

Emotion, Spiritual And Intimation (ESI) Use-Based Relational Capacity Marketing Performance Improvement Of Institutions Kindergarten Education

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Abstract

This study aims to build a new concept, namely ESI-based relational capacity to address research gaps on trust and marketing performance. This novelty was studied in depth with relevant theoretical studies and tested in empirical research conducted on the principals of kindergarten schools in the city of Semarang. The data was collected empirically to the respondents with the data of respondents who were processed and analyzed as many as 230 respondents with random sampling technique. Testing models and hypotheses using structural equation model analysis with SmartPLS 3 software. Of the seven hypotheses proposed, all of them have been shown to have a significant effect. The results of direct and indirect relationships show that ESI-based relational capacity is significantly able to act as a bridge to the gap between trust and marketing performance. This statistical evidence strengthens the role of ESI-based relational capacity in bridging the two variable gaps. The higher the trust will further strengthen the ESI-based relational capacity, which will further strengthen the marketing performance.

Keywords: *Trust, ESI-based relational capacity, Entrepreneurial Orientation, Strategic assets, Marketing performance*

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I. Introduction

Research by Bowen & Shoemaker (2009) and Hoffman (2010) states that in relationship marketing in the service sector, customers want to continue the relationship with the service provider because they have built trust. This happens because each party will only look for a trusted partner to make the exchange. In addition, Bowen & Shoemaker (2009) said that trust will significantly reduce the risk perceived by customers when involved in a purchase decision. This is understandable because commitment includes factors of trust and sacrifice, so it is impossible for a person to form a commitment without first forming trust (Morgans & Hun, 1994).

This is supported by research by Garbarino & Johnson (2009) and Lacey (2010) which states that trust alone has no effect on organizational performance. Organizations that have been given customer trust are not necessarily able to show good performance. Only organizations that can satisfy their customers ultimately gain greater customer trust which is expected to promote ever-increasing performance. Moorman et al. (2008) asserts that trust is a desire to entrust something to others who can be trusted by him. This understanding shows that trust in a customer will appear, if the customer has interacted either directly or indirectly. This relational relationship is built based on information related to who and how the customer is (Mention and Bontis, 2013; Mlinarič, Ciszewska-Mlinaric, and Obloj, 2012; Raza, 2013).

When an institution and its customers have a relational relationship, the institution will be able to build a better relationship with its customers. In fact, institutions are able to deliver to customers exactly what they want. This can happen, because institutions are increasingly understanding what the hidden needs and wants of their customers are, so that they are able to deliver better services. According to Johnson & Grayson, (2005), this good service will only emerge competently, consistently, honestly and provide services fairly to customers.

In addition, the relational capability of Kindergarten Education institutions is also needed. This relational capability is defined as the ability of the institution in establishing relationships with customers or clients and their environment. This is in accordance with Peterson's (2009) statement that service providers must be designers of positive relationships with their customers. The relational capability of the institution can be built through the utilization of its strategic assets. Strategic assets such as brand names or technological

breakthroughs, network ties, corporate social traditions, superior customer management practices. All of this constitutes a set of capabilities, which enable the institution to do better than competitors do. Strategic assets can be understood as resources of capabilities that are rare, durable, not easy to trade, difficult to imitate so that they can be used to convert value into profit (Ferdinand, 2008).

According to Pearce & Robinson (2005) and Wheeler & Hunger (2006) the implementation of corporate strategy will not directly and automatically predict organizational performance, in other words entrepreneurial orientation as one of the strategic choices applied by the company does not always have a direct effect on company performance, it will but through competitive advantage (Awang et al., 2010).

II. Literature Review

Organizational performance is a measure of success or achievement that has been achieved by an organization which is measured every certain period of time (Harris and Ogbonna (2007). Meanwhile (Bose and Thomas (2007) said organizational performance is a periodic determination of the operational effectiveness of an organization, part of the organization and customer management capabilities based on predetermined targets, standards and performance. Some experts have different opinions on measuring organizational performance. But in general experts agree that performance measurement is a process of recording and measuring the achievement of the implementation of activities in the direction of achieving the mission through the results The results displayed are in the form of organizational profitability, product development, service or process.

According to Biggadike (2009) performance is used to show financial performance and market performance. Financial performance shows on measurements such as return on investment, cash flow over investment, return on sales. Market performance shows the absolute and relative market share achieved. This performance is the final result of the company's operations on top of the excess of the costs incurred and is also the result of selling products or services in the controlled market. Marketing performance is an important part of the company's overall performance. This concept is intended to measure the marketing performance of a company and is a reflection of the implementation of the company's strategy. Ferdinand (2000) states that marketing performance is a factor that is often used to measure the impact of the strategy implemented by the company. Ferdinand (2000) stated that the measurement of marketing performance with indicators of the number of sales units, customer growth, customer turnover, more stated marketing performance and competition. Marketing performance is also defined as an effort to measure the level of performance, which includes sales turnover, number of customers, profits, and sales growth (Voss and Voss 2000).

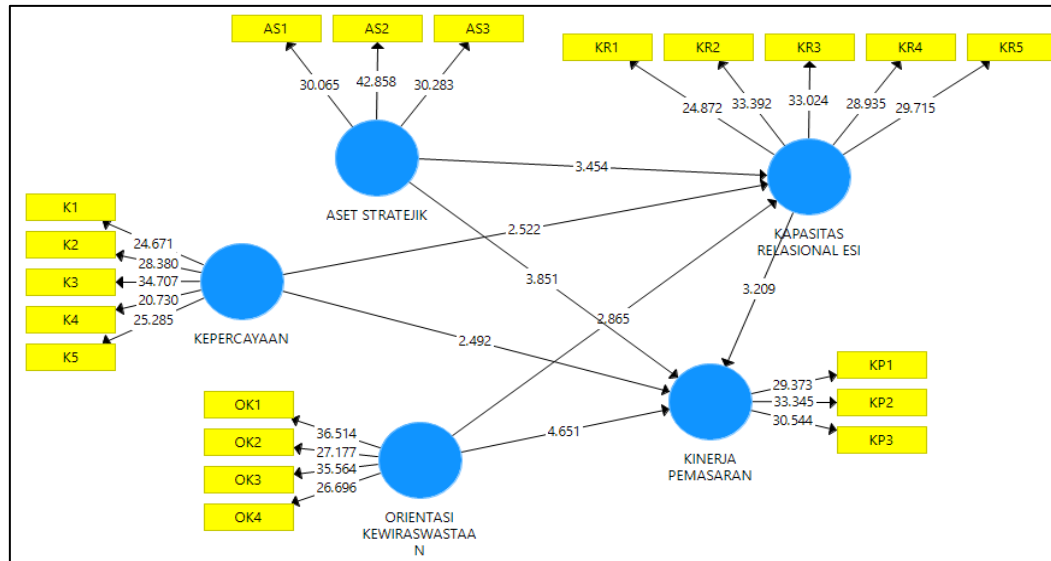
Research method

This research is a basic research conducted for the development of science. The research population is a private kindergarten educational institution in the city of Semarang. The number of samples is determined according to the minimum rule according to the Structure Equation Model (SEM). The sampling technique used is random sampling. The data collection period lasts for the month of July 2021 online. Questionnaires were distributed to 368 respondents who were randomly selected using a google form sent via WatSaap. Only 267 respondents filled out the quiz, but 252 lecturers filled out the questionnaire completely and tested fit.

Measurement of the concept of Trust from (Lou and Lee (2009) Moorman, et.al., (2007); Dharmesta, (2005) with 5 indicators; Strategic Assets from (Chatterjee and Wernerfelt 2008; Barney 2007; Amit and Schoemaker, 2003) with 3 indicators; Entrepreneurship Orientation from (Madhoushi et.al., 2011; Madhoushi et.al., 2011; Okhomina, 2010; Chen et.al., 2007) with 4 indicators; ESI-Based Relational Capability from (Helfat et.al. (2007:75); Luo et.al., (2004:110) with 5 indicators, and Organizational Performance from (Bose and Thomas, 2007) with 3. The method for processing data is the Structural Equation Model (SEM) using SmartPLS software version 3.0 as the tool

Result and findings

Hypothesis testing in PLS is also called the inner model test. This test includes a test of the significance of the direct effect and the measurement of the magnitude of the effect of exogenous variables on endogenous variables. To determine the effect of transformational leadership on employee performance through individual readiness to change and innovative behavior as an intervening variable, it is necessary to test direct and indirect effects using t-statistical tests in partial least squared (PLS) analysis with the help of Smart PLS 3.0 software.



The results of this study explore how three aspects of the development of TK and PAUD Educational Institutions (trust, strategic assets, and entrepreneurial orientation) as seen from the works of lecturers have a significant effect on ESI-based relational capacity and marketing performance. This study also found that ESI-based relational capacity mediates the relationship between trust, strategic assets, and entrepreneurial orientation on marketing performance.

Based on these results, several implications can be put forward that in order to increase relational capacity, TK and PAUD Education service institutions seek to build partnerships that are able to solve problems faced by institutions and network members through mutually beneficial discussions and collaborations, in addition to increasing the ability to solve customer problems through increasing understanding of cooperation based on the common good by maintaining mutual solidarity between school principals which can increase synergies, understanding the role of cooperation to produce specific and quality services that are acceptable to customers, and no less important is increasing the ability to understand changes in standardization by way of updating / regular adjustments by updating knowledge/information

Limitations research

The limitation of this research is the research method using cross sectional. Given the concept of performance has a long-term perspective, so the conclusions of this study cannot describe reality. Cross-sectional also does not take into account the time-lags of the relationship between variables. A longitudinal study approach for future research is needed to provide more precise empirical evidence

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