

# Communicative Power and Reputation: The Moderating Role of University Managerial Intelligence in Private Universities of East Java

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**Abstract.** The significant decline in the number of new student enrollments at several private universities in Indonesia, as reported by PDDIKTI and LLDIKTI in 2025, poses a major challenge to the sustainability of institutional reputation and existence. Amid increasingly intense competition especially with the growing number of State Universities with Legal Entity Status (PTNBH) organizational reputation has become a strategic asset that must be carefully managed. This study aims to examine the influence of organizational communication competence on the reputation of private universities, while also investigating the moderating role of *University Managerial Intelligence* (UMI) in strengthening this relationship. A quantitative approach was employed using a survey method to 178 institutions, involving managerial staff and university leaders from selected private universities in East Java. Data analysis was conducted using Structural Equation Models (PLS-SEM) to assess whether UMI enhances the relationship between the independent and dependent variables. The results indicate that organizational communication competence has a significant effect on institutional reputation. Moreover, UMI not only directly influences reputation but also positively moderates the relationship between communication competence and reputation. This means that the higher the managerial intelligence of university leaders, the stronger the influence of organizational communication on public perceptions of the institution. These findings offer important implications for strategic management within private higher education institutions, particularly in improving leadership capacity and organizational communication effectiveness. The study also underscores the importance of developing managerial competencies rooted in strategic intelligence to enhance competitiveness and ensure the sustainability of private university reputations in the evolving landscape of higher education in Indonesia.

Keywords: Higher Education Sustainability, Organizational Communication, University Managerial Intelligence

## 1 Introduction

In the era of information disruption and increasingly intense competition among higher education institutions, private universities face significant challenges in building and sustaining their institutional reputation. Reputation constitutes an intangible asset with a direct impact on public trust, competitiveness in student recruitment, strategic partnerships, and funding opportunities. Consequently, universities can be viewed as business entities that must strategically develop their reputation to achieve competitive advantage[1].

For private universities, attention to institutional image and reputation has become increasingly crucial, as the success of a university largely depends on its ability to meet and fulfill the expectations of the public, students, and other stakeholders [2]. Institutional reputation is shaped by multiple factors, including the quality of organizational communication, student satisfaction, innovation capacity, and the effectiveness of digital collaboration developed by the institution [3]. In this context, organizational communication competence serves as a critical determinant influencing how the public perceives private universities.

Organizational communication competence encompasses the institution's skills and strategies in managing information flows, constructing institutional narratives, responding to crises, and maintaining relationships with both internal and external stakeholders. Effective organizational communication enables higher education institutions to communicate their identity, values, and achievements in a structured and credible manner. Such productive communication, stemming from university resources, can generate distinctive characteristics that differentiate one institution from another [4]. Nevertheless, organizational communication competence does not always correlate directly with the reputation an institution builds, as reputation represents an image that is strongly linked to organizational sustainability in the eyes of stakeholders and the broader [5].

In several cases, private universities with active communication channels still fail to enhance their reputation significantly, thereby threatening institutional sustainability. According to *Tempo*, a number of private universities in Indonesia experienced a decline in new student enrollment in 2025. Data from the Higher Education Database (PDDIKTI) and the Higher Education Service Institution (LLDikti) recorded a drop of up to 27 percent in the proportion of new students. This situation suggests the existence of other factors that may strengthen the relationship between organizational communication competence and institutional reputation one of which is University Managerial Intelligence (UMI). UMI refers to the ability of university leaders to leverage knowledge as a strategic asset to ensure organizational sustainability [6]. Within an organizational climate, it is not only the social-communicative relationships that must be effectively built, but also the knowledge possessed by each individual involved in those relationships that must be strategically managed and utilized.

By recognizing the functionality of knowledge as a central issue in today's global agenda, the role of organizational governance in building reputation extends beyond the management of physical assets and social relations to encompass the domain of intellectual capital [7]. Blackman and Kennedy argue that effective governance and strategic success depend on the appropriate manipulation and utilization of knowledge [8]. Organizational governance involves fundamental managerial functions, including decision-making processes, which are inseparable from other core managerial responsibilities. The management of knowledge has been empirically shown to contribute to organizational sustainability in private universities across East Java. Hence, the management of knowledge as a strategic asset referred to as University Managerial Intelligence (UMI) is presumed to play a vital role in mediating the relationship between organizational communication competence and institutional reputation. Without sufficient managerial intelligence in knowledge management, even well-designed communication strategies may fail to achieve their intended goals due to weak coordination among stakeholders.

A review of previous studies on university reputation reveals a predominant focus on public institutions or Western contexts, which generally possess more stable funding structures and established governance systems. In the Indonesian context particularly within private universities reputation is not solely shaped by external image but also by the institution's resilience in facing structural pressures such as dependency on tuition fees, disparities in resources, and fluctuating government regulations. Consequently, the reputation

of private universities tends to be fragile and heavily reliant on managerial intelligence to navigate policy uncertainties and demographic shifts among prospective students. Furthermore, research integrating the perspectives of organizational communication and managerial intelligence remains relatively underexplored. On the other hand, the effectiveness of organizational communication is determined not only by channels and messages but also by the leadership’s capacity to convert internal knowledge into communication strategies that generate public value.

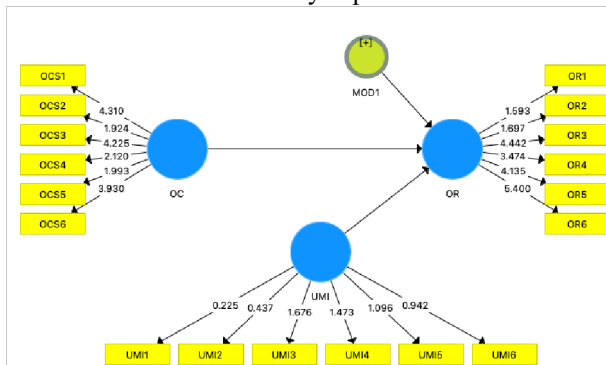
This situation underscores the importance of gaining a deeper understanding of the factors influencing the formation of institutional reputation, particularly the extent to which organizational communication is supported by managerial capacity in managing knowledge as a strategic asset. Based on this premise, the present study is positioned to fill an existing research gap, especially within the context of private universities in Indonesia. Specifically, this research aims to analyze the influence of organizational communication competence on institutional reputation and to examine the moderating role of University Managerial Intelligence in this correlational relationship.

## 2 Method

With a total population of 321 private universities (PTS) in East Java, the sample size in this study was determined using the Slovin formula with a margin of error of 5%. Based on this calculation, a total of 178 respondents were obtained. The 5% error margin was selected to maintain a high level of precision in generalizing the research findings to the population. Accordingly, 178 private universities were designated as representative samples of the total population in a proportional manner.

*Structural Model / Hypothesis Testing (Inner Model)*

The testing of the structural model in this study is presented in **Table** as follows:



The testing of hypotheses H1, H2, and H3 is presented as follows:

Hypothesis Testing (H1): *Organizational Communication Competence (X1) influences Organizational Reputation (Y)*. The coefficient value of the effect of Organizational Communication Competence (X1) on Organizational Reputation (Y) was found to be 0.723, with a t-statistic of 6.291 and a p-value of 0.000, which is lower than the significance level ( $\alpha = 0.05$ ). These results provide empirical evidence supporting the acceptance of the first hypothesis, namely that “Organizational Communication Competence (X1) affects Organizational Reputation (Y).” The positive coefficient value indicates a unidirectional relationship, meaning that the higher the level of Organizational Communication Competence (X1), the higher the Organizational Reputation (Y).

Therefore, the first hypothesis, which posits that Organizational Communication Competence has a positive and significant influence on the reputation of private universities in East Java, is accepted.

Hypothesis Testing (H2) : *University Managerial Intelligence (X2) influences Organizational Reputation (Y)*. The coefficient value of the effect of University Managerial Intelligence (X2) on Organizational Reputation (Y) was 0.295, with a t-statistic of 2.419 and a p-value of 0.040, which is below the significance threshold of 0.05. These findings provide empirical support for accepting the second hypothesis that “University Managerial Intelligence (X2) affects Organizational Reputation (Y).” The positive coefficient indicates that the relationship is in the same direction: as University Managerial Intelligence (X2) increases, Organizational Reputation (Y) also improves. Hence, the second hypothesis, stating that University Managerial Intelligence has a positive and significant effect on the reputation of private universities in East Java, is accepted.

Hypothesis Testing (H3) : *University Managerial Intelligence (X3) moderates the relationship between Organizational Communication Competence (X1) and Organizational Reputation (Y)*. The moderation analysis shows that University Managerial Intelligence (X3) has a moderating effect on the relationship between Organizational Communication Competence (X1) and Organizational Reputation (Y), with a coefficient value of 0.512, a t-statistic of 3.739, and a p-value of 0.023, which is less than 0.05. These empirical results confirm that University Managerial Intelligence (X3) successfully moderates the influence of Organizational Communication Competence (X1) on Organizational Reputation (Y). Accordingly, the hypothesis asserting that University Managerial Intelligence moderates the effect of Organizational Communication Competence on Organizational Reputation in private universities in East Java is accepted.

This finding further suggests that the relationship between organizational communication competence and institutional reputation is not purely direct, but is contingent upon the level of managerial intelligence possessed by university leaders. Specifically, when the level of University Managerial Intelligence is high, the positive effect of Organizational Communication Competence on reputation becomes stronger, indicating a clear interaction effect between the two variables.

### 3 Discussion

Based on the characteristics of the respondents, it was found that all participants possessed a comprehensive understanding of the concept of sustainability in higher education. The respondents consisted of leaders of private universities in East Java, most of whom held doctoral degrees and occupied academic positions of at least lecturer level. They had served in their respective institutions for a minimum of ten years. Given these characteristics, this study assumes that the respondents' answers to the questionnaire accurately reflect the genuine condition of organizational reputation within higher education institutions. Based on the statistical analysis, the causal relationships among the variables predicted to influence organizational sustainability (as examined in the context of private universities in East Java) can be explained as follows:

The Influence of Organizational Communication Competence on Organizational Reputation  
This study demonstrates that Organizational Communication Competence has a significant effect on Organizational Reputation (OR) among private universities in East Java. The positive coefficient value obtained from the structural model indicates a unidirectional relationship meaning that the higher the Organizational Communication Competence (OC), the higher the Organizational Reputation (OR). This finding implies that a strong institutional

reputation can be achieved when university leaders possess high levels of communication competence. As stated by Gunawan (2021), such competence encompasses the ability to understand messages accurately, engage in two-way communication that fosters mutual satisfaction, influence communicative attitudes effectively, exhibit sound interpersonal skills, and synchronize verbal messages with corresponding actions.

#### The Influence of University Managerial Intelligence on Organizational Reputation

Leaders of private universities must be capable of enhancing their managerial intelligence, particularly by managing individual knowledge as a strategic asset that contributes to the institution through ideas, innovations, and insights components of intangible capital (Istikhoro et al., 2021). Effectively managed knowledge can generate new innovations that guide leaders in steering their institutions toward maintaining a positive reputation. Moreover, this capability facilitates sound decision making, effective crisis management, and the preservation of a positive and sustainable organizational reputation.

#### The Moderating Role of University Managerial Intelligence in the Relationship between Organizational Communication Competence and Organizational Reputation

The study further reveals that the relationship between Organizational Communication Competence and University Reputation is not purely direct; rather, it is influenced by the level of managerial capability in knowledge management. Specifically, when University Managerial Intelligence is high, the positive effect of Organizational Communication Competence on Organizational Reputation becomes stronger, indicating a clear interaction effect between these two variables.

Therefore, higher education management must cultivate sensitivity toward the presence of intangible assets, particularly “knowledge,” as conceptualized through University Managerial Intelligence. This awareness can have substantial implications for the managerial sustainability of universities, enabling continuous innovation amid increasingly competitive higher education environments.

## 4 Conclusion

This study affirms that the reputation of higher education institutions is not solely shaped by effective communication activities but is also significantly influenced by leadership capacity in managing knowledge as an intangible asset. The key contribution of this research lies in integrating two domains that are rarely combined: organizational communication and university managerial intelligence into a new conceptual model for understanding institutional reputation in developing countries.

University Managerial Intelligence (UMI) functions not merely as a complementary factor but as a pivotal lever that strengthens the effect of communication on university reputation. In other words, organizational communication skills will yield a

stronger reputational impact when supported by managerial intelligence capable of transforming individual “knowledge” into strategic insights for policy formulation, innovation, and institutional direction. Effective leadership, therefore, is reflected in the quality of communication within the organization and emphasizes the need for leaders to adopt a knowledge-based approach as a strategic asset for sustaining long-term organizational reputation.

This approach opens avenues for future research to further explore how strategic communication and public engagement contribute to the sustainability of private higher education institutions. Practically, the findings underscore the importance of internal policies in private universities that extend beyond external branding efforts to include the

enhancement of managerial capacity and communication literacy among leaders. Future studies should employ qualitative approaches to provide a deeper understanding of the dynamics underlying reputation formation in the context of national higher education policy changes.

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