

Higher Education Performance: Application of the Value-Driven Business Strategy Model

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Article Info

Keywords:

Value-driven business strategy;
External environment;
Internal environment;
Partnership;
College performance

JEL Classification:

M2, M21, M0

DOI:

10.33830/jom.v21i2.11545.2025

Article History

Received: February 4, 2025

Accepted: September 17, 2025

Publish: December 30, 2025

Abstract

Purpose – The research aims to determine the role and new findings from the internal and external environments in the value-driven business strategy model on university performance, with the partnership dimension as a mediating variable.

Methodology – The research method uses a causality quantitative approach, with a purposive sampling technique of 125 respondents who are position holders at universities in West Java. The research data analysis technique uses Structural Equation Modeling (SEM) with SmartPLS software.

Findings – The results of the study provide findings that the external environment and internal environment have a significant effect on value-driven business strategy. Partnership does not affect college performance, so value-driven business strategy significantly affects partnership. Value-driven business strategy significantly affects college performance; in the mediation dimension, the partnership does not mediate the relationship between value-driven business strategy and college performance. Value-driven business strategy does not mediate the relationship between the external environment and college performance. Finally, a value-driven business strategy can mediate the relationship between the internal environment and college performance.

Originality – This study extends the Value-Driven Business Strategy Theory by adding new variables: the external and internal environments on the performance of higher Education institutions through value-based strategies, and a mediating variable, partnership, that connects value-based strategy to the performance of higher Education institutions. The external and internal environments are among the factors in improving the performance of higher Education institutions, and partnership is considered an important variable in value-based business strategies.

1. Introduction

Competition between state universities and private universities in meeting the wants and needs of the community must undoubtedly improve the quality of the performance of each higher education (Ilyas et al., 2024). The level of education in higher education is one factor that influences the growth of higher education (Muafi & Johan, 2022). Industrial technology 4.0 is a continuous improvement in the circular economy associated with the development of digital transformation (Grave et al., 2024). In a country's growth and development, the education sector's performance has a very significant role (Jauhar et al., 2018). The rapid development of higher education has become a competitive market due to changes in society in the 21st century, which are increasingly globalized, diverse, and digital (Nasution et al., 2023). From this phenomenon, the improvement of global conditions and technological advances referred to as the Industrial Revolution 4.0 has resulted in society becoming more digital, with these advances making someone able to connect to the internet anytime and anywhere. Technological developments encourage every university to better adapt to the times by continuously improving its performance (Almazrouei et al., 2024).

As the opinion of (Eccles et al., 2020), strategic management is the science and art of formulating, implementing, and evaluating cross-functional decisions to bring the organization to achieve its goals; according to (Harrigan & Hulbert, 2011), the strategic management process has three stages: formulation, implementation, and evaluation; evaluation is the final stage in strategic management. Strategic management must review internal and external factors to measure performance and make corrective action decisions; then, evaluation is needed in preparation for a better future (Engizek & Yaşin, 2018). This background is supported by (Arenas Jal & Calsamiglia, 2023), who conducted research related to the performance of higher education from the customer perspective; the results of the findings revealed that there are three indicators of perspective on customers' first satisfaction, second learning, and third performance (Cuandra & Candy, 2024).

In general, there are still many universities that have not prioritized value and quality; there are still many universities that still do not meet industry 4.0 standards, resulting in less than optimal outcomes in learning and graduates; with a value strategy, universities should be able to adapt to the development of the times and technology and be able to keep up with the challenges in society (Augtiah, 2022). From the formulation of the problems that have been described, the purpose of this study is to solve problems related to analyzing internal environmental factors and external environmental factors, as well as Value-driven business strategies through the partnership dimension, in such a way that universities in Indonesia still have a lack of value offered and provided, as well as funding that is lacking in general, which happens a lot in private universities in particular. Value-driven business strategy is one of the strategies for integrating several solutions to understand important issues in the new competition, one of which is the industrial era 4.0 (Dibsi & Cho, 2023). The Value-driven business strategy model approach further identifies the consideration of partnership conditions and internal and external environmental assessments (Marsh et al., 2022).

Previous research conducted by Langrafe et al (2020) highlighted the relationship between higher Education institutions (HEIs) and stakeholders based on the principle of interest Theory, which produced more significant results and values. This study used a quantitative approach with a sample of 88 university leaders in Brazil. The findings indicate that stakeholder Theory, such as involvement in decision-making processes, mutual trust, information and knowledge sharing, and alignment of stakeholder interests in creating strategic decisions, creates new added value for the organization. Previous research conducted by Iqbal & Piwowar-Sulej (2021) highlighted the

important role of HEIs in sustainable improvement efforts, namely sustainable leadership and the exploration of social innovation in mediating university performance. The method used in this study was quantitative, with a cross-sectional design, employing Structural Equation Modeling (SEM) and cluster sampling, involving 500 employees from higher Education institutions in China and Pakistan. The findings indicate that social innovation mediates the relationship between sustainable leadership and sustainable performance. Previous research conducted by Sia & Abbas Adamu (2020) examined the impact of the pandemic crisis and challenges on higher Education institutions (HEIs) in Malaysia, such as the adoption of innovative strategies, mitigation plans, and recommendations for higher Education institutions. The method used was discourse analysis to examine the impact and challenges of the pandemic on the performance of higher Education in Malaysia. The findings revealed that the pandemic had a significant impact on the Education sector in Malaysia, as well as the reconstruction of the Education system and the redevelopment of programs with updated values. From the findings of several previous studies with the value-driven model, this study is an extension of the Value-Driven Business Strategy Theory, with the addition of new variables, namely the external and internal environment on the performance of higher Education institutions through value-based strategies, as well as the mediating variable of partnership that connects value-based strategies and the performance of higher Education institutions. The external and internal environments are among the factors in improving the performance of higher Education institutions, and partnership is considered an important variable in value-based business strategies.

Higher education performance measures how well a higher education institution achieves its goals and objectives, typically using key performance indicators (KPIs) (Eccles et al., 2020). Higher education performance, in the context of Key Performance Indicators (KPIs), refers to a set of measures used to assess a higher education institution's success in achieving its vision and mission. These KPIs help higher education institutions monitor progress, identify areas for improvement, and design strategies to achieve higher education goals (Harrigan & Hulbert, 2011).

A value-driven business strategy is an approach in which companies prioritise creating and delivering significant value to customers and other stakeholders (Saleh & Karia, 2024). This strategy involves a deep understanding of customer needs and desires and aligning all business operations to meet and exceed those expectations rather than focusing solely on cost reduction or profit maximisation. It places customers at the centre of all business activities (Wikström et al., 2024). Companies strive to deeply understand what customers value and how they can add significant value.

The external environment consists of all factors outside the organisation that can influence its performance and success. These factors are beyond the organisation's control but can create opportunities or threats (Almazrouei et al., 2024). Understanding the external environment is crucial for organisations to adapt their strategies and operations to achieve their goals. By understanding the external environment, organisations can create sustainable competitive advantages.

The internal environment consists of factors within an organisation that influence its operations and performance. It includes various aspects such as human resources, organisational culture, structure, systems, and processes within the company (Holgado & Macchi, 2023). The internal environment can also be defined as everything under the organisation's control and can influence the organisation's decisions and behaviour, especially regarding human resources.

A partnership is a form of cooperation between two or more parties, whether individuals or business entities, to achieve a common goal. In a partnership, each party contributes, shares responsibilities, and works together to achieve the agreed-upon goal. Each partner contributes

according to the agreement, including capital, expertise, labour, or other resources (Dibsi & Cho, 2023).

Higher education, in this case, is very aware of how important factors such as government policies and technology are in the development and progress of a higher education institution (Kirchmer & Franz, 2020). External factors, such as government funds for other authorities outside the university, will affect the sustainability of the process in a value-based strategy (Nasution et al., 2023). Findings from Almazrouei et al., (2024) show that business strategies in an entity need external factors to adjust to society's needs for education.

H1: The external environment has a significant effect on driven-value business strategy

A value entity is well aware of how important it is to analyze the internal environment, such as the college culture, philosophy, policies, human resources, mission, and goals of the college, as the key to improving performance (Fasiha et al., 2022). Experts assess internal forces within the institution related to the organization, which also affect the academic plan and the adoption process of value-based business strategies (Kuitert et al., 2024). According to Holgado & Macchi, (2023), their research findings confirm that vision and mission, leadership, resources, and internal policies play a significant role in developing and smoothly implementing business strategies.

H2: Internal environment has a significant effect on driven-value business strategy

Partnerships are generally understood as a way to deliver cooperation to address problems (Krystallis et al., 2021). Global needs beyond the control of companies have driven strategic partnerships in the industry. Strategic partnerships bring companies together into collaborative agreements designed to maintain or improve the performance of each collaborating organization (Muafi & Johan, 2022). Dibsi & Cho, (2023) Explain in their research findings explain that partnerships are collaborative efforts between small, medium, and large businesses based on mutual need, mutual reinforcement, and mutual benefit.

H3: Partnership has a significant effect on university performance

A partnership is a collaboration between one entity and another that is mutually beneficial, with performances or principles of mutual need, mutual strengthening, and mutual benefit; this collaboration is an effort of business strategy (Jauhar et al., 2018). Global needs and partnership strategies drive partnership strategies in the industrial world. Strategic partnerships bring companies together into collaborative agreements designed to maintain or improve the performance of each collaborating organization in their respective business strategies (Augtiah, 2022).

H4: Value-driven business strategy has a significant effect on partnership

Performance describes how the organization is effective and shows the level of productivity of its output, which is obtained through the management of resources owned by the organization (Almazrouei et al., 2024). One of the activities of strategic management is measuring performance, which is an activity of evaluating the strategy of one of their partnership (Eccles et al., 2020). According to Arenas Jal & Calsamiglia (2023), who cited in their research findings that performance indicators are quantitative and/or qualitative measures that describe the level of achievement of a target or goal set in the business strategy implemented.

H5: Value-driven business strategy has a significant effect on university performance

Experts consider that internal forces within the institution related to the organization also affect the academic plan and the process of adopting a value-based business strategy (Kuitert et al., 2024). Value-driven business strategy facilitates strategic logic in pulling together and

integrating unity in a large number of paradigm strategies. It offers a model for understanding critical issues in the competition faced by new companies (Grave et al., 2024). Partnerships greatly encourage value-based business relationships and an entity's performance.

H6: Partnership mediates the relationship between value-driven business strategy and university performance

The performance of a company is influenced by external environmental factors, which are significant in influencing the performance of an entity (Engizek & Yaşın, 2018). Although the external environment is a factor whose position is outside the entity, the external environment is highly considered in business decisions (Arenas Jal & Calsamiglia, 2023). The external environment can force the Company to adapt to changes in the external environment. In an effort to improve performance, the Company needs to strategize in strategic business planning so that consideration of external environmental factors is very concerned about its influence (Dibsi & Cho, 2023).

H7: Value-driven business strategy mediates the relationship between the external environment and university performance

College performance is a description of the level of achievement of the implementation of an activity/program. Policy in realizing the goals, objectives, mission, and vision of a rigorous and complex university (Almazrouei et al., 2024). The environment is one of the factors that is very concerning when managing business activities. The environment is very influential in business strategy planning (Kirchmer & Franz, 2020). So, value-based business is an effective strategy for improving the relationship between the internal environment and the performance of an entity.

H8: Value-driven business strategy mediates the relationship between the internal environment and university performance

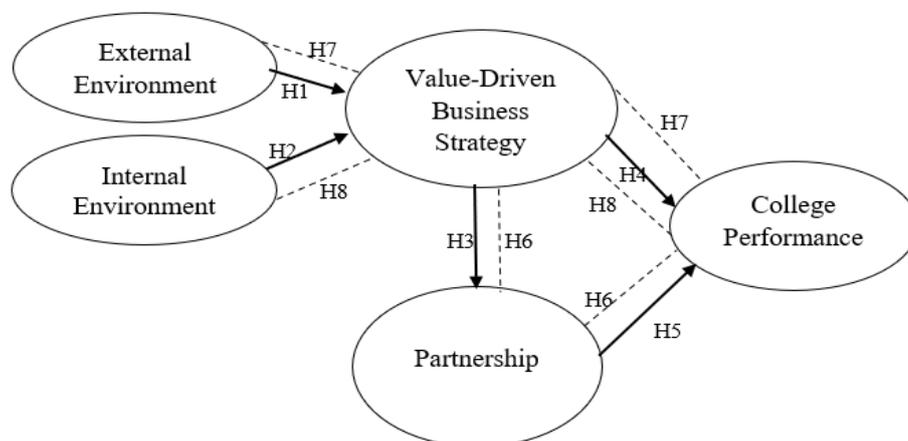


Figure 1. Research Model

Based on the framework of thought and the phenomena discussed in detail above, the researchers developed and built an overview in the form of a model related to the influence of driven-value business strategy on university performance. Besides that, the researchers also developed the mediating dimension of partnership as an indirect relationship and the external and internal environment as reinforcements on driven-value business strategy.

2. Research Methods

The type of research conducted is quantitative causality, which is a research method aimed at testing the relationship and cause-and-effect between research variables. The quantitative

approach is an approach that uses data interpretation, data collection, and data analysis (Gujarathi, 2022). The research consists of independent variables (X), dependent variables (Y), and mediating variables (Z). The research variables are External Environment (X_1), Internal Environment (X_2), Value-Driven Business Strategy (X_3), Partnership (Z), and Performance (Y). The research data used consists of primary and secondary data. Primary data is a collection of data collected directly to answer the research questions and objectives. In contrast, secondary data is historical data in the form of data structures related to variables that have been obtained and compiled previously from other parties (Arikunto, 2019). The population in this study consists of universities in West Java, with 125 samples selected using purposive sampling, namely policy makers at universities in West Java, using questionnaires and literature studies.

2.1. Data Analysis

The data analysis technique used in testing the research variables used the SEM (Structural Equation Modeling) method, which was operated through the SmartPLS program (Musyaffi et al., 2022). SEM is a multivariate statistical technique that combines factor analysis and regression analysis (correlation), aimed at testing the relationships between variables within a model, whether between indicators and their constructs or between constructs themselves.

Table 1. Measurement of Independent Variables

Variables	Indicator	Code	Items
External Environment (Lin, 2023)	Government	EE.1	Private university establishment policy.
		EE.2	Lecturer age limit policy.
		EE.3	Regulations on the organization of higher education
	Information Technology	EE.4	Internal quality assurance system arrangement
		EE.5	The development of Information technology in the industrial era 4.0
		EE.6	Policy on freedom of study program nomenclature in developing competencies in industry 4.0
		EE.7	Online lecture implementation policy
		EE.8	Teaching factory industry 4.0 development policy
Internal Environment (Lin, 2023)	Financial	IE.1	Mechanism for determining student tuition fees
		IE.2	Internal funding monitoring and evaluation system
		IE.3	Accessibility of data in information systems
		IE.4	Blueprint for the development, management and utilization of information systems
	Organization	IE.5	College vision, mission, goals and objectives
		IE.6	Organizational structure
		IE.7	Institutional existence, quality, SOPs and code of ethics
Value-Driven Business Strategy (Essiz & Senyuz, 2024)	Market Sensing and Organizational Learning	VDBS.1	Market research based on community needs
		VDBS.2	Industry needs analysis
		VDBS.3	Manager's ability to study the market
	Differentiating Capabilities	VDBS.4	Include clear objectives
		VDBS.5	Aligning people, technology and innovation
		VDBS.6	Creating sustainable value
	Reinvented Organization	VDBS.7	Seeking speed and flexibility
		VDBS.8	Learning capacity
		VDBS.9	Process-oriented and relationship-focused management

Source: processed data

Table 1 contains information related to research instruments, namely the external environment, internal environment, and value-driven business strategy. The first external environmental factor uses eight statements (Lin, 2023), the second internal environmental factor uses seven statements (Lin, 2023), and the third value-driven business strategy uses nine statements (Essiz & Senyuz, 2024). The research analysis uses a Likert scale with 5-point intervals.

Table 2. Measurement of Dependent and Mediating Variables

Variables	Indicator	Code	Items
Partnership (Muafi & Johan, 2022)	Position	P.1	Identify/map the position of the partnership network
	Collaboration	P.2	Determination of areas of cooperation
	Collection of Resources and Risk Sharing	P.3	Risks between universities and alliances
	Ability to learn from partner	P.4	Open up opportunities to gain new skills and understanding, new knowledge and new technologies
		P.5	Value chain activities such as R&D
		P.6	Learning from partners to expand access to markets
		P.7	Willingness of the alliance to receive and give
College Performance (Essiz & Senyuz, 2024)	Concentration of Talents	CP.1	Student quantity
	Abundant Resource	CP.2	Functional position of lecturer
		CP.3	Government Research Fund
		CP.4	Government Operational Fund
		CP.5	Grant

Source: processed data

Table 2 is information related to the research instruments, namely the partnership variable as a mediating variable dimension, and college performance as the dependent variable. The first partnership mediation factor with seven statements (Muafi & Johan, 2022), and the second college performance variable with five statements (Essiz & Senyuz, 2024). The research analysis uses a Likert scale with a 5-point interval.

3. Results and Discussions

In this section are the demographics of respondents in the study, such as gender dominated by women by 60.8% and men by 39.2%. Furthermore, institutions are dominated by colleges as much as 50.4%, universities 31.2%, institutes 4.8%, polytechnics 8.8%, and academies 4.8%. Then, the position is dominated by a lector with a percentage of 47.2, head lector 34.4%, and professor 18.4%. The profile of these respondents shows that the level of participation in the interest is enormous in the responses taken as a sample.

Table 3. Respondent Profile

Category	Item	Frequency	%
Gender	Male	49	39.2%
	Female	76	60.8%
Age	20-29	4	3.2%
	30-39	45	36%
	40-49	72	57.6%
	50-59	4	3.2%
	60-69	0	0%
Institution	University	39	31.2%
	Institute	6	4.8%
	High School	63	50.4%
	Polytechnic	11	8.8%
	Academy	6	4.8%
Position	Expert Assistant	0	0%
	Lecturer	59	47.2%
	Head Lector	43	34.4%
	Professor	23	18.4%
	Without Position	0	0%
Number of Employees	1-99	97	77.6%
	100-199	17	13.6%
	200-299	9	7.2%
	>300	2	1.6%
Number of Students	<999	114	91.2%
	10.000-19.999	7	5.6%
	20.000-29.999	3	2.4%
	>30.000	1	0.8%

Source: processed data

Value strategies in business need to be developed and even improved. Private universities, in particular, must adequately carry out value strategies in competition in the world of education; private competitors and state campuses are also evaluation material for the development of higher education. Value-driven business strategies must positively impact the performance of higher education, and partnerships that become a mediating dimension can play a positive role.

3.1. Outer Model Results

The outer model testing results show that all indicators used in this study have met the validity and reliability criteria. The factor loading values of each indicator are above 0.70, thus meeting the convergent validity requirement. In addition, the Average Variance Extracted (AVE) value for each construct is greater than 0.50, indicating that the construct is able to explain the variance of its indicators well.

Table 4. Outer Model Measurement Results

Constructs	Outer Loading	Cronbach's Alpha	AVE
External Environment			
EE.1	0.713		
EE.2	0.577		
EE.3	0.664		
EE.4	0.720	0.853	0.596
EE.5	0.659		
EE.6	0.797		
EE.7	0.819		
EE.8	0.652		
Internal Environment			
IE.1	0.843		
IE.2	0.609		
IE.3	0.815		
IE.4	0.741	0.906	0.647
IE.5	0.881		
IE.6	0.891		
IE.7	0.815		
Value-Driven Business Strategy			
VDBS.1	0.771		
VDBS.2	0.780		
VDBS.3	0.682		
VDBS.4	0.712		
VDBS.5	0.714	0.907	0.569
VDBS.6	0.741		
VDBS.7	0.827		
VDBS.8	0.809		
VDBS.9	0.743		
Partnership			
P.1	0.683		
P.2	0.666		
P.3	0.660		
P.4	0.764	0.836	0.597
P.5	0.673		
P.6	0.753		
P.7	0.727		
College Performance			
CP.1	0.823		
CP.2	0.517		
CP.3	0.591	0.723	0.579
CP.4	0.891		
CP.5	0.552		

Source: processed data

Information Table 4 shows the results of the validity test with the Average Variance Extracted (AVE) value on the college performance variable of 0.579, Value-Driven Business Strategy value of 0.569, partnership value of 0.597, External Environment value of 0.596, Internal Environment value of 0.647 in each of these values greater than 50% or AVE value > 0.50 with a

valid conclusion. Outer loading on each indicator has a value > 0.5 with this stated suitability between constructs. Then, in the reliability test results with a Cronbach's Alpha value on the college performance variable of 0.723, Value-Driven Business Strategy value of 0.9075, partnership value of 0.836, External Environment value of 0.853, Internal Environment value of 0.906 in each of these values is greater than 70% or Cronbach's Alpha value > 0.70 with reliable conclusions.

Table 5. Discriminant Validity

Construct	1	2	3	4
External Environment	0.235			
Internal Environment	0.295	0.291		
Partnership	0.361	0.638	0.884	
Value-Driven Business Strategy	0.402	0.498	0.600	0.672

Source: processed data

The table 5 shows the results of the discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) approach. The decision on these results is based on the requirement that each variable construct value must be below 0.90. As can be seen, each construct variable in the study has a value below 0.90. This indicates that the correlation between different constructs is lower than the correlation within the same construct, indicating good discriminant validity.

3.2. Inner Model Results

The results of the inner model testing show that the constructed structural model has good predictive capabilities. The R-square (R^2) value for the endogenous variables indicates that the independent variables are able to adequately explain the variation in the dependent variables. Furthermore, the results of the path coefficient testing show that the relationships between the latent variables have a direction of influence that is consistent with the research hypothesis.

Table 6. R Square Test Results

Variable	R Square	%
Partnership	0.452	45.2%
College Performance	0.137	13.7%
Value-Driven Business Strategy	0.459	45.9%

Source: processed data

In Table 6, information is the result of the R-Square test on the partnership, performance, and Value-Driven Business Strategy variables; the first is a partnership with an R-Square value of 0.452, which means that the Value-Driven Business Strategy variable affects 45.2% of the partnership variable, then the college performance R-Square value of 0.137 can be concluded that only 13.7% can be influenced by partnership and Value-Driven Business Strategy. External Environment and Internal Environment influence the Value-Driven Business Strategy R-Square value of 0.459 or 45.9%.

The low R-square value for the college Performance variable in the higher Education performance analysis indicates that the independent variables used in the regression model only explain a small portion of the variation in higher Education performance. This means that there are other factors, beyond the variables measured in the study, that have a significant Influence on higher Education performance. This could be because other variables not measured in this study

have a significant Influence on university performance. For example, factors such as leadership quality, organizational culture, learning climate, alumni support, or even external factors such as government policies and economic conditions, may have a significant impact. A low R-squared value does not necessarily mean the model is poor. Sometimes, a low R-square value can indicate that the dependent variable has high variability and is difficult to explain using a linear model.

3.2. Hypothesis Testing

Hypothesis testing in this study was conducted using the bootstrapping method on the structural model (inner model). The test results show that the relationship between the independent and dependent variables has varying levels of significance. The hypothesis is accepted if the p-value is less than 0.05.

Table 7. Path Coefficient Test Results

Path	Sample Average (M)	STDEV	(O/STDEV)	P-Values	Results
EE => VDDBS (H ₁)	0.375	0.088	4.170	0.000	Accepted
IE => VDDBS (H ₂)	0.496	0.088	5.617	0.000	Accepted
P => CP (H ₃)	0.154	0.133	1.004	0.317	Rejected
VDDBS => P (H ₄)	0.258	0.119	2.252	0.026	Accepted
VDDBS => CP (H ₅)	0.686	0.030	22.716	0.000	Accepted

Source: processed data

The information in Table 7 is the result of the research hypothesis test; the P-value of the External Environment variable 0.000 and Internal Environment 0.003 is less than the 5% risk standard or 0.005, so it can be concluded that it has a significant effect on Value-Driven Business Strategy. The P-value of partnership 0.317 is more significant than 0.005, so it can be concluded that it does not affect university performance. The P-value of a Value-Driven Business Strategy of 0.000 is more minor than 0.005; it significantly affects partnerships. The P-value of a Value-Driven Business Strategy is 0.000, smaller than 0.005; it significantly affects university performance.

Table 8. Test Results of Mediation Relationship Test

Path	Sample Average (M)	STDEV	(O/STDEV)	P Values	Results
VDDBS => P => CP (H ₆)	0.107	0.092	0.972	0.333	Rejected
EE => VDDBS => CP (H ₇)	0.096	0.052	1.883	0.062	Rejected
IE => VDDBS => CP (H ₈)	0.127	0.062	2.122	0.036	Accepted

Source: processed data

The information in Table 8 results from hypothesis testing on the partnership variable as a mediating dimension. The test results show that the P-value of 0.333 is more significant than the tolerance standard of 5% or 0.05; it can be concluded that the partnership variable does not mediate the relationship between value-driven business strategy and university performance. Then, the P-Values Value-driven business strategy of 0.062 > 0.05 the results do not mediate the relationship between the external environment and university performance. Furthermore, value-driven business strategy mediates the relationship between the internal environment and college performance with a P-value of 0.036 < 0.05.

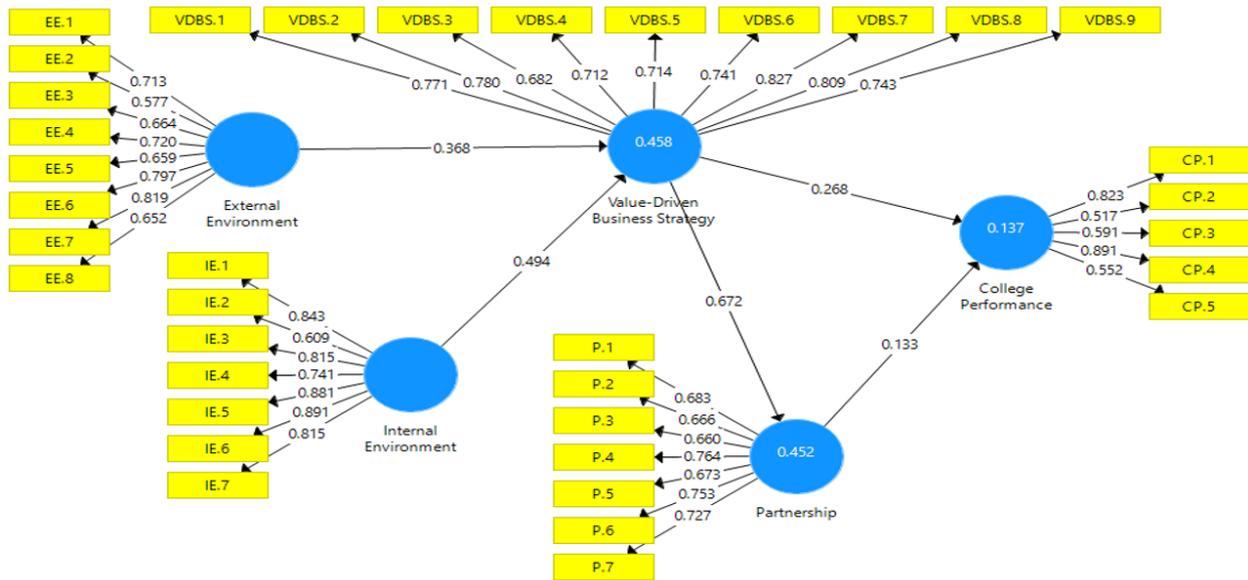


Figure 2. Structural Model Results

The results of the structural model analysis show that the model constructed has a good level of feasibility in explaining the relationship between latent variables. The information in Figure 2 results from the structural model of the relationships of the inner model, outer model, R-Square, hypotheses and research variables.

3.3. Discussion

External Internal Environment and Value-Driven Business Strategy, the results of the hypothesis testing conducted by the external environment and internal environment significantly affect value-driven business strategy (H₁, H₂). This explains that the external and internal environments are important positive factors in a value-driven strategy. The values in the external environment are an overview of developing a value-driven strategy (Klausen, 2024).

The internal environment is a value that has been reflected in both good and bad, so evaluating the internal environment is important in implementing a sustainable value-driven strategy (Krystallis et al., 2021). These findings align with the findings of Lin (2023) as previous researchers related to value-driven strategy that the internal environment is a good and bad picture so that the evaluation results positively impact value-driven strategy. It is also explained from the findings of PANETTA et al. (2019) as previous research that the external environment is a positive factor that encourages the sustainability of the value-driven strategy so the dimensions that exist in the external environment become limitations and evaluations in the development of value-based strategies.

Partnerships and Higher Education Performance, the hypothesis testing results on partnership variables do not affect university performance (H₃). Partnerships do not always mediate the relationship between value-based business strategies and university performance due to several factors, including expectation gaps, lack of transparency, and potential conflicts of interest. Although strategic partnerships can be a powerful tool for achieving common goals, they need to be well-designed and managed in order to have a positive impact on university performance. Expectation and goal gaps: Higher Education institutions and business partners may have different expectations about their goals through the partnership. Higher Education institutions may focus on social and educational impact, while business partners may prioritize financial gains. These gaps can lead to dissatisfaction and conflict, ultimately hindering the achievement of shared

goals. Additionally, differing focuses may arise, such as universities prioritizing research, Education, and human resource development, while business partners may be more focused on profitability and efficiency. Then, regarding potential conflicts of interest, partnerships can give rise to potential conflicts of interest, especially if business partners have interests that differ from those of the university. For example, companies sponsored by certain industries may have hidden agendas that could influence the university's curriculum or research. Based on research findings Essiz & Senyuz (2024); Bertoni (2020), it was found that partnerships at universities have not been able to map out partnership networks with partners and other parties effectively. Partnerships involve collaboration with multiple parties, such as in creating innovative products and services within the industry.

Value-Driven Business Strategy and Partnership, the results of hypothesis testing carried out on the Value-Driven Business Strategy variable significantly affect partnerships (H_4). The results of this study explain that the value-driven business strategy of higher education partnership relationships in the West Java study is included in the high enough achievement category. This finding shows that value-driven business strategy in higher education has begun with its implementation and provides positive influence and encouragement for partnerships. Value-driven business strategy always focuses on creating more value in initiatives to achieve added value in sustainable development (Wikström et al., 2024). The partnership becomes a positive concept with a Value-Driven Business Strategy coupled with the significant influence of external environmental factors being important to consider in the process (Hereźniak & Anders-Morawska, 2021).

Value-Driven Business Strategy and Higher Education Performance, the results of hypothesis testing conducted on the Value-Driven Business Strategy variable significantly affect university performance (H_5). Value-based strategies form the points of value history that make sustainability in the long term. In the case of universities in West Java, many universities have carried out a Value-Driven Business Strategy even though the partnership is not significant enough; this result is also not in line with the previous hypothesis (H_3) that partnerships do not affect college performance. Value strategy takes a long time with the growth of the image of higher education (Kirchmer & Franz, 2020). These findings align with Nasution et al. (2023) that value-driven is a logical strategy for attracting widely and integrating in large numbers.

Mediating Role of Partnership (Value-Driven Business Strategy and Higher Education Performance), the results of hypothesis testing conducted on the partnership variable as a mediating dimension do not mediate the relationship between Value-Driven Business Strategy and college performance (H_6). In previous findings, Value-Driven Business Strategy has a significant effect on partnerships. Value-driven business strategy does not affect college performance, so the performance of universities, especially in West Java, is still unfamiliar with value-driven business strategy. Previous findings reinforce that partnerships do not affect college performance. These results align with the findings Klausen (2024) that the digital era of partnership transformation is ineffective in value strategy. Along with partnerships, a compelling value strategy in Industry 4.0 is digital networking or social media (Hereźniak & Anders-Morawska, 2021).

Mediating Role of Value-Driven Business Strategy (External Environment and Higher Education Performance), the test results on hypothesis seven (H_7) show that a Value-Driven Business Strategy does not mediate the relationship between the external environment and university performance. The external environment in the government and information technology indicators becomes easily affected by other factors, thus weakening the relationship that is not too significant for university performance. A Value-Driven Business Strategy is a strategy that prioritizes value from within (internal) in developing a good image. Opinion Kuitert et al. (2024) The value of an entity will be better from the inside out so that external factors only support

optional policies. Opinion Saleh & Karia (2024) good performance results from a long process of regulations and policies passed with a good and correct mechanism so that external value does not affect too much.

Mediating Role of Value-Driven Business Strategy (Internal Environment and Higher Education Performance), the test results on hypothesis eight (H_8) show that a Value-Driven Business Strategy can mediate the relationship between the internal environment and university performance. A value-driven business strategy with internal environmental factors is a very significant condition. Value-based strategies are certainly strongly supported by financial factors, and organizations are indicators of achievement. Colleges that carry out value-based strategies must meet important elements such as healthy and good finances and relatively healthy organizational conditions so that value-based strategies in higher education will issue good performance with qualified finances and organizations in improving college performance. Opinion Efendi et al. (2024); (Kirchmer & Franz (2020), Financial factors in an agency's performance have a significant effect on its performance, healthy financial performance, and vice versa. Bad finances will give birth to a performance that is not good enough.

3.4. Implications

Some important contributions obtained in this study are related to the theoretical exploration of the external environment, internal environment, value-driven business strategy, and partnership, particularly in the context of higher Education performance in West Java. The findings of this study support the Theory that value-based strategies are very significant in improving higher Education performance, as also conveyed in the findings of the study by Iqbal & Piwovar-Sulej (2021) in addressing the theme of the important role of Higher Education Institutions (HEIs) in sustainable improvement efforts, namely sustainable leadership and the exploration of social innovation with values in mediating university performance. The research findings explain that social innovation with value-based strategies influences the relationship between sustainable leadership and sustainable performance in the context of universities.

The theoretical contributions of external and internal environments, partnerships, and value-based strategies are crucial to the performance of higher Education institutions. External environment: External factors such as economic conditions, government policies, technological developments, and social trends Influence the operations and performance of higher Education institutions. External environment analysis helps universities identify opportunities and threats and design appropriate strategies. Internal environment: Internal factors such as human resources, infrastructure, finance, and organizational culture also play an important role in university performance. Internal environment analysis helps universities understand their internal strengths and weaknesses, and design strategies to leverage strengths and address weaknesses. Partnerships: Strategic partnerships with various parties, such as industry, government, and other organizations, can provide benefits to higher Education institutions, including access to new resources, knowledge, and networks. Partnerships can also help higher Education institutions enhance the relevance of their academic programs, foster innovation, and expand their social impact. Value-Based Strategy: Universities need to formulate value-based strategies that reflect their vision, mission, and core values. These strategies help universities focus on meaningful goals and ensure that all efforts and resources are directed toward achieving those goals. For example, universities can develop value-based strategies that emphasize innovation, sustainability, or social inclusion, and then design programs and activities that align with those values.

The practical contributions of the external and internal environment, partnerships, and value-based strategies to university performance are significant. Adaptation to the External Environment:

Universities need to conduct regular external environment analyses to understand changing trends and market needs. This enables universities to adjust their curricula, study programs, and teaching methods to address existing challenges and capitalize on opportunities. For example, there is an increase in demand for workers in the technology field. In that case, higher Education institutions can develop new study programs focused on technology or update existing curricula with technology-related material. Adaptation to the internal environment: A healthy and conducive internal environment, supported by an effective internal quality assurance system (SPMI), will improve the overall quality of Education, competitiveness, and reputation of higher Education institutions. Strengthening Strategic Partnerships: Building strong partnerships with various parties, including industry, research institutions, and government, can provide significant benefits. These partnerships can include knowledge exchange, student internships in industry, joint research, or joint training program development. Effective partnerships can improve the quality of Education, expand access to resources, and increase the relevance of higher Education to the needs of the job market. Value-Based Strategies: Higher Education institutions need to develop strategies rooted in core values such as ethics, sustainability, and social responsibility. These strategies can include curriculum development that integrates sustainability principles, research programs focused on social issues, or community service activities based on local needs. Value-based strategies can help universities build a positive reputation and attract students who share similar interests and values.

4. Conclusions

Based on the overall findings, this study concludes that the external and internal environments have a significant effect on value-driven business strategy, while partnerships do not directly affect college performance. Value-driven business strategy significantly influences partnerships and also has a direct and significant impact on college performance. However, partnerships do not mediate the relationship between value-driven business strategy and college performance, and value-driven business strategy does not mediate the relationship between the external environment and college performance. In contrast, value-driven business strategy successfully mediates the relationship between the internal environment and college performance. Although this study contributes both theoretically and practically to higher education stakeholders, it has limitations, particularly the focus on higher education institutions in West Java and respondents closely related to universities. Future research may expand to other regions, industries, and cultural contexts, as well as include negative or macro factors such as wage policies, income levels, and human development indices. Overall, the findings indicate that value-driven management plays an important role as a control mechanism and social dimension in organizations, offering strategic solutions to funding and performance challenges faced by universities in Indonesia, especially in the era of Industry 4.0.

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