



Become a Profit Maker and Profit Keeper Toward the Moral Responsibilities of Private University Lecturers

Billy Josef Anis¹; Billy Josef Anis²

Info:

Received:
21 Jun 2021
Review:
13 Jul 2021
Accepted:
20 Jul 2021
Online:
24 Jul 2021

Abstracts

Purpose – The purpose of this paper is to design implementation for two employee categories (A and B) model profit as lecturer's moral responsibility as part as an employee of the private university.

Design / methodology/approach - This paper uses a case study approach to analyze the implementation of profit maximization in private industries such as financial services, to be applied in the private higher education industry to face open competition, especially corporate universities.

Findings - The results of the research finds that there is a positive and significant relationship between profit maker and profit keeper are in line with the moral responsibility of private lecturers.

Limitations/implications - Research is very limited on owner respondents, and there is no measurement transparency model. It is a challenging implication for further research.

Practical Implications – This research will be useful for applied research. Investment must be profitable. Student consumers must be looked after. Industries are transforming rapidly due to competition, market share, and avoiding failure. The model strategy should be run as a profit-oriented industry.

Originality / value – The research contributes greatly to professional models for private owners and lecturers, also provides a collaboration formula for sustainable competitive strategies from the start of an investment to how it becomes more profitable.

Keywords: Profit Maker, Profit Keeper, Lecturer Moral Responsibility, University Owner.

JEL Codes:

How to cite:

“Anis, B.J.; Anis, (2021). Become a Profit Maker and Profit Keeper Toward the Moral Responsibilities of Private University Lecturers. *Master: Jurnal Manajemen Strategik Kewirausahaan*, 1(02), doi: <https://doi.org/10.37366/master.v1i2.192>”

Introduction

The company has 2 categories of employees A and B who fill 2 jobs A and B offered by private owners in general along with the benefits promised (Rotemberg, 1993). Profit, its moral significance to justification and role, requires very careful examination (Camenisch, 1987). Being a Profit Maker and Profit Keeper, is the moral responsibility of the Lecturer to form an active role as a transformation agent. This pattern is like the function of the Sun and Moon in their respective roles. Profit Maker and Profit Keeper are in line with the routine of contributing to transparency in achieving numbers in the financial services industry, for example. Previous research has not described an active profit

¹ “Magister Manajemen Department, Pelita Bangsa University”; billyjosef@pelitabangsa.ac.id

² “Magister Manajemen Department, Pelita Bangsa University”; billyjosef@pelitabangsa.ac.id

relationship model such as measurement in the financial industry as an illustration and examined three main elements: owners, lecturers, and students in terms of profit relationships. Achieving profit for all business activities is a reflection of morale and profit, including morals and values that are truly fair (Camenisch, 1987).

The phenomenon of university corporate development, which is formed by State-Owned Enterprises (BUMN), has a very significant impact on the private sector. For universities and their education, getting Power in Profit-Maximizing Organizations is a must. Power in Profit-Maximizing Organizations is a relative cost relationship that must be provided by employees through their relative strength (Rotemberg, 1993) with attractive university owners. Private higher education, grows in order to seek sustainable competitive advantage (Dikti, 2018). This is a vision and mission in line with the Higher Education Accreditation Instrument (IAPT) 3.0, in order to achieve global competition (Karpov, 2016) and for universities as well as a new paradigm launched by the current Minister of Education and Culture Nadiem Makarim in early 2021. Based on data, the number of private universities in 2018 in Indonesia is 3,171, the number of new students is 921,359, and registered students are 4,459,021 and the number of private lecturers is 177,140.

Furthermore, this research forms a mission pattern of profit-oriented business model contribution in general, lecturers to the owner as an employer and vice versa professionally, in addition to the implementation of Tri Dharma obligations. Factual states that along with the impact of Covid-19, it is said that the welfare of non-civil servant lecturers, especially private ones, is a priority for providing Direct Cash Assistance (BLT) of the Ministry of Education and Culture in 2021 to lecturers with income below Rp. 5 million per month. It is like a connection, where it cannot be explained the existence of employees who have the ability to approve large powers and also relatively limited income (Crozier, 1964). Competition is increasingly open, especially State support for state campuses and state-owned corporate universities, which is an open challenge a new normal era. Owners / management / private foundations need real active support of lecturers' professionalism.

Students are the market and consumers, have the right to get the best achievement in learning on campus. Given the competitive environment that companies also desire and have, university managers should have begun to place the greatest attention on meeting student satisfaction and expectations (Cheng & Tam, 2004). Payment of tuition and time as well as the hope of becoming a student unit towards the university to provide value and sustainability for students both on campus and after they graduate. Feedback from the maximum results obtained by students will provide active input to the university from students who provide information to colleagues and prospective students.

Methodology

Konsep Development

Presenting Purpose and Profit

Industry is all about profit. Bringing Profit? (Brown, 2015), part of business ethics in a professional manner. Private university research in China (Altbach, 2004) has earned a fair profit since the Law in 2002 (Xiao & Wilkins, 2015). Significantly, bringing profit, means that the owner and employee relationship is professionally intact. Beside provides profit for the company, and the other side is for optimal welfare for lecturers as university

employees. Higher education industry needs the ability to compete, especially how to attract prospective students. Finance, human resources, and trust are supporting factors in competition.

The owners of private universities are very dependent on solid internal, rights and obligations as employers and employees. Higher education should view students as “key stakeholders” where their opinions are important for the improvement of the quality, reputation and image of the university (Dill & Soo, 2005). Welfare, bonuses, rewards, awards, sanctions, and pension programs, are open sections of information contained in the provision of transparent management through the Company Guidelines (BPP/Buku Pedoman Perusahaan) and Standard Operating Procedures (SOP). BPP regulates the balance of rights and obligations of the university (owner) and employees with Standard Operating Procedures (SOP) as a mechanism for implementing neat and standard working governance.

Investment is stated with profit. A private university is a company formed by the owner. Managing investments is a combination of tangible assets and intangible assets. Lecturer is an active combination of both from the perspective of private higher education investment. Respecting the role of lecturers, owners will get the value of investment payments that are invested by lecturers in private companies or universities. Collaborating value investment by owner / management / foundation and lecturers will translate to increased productivity. This latest systematic approach to its application to the private higher education business has resulted in *Grow the Pie: How Great Companies Deliver Both Purpose and Profit* (Brown, 2015).

The model of moral responsibility for lecturers as professionals must be formed from the beginning of entering the institution for the sake of the institution's vision and mission with long-term goals and sustainable competitive advantage. The moral responsibility of the lecturers has become legal evidence since the choice of signing the contract to help management owners to manage costs into income. The moral of responsibility as an agent of change over the past few decades must be transformed to a maximum into a moral profit maker and profit keeper role of lecturer transparency to private universities. The Covid-19 pandemic has almost paralyzed overall economic activity and even overall education. Loss of income, loss of student enrollment, and other correlations of the Covid-19 pandemic are felt by almost all universities, especially private ones.

Maximizing the power of profit in the organization (Rotemberg, 1993) is explained by 2 (two) characteristics connected with power and influence. First, through the ‘resource dependence’ theory of power (Emerson, 1962) and second, is the strategic contingency theory (Hickson et al., 1971). Both theories are answered in today's modern era between employees and companies. It is very possible that the professional capabilities of lecturers must prioritize the principle of company clauses. Joining or being specially drawn, a professional lecturer, even though in the definition of a professional written lecturer (Dikti, 2018), must fully understand the company's vision and mission. The era of Key Indicator Performance (KPI) is already transparent in today's modern industry. Performance measurement is connected with the moral responsibility of professional lecturer entrepreneurs in the education industry in relation to the company that owns the university, which is generally seen in semester, namely odd and even semester lectures.

This research also starts a professional starting space formed by the usual climate for profit companies. Lecturers are employees. Their abilities are at least in the manager's area

for the classification category. Those individuals who have strong control over their own resources, especially have the quality of education above average. This power must be collaborated by the owner. Making professional in their industry, the owners will be confident rather than fear of the strengths of the lecturers with their very high knowledge. This is the ability of Rotemberg(1993) to summarize research on strength in individuals and organizations.

The private sphere consists of professionals who also have ambition and control. Profit private environment, for lecturers, must be familiar with internal targets in addition to the individual internal targets of a lecturer in the lecturer's workload (BKD). The private profit designs a harsh work environment. The first company clause, and the BKD which can then be fulfilled by individual lecturers. The first clause, is the right of the company which contains targets and punishments if not fulfilled by the employees. It is for this reason that this writing framework is towards the habitat that will prevail in which the industry today, will appear to be surviving and competitive if the share of the consumer market is owned and maintained. All parties including the Ministry will contribute to the implementation of the model that has to be applied.

Lecturer Role as a Profit Maker

Lecturers are professional educators and scientists with the main task of transforming, developing, disseminating science and technology through education, research, and community service. Lecturers everywhere have "customers", namely students. Changes in the factors of having consumers are due to the transformation of the speed of the private education business through the formation of lecturers' personalities that develop into entrepreneurs. An entrepreneur can be successful according to Von Mises (1949: 290) only by serving his customers and his profit depends on the channel of approval from consumers (Vranceanu, 2014).

Research (Suhaemi & Aedi, 2015) states that several lecturers were found to not adequately understand the characteristics of students. The influence of future relationships, including when students have graduated, will have a news impact that does not contribute to prospective new students and of course has a negative impact on private universities. Today's private university businesses, seeking market share, survive, and modify products and services including having to reduce the value adjustment of current tuition fees. Owners change their strategic policies for market share and price when competitors introduce new products (Jagpal & Jagpal, 2008). The company strategy and policy, in this case the university owner, must be realized by the lecturers. In line with these adjustments, lecturers must become profit makers for company investment. Applying a radical approach in business can create profits for investors and create value for the social environment (Edmans, 2019). Business is the role of plowing valuable resources on the open market. This is called profit goals and lecturers are very important resources in creating profit and good reciprocal relations and are needed as soon as possible.

Profit Maker definition is to conclude that employee power flows towards those who supply the company with the greatest relative value, to that provided by newcomers, followed by those looking for strength should try to maximize internal value (Rotemberg, 1993). It also states that while empowering employees, it is possible to maximize profit before and after. Furthermore, although employees have given performance to the company, research also suggests that the company may, for example, establish a code of

conduct and commit to firing employees who violate this code (Rotemberg, 1993). The operation of private universities is contained in the expenses incurred, including salaried employees. Costs need to be covered by revenues that exceed costs. Income is distributed through products and services in quantity.

In this research questioned is using hypohotesis 1: Profit maker lecturers have a positive effect on the moral responsibility of private university lecturers

Private universities hope that each lecturer will carry out Tri Dharma actively, including actively taking part in a transparent profit maker and profit keeper as stated in other industries with the work owner and employee relationship model. This role will strengthen the operational vision and mission as well as the search for sustainable competitive advantage. Collaboration must of course be based on the role of transparency. Lecturers also really hope that this industry, at least from the start of their career, can provide them with financial comfort from the moment they join. Research data (Hall, 2016), American Federation of Teachers, 76 percent of total academic workers find they are not permanent themselves and 70 percent are part-time workers (Le Grange, 2020).

Lecturer Role as Profit Keeper

Profit Keeper is the dominant work responsibility role for accountants and financial consulting services as well as tax institutions and specialties. The role of lecturers as profit keepers is still new in research in the world of higher education. Profit Keeper in this study follows Rotemberg (1993), which classifies employees A and B, in a related way. Profit Keeper is an additional job opportunity provided by the owner of the company and of course the fulfillment of getting large payments in the future in a transparent manner. This job is in line with the main job of a lecturer, including the obligation of Tri Dharma.

A lecturer is a transformation agent. Agents born where those who are contracted with obligations generate net cash flows (Vranceanu, 2014). Private universities, likewise and will be linked to be part of Modern Firm theories with ‘intelligent organizations’ (Pinchot & Pinchot, 1993). Every ‘intelligent organization’ aims to unleash employees with creativity and intrapreneurial initiative. This is the business ethics that applies in optimal employee and employer relationships in order to prevent private universities from being unable to compete and being destroyed in the open market, especially the more dominant corporate universities are growing in universities, while private owners innovate to create healthy management internally for the sake of external request.

Individuals or lecturers, who establish themselves as part of the accounting and tax institutions of higher education, are very beneficial for private university industrial companies. The ability to provide productive input in tax reporting and the implementation of good strategies and negotiations is of high value and reduces operational costs for the company if this work is produced by lecturers.

Today's growing professional corporate private companies place their accountant specialty services as Profit Keeper companies. Private corporations and all lines of private companies assign expertise to employees who are in these areas of specialization. Being a specialty is not difficult. The company will prepare, train, and place the employees it chooses for the sake of profit or profit. Their existence is divided into operational and non-operational sides. Non-operational are those who are given additional tasks by the company. This contribution maintains profit or profit by means of consultations to the tax office, the responsibility of researching the work of operations in helping to disclose audit

findings, and providing professional advice in order to avoid errors and correct tax reconciliation. The additional capabilities of the lecturers that are employed have aspects consisting of tax specialization knowledge, information technology software skills about taxes, and good financial diplomacy negotiations.

In this research questioned is using hypotesis 2: Profit Keeper lecturers have a positive effect on the moral responsibility of private university lecturers

Private University Lecturers' Moral Responsibilities

Moral responsibility exceeds work professionalism. Disruption of the flow of moral responsibility, causing moral release (Eriksson, n.d.). If there is no professional transparency, owners will lose employees or lecturers, and vice versa. Lecturer moral responsibility is a form of professional commitment to employers according to organizational goals. According to Mowday, Steers, and Porter (1979) goals apply, when organizations and individuals are the same (Xiao & Wilkins, 2015). The commitment of lecturers to student social integration is not shown in the perceptions that affect students in terms of teaching quality (Xiao & Wilkins, 2015).

The definition of moral responsibility involves a freedom or control component and an epistemic component where control is divided into 2 types, namely guidance and regulatory control (Fischer, 2012). Aristotle (384-323 BCE) states the concept of moral responsibility, which is sometimes appropriate to respond to agents with praise or blame on the basis of their actions and / or character traits (Eshleman, 2014). The Lecturer Moral Responsibility Criteria in this research examination, refers more to Galen Strawson's view in Deep Control (Fischer, 2002) with slight modifications adjusted to the lecturers' activities and professionalism.

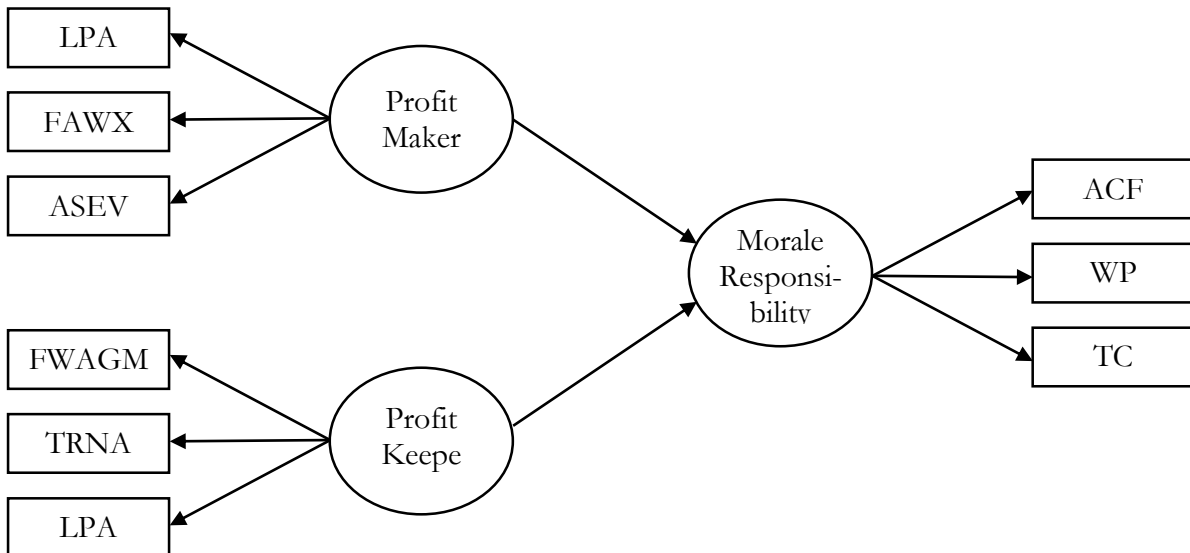


Figure 1: Theoretical Model

Method

This research uses quantitative method and descriptive approaches. According to previous studies, at least this method can seriously reveal a new application model for the private university industry in order to gain a sustainable competitive advantage from profit maximization that results from the collaboration of private universities and lecturers. The selection of lecturers, owners / management / foundations, and students as research respondents is an effective way to get a real picture of the results of research and for the continuation of the active professional collaboration of owners and lecturers. Students are an optimal demand factor that must be maintained.

The study found 168 respondents using the 5 likert scale model. All questions distributed in Indonesian. Respondents can answer well without any mistakes or not answering, because of the use of online questions and answers via google documents.

For Profit Maker variable indicators, there is one indicator / item ‘lecturer personality achievement (charter/LPA)’ that was issued in the test because the outer loading value is below 0.7 and below the Average Variance Extracted (AVE) 0.5. Indicators according to AVE testing on profit makers are "fulfillment of annual work contracts (FAWC/ outside of Tri Dharma)" and "achievement of student enrollment volume (ASEV)". Meanwhile, the Profit Keeper variable, the measurement of indicators of "financial work achievement given by management (FWAGM)" and "tax rescue negotiation achievement (TRNA)" were used in the measurement according to AVE and "lecturer personality achievement (LPA)" which were excluded due to insufficient AVE minimum score. Furthermore, for the lecturer moral responsibility variable, the measurements used were "active control of freedom (ACF)" and "work professionalism (WP/ unprofessional work avoidability)" and "total control (TC)" which were excluded because they did not match the value of the model measurement.

Result

Based on the respondent's job data, there are 41 lecturer respondents, 123 student respondents, and 4 owners / management / foundations. The education status data of the respondents were 5 Diploma respondents, 105 Strata 1 respondents, 46 Strata 2 respondents, and 12 Strata 3 respondents. Variations in the domicile of respondents who gave answers were from Bekasi, Depok, Jambi, Medan, and Surabaya where the largest respondents were in the region of Bekasi.

Table 1 Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Profit Maker	0.559	0.559	0.819	0.694
Profit Keeper	0.475	0.485	0.791	0.654
Morele Responsibility	0.817	0.845	0.915	0.844

Processed Data Smart PLS

Data Table 1 shows the fulfillment of the measurement of composite reliability and average variance extracted (AVE) as a condition for evaluating the measurement model. While the data in Table 2 shows the R Square which found the influence of exogenous variables to endogenous variables. The results of hypothesis testing and significance are shown in Table 3.

Table 2. R Square

	R Square	R Square Adjusted
Morale Responsibility	0.353	0.345

Processed Data Smart PLS

Table 3. Path Coefficients

	Original Sample (O)	T Statistics (O/STDEV)
Profit Maker -> Morale Responsibility	0.314	5.404
Profitkeeper -> Morale Responsibility	0.416	6.442

Processed Data Smart PLS

Discussion

Profit Maker

The results of the answer to measuring the exogenous variable of lecturer profit maker on the endogenous variable of moral responsibility for private university lecturers resulted in accepting the hypothesis that research on profit maker variables had a positive and significant effect on lecturer moral responsibility.

The findings are related and positive also, which from the beginning of the covid-19 pandemic, few universities have made policies on how lectures supporting their campus enrollment program to all new students with award program to all supporting lectures. These professional contribution effects will bring more profitable to the private universities and owners, and will also become model implementation to have sustainable competitive advantages and gaining welfare to all lectures. Applying a radical approach in business will generate profits for investors and the social environment (Edmans, 2019) and achieve global competition (Karpov, 2016).

Profit Keeper

Furthermore, the answer to the measurement of the exogenous variable profit keeper produces a hypothesis that has a positive and significant effect on the moral responsibility of private university lecturers.

Approval of research results as illustrated by Rotemberg (1993) regarding the classification of employees A and B, where additional work with benefits will be obtained. The role of professional human resource management also described by Ulrich (1997) called a double human resource management role, which as a professional have to be related with strategics and operations. Every owner wants to have sustainable competitive

advantage for their business. Using two models implementation to every lecturer for the private university is very urgent right now to be applied and also avoid mergers policy program in the next year.

The results of the special answer data for the lecturers answered their agreement of 93.4% and 5.6% disagreeing answers about the question if rewards and punishments were immediately implemented in this private industry with a note that there was a clear transparency model for additional questions outside the testing model. This indicates that the lecturers are ready to enter the habitat of profit-oriented private companies, in their full role as employees of private company owners. Lecturer is the minimum qualification for company managers because their knowledge is above average.

Conclusion

The application of a measurable pattern of outcome assessment must be implemented as soon as possible in the Private Higher Education Industry. Tri Dharma is an absolute profession obligation. Profit maker and profit keeper, transparent, measurable obligations of employees or lecturers who work in the private sector for company owners. The matter of welfare standardization is the domain of the Government and private university owners to be adjusted immediately, in order to avoid branching out of lecturer's work, such as part-time.

Researchers also openly reveal the limitations of this study where: 1) The absence of in-depth research on the perceptual framework of the transparency of private universities and lecturers in a professional manner such as the treatment of the private industry for profit; 2) The development of individual performance data models for lecturers that is integrated on campus internally is not used; 3) Very minimal university owner respondents; 4) No use of system data reward and awards lecturer-management.

Lecturers are professionals. Ready to give, ready to accept the same measurement implemented in all profit-oriented line industries. In the future, hopefully there will be more specific research testing by describing the media level of transparency figures so that it becomes a balanced perception for owners and professional lecturers and students as a consumer market.

References

- Altbach, P.G. (2004). The past and future of Asian universities: Twenty-first century challenges. In P.G. Altbach & T. Umakoshi (Eds.), *Asian universities: Historical perspectives and contemporary challenges* (pp. 13-32). Baltimore, MD: Johns Hopkins University Press.
- Brown, R. (2015). Delivering profit? *In Practice*, 37(10), 550–551. <https://doi.org/10.1136/inp.h5855>
- Camenisch, P. F. (1987). Profit: Some moral reflections. *Journal of Business Ethics*, 6(3), 225–231. <https://doi.org/10.1007/BF00382868>
- Cheng, Y. C., & Tam, W. M. (2004). *Multi-models of quality*.
- Crozier, M., 1964. *The Bureaucratic Phenomenon*, Chicago: University of Chicago Press
- Dikti, M. (2018). Indonesia Higher Education Statistical Year Book 2018. *Chemistry - A European Journal*, 15(21), 1–7. <https://pddikti.ristekdikti.go.id/asset/data/publikasi/Statistik Pendidikan Tinggi Indonesia 2018.pdf>

- Dill, D. D., & Soo, M. (2005). Academic quality, league tables, and public policy: A cross-national analysis of university ranking systems. In *Higher Education* (Vol. 49, Issue 4). <https://doi.org/10.1007/s10734-004-1746-8>
- Edmans, A. (2019). The purpose of profit. *London Business School Review*, 30(2–3), 18–21. <https://doi.org/10.1111/2057-1615.12304>
- Emerson, R., 1962, "Power-Dependence Relations," *American Sociological Review*, 27, 31-41.
- Eriksson, D. (n.d.). *Moral (De) coupling Moral Disengagement and Supply Chain Management*.
- Eshleman, A. (2014). Pilot Scholars Moral Responsibility. *Philosophy Faculty Publications and Presentations*.
http://pilotscholars.up.edu/phl_facpubs/
http://pilotscholars.up.edu/phl_facpubs/1
- Fischer, J. M. (2012). Deep Control: Essays on Free Will and Value. In *Deep Control: Essays on Free Will and Value*. <https://doi.org/10.1093/acprof:osobl/9780199742981.001.0001>
- Jagpal, S., & Jagpal, S. (2008). Fusion for profit: How marketing and finance can work together to create value. In *Fusion for Profit: How Marketing and Finance Can Work Together to Create Value* (pp. 1–640). <https://doi.org/10.1093/acprof:oso/9780195371055.001.0001>
- Hickson, D.J., C.R. Hinings, C.A. Lee, R.E. Schneck, and J.M. Pennings, 1971, "A Strategic Contingencies Theory of Intraorganizational Power," *Administrative Science Quarterly*, 16, 216-229.
- Karpov, A. O. (2016). University 3.0 as a corporate entity of knowledge economy: Models and missions. *International Journal of Economics and Financial Issues*, 6(8Special Issue), 354–360.
- Le Grange, L. (2020). Could the Covid-19 pandemic accelerate the uberfication of the university? *South African Journal of Higher Education*, 34(4), 1–10. <https://doi.org/10.20853/34-4-4071>
- Mowday, R.T., Steers, R.M., & Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224–247. doi:10.1016/0001-8791(79)90072-1
- Pinchot, G. and Pinchot, E. 1993. *The End of Bureaucracy and the Rise of the Intelligent Organization*. San Francisco, CA: Berrett-Koehler.
- Rotemberg, J. J. (1993). Power in Profit-Maximizing Organizations. *Journal of Economics & Management Strategy*, 2(2), 165–198. <https://doi.org/10.1111/j.1430-9134.1993.00165.x>
- Suhaemi, M. E., & Aedi, N. (2015). A Management Strategy for the Improvement of Private Universities Lecturers' Professional Competences. *International Education Studies*, 8(12), 241. <https://doi.org/10.5539/ies.v8n12p241>
- Ulrich, D. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*. Boston: Harvard Business School Press.
- Von Mises, L. 1949. *Human Action: A Treatise on Economics*. New Haven, CT: Yale University Press.
- Vranceanu, R. (2014). Corporate profit, entrepreneurship theory and business ethics. *Business Ethics*, 23(1), 50–68. <https://doi.org/10.1111/beer.12037>
- Xiao, J., & Wilkins, S. (2015). The effects of lecturer commitment on student perceptions of teaching quality and student satisfaction in Chinese higher education. *Journal of Higher Education Policy and Management*, 37(1), 98–110. <https://doi.org/10.1080/1360080X.2014.992092>