

Increasing The Performance Of Indonesian Private Universities Through The Mediating Role Of Network Marketing Agility

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Abstract

Purpose – This paper aims to provide an understanding of the conceptual model that diagnoses relational capital quality and market orientation and its relationship with performance with Network Marketing Agility as an intervening variable. This finding implies the importance of networking capabilities for universities to produce specialized services. Previous studies on the topic of agility have mostly focused on the manufacturing industry with a lack of research on relational capital quality, market orientation, network marketing agility and the performance of the private higher education sector.

Design / Methodology / approach --This study takes data from six private universities in Indonesia, particularly in the province of NTT. This involved feedback from 88 heads of study programs from 6 institutions with accreditation standards at least or equal to B. And the data was processed using the SEM-PLS method and the Smart PLS statistical tool to test the hypotheses of direct and indirect relationships and the role of mediation.

Findings –Network marketing agility is a novelty construct that plays a role in mediating the gap between relational capital quality and market orientation on PTS performance. This indicates how important it is for PTS to build network marketing agility.

Originality --The private higher education sector has experienced massive growth in recent years in Indonesia. Currently, there is no quantitative research with a locus of higher education in Indonesia, especially on the role of agility in building marketing networks.

Key word --relational capital quality, market orientation & network marketing agility.

1. INTRODUCTION

At the end of 2019, there were Indonesian state universities (PTN) with 2.9 million students and 3.129 private universities (PTS) with 4.4 million students. Of the thousands of universities, 48% are not accredited while 32% are accredited C, and only 2% are accredited A. Only 3 of Indonesia's best universities have been able to penetrate the QS version of 500 world universities. However, the development of higher education productivity in Indonesia in contributing to world knowledge is quite good, especially the exponential growth of publications(Elsevier, 2020, Elsevier's long term collaboration in Indonesia). The growth of PTN from 2014 to 2019 was constant. It is different from the statistical data of PTS as of 2016/1027 as many as 3.154, as of 2017/2018 as 3171 and as of 2018/2019 as many as 3129. Private universities in Indonesia thrive 30 times compared to state universities. The standard for measuring the quality of higher education in Indonesia is set by the government based on the determination of 14 elements of the accreditation standard assessment. The performance quality standards of private universities in Indonesia are still very minimal with A accreditation. Accreditation standards born from government policies increasingly show the increasing demands for elements that must be met and create considerable challenges for private universities in Indonesia to improve higher education performance. In addition to the challenges of various changes in government regulations, private universities also have challenges in the disruptive era. There are fundamental and deep changes in various fields or known as deep shifts. The world of higher education, is no exception, is also faced with a volatile, uncertain, complex, and ambiguous (VUCA) world. There is no other choice for universities as the organizing institutions except to change, transform to become more adaptive and agile. If you don't adapt quickly, universities will lose their relevance and be abandoned by students. The industrial revolution 4.0 further strengthens the innovation-based economy with the need for new competencies (Nizam, 2020). Paradigm to increase competitive advantage by being cooperative, cooperative and competitive. This condition requires companies to be more actively involved in a sustainable manner in creating competitive advantages. In the context of service companies, network development boosts the company's ability to gain customer trust and increase profitability (Luo, Hsu, and Liu, 2008; Gorina, 2016). Relationship marketing concepts and processes are critical in understanding agile capabilities in developing relationship marketing networks. Relationship marketing creates collaborative value in interdependent relationships.

Of the many previous studies that have revealed networking capabilities as one of the core competencies of companies (Ritter, Wilkinson and Johnston, 2004; Walter, Auer and Ritter, 2006), only a few have focused on conceptualizing and examining the relationship between network capabilities and relational capabilities (Jarratt , 2004), alliance capabilities (Kale, Dyer and Singh, 2002; Draulans, and Volberda, 2003), and identification of capabilities

needed to manage strategic networks (Moller, Rajala and Svahn, 2005'; Pociovalisteanu and Thalassinou, 2008). This study tries to raise the novelty of the concept of Network Marketing Agility as a mediator in the influence of relational capital quality and market orientation on the performance of private universities in Indonesia. Where the concept in previous research has not raised the concept of Network Marketing Agility.

PTS was chosen as the locus of research because it is appropriate to the application of the grand theory of relationship marketing. Private universities usually require cooperation and fostering good relations with the Ministry of Research, Technology and Higher Education as representatives of the government, students, lecturers and employees as internal customers, partner universities and other support related to creating competitive advantage for private universities. In addition to being able to survive in its business, private universities need students. Student preferences and retention of the decision to choose a college are strongly influenced by factors of the education service system that lead to customers such as personalized academic support services, college reputation, learning environment (Shah, 2013). Therefore, firms that adopt a market orientation are more likely to have high performance (Peng et al. (2018). In particular, the exploitative and reactive components of market-oriented organizations are said to benefit significantly from the rapid deployment of dynamic capabilities and need to be examined further (Wilden et al., 2018).According to Ambrose et al.(2017) Customer orientation affects the configuration and process of resources.Company competitiveness is largely determined by the company's ability to develop and implement the concept of market orientation (Schosser and McNaughton, 2004; Zhou, et al. al, 2009; Kumar, et al, 2010).

Research on market orientation with various backgrounds is generally successful in proving that market orientation will improve marketing performance (Castro, et al. 2005; Kirca. et al. 2005; Jain and Bhutia, 2007). In Fred Langerak's research (2011), there are inconsistencies in the results of market orientation research on performance that have been developed for several decades. The predictive power of market orientation is still an open question (Despande and Farley, 1998). Ruckert (1992) and Narver and Slater (1994) found a direct positive relationship between market orientation and performance. However, several studies have failed to prove that market orientation can improve marketing performance (Jaworski and Kohli, 1993; Selnes. et al. 1996; Pelham, 1997; Despande et al. 2000, Harris, 2002).

Private universities that set organizational spirit to focus on building superior value for customers also need to be supported by quality relationship capital with internal and external partners. The findings of previous research on Relational Capital Quality show that relational capital in alliances, firm-external partner relationships is a dynamic result of several organizational processes, making negotiations, and interactions. Sharma (2010) in Shujaat Mubarik, et al, (2015) said that companies that provide services or products that exceed customer expectations and satisfaction can build loyalty among their clients, who return to continue to make purchases in the long term.

Relational ability, which is mostly considered similar to trust, refers to a firm's ability to choose external partners and maintain good relations using appropriate administrative mechanisms (Johnson and Sohi, 2003). The concept of relational capabilities is related to what things need to be done and maintained by organizations to create harmonious relationships with customers. Relational skills are widely applied in the process of forming horizontal alliances (Capaldo, 2007; Kale et al, 2002; Sivadas and Dwyer, 2000). The conception that is adopted and used to build the relationship model in this study is called the Relational Capital Quality conception.

Research on Relational Capital Quality on performance has gaps of inconsistency in some of the results of previous studies. Agus Toryanto and Hasyim (2017); Gulati, Nohria, and Zaheer (2000), Anand and Khanna (2000), McEvily and Zaheer (1999), reveal that marketing performance can be achieved through an increase in Relational Capital Quality which is proxied by social interaction, business efficiency, and knowledge sharing in the network. Yubing Yu & Baofeng Huo (2017) added that supplier and customer relational capital improves financial performance. However, other literature does not reach a consensus on the relationship between relational capital and performance (Hult, Ketchen, & Slater, 2004; Hormiga, Batista-Canino 2011, Gulati & Sytch, 2007; Swink, Narasimhan, & Wang, 2007; Anderson & Jap, 2005; Das, Narasimhan, & Talluri, 2006), Garbarino and Johnson (1999). It is argued that higher customer trust may not actually drive organizational performance. While on the other hand, companies need the ability to build a strong network between the organization and customers so that ultimately improve its performance. Their ability to provide services is inseparable from the ability to build and maintain business networks. This network is more likely to help service companies, especially the higher education sub-sector, to understand customer needs. Business networks are also able to increase bonding and partnership cohesiveness. Previous research suggests two implications of relational capital. First, trust and respect form the basis of long-term relationships and cooperation between companies and suppliers in quality management. Second, building friendly and mutually beneficial partnerships can facilitate the exchange of information, which can facilitate the coordination of quality practices between companies and suppliers. Business networks developed by universities are able to improve performance. Institutions need an adaptive culture of excellence, fast response in building partnership networks for adjustment to market changes. This concept is called network marketing agility. Several papers have adopted a dynamic capabilities perspective and investigated the capabilities required for service innovation (e.g., Raddats, Burton, & Ashman, 2015; Spring & Araujo, 2013; Parida, Sjödin, Wincent, & Kohtamäki, 2014; Huikkola et al., 2016). However, there are not many studies that discuss the derivative of the novelty concept of dynamic capabilities, namely regarding network marketing agility in the private university sub-sector. Therefore, based on the gaps in the research described above, this study will reveal the mediating role of network marketing agility to overcome the gaps in relational capital quality on the performance of

private universities. And the gap in the relationship between market orientation and the performance of private universities.

2. LITERATR REVIEW

RELATIONAL CAPITAL QUALITY

The company's ability to choose external partners and maintain good relations by using appropriate administrative mechanisms (Johnson and Sohi, 2003) is called relational ability. Here, the concept of relational capability is related to what things an organization needs to do and maintain to create a harmonious relationship with its customers. Relational skills are widely applied in the process of forming horizontal alliances (Capaldo, 2007; Kale et al, 2002; Sivadas and Dwyer, 2000). The conception that is adopted and used to build the relationship model in the research is called the Relational Capital Quality conception. Relationship quality capital related to relationships between companies, people, ideas and certain objects in the form of partnerships to carry out a series of innovation processes (Firjar, Gjelsvik and Rodriguez – Pose, 2013) is called relational capital. Ability to identify potential business partners, initiate relationships and manage mutually beneficial partnerships with effective mechanisms (Wang, et al., 2015). Relational Capital emphasizes the value inherent in the company's relationship with its customers and stakeholders to maintain the company's performance. Relational capital is an intangible asset so it is difficult for competitors to replicate. The literature consistently points to satisfaction and trust (Crosby et al., 1990; Dwyer and Schurr, 1987; Shamdasani and Balakrishnan, 2000; Hennig-Thurau et al., 2001), along with commitment, as key indicators of relational quality capital. In this study, Relational Capital Quality is defined as the relationship between the institution and its external and internal partners in the long term, holding the values of close interpersonal interactions that have the basic principles of mutual trust, commitment, sharing of responsibilities, disclosure of information and alignment of goals.

MARKET ORIENTATION

Hunt and Morgan (1985) state that market orientation is (a) the activity of systematically gathering information about customers and competitors, both current and future; (b) conduct systematic analysis of information for the purpose of developing market knowledge and (c) use knowledge systematically to formulate strategies, understand, implement and modify. Market orientation is a business culture that: (1) places the highest priority on profit creation and maintenance of superior value for customers while considering the interests of other stakeholders, and; (2) provides norms for behavior regarding organizational generation, dissemination, and responsiveness to market information (Deshpandé, Farley and Webster 1993; Kohli and Jaworski 1990; Narver& Slater 1990). According to Narver and Slater (1993), market-oriented companies will tend to act proactively in developing markets and identify themselves differently from competitors. His foresight has also been found to be a

major component of market-oriented culture (Morgan and Strong, 1998). Gounaris, Avlonitis and Papastathopoulou (2004) argue that MO is necessary when firms operate dynamically (new technologies and/or new entrants) and when firms operate in an atmosphere of competitive competition. Market orientation as a single-dimensional construct consists of three behavioral components, namely customer orientation, competitor orientation, and coordination between functions within the company (Narver and Slater, 1990). However, the relevant components in this study are customer orientation and competitor orientation.

Customer orientation measurement items

1. Commitment from all managers to efforts to satisfy customers.
2. Collecting information about the needs and desires of customers to be fulfilled by the company.
3. Trying to determine how to satisfy customers.
4. Try to find out customer complaints and find the cause and try to fix what causes customer complaints.
5. Always try to give special attention to every customer.

Competitor orientation measurement items (Kirca et al., 2005)

1. Hold a discussion on competitor information which is followed by all those related to business management.
2. Trying to find information on the advantages of competitors and trying to apply the best that has been done by competitors.
3. Discuss competitors' strategies so that they can be compared with our company's strategies.
4. Responding to competitors' actions so that they can determine what actions to take.
5. Outperform competitors in all respects (eg facilities, service processes, quality of learning processes).

NETWORK MARKETING AGILITY

Enterprise agility is a key determinant for managing and maintaining network relationships. In addition, agile companies are better able to take advantage of the network structure as a mechanism that allows fast and flexible access to important and valuable resources, capabilities, and information to improve the competitiveness and performance of the company (Yang and Liu, 2012, p. 1039). Agility mobilizes anticipatory abilities but also creative abilities (Baskerville et al., 2005). Network agility ability in the company can be considered as the most qualified ability to answer the turbulence of competition in the world of universities. This conception is called NMA, which is a set of skills and expertise that is agile, responsive, proactive, tough and fast in detecting market changes. Knowledge learning process by utilizing and integrating internal and external partnership networks in the

marketing chain between customers, competitors, and stakeholders in an adaptive and flexible manner with the aim of creating superior value for customers. (Avianita et al., 2019. Published in the proceedings).

Item pengukuran network marketing agility

1. Market situation adaptability: the ability of institutions to adapt to market situations.
2. Market sensing capabilities: speed of responding to market trends and market mapping.
3. Partnering independence: attitude of initiative, responsiveness, agile and proactive in creating partnerships and collaborations.
4. Facilitation of team empowerment: Team empowerment in the form of work communication and company support for the formation of work teams.
5. Internal operation orchestration: harmonization and harmonious work rhythm, complementing each other between units within the institution.
6. Agility of social network activities: efforts that are strong, agile, responsive and proactive to take part in social activities that are closely related to wisdom

Based on the literature review above, this study offers a novelty in the concept of network marketing agility as a mediation in overcoming the gaps between relational capital quality and market orientation towards performance.

3. RESEARCH METHOD

Sample and Data Collection

The data comes from respondents, namely study program officials at private universities in NTT, especially Flores and Kupang. The total population is all private universities in Flores and Kupang with a total of 40. The access population in this study is private universities with a minimum institutional accreditation of B, with a total of 6 institutions or 88 study programs. The distribution of research questionnaires was given to the head of the Study Program. The head of the study program is the respondent in this study. The reason for this choice is that they are in a strategic position to evaluate the dynamics of the organization because they are involved in making decisions in achieving organizational goals. Their role is quite dominant in the authority to determine tactical and strategic activities. Of the 90 questionnaires distributed to the head of the study program, 88 were returned. The percentage rate of return of the questionnaire was 91%.

Definition of construct and measurement

We designed a survey questionnaire, based on construction items from the existing literature. All items were measured using a 5-point Likert scale with 1 “strongly disagree” and 5 “strongly agree”. Narver& Slater (1994) said that market orientation has 3 dimensions,

namely customer orientation, competitor orientation, and interfunctional coordination (Fang et al., 2014). The indicators used in this research are customer orientation and competitor orientation. The next exogenous construction is relational capital quality as measured by commitment, trust, sharing of responsibilities, information disclosure and goal alignment. Performance indicators include the quality of human resources, institutional quality, research performance, and teaching and service quality performance. (formulated by researchers by elaborating various sources, including Douglas & Craig (1983); Niculescu, et al., (2013); Zangouezhad and Moshabaki., (2011); Bhuian (1992), Ministry of Research, Technology and Higher Education Decree Number 126 M/KPT/2016).

HYPOTHESIS

H1. Relational Capital Quality has a significant effect on performance

Relational Capital Quality can increase competitive advantage and improve marketing performance. Relationships with customers, suppliers, distributors, regulators and other stakeholders affect its existence and performance. One of the competencies that is the antecedent of product strategy is relational capability (Lages, Silva and Styles, 2009). The role of alliances or relational capabilities for organizations is an initial prerequisite for the formation of effective partnerships and a source of competitive capacity (Czakon, 2009) and contributes to value creation, sustainable competitive advantage and the achievement of superior profitability (Lages, Silva and Styles, 2009). The relevance of relational capital and absorption capacity in improving customer performance, increases our knowledge of the factors that help to strengthen customer relationships. To achieve better customer performance, managers should pay special attention to maintaining their marketing capabilities and high-quality relationships with external actors (Lara Agostini et al., 2017). Relational Capability is also a source of competitiveness for certain companies that require sufficient resources, supported by internal company actors (Labrousche and Kechidi, 2016) to harmonize the company's internal activities and integration processes (Rodríguez-Díaz and Espino-Rodríguez, 2006). Therefore, the network of actors formed through internal relationships can help in empowering organizational members (Latour, 1987), assisting companies in exploring result-oriented relationships by involving organizational characteristics and governance, access to resources, and how the structure and pattern of relationships in the network. built and maintained (Slotte-Kock and Coviello, 2010).

H2. Market Orientation has a positive effect on performance

An orientation that focuses on marketing or customers, innovation orientation and human resources will improve financial performance and marketing performance (Rocelis, 2006), increase market share growth, profit margins and performance (Appiah-Adu, Ranchod, 1998; Baker & Sinkula, 1999a). Increasing the company's focus on market orientation also has a significant effect on ROI, profit and annual turnover (Avlonitis&Gounaris, 1997). customer

orientation is also shown to affect the configuration and process of resources (Ambroise et al., 2017). Meanwhile, another qualitative study argues that the deployment of dynamic capabilities is needed by market-oriented organizations to respond to or encourage market changes (Wilden et al., 2018).). Yan et al. (2017) qualitatively shows that the implementation of a complete market orientation has a positive impact on the company's growth compared to a partial market orientation which partially tries to influence customer tastes and technology roadmaps. Another study by Masa'deh et al. (2018) in the Jordanian pharmaceutical sector show that market orientation contributes the most to organizational performance than technology orientation and entrepreneurial orientation.

Homburg and Pflesser (2000) distinguish two complementary perspectives on market orientation: behavioral and cultural. The behavioral stream of market orientation explains that market orientation in a behavioral perspective is related to the overall market intelligence activities of an organization regarding current and future customer needs, intelligence dissemination between departments and organizational responsiveness to them. The main focus of behavioral flow in market orientation is the focus on the market, the emphasis is on special forms of interfunctional coordination and continuous information processing activities.

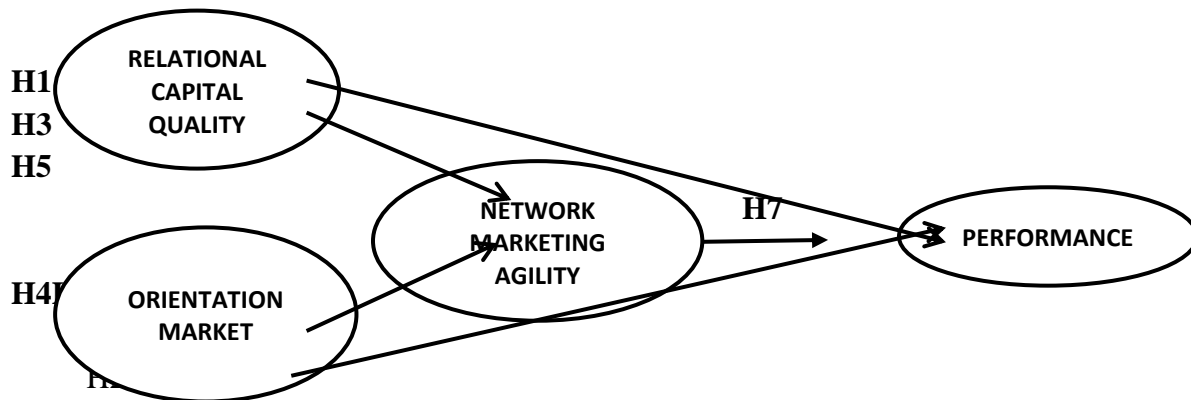


Figure 1 The Proposed Research Model and Hypothesis

H3. Relational Capital Quality has a significant effect on Network Marketing Agility

Private universities cannot survive without the support of their customers and stakeholders. Internal customers include students, lecturers and employees. Harmonious relationship between the University and internal customers is needed to achieve the orchestration of internal operations in the organization. Previous research support can be adopted from research on companies in international markets. It is argued that the ability to develop and maintain relationships is essential for increasing competitiveness and for generating business success (Barnes et al, 2011; Zolkiewski and Turnbull, 2002). The survey of MesbahuddinChowdhury et al., (2018) with the locus of research on tourism organizations

reveals that structural capital has a positive relationship with cognitive and relational capital. Only relational capital has an influence on adaptive resilience. Adaptive resilience has a significant effect on business performance. Consistent research results also suggest a direct positive impact of intellectual capital and e-business entrepreneurial orientation on competitive agility (KaledShaleh Al-Omouh. 2020). The previous basic theory of relational capital has been developed to explain the impact of intellectual capital and e-business adoption on competitive advantage. However, the logic behind these theories is considered to be out of sync with today's business environment which is characterized by a more active and high volatility nature, where competitive advantages are becoming obsolete and out of date faster than ever (El-Haddadeh 2020). Pervasive fluctuations in the business environment force organizations to adopt agile practices in volatile markets (Gupta et al. 2019). Today, competitive advantage is shifting from a sustainable advantage to being more temporary and short-term, with an accompanying advantage in competitive agility (Madhok and Marques 2014).

Relational marketing is a closely related approach because to gain an advantage in terms of competitive agility, companies must attract and retain customers by continuously satisfying their needs (Steinman et al., 2000). In the service industry, the management of the company's intangible assets can affect competitive advantage (Kaplan and Norton, 2001); Thus, when customers have a high commitment to the service delivery process, it is necessary to develop a close relationship between the company and the customer. This situation is even more critical in the service industry, given that the inherent intangible nature of services can greatly affect the relationship between companies and customers (McNaughton et al., 2002).

H4. Market Orientation has a significant effect on Network Marketing Agility

Market-oriented companies have a paradigm of thinking that internal and external customers are assets that must be cared for. The spirit of the company by putting all the energy of activity on satisfying customer needs. Customers are the main priority and become the estuary of all company activities. The company spirit that focuses on market driven can be an antecedent that fosters intelligence and agility in building marketing networks. Lee and Bach (2017) have adopted an action-based theory to explain competitive agility. This perspective characterizes the entrepreneurial orientation and agility of the company as the basis for business competitiveness. To achieve such agility, the role of entrepreneurial orientation, through a willingness to innovate and take risks and be proactive for market opportunities (Madhok and Marques 2014). Agility is about persistent foresight, making reasonable adjustments, and providing critical resources for change before it happens (Woo et al. 2012; Kim et al. 2015). Market orientation also encourages the use of certain dynamic process capabilities, which in turn drive BMI and lead to market-driven, market-driven and ambidextrous business models (Krithika Randhawa et al., 2020)

Implementation of Market Orientation requires that all members of the organization focus on identifying and responding to changing customer needs. In turn, the organization's ability to respond quickly and aggressively to changing customer demands.

The adoption of market orientation combined with JIT, TQM, and AM programs leads to organizational capabilities with relatively low operating costs, production of high quality products and services, and rapid response to changes in customer needs and demands.

H5. Network Marketing Agility mediates the relationship of Relational Capital Quality to Performance

Strategic agility can mediate the impact of absorptive capacity on firm performance. In the literature, there are a number of studies examining the mediating role of strategic agility. In Cegarra-Navarro et al. (2016) reveal the mediating role of organizational agility in the impact of knowledge application on organizational performance. Tallon and Pinsonneault (2011) find the mediating role of corporate agility in the impact of strategic information technology alignment on firm performance. In another study, the mediating role of supply chain agility was confirmed in the relationship between absorptive agility and firm performance (Martinez-Sanchez and Lahoz-Leo, 2018). Only a few studies have focused on investigating network capabilities and relational abilities (Jarrat, 2004). The researcher argues that the relationship between relational capital quality and performance can be influenced by the role of NMA. The key idea behind network marketing agility is the company's ability to respond with agility, adaptability, and flexibility.

H6. Network Marketing Agility mediates in the relationship of Market Orientation to Performance

The mediating role of NMA is to address the gap in the relationship between market orientation and performance. Network intelligence in relevant analysis suggests that network intelligence has an impact on mixed channel strategy and mixed channel strategies improve performance (Wun Hwa Chen and Ai-Hsuan Chiang, 2011). support flexibility and adaptability as well as process alignment (Whitten, Green and Zelbst, 2012). Complementing the resources that come from the quality of the partnership relationship, the more valuable the combined resources will be, when it is necessary to respond quickly to market changes. Adaptability and dexterity of market response enable companies to increase their competitive advantage. MF Najib et al., (2017) Researching buyer-supplier relationships and firm performance In reviewing dynamic capabilities, market orientation and buyer-supplier relationships as a set of dynamic capabilities, and finding the competitive value of market orientation and buyer-supplier relationships mediated by capabilities dynamic.

H7. Network Marketing Agility has a significant effect on Performance

In increasing resilience, companies build collaborative relationships with their partners in a commitment to a closer and more agile network of channels. Superior network agility enables

companies to build capabilities to detect and seize market opportunities (Wun Hwa Chen & Ai Hsuan Chiang, 2011). This strategic network consists of ties between organizations that are enduring, have strategic significance to the firms entering them, and include strategic alliances, partnerships and a number of similar ties. Information resources are inherent in the networks in which companies are located by providing them with valuable information which in turn provides a strategic advantage by enabling them to act faster than rivals. In essence, network agility can have an impact on competitive advantage (Ranjay Gulati et al., 2000). Agility has been shown to have a significant positive effect on performance (Altay et al., 2018; Blom et al. 2013; Nejatian et al., 2018). Organizational agility is an important source of competitive strategy to achieve superior organizational performance because it enables organizations to react effectively to unexpected changes (Liu and Yang, 2019).

Figure 1 above is an explanation of the relationship test model in accordance with the hypothesis that has been described.

4. FINDINGS

The purpose of this study is to provide an understanding of conceptual and empirical progress, research models on the impact of relational capital quality, market orientation on company performance and network marketing agility as mediators are proposed and explained. With the conceptual model developed, the author shows how network marketing agility can mediate the relationship between relational capital quality and market orientation to performance. Previous research related to relational capital quality, market orientation and company performance was examined with network marketing agility as an intervening variable. For this purpose, this research is analyzed as follows:

Validity and Reliability Testing

Testing the unidimensionality in Figure 1 by looking at the convergent validity of each construct indicator. The loading factor value depicted from all constructions ranges from 0.63 to 0.81 indicating a good level of reliability. The indicator is said to be valid to explain its latent construct if it has a loading factor value > 0.5 . Composite reliability (CR) in all cases exceeded 0.7; all extracted mean variances (AVE), were close to or higher than the recommended level of 0.5 (Fornell and Larcker, 1981; Bagozzi and Yi, 1988). To be able to say that a statement item is said to be reliable, then the value of Crombach's alpha must be > 0.6 and the value of composite reliability has a value of > 0.7 . According to Chin (1998) an indicator is said to have good reliability if its value is greater than 0.70 while a loading factor of 0.5-0.6 can still be maintained for models that are still in the development stage. In addition, the convergent validity of the constructs is acceptable.

Tabel 1 Outer Loading

Variable	Indicator	Item	Loading	T statistic (O	Information
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			Factor	/STERR)	
Relational	Mutual trust	1	0.723990	15.444325	Valid
Capital	(X1.1)Mutual trust	2	0.660479	11.394547	Valid
Quality	(X1.1)	3	0.678223	11.863701	Valid
(X1)	Sharing	4	0.642386	9.972594	Valid
	responsibility	5	0.654783	10.077577	Valid
	(X1.2)				
	Goal alignment	6	0.753851	17.213911	Valid
	(X1.3)	7	0.818800	23.9021812	Valid
	Disclosure of	8	0.749122	11.299998	Valid
	information (X1.4)	9	0.727596	14.710403	Valid
	Commitment	10	0.658443	8.681460	Valid
	(X1.5)	11	0.683442	12.650159	Valid
		12	0.721795	13.212778	Valid
Market	Customer	13	0.689319	12.002377	Valid
Orientation	orientation (X2.1)	14	0.683153	14.292535	Valid
(X2)		15	0.729480	13.739050	Valid
		16	0.659177	8.642120	Valid
		17	0.675829	9.932886	Valid
	Competitor	18	0.759223	13.035066	Valid
	Orientation (X2.2)	19	0.792721	15.506274	Valid
		20	0.702854	10.279727	Valid
		21	0.742897	11.000753	Valid
		22	0.720309	11.542712	Valid
		23	0.679689	9.374578	Valid
Network	Market situation	24	0.734304	15.362099	Valid
Marketing	adaptability (M1)	25	0.635421	8.339847	Valid
Agility (M)	Market sensing	26	0.752878	17.794433	Valid
	capability(M2)	27	0.701351	14.911127	Valid
	Independent	28	0.706263	11.298853	Valid
	Partnering(M3)	29	0.745310	13.736932	Valid
	Facilitation of	30	0.658444	10.925745	Valid
	team	31	0.713268	15.034036	Valid
	empowerment(M4)				
	Internal operations	32	0.667907	13.465213	Valid
	orchestration (M5)	33	0.759115	18.464679	Valid
	Social network	34	0.665615	12.474345	Valid

	activity agility (M6)	35	0.754210	16.682673	Valid
Study	HR Quality (Y1.1)	36	0.746588	13.607056	Valid
Program		37	0.782122	20.518898	Valid
Performance		38	0.689747	8.641841	Valid
(Y)		39	0.700128	11.593996	Valid
		40	0.706026	13.503916	Valid
	Institutional	41	0.710602	11.006907	Valid
	quality (Y1.2)	42	0.725479	13.767389	Valid
		43	0.709999	13.352190	Valid
	Research	44	0.757474	14.614149	Valid
	performance and	45	0.773151	16.388334	Valid
	community service	46	0.559423	6.121507	Valid
	(Y1.3)				
	Teaching and	47	0.647389	9.910361	Valid
	service	48	0.744493	12.238615	Valid
	performance	49	0.766893	14.462149	Valid
	(Y1.4)				

In table 1, the correlation value of the calculation of all question items shows a high reflexive indicator value because it is above 0.7. In the Relational Capital Quality (X1) variable the value of the loading factor item works based on the spirit of the same vision and goal of 0.818800 which gives the highest contribution to explain the RCQ variable. The item is part of the goal alignment indicator. In the MO variable (X2), the value of item loading factor updating competitors' advantages on a regular basis is 0.792721 which gives the highest contribution to the competitor orientation indicator on the Market Orientation variable.

In the NMA variable, the value of the item loading factor of awareness to maintain effective communication in academic services is 0.759115 which gives the highest contribution to explain the NMA variable. The item is part of the internal operation orchestration indicator. In the Performance variable (Y), the loading factor item value increases the number of outstanding students by 0.782122 which gives the highest contribution to explain the performance variable. These items are part of the HR quality performance indicators.

The criterion of discriminant validity value is by looking at the cross loading value in table 2. The validity condition is met if the loading value for each item in the construct is greater than the cross loading. In the cross loading table, it can be seen that all items are met and are said to be valid.

Tabel 2 Cross Loading

	RCQ(X1)	OP(X2)	NMA(M1)	KP(Y)
X1.1	0.723990	0.150415	0.312944	0.361365
X1.2	0.660479	0.168388	0.359111	0.338812
X1.3	0.678223	0.140270	0.328275	0.405660
X1.4	0.642386	0.107507	0.298551	0.296078
X1.5	0.654783	0.185873	0.332012	0.278670
X1.6	0.753851	0.277979	0.356819	0.356464
X1.7	0.818800	0.292917	0.446055	0.463260
X1.8	0.749122	0.295965	0.314213	0.326517
X1.9	0.727596	0.177402	0.280030	0.260436
X1.10	0.658443	0.230343	0.336114	0.286539
X1.11	0.683422	0.301048	0.325135	0.326707
X1.12	0.721795	0.339057	0.471576	0.431641
X2.1.1	0.213588	0.689319	0.451619	0.364143
X2.1.2	0.379246	0.683153	0.513847	0.529956
X2.1.3	0.352682	0.729480	0.580342	0.502043
X2.1.4	0.208976	0.659177	0.392118	0.436143
X2.1.5	0.235167	0.675829	0.482768	0.402032
X2.2.1	0.090293	0.759223	0.381361	0.400303
X2.2.2	0.307324	0.792721	0.513096	0.468750
X2.2.3	0.140764	0.702854	0.425943	0.425658
X2.2.4	0.199204	0.742897	0.475676	0.371393
X2.2.5	0.125959	0.720309	0.431650	0.294467
X2.2.6	0.177914	0.679689	0.555714	0.445786
M1	0.343132	0.585143	0.734304	0.553376
M2	0.266237	0.476008	0.635421	0.411802
M3	0.253080	0.471191	0.752878	0.485843
M4	0.360965	0.512670	0.701351	0.509630
M5	0.426566	0.456614	0.706263	0.588933
M6	0.413792	0.422492	0.745310	0.546664
M7	0.285219	0.500393	0.658444	0.355688
M8	0.448823	0.444188	0.713268	0.570305
M9	0.369509	0.365250	0.667907	0.526572
M10	0.344277	0.442287	0.759115	0.556773
M11	0.292363	0.421010	0.665615	0.577773
M12	0.380374	0.610827	0.754210	0.620089
Y1.1	0.428607	0.416332	0.555586	0.746588
Y1.2	0.413894	0.497186	0.611624	0.782122
Y1.3	0.419707	0.400516	0.518667	0.689747

Y1.4	0.417179	0.476881	0.498582	0.700128
Y1.5	0.357701	0.392269	0.490395	0.706026
Y1.6	0.386378	0.519535	0.630995	0.710602
Y1.7	0.409313	0.500899	0.560698	0.725479
Y1.8	0.199159	0.339106	0.421120	0.709999
Y1.9	0.345509	0.321119	0.478991	0.757474
Y1.10	0.355931	0.454607	0.541231	0.773151
Y1.11	0.130025	0.285843	0.330496	0.559423
Y1.12	0.309957	0.399510	0.483840	0.647389
Y1.13	0.384445	0.397225	0.642232	0.744493
Y1.14	0.314057	0.453533	0.621301	0.766983

Table 3 shows that Discriminant validity can be tested by comparing the root value of the AVE of each construct with the correlation between the constructs and other constructs. By looking at the table below, it is clear that the AVE value is above 0.5 or it can be concluded that the measurement meets the criteria for convergent validity.

Table 3 AVE . value

Variable	AVE
Relational Capital Quality (X1)	0.501057
Market Orientation (X2)	0.508801
Network marketing agility (M1)	0.502709
Study Program Performance (Y)	0.515358

The reliability test is carried out by looking at the composite reliability value of the indicator block that measures the construct. The results of composite reliability will show a satisfactory value if it is above 0.7. Based on table 4 below, each construct is very reliable because it has a high composite reliability above 0.7, meaning that the instruments of all variables are considered reliable to be used as research instruments.

Table 4 Composite Reliability test value

Variable	Composite Reliability	Cronbachs Alpha	Information
Relational Capital Quality(X1)	0.936694	0.927195	Reliable
Market Orientation (X2)	0.919096	0.903200	Reliable
Network Marketing Agility (M1)	0.923608	0.909660	Reliable
Study Program Performance (Y)	0.923020	0.908890	Reliable

Relationships Between Constructs

In reading the inner model or the relationship between constructs in table 5 below:

Table 5 Summary Result Of Hypothesis Testing

	Hypothesis	Original Sample (O)	Sample Mean (M)	Standard deviation	T statistic	Test Sobel	Ket
H1	RCQ- Perform	0.168	0.171	0.093	1.798		*n.s
H2	OP- Perform	0.164	0.160	0.092	1.764		*n.s
H3	RCQ-NMA	0.315	0.317	0.074	4.223		Supported
H4	OP- NMA	0.573	0.574	0.073	7.779		Supported
H5	RCQ- NMA- Perform					3.44485890	Supported
H6	MO-NMA- Perform					4.75350619	Supported
H7	NMA- Perform	0.554	0.554	0.092	6.017		Supported

- **N.s = not significant**

Hypothesis test

This hypothesis testing stage is to test the proposed research hypothesis. Testing this hypothesis is based on processing research data using SmartPLS by comparing t-statistics with t-tables. If the t-statistic is greater than the t-table (Sig 0.05), then the proposed research hypothesis is accepted and vice versa.

Hypothesis Test 1 (The Effect of Relational Capital Quality on Performance)

Based on the test results of the direct influence between relational capital quality on performance, the relationship between relational capital quality and performance produces a path coefficient value of 0.168 which indicates a positive relationship. The resulting t-count value of 1.798 is smaller than the t-table of 1.96, meaning that there is no significant effect of Relational Capital Quality on performance. It can also be interpreted that Relational Capital Quality is not a factor that directly affects the performance of the study program. Thus the statement of the first hypothesis is not accepted.

Hypothesis Test 2 (the effect of Market Orientation on performance)

The statistical test value on the relationship between Market Orientation and Performance is listed in table 5 with a t-statistic value of 1.764 and the t-statistic value does not meet the requirements or is less than 1.96. Hypothesis 2 in this study is rejected, meaning that Market Orientation has no significant effect on performance and the hypothesis is not accepted. The value of R square Performance in table 6 is 0.595327, which means that performance can be explained by the variable relational capital quality, market orientation and 59.5%. R Square value is quite strong.

Hypothesis Test 3 (Effect of Relational capital quality on Network marketing agility)

Hypothesis 3 in this study is that relational capital quality has a significant effect on NMA. Based on the results of statistical tests using smartPLS, it is known that the value of t-statistics (4.223) is greater than t-table 1.96 (sig 0.05). This means that relational capital quality has a significant effect on NMA. The higher the relational capital quality, the higher the NMA. To be able to assess how much percent of NMA is explained by its endogenous construct, see. The value of R Square is the coefficient of determination on the endogenous construct. According to Chin (1998), the value of R square is 0.67 (strong), 0.33 (moderate) and 0.19 (weak).

R-square on the NMA variable (M1) of 0.543 indicates that the Relational capital quality (X1) and market orientation (X2) variables contribute to the NMA variable (M1) by 54.3%, while the remaining 40.5% is a contribution from other variables not examined.

On the other variable is 45, 7% which can provide opportunities for exogenous variables that can affect NMA. External aspects of environmental dynamics, socio-economic aspects and business dynamics also affect the performance of a business. Government regulations also change frequently. Including the mandate regarding the IQF, the national standard of higher education, where each university as a non-profit organization must continue to monitor and follow the dynamics of regulatory changes from time to time.

Table 6 R Squares Nilai Value

Variable	R Square
Study program performance (Y1)	0.595327
Market Orientation (X2)	
Network Marketing Agility(M1)	0.543225
Relational Capital Quality (X1)	

Hypothesis Test 4 (Effect of Market Orientation on network marketing agility)

Hypothesis 4 in this study is that orientation has a significant effect on network marketing agility. The statistical t value of the test results in hypothesis 4 is 4.336, this value meets the requirements because it is greater than t table (1.96) with a sig of 0.05. Thus it can be

concluded that hypothesis 4 can be accepted. This shows that the higher the increase in Market Orientation, the higher the NMA will be.

Hypothesis Test 7 (Effect of network marketing agility on performance)

The seventh hypothesis tests whether NMA has a positive effect on study program performance. The test results show the beta coefficient is 0.554 and the t-statistic is 6.017. From the test results that the t-statistic is declared significant because the value is greater than 1.96 (t table) with p value <0.05 so that the seventh hypothesis can be accepted.

Intervening Variable Verification

Hypothesis Test 5 (The mediating role of network marketing agility on the relationship between Relational Capital Quality and Performance)

From the results of the Sobel test calculation in table 7 below, the test value is 3.44485890. Because the test value obtained is $3.44485890 > 1.96$ with a significance level of 5%, it proves that NMA is able to mediate the effect of relational capital quality on performance.

Table 7 Sobel test results

Track	Test results	p-value	Information
Relational capital quality – Network marketing agility – Performance	3.44485890	0.00057	Signifikan
Market orientation – Network marketing agility – Performance	4.75350619	0.00000	Signifikan

Hypothesis Testing 6 (The mediating role of Network marketing agility on the relationship between market orientation and performance)

The second Sobel test calculation is 4.75350619. Because the test value obtained is $4.75350619 > 1.96$ with a significance level of 5%, it proves that NMA is able to mediate the effect of market orientation on performance.

5 Discussion

Relational capital quality and performance

Universities must demonstrate accountability, quality, effectiveness and efficiency in front of their stakeholders. PTS stakeholders include government, media, religious institutions, business associations, press, private companies. The internal customers at universities are

lecturers and students. The implementation of the spirit of Relational Capital Quality in private universities can be measured by the level of mutual trust between institutions and stakeholders. Mutual trust is shown by maintaining mutual integrity. The second parameter is the sharing of responsibilities: The third is the alignment of goals, in this case, between higher education institutions and their stakeholders, there is a commonality of goals, vision and mission. The fourth and fifth parameters are information disclosure and commitment. This is related to the sharing of information and data, openness of data between units and fellow co-workers, commitment of service officers to provide access to information for students as internal customers, commitments related to the rights and obligations of implementing partnerships with stakeholders and commitment to the realization of cooperation.

Private universities have customer characteristics, namely multiple customers, classification based on the frequency of interaction and very situational depending on the role developed. Students can be classified as internal and external customers. The multiple customer classifications include current students, prospective students, employees, entrepreneurs, government and industry.(Kusumawati, 2013; Hewitt & Clayton, 1999) employers, society/government, students' families, employee managers, all members of study programs and faculties who perform academic services on students (Periera Da Silva, 2003). Relational ability in the context of higher education is a capability related to the company's ability to choose external partners and maintain good relations by using appropriate administrative mechanisms. (Johnson dan Sohi , 2003).Here, the concept of relational capability is related to what things an organization needs to do and maintain to create a harmonious relationship with its customers. Relational skills are widely applied in the process of forming horizontal alliances (Capaldo, 2007; Kale dkk, 2002; Sivadasand Dwyer, 2000),

The results of the test of the influence of relational capital quality in this study support the results of the study stating that relational abilities are less effective in influencing performance (Agostiini Lara et al.,2017;Hult, Ketchen, & Slater, 2004; Hormiga, Batista-Canino 2011, Gulati &Syth, 2007; Swink, Narasimhan , & Wang, 2007; Anderson & Jap, 2005; Das, Narasimhan, &Talluri, 2006). Harmonious relationships between institutions and their customers that can create mutual trust between the organization and its customers do not necessarily improve organizational performance. Therefore, companies need a strong network between the organization and customers so as to ultimately improve its performance. In examining the relationship between network and performance in the field of service marketing, Bowen and Shoemaker (1998) and Hoffman and Ingram (1992) shows that customer trust is an important determinant that drives customers to maintain their relationship with service providers.

Market orientation and performance

Market-oriented Private Universities are the extent to which they are able to implement marketing concepts and sets of activities developed by organizations to permanently monitor,

analyze and respond to market changes such as consumer preferences, faster technology growth, and increased competition. (Maydeu-Olivares and Lado, 2003; Agarwal et al., 2003). The keys to achieving organizational goals - such as market share, sales growth, and profitability - depend on determining the needs and wants of target markets, and targeting customer satisfaction beyond those of competitors. The test results in this study indicate that market orientation has no significant positive effect on performance, with a coefficient value of 0.164 and a t-statistical value of 1.764 (< 1.96). This shows that there is no significant effect between market orientation on the performance of the study program. Market orientation is not a factor that directly affects performance. Thus the second hypothesis is not accepted. The test results have similarities in previous studies with sample tests on food and beverage companies in Nigeria. The reasons for the weak relationship between market orientation and business performance of food and beverage organizations include government policies, new product development, diversification, innovation and the devaluation of the Nigerian currency. In addition, the results of previous studies support this result that there is no direct relationship between market orientation and performance, (Jaworski & Kohli, 1993) have a negative effect (Narver & Slater 1990; Grewal & Tansuhaj, 2001; Harris 2001), and there is no effect of market orientation on organizational performance (Harrison & Walker, 2001).

Relational capital quality and network marketing agility

The direct test between relational capital quality to NMA is a positive and insignificant effect, with a coefficient value of 0.315 and a t-statistical value of 4.223. This shows that there is a significant influence between relational capital quality on NMA. It can also be interpreted that if Relational capital quality increases, it is followed by an increase in NMA. Thus the third hypothesis can be accepted. The organization's efforts to invest and maintain long-term partnerships are the antecedents of the organization in increasing its agility to build marketing networks. The previous article supports Relational Capital Quality for the superiority of organizational resources. Relational capability is considered as the ability to interact with other companies (Lorezoni and Lipparini (1999) in Bradley Barnes et al, 2017), based on absorption, combination and coordination. Another term for relational capability is "network competence" to describe a company's ability to develop and leverage relationships between companies (Ritter and Gemunden, 2003 in Bradley Barnes et al, 2017). In the activities of the higher education sub-sector, the life of the institution depends on the input of students and stakeholders, so the ability to develop harmonious relationships and maintain relationships is very important to increase competitiveness and to generate business success. (Barnes et al, 2011; Zolkievskian and Turnbull, 2002 in Bradley Barnes et al, 2017).

Market orientation and Network Marketing Agility

Based on Table 5. it describes the effect of direct test between relational capital quality on network marketing agility with the result that the positive effect is not significant, with a

coefficient value of 0.573 and a t-statistical value of 7.779. This shows that there is a significant relationship between relational market orientation and network marketing agility. It can also be interpreted that if Relational capital quality increases, it is followed by an increase in Network marketing agility. Thus the third hypothesis can be accepted.

The role of network marketing agility in mediating the relationship between relational capital quality and performance

From the results of the Sobel test analysis, it can be seen that NMA mediates the effect of Relational Capital Quality on performance, with the Sobel test value of 3.44485890 which is greater than the t table of 1.96. This shows that the role of NMA plays a role in mediating the relationship between Relational Capital Quality and performance. Thus the fifth hypothesis statement can be accepted. Previous literature studies that confirm that Relational Capital Quality is not effective in improving organizational performance.(Agostini et al., 2017; Garbarino and Johnson, 1999). The results of the study prove that customer performance is improved through the company's marketing capabilities, open innovation with business partners and technological reputation, while open innovation with scientific partners and brand strength have no relationship with customer performance. In particular, the impact of open marketing and innovation capabilities with business actors on customer performance is greater for firms with higher absorptive capacity. The relevance between the practical implications of the research and the novelty of this research can be concluded that in order to achieve better customer performance, managers should pay special attention to maintaining their marketing capabilities and high quality relationships with external actors and invest in absorptive capacity to enhance the positive effects of relationships. . This relevance is highly correlated with efforts to mediate the role of NMA in relation to the influence of Relational Capital Quality in the context of this study. It becomes important to have an effort to combine the external perspective of relational capital and the dimensions of organizational absorption capacity internally. It takes a new concept of knowledge and mix of resources that the company can rely on to achieve better organizational performance.

Relational Capital Quality is full of technical implementation levels in the form of a study program spirit in an integrated work culture, building harmonious relationships with all internal partners, a work culture committed to maintaining, storing and sharing openness of data sources and knowledge between study programs, all levels of teaching staff, administrative staff and students, a work culture with a spirit of high commitment to excellent educational services, a work culture full of responsibility.

Relational capital in the external context requires companies to cultivate agile and agile good interactive relationships with marketing networks, namely stakeholders, customers and suppliers (Hsu and Fang, 2009). This includes, among other things, having strong marketing capabilities that enable the company to satisfy current and future customer needs (Hsu and Wang, 2012, in Agostini 2017), acquiring knowledge from various external sources and integrating it in the company's products or services (Hsu and Fang, 2009 in Agostini, 2017).

Therefore, to improve organizational performance, it is necessary to have the ability of educational institutions to create external resources, namely the agility of marketing network relationships with external customers.

The Role of Network Marketing Agility in Mediating the Relationship between Market Orientation and Performance

From the results of the Sobel test analysis, it can be seen that NMA mediates the effect of market orientation on performance, with the Sobel test value of 4.75350619 which is greater than the t table of 1.96. This shows that the role of NMA plays a role in mediating the relationship between Relational Capital Quality and performance. This study supports the view that market orientation drives a range of capabilities and the creation of competitive advantages for firms (Murray et al., 2011), which can improve business performance. Focusing on a dynamic set of capabilities at strategy, innovation and management levels can enhance competitive advantage (Li and Liu 2014). Based on this proposition, we find that NMA is the mediating variable of the relationship between market orientation and private college performance. Market orientation improves business performance and leads to the development of a set of capabilities in terms of NMA that generate competitive advantage and improve business performance.

Network marketing agility and performance

Research on behalf of (Swafford, Ghosh and Murthy, 2006) says that corporate agility has a positive effect on company performance. The agility of the market network is related to the speed with which new market ecosystems are built. Hyper competition requires companies not only to be aware of company level competitors but also marketing network level competition. Improved company performance depends on how agile responds to customer needs, how progressively builds interactions with customers. The six NMA indicators, namely market situation adaptability, market sensing ability, partner independence, facilitation of team empowerment, internal operation orchestration and agility of social network activities logically have a positive relationship with performance indicators. For example, that the company's ability to be adaptive to market situations and to regularly sense market opportunities and market share, and to be independent in partnering with tridharma will certainly have a positive effect on the activities of the study program and its marketing. The impact will be in the form of increasing research and community service performance and improving the quality of institutions and improving the quality of human resources in study programs. Likewise, indicators of facilitation of team empowerment in study programs will have an effect on improving the quality of human resources in the study program.

Then the orchestration of internal operations, the participation of students, lecturers and employees as internal customers in the process of co-creation and value curation will give a different impression with a distinctive feel and unique competitive advantage in the study

program (Wu et al., 2012). This involvement will trigger a sense of ownership, a sense of togetherness and a sense of responsibility for the study program.

From the various descriptions above, it can be concluded that the NMA provides a very significant positive contribution to performance. The role of the NMA factor in improving performance has been previously disclosed by Wun Hwa Chen & Ai Shuan Chiang (2011) This study argues that information system integration affects company performance through network agility. It also proposes that network agility is associated with a large moderating effect on the relationship between mixed channel strategy and financial performance.

Similarly, the innovative channel strategy allows companies to combine resources in new ways, allowing them to adapt to the rapidly changing business environment. Several developments in the business environment have accelerated the diversification of sales channels between producers and consumers (Tsay& Agrawal, 2004). Dynamic capabilities were also identified to enhance channel transformation (Wilson & Daniel, 2007). Value chains and interorganizational relationships through bundling IT systems, products, and services into an integrated structure to achieve business sustainability (Evans & Wurster, 2000; Kettinger, Grover, Segars, & Guha, 1994; Wheeler, 2002). Shared knowledge between IT and customer service executives positively improves customer service processes (Ray, Muhanna, & Barney, 2005).

6. LIMITATION OF RESEARCH

Future research should try to verify this insignificant relationship to get stronger support. Second, although our research includes customer orientation and competitor orientation as indicators of market orientation, they are not the only indicators. Future researchers need to consider indicators of interfunctional coordination. Or Future researchers are encouraged to build on our research to investigate additional dimensions. Since we have developed a novelty construct of network marketing agility as a derivative of the concept of dynamic capabilities, it is necessary for future investigations to conceptualize and synthesize other derivatives of dynamic capabilities and investigate their effect on firm performance and competitive advantage. Another broad research direction that should be pursued is to explore how processes differ between different dimensions of organizational structure and culture in integrating resources and developing NMA.

7. CONCLUSION AND IMPLICATION

This study emphasizes the importance of increasing agility in creating partnerships between universities and stakeholders. Higher education organizational capabilities will be largely determined by management's ability to collaborate with partners and internal and external customers. This study also tries to build a new construct that can resolve the research gap between relational capital quality and performance and between market orientation and performance. The basic assumption used is that there are many contradictions between the two antecedent and consequent variables, so the role of the mediating variable is absolutely

necessary. Based on this condition, the measure of the success of the research model is determined by the ability of the mediating construct to carry out its role. If the mediation construct functions properly, the research model will be successful. This finding implies the importance of networking capabilities for universities to produce specialized services. In an effort to improve the performance of higher education institutions, the institution must move proactively, quickly and responsively to respond to competition and market dynamics by building an ecosystem that allows the involvement of various internal partners and external partners. Private universities must create harmonization and alignment, especially in tactical steps to increase the involvement of internal partners to create value co-creation, thereby triggering the growth of a sense of togetherness, sense of ownership and sense of responsibility. So it will indirectly lead to a multi side effect or trickle down effect where internal partners will naturally become institutional marketers and recommend potential customers. All parties, both students, employees and lecturers, external partners of fellow universities, government, NGOs, local media can interact with each other and carry out the value co-creation process (Vargo and Lusch, 2016). In the interaction above, there is an integration and synchronization of resources as well as the exchange of values across actors through a shared value orchestration framework (Kijima and Arai, 2016).

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