational activities of units within the UII. In this authorized Strategic Plan, there are 7 strategic objectives that had become the focus of UII during the 2014-2018 period. The 7 strategic objectives include: (a) Islamic excellence, (b) the advantages of research-based learning, (c) the superiority of Islamic ethos, (d) the excellence of responsive systems, (e) the excellence of students with character, (f) the advantages of adaptive alumni, and (g) excellence of institutional profile.”²⁹

29 “Masa Depan Kami,” *Universitas Islam Indonesia* (blog), accessed May 29, 2019, <https://www.uui.ac.id/masa-depan-kami/>.

- a. The Strategic Plan of Islamic University of Indonesia (UII) Yogyakarta was formulated through work coordination meetings (Rapat Koordinasi Kerja/Rakorja) which were specifically intended to discuss the Strategic Plan at the Foundation level. On the other hand, the rector's Strategic Plan was prepared by the elected rector which was then legalized by the Waqf Board Foundation together with the appointment of the new rector. This mechanism was chosen because candidates for rector are obliged to submit a strategic plan for the next 4 years and must be presented at the action plan presentation forum so that it can be evaluated openly by all stakeholders (internal and external). However, the strategic plan is then followed up with a work program in the work coordination meeting for the preparation of a 4-year work plan and operational plan for each year in the form of annual work meetings in the form of Annual Work Plans and Budgets (Rencana Kerja dan Anggaran Tahunan/RKAT). The same mechanism is also directed at the faculty level where the chosen dean will present his plan based on the rector's strategic plan at work coordination meeting for a 4-year programs and the faculty's annual work coordination meeting (Rakorja) for the annual work program arranged in the form of RKAT.
- b. Stakeholders involved in the preparation of strategic plans for the foundation level are the Board of Supervisors of the Waqf Board Foundation, Daily Officials of the Waqf Board Foundation (head of board, secretary and treasurer, and also divisions coordinators) and members of the Waqf Board Foundation (including representatives from experts, entrepreneurs and also from UII internal personnel). As for strategic planning at the university level, namely the Foundation (YBW Daily Chairperson, YBW Advisory Chairperson), Rector (Rector, Vice Rector I, Vice Rector II, Vice Rector III, and Vice Rector

IV), Directors (Director of Academic Directorate, Director of Finance and Budget Directorate, Director of Research and Community Service Directorate, Director of Facilities and Infrastructure Directorate, Director of Organization and Human Resources Directorate, Director of Talent Development and Student Welfare Directorate, Director of Marketing Cooperation and Alumni Directorate, Director of Public Relations Directorate, Director of the Islamic Education and Development Directorate, Director of the Library Directorate, and Director of the International Affairs Directorate) and Head of the Agencies (Planning Agency, Information System Agency, Ethics and Law Agency, Academic Development Agency and Agency of Quality Assurance) in the university environment. Dean and Vice Deans of 8 Faculties, Head of Schools and Departments of each faculty. The strategic planning involves certain parties at the faculty level, namely the head of the Waqf Board Foundation and Rector in the form of initial direction, deans (dean, vice dean I and vice dean II), heads and secretary of departments, head and secretary of the undergraduate study program (S1), Head of Master Program (S2) and Doctoral Program (S3), heads and laboratories, heads of department heads in their respective faculties.

- c. Some forums used to formulate strategic plan are: pre work coordination meetings and work coordination meetings. In these two forums opinions and ideas were accommodated, selected and then followed up as a work program to reach the agreed and fix strategic plan.
- d. The main strategy used to implement strategic management in the competitive advantage at UII is by gaining accountability and recognition from institutions that have the authority to do so, at the local, national and international levels. At the local and national level, the achievement strategy is to obtain institutional

accreditation with an “A” or Very Good and Excellent predicate from Ministry of Research, Technology, and Higher Education of Republic of Indonesia (Kemenristek Dikti) based on official decree No: 065/SK/BAN-PT/Ak-IV/PT/II/2013 which is valid until 2018 (<https://www.uii.ac.id/> accessed on 10/6/2018). Furthermore, to acquire this international recognition, UII also join international ranking institution such as Webometrics where UII is placed at 29th in national scale and 3620th place in international level³⁰. To be added, UII has also proven at the international level with international accreditation achievement from the Japan Accreditation Board for Engineering Education (JABEE) given to the Civil Engineering Study Program, as well as the Accounting Study Program that has been accredited by the Association of Chartered Certified Accountants (ACCA). In early 2017, international accreditation was also obtained by the Architectural Study Program from the Korean Architectural Accrediting Board (KAAB). International recognition was also obtained by UII through the QS Stars version of three world stars with the highest score among universities in Indonesia (<https://www.uii.ac.id/> accessed on 18/3/2018). Other effort made by UII to obtain external accountability is by increasing the higher education quality assurance under the ASEAN University Network Quality Assurance (AUN-QA) where the goal is to achieve advanced educational standards in ASEAN and bridge the higher education standards gap between ASEAN countries (http://arsip.uii.ac.id/index2.php?option=com_content&task=view&id=3075&pop=1&page=0&Itemid=257/ accessed on 10/6/2018). Another strategy carried out by UII in order to gain international recognition is to develop cooperation in the fields of education and teaching, research and community service. Collaboration and cooperation in the field of education can be

30 “Ranking Web of Universities: More than 28000 Institutions Ranked,” accessed May 29, 2019, <http://www.webometrics.info/en/Asia/indonesia%20/%20accessed%20on%2010/6/2018>

proven by the achievement of UII students to hold a double degree program with other universities abroad.

“.....Astu Graitto, student of the International Program (IP) Accounting study program at the Islamic University of Indonesia (UII) Yogyakarta won a scholarship to the University of Queensland (UQ), Australia. UQ is one of the 50 best universities in the world based on performance ranking of scientific papers for world universities and ranking 47 in the world based on the ranking by the QS World University Rankings in 2018.”³¹

In addition to the double degree conducted by the Chemical Engineering Study Program (Faculty of Industrial Technology) and management and accounting study program (Faculty of Economics), the Islamic Education Study Program (Faculty of Islamic Studies) has also successfully collaborated with the Ministry of Religion in Pattani Thailand, Brainy Bunch Malaysia, and also Timor Leste.

“... This International field experience practice will last for 1 month starting July 7 to August 5, 2017. A total of 26 students will teach in educational institutions in 3 Southeast Asian countries. 16 students will teach at *ma’had* (islamic boarding school) and schools in Thailand, 8 students at Brainy Bunch International Islamic Montessori School, Malaysia and 2 other students at the An-Nur Foundation, Dili, Timor Leste.”³²

In addition to some of those strategies, another effort undertaken by UII is to try to build a uniqueness in the quality assurance program. The quality assurance developed by UII

31 “Mahasiswa UII Peroleh Beasiswa Joint Degree Ke University of Queensland,” *Universitas Islam Indonesia* (blog), November 16, 2017, <https://www.uui.ac.id/berprestasi-mahasiswa-uui-peroleh-beasiswa-joint-degree-ke-university-of-queensland/>.

32 “PAI Berangkatkan Mahasiswa PPL Internasional 2017,” *Fakultas Ilmu Agama Islam UII Yogyakarta* (blog), July 12, 2017, <https://fis.uui.ac.id/blog/2017/07/12/pai-berangkatkan-mahasiswa-ppl-internasional-2017/>.

does not only refer to the system developed by the Directorate of Higher Education but also has its own uniqueness because it is set to be more flexible and able to access various existing quality assurance systems. The QA model built by UII called MERCY OF GOD is an acronym of various aspects that will become the UII Quality Standard. These aspects are M (Management Organization), E (Education), R (Research), C (Community Service), Y (Yield of Service), O (Output), F (Facilities), G (Governance), O (Outcome & Cooperation) and D (*Da'wah Islamiyah*/islamic preaching).

.... "This standard is a guarantee for UII stakeholders that UII will give the best. We hope that this MERCY OF GOD will produce a good outcome and be able to make UII an excellent university and equal institution with universities in developed countries"³³

On the other hand, UII also keep on encouraging lecturers to present and participate in international publications (and also international conferences) as well as community services in foreign universities. Some lecturers who already participated in international conferences are: Fatimah (Chemistry Study Program), Fathul Wahid (Informatics Engineering Study Program) and Fajriya Hakim (Statistics Study Program).

- e. UII carries out control and evaluation in two stages; internally and externally. Internal control is carried out by the internal quality audit (Audit Mutu Internal/AMI) mechanism conducted every semester with three stages, namely, document submission, desk evaluation and visitation on academic performance and unit performance. After AMI was completed, a Management Review Meeting (Rapat Tinjauan Manajemen/RTM) was held, both at the university level (RTM) and at the

33 "BPM UII Selenggarakan Workshop Pengembangan Standar Mutu UII Mercy of God," accessed June 29, 2018, <https://bpm.uui.ac.id/news/bpm-uyi-selenggarakan-workshop-pengembangan-standar-mutu-uyi-mercy-of-god/>.

Faculty level (RTMF). Both results of RTM and RTMF are a form of evaluation of the strategic plan contained in various annual programs (Operational Plan or RKAT). The findings at AMI were then used as a reference for the preparation of the next program as well as to review the extent of the realization of the strategic plan. In addition to academic AMI and unit performance AMI, other forms of internal control and evaluation are Management AMI organized by the Waqf Board Foundation to assess or evaluate the effectiveness and efficiency of the Annual Activity and Budget Plan (RKAT) from the university level to the unit level. The main purpose of this audit is to evaluate whether the plan of activity can run effectively and efficiently while reviewing the level of absorption of the budget plan. The final results of the findings at management AMI are used to measure the performance of university and faculties in realizing the strategic direction of the Foundation. Both types of internal audits based on the author's observation are good, especially for appreciation of the performance results, where the units that excel will get reward and incentive guidance. However, for units that have not achieved the expected performance, the provision of sanctions or punishment has not been implemented properly. Whereas the form of external control and evaluation carried out by UII is by conducting study program accreditation to the BAN PT and institutional accreditation every fourth year of the period of accreditation, which is five years. Besides accreditation of BAN PT, another effort carried out by UII in controlling and evaluating was by conducting external accreditation, namely from TUV Rheinland, especially in system management performance, by obtaining an ISO 9001 No. certificate. 824 100 13001 concerning the Standard of Quality Management System at UII (see <https://www.certipedia.com/certificates/824+100+13001?locale=en/> accessed on 7/11/2018). In addition,

the form of UII's commitment in control and evaluation is also carried out by maintaining the rhythm of work in order to be in the path of international recognition through Webometrics, 4ICU, QS Stars, AUN QA, JABEE, ACCA, ABET and KAAB.

2. Factors that support the application of strategic management in the competitive advantage at UII are ICT, human resources and support from the users of UII. In the ICT field the commitment made by UII is to optimize the role of the information system division (Badan Sistem Informasi/BSI). Information system and technology (IT) services at the Islamic University of Indonesia (UII) Yogyakarta are under the responsibility of the Information Systems Division (BSI). This service is intended to handle approximately 30,000 users consisting of students, educators (lecturers), educational staff, and various other users within the UII environment. BSI provides IT services related to academic, research and administrative activities of all users.

Organizationally, BSI is under the direct coordination of the UII rector who handles core networks and IT infrastructure throughout the university. Services provided by BSI UII include desktop system support, server administration and virtual infrastructures (cloud computing), and support for both wired and wireless networks. BSI support for infrastructure is realized by the "UIIConnect" concept which until today has installed more than 500 Access Points in all UII buildings, with the total bandwidth provided reaching 1.9 Gbps, with access per user reaching 125 Mbps. UII also joins the Eduroam network which enables UII lecturers, staff and students to do wifi roaming in more than 12,000 research and higher education institutions throughout the world. Likewise, lecturers, staff, and students from 12,000 institutions can access the Eduroam network at UII. Support for the information system is realized by the "UIIGateway" concept which covers the entire academic information system needed by

all parties involved.³⁴ The information system used for services includes 3 segments, namely for lecturers, students and employees. Information systems for lecturers include: Website UII (<http://www.uii.ac.id>), UNISYS (<http://unisys.uii.ac.id>), Klasiber (<http://klasiber.uii.ac.id>), Blog (<http://staff.uii.ac.id>), E-Mail (<http://mail.uii.ac.id>), Simpus (<http://simpus.uii.ac.id>), E -Doc (<http://edoc.uii.ac.id>), and the UIIConnect wifi network (Edurom). For information systems for students including the same as those used for lecturers, only different addresses, especially for Blogs (<http://students.uii.ac.id>) and E-mail (<http://webmail.uii.ac.id>). As for the information system for employees the same as the information system intended for lecturers.

Another factor that supports the implementation of strategic management in the competitive advantage at UII is the quality of human resources. The quality of human resources is determined by the existence of a very selective recruitment system at UII, especially for new lecturers and educational staffs. The presence of new technology-literate lecturers and competence in the field of expertise in accordance with the needs of study programs is not obtained much, but those who pass the selection have successfully passed a rigorous selection system from administration selection, Academic Potential Test (Tes Potensi Akademik/TPA), TOEFL test and Arabic language, religious knowledge, faculty level test and department level test. Thus, the lecturers who were successfully obtained did indeed meet the minimum standards set by UII and some of them were above the expected standards. Likewise, support from educational staff has also succeeded in obtain qualified human resources even though the priority has not been as expected.

The third factor that also supports the implementation of strategic management in UII competitive advantage is the support

³⁴ "Sistem & Teknologi Informasi," *Universitas Islam Indonesia* (blog), accessed June 11, 2018, <https://www.uii.ac.id/layanan-teknologi-informasi/>.

of UII partners, namely national and international Higher Education Institutions, Government especially Ministry of Religious Affair and Ministry of Research Technology and Higher Education, also user and stakeholder from industries. It is evident that UII is increasingly able to reach the first rank for private universities in the field of research performance in 2016 and in 2017 received the same predicate for the performance of research and community service.

E. Analysis

After examining the process of implementing strategic management in the competitive advantage at UII Yogyakarta, the researcher concluded that UII in general had understood the concept of strategic management, as seen from the process of environmental analysis, strategic planning, evaluation and control. This fact is proven by the existence of Strategic Plan in the form of the UII Development Master Plan (Rencana Induk Pengembangan/RIP). The Strategic Plan of UII has carefully included environmental analysis which according to Wheelen and Hunger is called environmental scanning with the SWOT analysis model. UII also has a clear and measurable vision and mission. UII also has quality objectives at all levels, from foundation board, universities, faculties, departments, to the smallest units in the service sector. Quality objectives are important standards for whether or not a strategic plan planned in the form of a work program inside RKAT (Annual Activity and Budget Plan/Rencana Kerja dan Anggaran Tahunan) is successfully implemented.

In addition, the planning process that has involved various elements, both from internal and external parties has become evidence that UII is indeed accommodating to external input for the sake of progress and success in the era of competitiveness. This proves that UII also understands well the strategic management concepts that cannot be separated from the concept of competitive advantage as stated by

Rothaermel³⁵ that the strategic management process describes the method by managers conceive of and implement a strategy that can lead to sustainable competitive advantage. Rothaermel further said that strategizing for competitive advantage done by three approaches: strategic planning, scenario planning, and strategy as planned emergence. Hence, it is clear that strategic planning, scenario planning and strategy are parts of strategic management. Rothaermel's statement is corroborated by the opinion of Wheelen and Hunger³⁶ which stated that strategic management is a set of managerial decisions and actions that determine the company's performance in the long term, which includes: environmental mapping (both external and internal), formulation or drafting strategies (strategies or long-term planning), implementation of strategies, as well as evaluation and control. Therefore, study of strategic management emphasizes on monitoring and evaluating external threat and opportunities in line with the strengths and weaknesses of the organization.

Thus, the step taken by UII in achieving competitive advantage with strategic management is the right choice in an era that is very thick with the scent of competition, especially in managing the education business. Therefore, so that higher education management can succeed well, Rothaermel³⁷ suggests that every organization runs a strategy by using several tips, namely, international strategy, localization strategy, global-standardizational strategy and transnational strategy. For this reason, the strategy that has been carried out by UII is right, leaves only to evaluating the results; whether the strategy which is so far implemented has been quite successful, or not. Based on the results of accreditation at the local and national level, UII is eligible to be declared successful because its institutional accreditation is "A" and for the Diploma Program, 2 of the 5 programs (40%) are accredited "A", for bachelor study programs, 17 of 24 (70.8%) have been accredited

35 Rothaermel, *Strategic Management*, p. 32.

36 Nuryanta, "Perencanaan Strategik Dan Implementasinya."

37 Rothaermel, *Strategic Management*, p. 282-284.

“A”, while for professional programs and doctoral programs are still accredited “B”. For the international level, 4 departments have obtained international accreditation, namely Accounting Study Program from ACCA, Civil Engineering Study Program obtained accreditation from JABEE and IABEE, Architecture Study Program received accreditation from KAAB, and Environmental Engineering Study Program received accreditation from ABET.³⁸

As for the strategy of competitive advantage that is being carried out by UII by strengthening internal values, networking, innovation, and strengthening human resources are also appropriate. This is in accordance with what was suggested by Rothaermel (2013, p. 172) which states that innovation is needed to be novel, useful, and successfully implemented in order to help firms gain gains and sustain a competitive advantage. Innovation is a powerful driver in the competitive process. In addition, another strategy that is also important is strategic entrepreneurship, because entrepreneurship describes the process by which economic people undertake economic risk to innovate - to create new products, processes, and sometimes new organizations. If successful, entrepreneurship not only drives the competitive process, but also creates value for individual entrepreneurs and society at large. The choice taken by Accounting Study Program to purchase ERP-SAP and ERP-Government application systems with a large capital of Rp 1.8 billion in 2009 is a concrete form of innovation as well as entrepreneurship strategy where the results are already enjoyed by obtaining accreditation from ACCA (Association of Certified Chartered Accountants) and at the same time produce graduates who are ready to manage large companies at national and international levels. To be added, some lecturers in accounting program are very “in demand” used by various other companies or colleges as SAP trainers and consultants.

38 “Penerimaan Mahasiswa Baru UII,” accessed June 10, 2018, <https://pmb.uui.ac.id/>.

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Nevertheless, the strategy taken by UII in implementing strategic management to achieve competitive advantage still needs to be developed, because there are still other strategies such as, alliances and acquisitions which are not yet prepared seriously. In fact, the future era requires a serious commitment from the management of educational institutions because the era has switched from 3.0 to the 4.0 era known as the disruption era.

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