

The Effect of Self Efficacy and Students Expertise on Value Co-Creation Activity at Higher Education in Makassar

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Abstract:- This study aims to determine the effect of self-efficacy and students expertise on co-creation value activities. This study is quantitative by conducting questionnaire research to 398 students at three universities. The results show that the variables of self-efficacy and students expertise have a positive and significant influence on value co-creation activities in higher education.

Keyword:- Self-Efficacy, Student Expertise, Value Co-Creation Activities; Higher Education

I. INTRODUCTION

In the era of globalization, business competition is getting tougher. This results in changes in various fields. These changes need to be responded by every organization. The response to this change is suspected to be a way to guide the organization's competitive advantage. (Porter, 2009) says every organization must have a competitive advantage, in order to survive and run well.

Likewise, higher education institutions are now motivated to look for other sources of funding, along with reduced government subsidies and intense global competition (Frasquet, Calderon & Cervera, 2012). Although there are opinion that do not agree to view educational institutions, especially universities as business entities, because they can degrade the educator/educated relationship (Eagle & Brennan, 2007) and worried about the idea of "*the customer is always right*". However, it is undeniable that the world of education is now operating on an industrial scale (Uncles, 2018).

Competition between educational institutions is an evolutionary process. Competition is no longer concerned with the efficiency of education, but in a structured manner it has become *common sense* if the selected educational institution is one that has advantages in almost all aspects (input, process, and output).

Effery (2014) states that universities that run public service management slowly but surely transform into business management which inevitably have to prioritize *price, prospect, product, profit, priority, place, people, profile, and promotion*. As a result, it is also necessary to consider *competitors, competitive advantages, added value,*

and *diversity*, to be able to make satisfied *customers (impressive experienced and satisfied services)*, so that the market share of the education business is examined very carefully. The specifications of customer requests are described in detail and given competency attributes, which in the future are expected to create a perfect output performance (both *output, outcome, and impact*).

The source of excellence in the competitive map of the next era is believed to come from outside the company environment, namely from its customers. parties who have been customers of the company's products. Customers have the resources (*customer resources*) and *customer value* such as *customer learning* that results in customer knowledge of product capabilities, the next *customer value* is the *customer skills* needed by managers to *create and implement superior customer value strategies*.

The main activity of educational institutions is to provide educational services. In some respects, higher education service activities can be equated with business activities in general, particularly service business activities. To survive, universities must carry out organizational management that adheres to the principles of good governance. The service industry must be customer-oriented, namely students who become consumers (Uncles, 2018). Theoretically, the success of a company is determined by the company's ability to formulate who its customers are, and the ability to satisfy their needs (Purnama, 2006).

The idea that students are not customers is an outdated idea. Even Bay&Daniel (2001) who are among those who oppose the perspective of students as service users and university operations are businesses, but they also in principle understand the opinions of their opponents and propose "moderate" ideas, namely an alternative paradigm, namely students as *collaborative partners*. Thus, this paradigm indirectly recognizes that students are no longer merely objects of education. Furthermore, Eagle & Brennan (2007) say that the concept of students as customers in higher education can be of value to managers and policy makers.

Co-creation is a common platform created by an organization to get innovative ideas from its customers who are already familiar with their products. Innovative ideas that can generate competitive advantage for the organization. It is said by (Gray et al., 2002) that the organizational ability of a

company will ensure the company's competitive ability. This activity involves stakeholders from outside the company, such as customers, business partners, etc. In the process of developing new products and services by using their experience by means of discussion and exchange of ideas. Co-creation is a business with the sensation of **being a consumer** in real time. innovative, personalized Co-creation experience and its environment (Adamik & Nowicki, 2019).

Alves, et al, 2016 mentions that there are several customer operant resources variables that affect Co-creation Activities. Among them are customer education, self-efficacy, customer expertise, and *social bridge*.

The recent evolution of marketing leads to a new dominant logic, which focuses more on the intangible, dynamic, operant SD which is the **center of competitive advantage** and performance (Hunt, 2007).

Managing co-creation activities can help companies benefit from business relationships with customers. The company is becoming more customer oriented which develops customer satisfaction and trust. In the end, co-creation activities will be beneficial for companies that maintain communication between companies and customers which will reduce risks and costs, **as a competitive advantage strategy** (Krishna and Dhaka, 2013, p. 81)

There are two college consumers, namely internal consumers and external consumers. Internal consumers consist of students, academic and non-academic staff, and departments/divisions at universities, while external consumers are users of university graduates and services, donor agencies, alumni, and the National Accreditation Board. Specifically Lewis and Smith mention that as internal consumers, student needs consist of knowledge, skills, ability to achieve personal goals and professional goals, comfort in learning, and professional academic and non-academic staff services. The requirements of students' needs as internal consumers however are largely determined by the needs of graduate users as external consumers. Graduate users certainly need graduates who have high competence and are able to work collaboratively or independently work productively. For graduates, the need is pride because they have studied and obtained certificates/diplomas from certain universities, for accrediting institutions their needs are related to control over the fulfillment of specified standards, while for donor agencies providing scholarships, the need is to meet the eligibility criteria for the management of a university. to obtain an injection of funds. Feedback given by the university management to determine the design of educational services offered to students as internal consumers.

Service-dominant (SD) logic was introduced by Vargo and Lusch (2004) which brings a new approach to value creation resulting from a co-production process involving both the firm and the customer (Prahalad & Ramaswamy, 2004a, 2004b).

In this new approach, suppliers apply their knowledge and capacities to the production and branding of products or services and customers apply their own knowledge and capacities in daily use (Vargo, Maglio, & Akaka, 2008).

Co-creation value is a process where student resources are integrated with organizational resources to facilitate a variety of activities and experiences that will encourage exchange and interaction resulting in innovation and better practices (Prahalad & Ramaswamy, 2004).

II. LITERATURE REVIEW AND FORMULATION OF HYPOTHESIS

Vargo & Lusch (2004) introduce a new *dominant logic* that is different from the *goods-dominant logic*. The *dominant-logic* focuses on the interactions between producers, consumers, and partners in the supply chain. Parties who participate in creating value (*co-create*) through a collaborative process. This logic is known as *Service-Dominant logic* (Mardhiyah, 2013).

Service-Dominant Logic arises because of an impulse from the initial goal to do something for other parties and with other parties which is better known as *customer centric*. In this logic, services are defined as the implementation of defining excellence through actions, processes, and performances that benefit both other entities and the entity itself.

This can be a driving force of the organization to satisfy expectations and exceed consumer needs and in itself achieve organizational goals. It can be said that organizations have competitive power through services. And competition through services is more focused on adding value to the product. In the dominant service logic (SD logic), services are the application of specific competencies of knowledge and skills through actions, processes, and performances that are beneficial to other institutions as well as these institutions.

In relation to the S-DL theory, Vargo and Lusch (2004, 2008) view the customer as part of the producer (*co-producer*), but then change this view to the customer as *co-creation of value*.

➤ Efikasi diri

Santrock (2007) states that self-efficacy is a person's belief in his ability to master a situation and produce something profitable.

Niu (2010) states that self-efficacy is the result of the interaction between the external environment, self-adjustment mechanisms and personal abilities, experience and education. Self-efficacy is a person's belief in his own abilities.

Individuals who have high levels of self-efficacy choose to undertake more challenging tasks and demonstrate their ability to explore and exploit challenges in their environment (Luszczynska et. al, 2005).

H1: Student self-efficacy has a positive and significant effect on value co-creation activities in higher education.

➤ **Students expertise**

Bell and Eisingerich, (2007) say that customers with higher levels of expertise can process more complex information. Auh, Bell, Mc Leod, and Shih (2007) state how *customer expertise* not only results in better customer participation in production services, but also at a higher level of capability can make a more *valuable* contribution .

H2 : The better the level of customer expertise, the higher the level of value co-creation activities carried out.

III. RESEARCH METHOD

This study examines value co-creation activities in universities. Makassar city. Primary and secondary data are used in this study. The techniques of observation, interviews and questionnaires. The population in this study were students of Hasanuddin University, Makassar State University and Alauddin Makassar State Islamic University, amounting to 398 people using the slovin formula.

The research instrument uses a Likert scale with multiple linear regression analysis with the help of PLS.

IV. DATA ANALYSIS

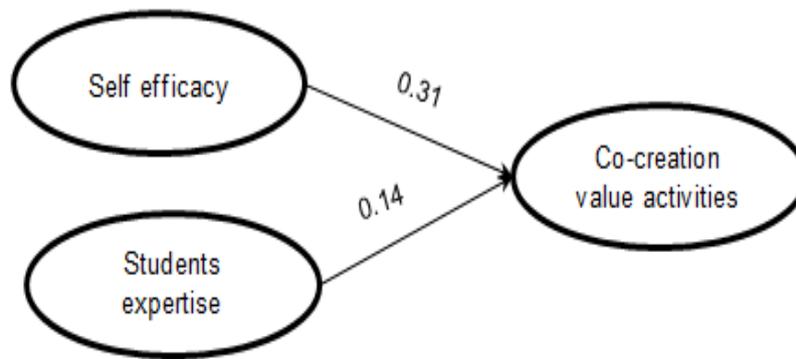
Table 1 - Measurement model for reflective indicators	
Indicators	Measurement model (loadings)
Self Efficacy1	0.761
Self Efficacy2	0.857
Self Efficacy3	0.819
Self Efficacy4	0.805
Expertise1	0.789
Expertise2	0.878
Expertise3	0.826
Expertise4	0.796
Co-creation1	0.77
Co-creation2	0.725
Co-creation3	0.718
Co-creation4	0.785
Co-creation5	0.827
Co-creation6	0.743

Tabel 2 - composite reliability and AVE			
Constructs	Composite reliability	Cronbach's Alpha	AVE
Self efficacy	0.885	0.827	0.658
Students expertise	0.893	0.841	0.677
Co-creation value	0.892	0.855	0.581

Table 1 shows that all variable indicators have values above 0.7. this means that all indicators of the variables are valid and conditional for further analysis.

Table 2 shows that all constructs have a composite reliability value above 0.7. this means that all variables are reliable and conditional for further analysis.

Table 3 - Path coefficients and statistical significance					
Paths	Original Sample	Sample Mean	Standard Deviation	Standard Errors	T statistics
Self efficacy → Co-creation value activity	0.310	0.309	0.053	0.053	5.896
Students expertise → Co-creation value activity	0.142	0.144	0.061	0.061	2,314
<ul style="list-style-type: none"> Significance at 0.05 level as T value > 1.96 					



Through analysis (table 3), we may conclude that student resources in the form of self-efficacy affect value co-creation activities by 0.31 and student expertise affects value co-creation activities by 0.14. this makes the hypothesis H1 and hypothesis H2 accepted.

V. DISCUSSION

1. Effect of self-efficacy on co-creation value activities

The results of this study indicate that self-efficacy has a positive and significant effect on *value co-creation activities* in higher education. This means that the higher the student's self-efficacy, the higher the level of *value co-creation activities* that can be carried out with universities. The results of this study prove that students who have high self-efficacy can produce better joint activities.

Other academic activities that require good self-efficacy, such as attending lectures, attending counseling, writing thesis, to additional activities according to their interests and talents. For example, sports, music, martial arts, intra-campus organizations, and so on. All these activities will have better results if accompanied by good self-efficacy. Niu (2010) stated that *self-efficacy* is the most influential thing on human activities. Meanwhile (Santrock, 2007) says that self-efficacy has a major effect on one's behavior.

2. The effect of student expertise on co-creation value activities

The results of this study indicate that student expertise has a positive and significant effect on *value co-creation activities* in higher education. This means that the better the student's expertise in utilizing higher education services, the better the *value co-creation* activity produced.

Students as college customers, use expertise in using and utilizing college services. Customers with a higher level of expertise can process more complex information (Bell and Eisingerich, 2007).

VI. CONCLUSION

The objective of this study centered on understanding the influences of customer resources, operationalised through customer perception of their self efficacy and the level of customer expertise, on their co-creation activities with university.

This study also tells us that students have resources that universities can use in value co-creation activities.

This study contributes to the SD logic that universities should start utilizing external resources from their students as customers

1. Student resources in the form of self-efficacy need to be created and *maintained* by providing broad opportunities for students to develop their capacities through various activities such as extracurricular activities, participating in competitions at various levels, etc. because it has significant and positive *benefits* in value co-creation activities and competitive advantage in higher education.
2. Universities need to improve education in the form of socializing academic policies and rules as well as superior higher education programs so that students know and improve student skills as a logical consequence of the education. Because it is proven that this variable has a positive and significant effect on value co-creation activities in universities.

LIMITATION AND SUGGESTION

1. This study only uses a survey method with a questionnaire as a data collection instrument whose answers are highly dependent on the respondent. If there is dishonesty or the respondent tries to give answers that are *socially acceptable* and not in accordance with the reality that can affect the results of the study (Bobe and Kober, 2015). Future research can be carried out in addition to using questionnaires, it can also be done through *in-depth interviews* or *focus group discussions*, which are not only aimed at providers of the higher education industry, but also *stakeholders* such as students, industry and the government.

2. The next research suggestion involves customer operand (tangible) resources. This research focuses on operand/intangible resources owned by students such as psychological capital (self-efficacy), education and student expertise. future research can explore more *tangible/operand* -based resources such as facilities/infrastructure, which can affect competitive advantage.

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