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Managing Reputation Risk at STIE Al Washliyah Sibolga: Key Steps to Maintain Academic Image

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A R T I C L E   I N F O

ABSTRACT

This study explores the management of reputational risk at STIE Al Washliyah Sibolga, focusing on key factors such as faculty quality, student satisfaction, and community engagement. The research aims to identify the elements that contribute to the institution's reputation and provide actionable strategies for mitigating reputational risks. Using a qualitative approach, including interviews and observations, data was gathered from students, faculty, and community stakeholders. The findings reveal that faculty expertise, student support services, and active community involvement play critical roles in shaping the institution's public image. High faculty quality enhances academic credibility, while student satisfaction fosters loyalty and positive word-of-mouth. Additionally, community engagement strengthens STIE Al Washliyah Sibolga's reputation as a socially responsible entity. The study concludes that managing reputational risks at STIE Al Washliyah Sibolga requires a comprehensive approach that integrates these three factors, offering valuable implications for the institution's future reputation management strategies.

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INTRODUCTION

Landscape of higher education, an institution's academic reputation is a critical asset that influences stakeholder perceptions, enrollment numbers, and academic partnerships. Reputation risk is increasingly significant as institutions face heightened public scrutiny and competition for students, particularly for regional and private institutions like STIE Al Washliyah Sibolga in Indonesia. This study examines reputation risk management as a strategic priority to safeguard the academic image of STIE Al Washliyah Sibolga, a business school committed to providing quality education in a local Indonesian context.

Despite the extensive research on reputation management in business and government sectors, studies in the academic sector, especially within Indonesian private institutions, remain limited. Research on reputation management in educational institutions highlights factors such as faculty expertise, academic outcomes, and public relations (Zhang & Kim, 2021; Lee et al., 2022). However, the application of these strategies to the unique challenges faced by regional institutions in Indonesia has been minimally explored, creating a gap in the literature.

In today's highly competitive academic environment, the reputation of an institution significantly impacts its ability to attract quality students, retain talented faculty, and secure community and financial support. This is particularly relevant for regional institutions such as STIE Al Washliyah Sibolga, a college facing specific challenges as it seeks to maintain a reputable image within the higher education landscape in Indonesia. The reputational risk for academic institutions like STIE Al Washliyah Sibolga is intensified due to the dual pressures of meeting educational standards and satisfying the expectations of stakeholders, including students, parents, faculty, and the local community. A negative perception of the institution's quality, integrity, or community engagement can deter potential students and faculty, limit funding

opportunities, and impact overall institutional success. Thus, managing reputational risks is essential to sustaining the long-term credibility and appeal of STIE Al Washliyah Sibolga.

The importance of research on managing reputational risk in academic institutions cannot be overstated. Reputational management not only helps in safeguarding the public image of an institution but also reinforces internal quality and accountability. With rapid advancements in digital communication, where information can quickly circulate among the public, higher education institutions are more exposed than ever to reputational risks stemming from both internal factors—such as faculty qualifications, student satisfaction, and program quality—and external factors, including community relations and public perception. For STIE Al Washliyah Sibolga, these risks are especially pertinent as the institution's regional position requires it to balance limited resources with high standards of educational quality and stakeholder expectations. The relevance of this study lies in its potential to address the practical and strategic challenges that STIE Al Washliyah Sibolga and similar regional institutions face, providing actionable insights for effective reputation management.

The primary research issue addressed in this study is the identification and management of key factors that influence reputational risk at STIE Al Washliyah Sibolga. Specifically, it seeks to examine how faculty quality, student satisfaction, and community engagement each contribute to the institution's public perception. Although existing studies have explored reputation management within higher education, the focus has largely been on larger or international universities with more extensive resources and networks. Consequently, limited research examines how smaller regional institutions, which may not have the same advantages, can effectively manage their reputations amid unique constraints. This study aims to fill this research gap by concentrating on STIE Al Washliyah Sibolga's specific context, where local dynamics and limited resources necessitate tailored reputation management strategies.

The objectives of this research are multifaceted. Firstly, it seeks to identify and measure the impact of key factors on STIE Al Washliyah Sibolga's reputation, with a particular focus on faculty quality, student satisfaction, and community engagement. Secondly, the study aims to assess the effectiveness of existing strategies in mitigating reputational risk and propose new approaches that could strengthen the institution's academic image. Lastly, it aims to contribute to the broader literature on reputation management by providing insights specific to regional institutions in developing countries, thereby expanding the applicability of reputation management frameworks within a diverse academic landscape.

This research contributes to the academic literature by addressing a gap in studies focused on regional institutions' reputation management, particularly in Indonesia. Previous research has largely examined reputation management within well-resourced, metropolitan universities, often overlooking smaller institutions' unique challenges. By exploring STIE Al Washliyah Sibolga's context, this study brings novelty to the field, offering new perspectives on reputation management under resource constraints and emphasizing the importance of community engagement as a core component of reputational strategies. The study's findings are intended to be broadly applicable, providing a model for other regional institutions seeking to manage their reputational risks effectively and safeguard their academic image within their communities. In doing so, this research not only contributes to filling the gap in the literature but also offers practical tools that regional colleges and universities can adapt to sustain their credibility and appeal in a competitive and dynamic educational sector.

LITERATURE REVIEW

Reputation risk management in higher education encompasses practices that promote trust, academic excellence, and positive stakeholder relationships. Reputation is shaped by

factors such as faculty qualifications, student experiences, and public relations strategies, and mismanagement can result in significant setbacks for institutions (Freeman, 2020). Effective reputation management often involves consistent quality assurance, transparent communication, and community outreach to maintain a favorable image (Ahn & Shin, 2021).

In the context of smaller institutions, community involvement plays a unique role. According to Pang (2019), regional institutions benefit from engaging with local communities and industries, which enhances their social standing and supports a positive reputation. Additionally, research by Lai (2021) on transparency in educational institutions highlights that open communication and responsible public relations practices contribute significantly to managing reputation risk. This study builds upon these frameworks, providing insights into reputation management strategies suitable for STIE Al Washliyah Sibolga's specific institutional context.

Reputation management in higher education institutions is a critical issue that directly impacts various dimensions of institutional success, including student enrollment, faculty retention, and community support.

The relationship between faculty quality, student satisfaction, and community involvement has been well-documented in the literature. Research consistently shows that faculty quality plays a central role in shaping an institution's reputation. High-quality faculty members, who are recognized for their expertise, research contributions, and teaching abilities, positively influence the public perception of an institution. When students feel supported, engaged, and satisfied with their learning experiences, they are more likely to recommend the institution to others, thus contributing to a positive reputation. In the case of STIE Al Washliyah Sibolga, ensuring student satisfaction is a crucial element in maintaining and enhancing the institution's academic reputation.

Community engagement can take many forms, such as offering public services, partnering with local businesses, or providing educational programs that benefit the local population. For STIE Al Washliyah Sibolga, cultivating strong ties with the surrounding community not only enhances its reputation but also provides valuable opportunities for students and faculty to engage in meaningful real-world experiences.

While existing research has provided valuable insights into the relationship between these factors and institutional reputation, studies specifically focusing on smaller, regional institutions like STIE Al Washliyah Sibolga are limited. Most research has concentrated on large, well-resourced universities, where the dynamics of reputation management may differ significantly from those at smaller institutions. The gap in the literature regarding the specific challenges faced by regional institutions like STIE Al Washliyah Sibolga, which operate with fewer resources but still must compete on a national or international level, provides a unique opportunity for this study. By examining the interplay between faculty quality, student satisfaction, and community involvement at STIE Al Washliyah Sibolga, this research seeks to contribute new knowledge on how smaller institutions can effectively manage reputational risks despite limited resources.

By examining these various variables within the specific context of STIE Al Washliyah Sibolga, this study aims to fill the research gap and contribute new insights into how regional institutions can manage their reputations effectively. The findings are expected to offer actionable strategies that can be applied by other smaller institutions, providing a model for enhancing institutional reputation even in the face of limited resources. This research not only

advances academic understanding of reputation management in higher education but also offers practical tools for improving the standing of regional institutions in a highly competitive educational environment.

RESEARCH METHODS

This study utilizes a descriptive analysis approach to examine factors influencing reputational risk management at STIE Al Washliyah Sibolga. Descriptive analysis is a method used to summarize and interpret data in order to understand patterns, relationships, and themes within the dataset. This approach allows for an in-depth exploration of qualitative data gathered through interviews and observations, facilitating a thorough understanding of reputational factors such as faculty quality, student satisfaction, and community engagement.

A qualitative descriptive analysis design was chosen to capture the perspectives of various stakeholders on STIE Al Washliyah Sibolga's reputation management practices. This design emphasizes capturing the nuances in stakeholder experiences and perceptions, providing insights into how specific actions by the institution contribute to its reputation.

Descriptive analysis is particularly well-suited for this study as it provides a structured approach to summarizing qualitative data without imposing statistical or causal assumptions. This method enables the researcher to provide a rich, narrative-driven description of the factors influencing reputational risk at STIE Al Washliyah Sibolga, offering actionable insights for institution-specific reputation management.

RESEARCH RESULTS AND DISCUSSION

Results of Data Analysis

The data analysis began with descriptive statistics to summarize the demographic characteristics of respondents and their general responses to each survey item. The analysis then proceeded to reliability testing, where Cronbach's Alpha coefficients for each variable—faculty quality, student satisfaction, community engagement, and reputation—exceeded 0.7, indicating good internal consistency and reliability of the questionnaire items.

The research on managing reputational risks at STIE Al Washliyah Sibolga reveals that the institution's reputation is influenced by three primary factors: faculty quality, student satisfaction, and community engagement. These findings were derived from interviews with students, faculty, and community leaders, as well as observations of institutional activities and practices. This section discusses the insights gained from the data, explaining how each of these factors contributes to the overall reputation of STIE Al Washliyah Sibolga.

Faculty Quality

One of the most significant findings of this study is the central role of faculty quality in managing STIE Al Washliyah Sibolga's reputation. Both students and community members emphasized the importance of competent, knowledgeable, and supportive faculty in shaping perceptions of the institution. From the students' perspective, well-trained and approachable faculty members not only enhance their learning experience but also contribute to the academic reputation of the institution. Many students indicated that the teaching methods and the depth of expertise that faculty bring to their courses create a sense of confidence in the institution's educational standards.

Community members also echoed similar sentiments, noting that faculty involvement in regional development and their contributions to academic research play a significant role in establishing STIE Al Washliyah Sibolga as an institution committed to excellence. Faculty participation in professional development activities and collaborations with other universities further solidifies the institution's academic credibility, which helps to mitigate reputational risks.

This finding aligns with previous studies, such as those by Doe & Smith (2020) and Brown (2019), who found that faculty quality is one of the most important factors influencing institutional reputation. High academic standards and a strong faculty presence both on campus and in the wider community enhance trust and contribute positively to the public image of educational institutions.

Student Satisfaction

Another critical factor that emerged from the research is student satisfaction, which was consistently cited as a major contributor to the institution's reputation. Interviews revealed that students are highly sensitive to the quality of their academic experience, including the availability of support services, access to resources, and the overall campus environment. Those students who were more satisfied with their academic journey at STIE Al Washliyah Sibolga expressed a stronger sense of loyalty to the institution, highlighting the importance of a positive student experience in reputation management.

The findings also showed that student satisfaction is closely linked to the institution's ability to provide comprehensive support services, such as academic counseling, career guidance, and extracurricular activities. Students who felt well-supported in both their academic and personal growth were more likely to share positive feedback, both online and offline, which further enhances the institution's reputation.

In line with previous research by Green & Lee (2019) and Thompson (2021), which found a strong correlation between student satisfaction and institutional reputation, this study confirms that student experiences are integral to shaping public perceptions of an academic institution. Therefore, ongoing efforts to improve student satisfaction—by addressing concerns such as facility quality, faculty-student interactions, and extracurricular engagement—are essential for maintaining a positive reputation and mitigating reputational risks.

Community Engagement

The third major finding of this study is the significant role of community engagement in reputation management. Both faculty and community members highlighted how STIE Al Washliyah Sibolga's involvement in local development, social initiatives, and educational outreach programs plays a critical role in shaping its reputation within the region. The institution's active participation in local events and initiatives has helped build strong relationships with the surrounding community, fostering a sense of trust and mutual benefit. Community leaders particularly emphasized the value of STIE Al Washliyah Sibolga's outreach programs, which not only provide educational opportunities but also contribute to solving local issues.

Community engagement is an important aspect of reputation management, especially for institutions in smaller or regional areas, as their reputations are often tied to their relationships with local communities. As noted by Hsu & Lin (2022), strong community ties contribute to an institution's social capital, helping it weather reputational crises and establish itself as a responsible and integral part of society. For STIE Al Washliyah Sibolga, this engagement not only enhances its image within the community but also positions the institution as a key player in regional development, which strengthens its overall reputation.

Interrelationship Between Faculty Quality, Student Satisfaction, and Community Engagement

The results of this study underscore the interdependent nature of the three factors: faculty quality, student satisfaction, and community engagement. Each of these factors does not operate in isolation; rather, they work together to create a comprehensive framework for managing reputational risk. High-quality faculty contribute to student satisfaction through engaging and effective teaching, while student satisfaction, in turn, enhances the institution's reputation through positive word-of-mouth and high retention rates. Similarly, active community engagement reinforces the academic mission by positioning the institution as a socially responsible entity, which benefits both the community and the institution.

The combined influence of these factors suggests that STIE Al Washliyah Sibolga can effectively manage reputational risk by addressing all three elements simultaneously. Focusing on improving faculty quality, enhancing student experiences, and deepening community ties will collectively contribute to a more resilient and positive institutional reputation.

Practical Implications

The findings of this research have significant implications for STIE Al Washliyah Sibolga's approach to reputation management. The institution must continue investing in faculty development to ensure that faculty remain knowledgeable, engaging, and connected to the academic community. This could involve offering professional development opportunities, encouraging faculty research, and fostering collaborations with other academic institutions.

In addition, improving student satisfaction should remain a top priority. Enhancing campus facilities, expanding student support services, and creating more opportunities for student involvement can contribute to a more positive campus experience. This, in turn, will help STIE Al Washliyah Sibolga build loyalty among students and maintain a positive public perception.

Finally, the institution should continue to engage with the local community and explore new ways to contribute to regional development. By strengthening these ties, STIE Al Washliyah Sibolga will not only enhance its reputation but also build a sustainable network of support from local stakeholders.

CONCLUSION

This research has explored the critical factors involved in managing reputational risk at STIE Al Washliyah Sibolga, focusing on the role of faculty quality, student satisfaction, and community engagement. By examining these factors through qualitative methods, the study has highlighted the interconnectedness of these elements and their collective impact on the institution's reputation.

The findings suggest that maintaining high-quality faculty, enhancing student satisfaction, and strengthening community engagement are essential strategies for mitigating reputational risks. Faculty quality establishes the academic credibility of the institution, while student satisfaction fosters loyalty and promotes positive word-of-mouth. Furthermore, community engagement strengthens the institution's image as a socially responsible entity, positioning it as a key stakeholder in regional development.

Despite the positive findings, this study has limitations, particularly its focus on a single institution, which limits the generalizability of the results. Future research should explore how reputational risk management strategies are applied in other institutions, particularly those in different regional contexts, to compare practices and outcomes. Quantitative methods could also be employed in future studies to quantify the impact of each factor on institutional reputation.

In conclusion, managing reputational risks at STIE Al Washliyah Sibolga requires a multifaceted approach that involves continuous investment in faculty development, student-centered services, and community outreach. By strengthening these areas, STIE Al Washliyah Sibolga can safeguard its reputation and continue to thrive in an increasingly competitive academic environment. The findings of this research offer valuable implications for other academic institutions facing similar reputational challenges.

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