THE EFFECT OF HIGH PERFORMANCE WORK SYSTEM ON HIGHER EDUCATION PERFORMANCE AND ITS IMPLICATION ON STUDENT PREFERENCE

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Abstract - In Indonesia, state universities are more preferable than private universities because of its quality, prestige, enrolment of better student and performance. This condition should be maintained well otherwise private universities will take turn to take the lead. Performance is a key point to gain success for higher education in the future. Therefore, state university have to find the best way to improve their performance. One prominent system to employ related to higher education performance is high performance works system (HPWS). The aims ot this study were to investigate whether high performance work system has a significant effect on higher education performance and its association with student preference by utilizing inferential statistical tool and a review of literatures. Linier Regression Model is used to find out the effect of high performance work system on higher education performance and to find out the effect of higher education performance with student preference. This study makes a substantial contribution to the HPWS literature by confirming that there is positive relationship between HPWS and higher education performance and also between higher education performance and student preference.

Keywords- High Performance Works System, Higher Education, Performance, Student preference.

I. INTRODUCTION

Higher education institution is facing a number of challenges in term of information technology development, performance management, service delivery improvement, teaching learning facilities perfection and better student enrolment. This situation forces higher education to become a business like organization that has to compete for government fund, better student, and better performance. It is showed in [1] "higher education facing new global trends, new economic challenges and the rapid growth of information technology to enhance its performance". As a result, higher education institution has to face these challenges with strong human resource management and decide what the best system to employ. The fact that higher education is one of the most vital organization that produces graduates who will serve the nation, make it as a centre point that has to be managed well. Organizations are experiencing increased challenges because of globalization, increased emphases on accelerated innovation, rapid advances in technology, and demand for high quality customer service [2]. In Indonesia, issues in the competition for government funds, better student enrolment and accreditation are dominated higher education institution. One way to win this competition is to have superior performance particularly by utilizing high performance orks system. Students trust becomes more crucial because the competition for better student enrolment is more tightened and the competitors are become stronger. Especially for leaders, academics and staff of higher education institution, whom are key player in higher education management system, the pressure for superior performance are more apparent since they play a vital role in creating superior outcomes. They have to make strategic planning on those areas while keep striving on issues affected higher education. High quality of higher education human resources is a key tool to improve performance. However, human resources are not easy to be managed and directed since they have different goals, style, attitudes unlike machine or robot. The same main problems appeared in Aceh higher education institution specifically in term of management of human resources. As we know human resources is the foremost capital in any organization that lead organizations to achieve success or even to fail. Scholars agreed that human resources play an important role in determining the success or the failure of a university. One best ice of human resource management is high performance work system that can be applied in higher education institution. Thus, in order to succeed, higher education institutions have to improve their performance by improving the quality of its human resources. Finally, I conclude that the main purpose of this paper is to examine the implementation of high performance work system in higher education performance. This study will also contribute to the growing body of literature focused on the implementation of high performance work system in higher education. Many researchs have been conducted to prove the concept and theory of the impact of high performance works system on performance, however only few have been execute related to higher education performance, especially in Indonesia, and none in Aceh province. Therefore, to

enrich research of high performance works system implementation especially on higher education performance in Indonesia, this study is crucial to be conducted. Finally, I conclude that the objective of this study is to examine the implementation of high performance works system to improve higher education performance and analyse the connection with student preference through survey and statistical method analysis and a massive explore of literature review.

II. LITERATURE REVIEW

Many researchs have proven that implementing high performance work system will increase organization performance. As in [3] that implementation of high performance works system will foster higher education goal and performance. The high performance work systems (HPWS) literature reports a number of human resource practice (HR Practices) practices that consistently lead to higher individual and organizational performance [4]. High performance works system provides strong base for organizational performance. It encompasses the vast range of practices that can be used in different combination according to situation [5],[6]. The organizations that implements high performance works system not only enhance work performance and productivity, but also organizational commitment [7].

High performance works system is called by many names such as human resources practice, high involvement, etc. Scholars argue that HR practices (whether labelled high-performance or high-commitment HR practices) result in heightened performance through increased discretionary effort by providing opportunities to participate, and by enhancing skills and motivation [8] High performance works system can be described as a specific combination of human resource management (HRM) practices, work structures and processes which maximize employee knowledge, skills, commitment and flexibility [2]. The precise definition of this systems as well as the definitive list of the practices they comprise is subject to continuous debate [4].

HPWS has been found to be positively associated with HR outcomes such as employee retention and attendance [9] [10] as productivity [11], and economic outcomes such as profitability and firm market value [12]. Although some studies find mixed results about the effects of HPWS on employees' well-being [13], others provided doubtful evidence for the value of HPWS [14], two recent meta-analyses strongly support the conclusion that HPWS positively affect outcomes [15], [16]. As in [17], HPWS generate three key of employee-level outcomes. The first one is supported organizational citizenship behaviour (OCBs), increased cooperation and third sharing a mental models and languages among the workforces. Therefore, this study aims to find out relationship between implementing HPWS and improvement of Syiah Kuala University performance.

Higher education performance can be measured using many quality assurance system, one of them is balance scorecards. It analyze performance through four perspectives: financial sustainability, customer satisfaction, business processes streamlining and learning and growth [1]. He also mentioned that there are several other performance measurement such as dynamic multidimensional performance model, dashboard, perforriance efficiency method, service profit chain, BCG matrix, success dimensions model, results and determinants model, total quality management (TQM). It is also supported by [18] Bayyat that mentioned some models to measure performance Indicators: balanced scorecard; Critical few; Performace dashboard; and Malcolm Baldridge National Quality Award Criteria. Furthermore, there many other more such as ISO 9000, Accreditation, Servqual, Benchmarking, Licensure, Academic Program Review, Six Sigma, Total Quality Management etc.

[19] also define HPWS using six dimensions (selective hiring, participation in decision making through teams, comparatively high pay contingent on performance, extensive training, career planning and advancement and regular performance appraisal for pay, promotion and development purposes). In addition, [20] measure HPWS with 26 items that capture 3 sub-dimensions (HR flow and employee influence, work structuring, and reward systems). [21] suggested that HPWS should involve four components: HR flow, work systems, reward systems, and employee influence. Furthermore, previous research has suggested that HPWS involve such practices as selective staffing, training, multi-skilling, performance appraisal, incentives, flexible job assignments, quality circles and disclosure of company information [15],[16]. An important point of the HPWS paradigm is that the value of these practices is thought to increase when they are used as a coordinated system, since they are considered to have additive and synergistic effects on performance [16].

Additive effects appear, for example, when two different selection instruments detect unique job skills, whereas synergies occur when one practice reinforces another, leading to positive interaction effects on performance. For example, training programs can strengthen participation programs such as quality circles because employees are trained to make decisions that participation programs empower them to make [15]. As in [4] commented that a perceived high performance working system can lead to the behavior that improve individual and organizational performance. Therefore, HPWS not only can be practice by human resource but also the good perception of high performance working system

can contribute to the better performance. Currently, Indonesia□s higher education performance is assesed using accreditation system which was firstly introduced in 1996 by the Indonesia Higher Education National Accreditation Body. The newest regulation related to accreditation is the issuing of Indonesia Education and Cultural Minister regulation. It is stated that all higher education institutions in Indonesia, public and private institution have to be accredited in 2013 otherwise the operational permit will be terminated. This ultimatum force higher education institution to bear with accreditation measurement standards. As stated in guidance handbook of Indonesia higher education accreditation, there are 7 standards of performance:

1. Vision, mission, goal and strategic target
2. Governance, leadership, management and quality assurance
3. Students and graduates
4. Human resources
5. Curriculum, teaching learning and academic atshmosphere
6. Funding, facilities and information system
7. Research, public service and partnership.

These performance standard will be measured using several indicators that has been stated in the handbook. The indicators will be used to measured the effect of HPWS to student preference. On the perspective of student preference, there are not many research have been executed on this area in Indonesia. Since student are the key player in higher education institution, therefore it is important to know what factors influence their decision to choose university or school. Eventhough student preference can be different from one to another but it can be generalized in a manner to find out the most demanded factors for student in choosing university. What ever factors are determined student preference there must some most important factors that can be explored and find out its association with higher education performance. A study by [22] found out that there are four most important factor determining student preference in Australia□s school that were course suitability, academic reputation, job prospect and teaching quality. In addition, according to [23] "program, price, place and prominence factors seemed to be the most important in determining students□ choice of university for their higher education study". The same research about the influence of the elements of student choice by [24] found out that image of the institution, the evaluation of the programs, personal reasons or, to a lesser degree, the image of the country influence the decision making process when student choose university. From the three researchs it can be concluded that even though those studies conducted in different country some factors are dominated in each country which were program and image of the institution. Proposed program and image of university or school automatically are related to higher education performance. Therefore, it is worthy to know the relation between performance and student preference in state university in Indonesia.

III.RESEARCH METHODOLOGY

This section present an overview of the materials and methods used in this study. It relies on quantitative and qualitative research method which utilizes an inferential statistical method analysis. Quantitave method of verificative analysis was used to determine characteristic of variable [25] and qualitative method of descriptive analysis was used to explains about the impact of high performance works system on higher education and to improve higher education performance base on literature review. Finally, Linier Regression Model was used to analyze the relationship between each variable.

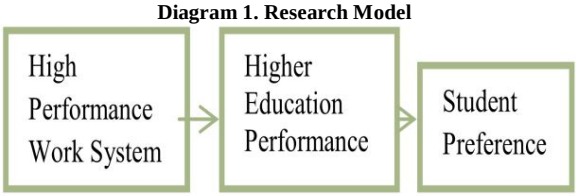
This study was located in Syiah Kuala University with research objects are high performance working system, higher education performance and student preference. Research populations are stakeholders of Syiah Kuala University and sampling technique used was stratified random sampling. Base on number of parameter of this study that are 17 indicators therefore the number of sample for this study is 170 respondent. According to [26] parameter is used for 5 respondent or 10 respondent or 15 respondent. Sample are stakeholders of Syiah Kuala University such as lecturers, staff, student, alumni and parent of alumni.

Descriptive and inferential statistical technique were used to analyze the data that was collected from survey. Therefore hypotheses for this research are:

H1: High performance work system has significant effect on higher education performance

H2: Higher education performance has significant effect on student preference.

Diagram 1. Research Model



IV. RESULT AND DISCUSSION

Sample used for this study were 170 respondents however only 166 questionnaires were filled and collected. The respondent were dominated by female which were 68,1 % and their educational background were bachelor degree graduates which were 55,4% and the least education were doctor which only 0.6%. Most respondent profession was staff which were 47%. Confirmatory Factor Analysis

(CFA) was employed to measured construct validity where each items has to have loading factor higher than 0,40 (Hair et al., 2006). The result revealed that all independent and dependent variable had loading factor interval at 0,451 to 0,775. Furthermore, to find out relationship of each varialble it can be showed from determination value (R) that closer to 0, and value of KMO (Keiser-Meyer-Olkin) has to be bigger than 0,5. Test result showed that all 13 items of high performace work system have good correlation with determination value (R) of X variable that is 0,794, Y variable is 0,732 and Z variable is 0,768. Value of Kaiser-Meiyer-Olkin Measure Of Samplig Adequacy on dependent variable that is 0,906 and independent variable is 0,840 and result test of Barlet's Test Of Sphericity showed significancy of 0,000 ($p<0,01$). Reliability test revealed that dependent variable has Cronbach□s Alpha of 0,905, and independent variable has Cronbach□s Alpha of 0,921 mediating variable has Cronbach□s Alpha of 0.854 as expected all question instrument in this study is reliable or Cronbanch□s Alpha higher than 0,60. ($\alpha \geq 0,6$) (Malhotra, 2003).

Linier Regression Analysis was employed to find out influence of HPWS toward Syiah Kuala University performance with student preference as mediating variable that can be explained as follows:

- Regression coefficients of HPWS (X) to Syiah Kuala University performance is positive = 0,794 and significant 0,000 ($p<0,01$).
- Regression coefficients of Syiah Kuala University performance (Y) to student preference is positive = 0,760 and significant 0,000 ($p<0,01$)

CONCLUSION

I believe this study will be very beneficial for higher education institution in Indonesia since it will clarify the effect of high performance works system on higher education performance. As suggested in the literatures that implementing high performance works system rigorously will create superior performance. It means that all components of HPWS should be implemented in higher education in order to get the maximum benefit. This study suggests that higher education institution can improve their performance by implementing HPWS continously such as involving stakeholders in all decision making and policy taking as well as in planning vision and mision of institution, encouraging employees to work in team with lower control and monitoring to increase commitment. Furthermore, higher education also should improve lecturer and employees recruitment as suggested by the finding of this study. However, there are many other factors that are not studied in this research that should also be determinated in order to improve performance such as building academic athmosphere and improving student services (academic and administrative services and learning facilities). In addition, student as the most important stakeholder for higher education should be managed well and this could be done through improving higher education performance as well as balancing tuition fees with teaching learning facilities. Thus, student will trust the institution because they get what they have paid.

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