# THE ROLE OF SERVICE QUALITY AND INSTITUTIONAL IMAGE IN ESTABLISHING RELATIONAL COMMITMENT BETWEEN PRIVATE UNIVERSITIES AND THE STUDENT

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### **ABSTRACT**

For service organization, relational commitment and outcomes have been essential for long-term relational successful. This study is purposed to identify the impact of institutional image, service quality, students' trust on the students' relational commitment in private higher education institutions in Central Java, Indonesia.

To examine the relationship of trust on relational commitment, some relevant variables of service quality and institutional image were studied along with the central role of mediating variable of trust. By using a two-step approach, Structural Equation Modeling (SEM) was used to test the proposed model. The sample used in this study is 500 respondents. It was taken by applying proportional random sampling.

There are several findings from this study. There is a significant and positive influence between service quality and students' trust. There is a significant and positive influence between institutional image and students' trust. The result also shows that there is a significant and positive influence between service quality and students' relational commitment. There is a significant and positive influence between institutional image and students' relational commitment. Finally, there is also a significant and positive influence between students' trust towards students' relational commitment. In the last part, managerial implications were widely discussed.

**Keywords:** Institutional Image, Trust, Service Quality, Relational Commitment.

# INTRODUCTION

The highly competitive development of the competitive university business in Indonesia today demands that managers behave and act quickly if they want to survive. In competitive market conditions, the preference and loyalty of customers is the key to success. Having a loyal customer is a valuable asset because a customer is a major determinant of the sustainability of an educational institution or company. Therefore, customers need to be nurtured, cared for and served to be satisfied. Institutions organizers of higher education/company must provide what consumers and students want for a product or services to be accompanied by continuing services. Thus, all the resources and efforts of companies/institutions need to be deployed so that consumers achieve maximum satisfaction that will ultimately lead to consumer loyalty. One of the key companies to have loyal customers and survive in addition to providing satisfaction with the establishment of a good and sustainable relationship between producers and consumers (Gustafsson et al., 2005). Loyalty of customers is no longer solely due to value, whether derived from product quality, price or delivery, but leading to unique need, that is, the unique needs that

differ from one customer to another. The creation of customer loyalty will make the customer concerned to make repeat purchases, recommending, and increasing the proportion of expenditure. Companies must be able to transform their image from product driven company to customer driven company, characterized by all transaction activities not only oriented to product sales to customers only, but rather focus on how to provide value to the product that customers want to buy so that customers are satisfied and want to go back to buy the company's products/services.

Simonson (1993) states that efforts to meet the desires of customers and prospects are the key to success in winning the competition. This effort is done through an approach to consumers to be able to recognize exactly what they want and use that information as the basis for the development of its marketing strategy. The best action the higher education institution is to use customers, or in this specific case, students' feedback to control organizational change (Bergin, 1997; Ghofur and Susilo, 2015). For higher education institutions, effort to satisfy students not only considers short-term needs and wants, but also long-term needs and wants. For that, it is needed a way in terms of the series of activities offered can provide high value. If the value received higher, there will be a higher level of student trust on the college concerned. This trust in turn will increase the relational commitment between students as customers with higher education institutions. Commitment and trust are key because they encourage sources in at least three ways. First is to work to maintain relationships, and second, is to resist short-run alternatives of desired expectations for long-term benefits with exchange partners, while the last is to reflect potential views, high-risk actions cautiously because of the belief that their partners will not take chances (Chumpitaz & Paparoidamis, 2007).

In addition to the above-mentioned theoretical background, this study was also driven by the research gap. Some previous studies show that there are differences in the results of research on the influence of trust on relational commitment. Some researchers have found that trust has a positive and significant effect on relational commitment (Garbariono and Johnson, 1999; Morgan and Hunt, 1994; Crossby et al., 1990; Winarno, 2008; Sophiyanto, 2009). On the other hand, there is research showing that trust has no effect on relational commitment (Muslicha, 2009). Examining the service quality in private university is considered unique as shown by Suparjo (2017) that it is basically not originated in educational context, but in corporate one, thus professional competence and service innovation are required to increase the performance of higher education institutions. This study attempts to examine the factors affecting the relational commitment of private universities' students. This matter is considered very interesting for a higher education institution because with the existence of relational commitment means a continuous value relationship in the long term between higher education institutions and students (Pudjiarti, 2018). To examine this relationship, some relevant variables of service quality and institutional image were studied along with the central role of mediating variable of trust.

This paper is structured in several sections, with the first part being a preliminary emphasizing the importance of aspects of symbiotic and mutual relationships between students and private universities. The second section discusses the literature review, which describes the theoretical study of the variables to be studied in this study, followed by the theoretical framework between variables, and the proposed hypothesis. The third section discusses the research method, with the description of the sample used as the object to test the hypothesis. The findings section is described in the fourth section, followed by important analysis and discussion of key points of the findings and their theoretical implications. The final section is conclusions and managerial implications, which are expected to beneficial for stakeholders of private

universities in developing and improving relationships with students, by utilizing service quality and institutional image.

### LITERATURE REVIEW

### **Relational Commitment**

The existence of a paradigm shift from marketing that focuses on customer relationships, causing consumers to be considered partners and companies must create long-term commitment to build those relationships through the service and innovation (Zeithaml and Bitner, 2000). Morgan and Hunt (1994) stated that relationship commitment is the core of relationship marking. To create a relationship marking requires commitment and trust because without the commitment of all parties involved in the relationship, the relationship marketing will not work properly. Relational commitment is a variable that distinguishes transactional and relational exchanges (Cook and Emmerson, 1978). Transactional exchange is the exchange that occurs between the seller and buyer of commodities or performance that is only based on money and has a minimal personal relationship and does not anticipate the possibility to hold exchange in the future. While the relational exchanges are co-operative and mutually adjusted between the two parties as well as share the profits and plan to hold exchange in the future (Garbariono and Johnson, 1999).

Relational commitment can be interpreted as a promise to maintain a well-established relationship, because the relationship has important meaning (Morgan and Hunt, 1994). Relational commitment is shown as an interorganizational relationship and is the essence of relationship success in the long run and is either implicitly or explicitly an agreement of a function with its partner continuously (Dwyer et al., 1987). Moorman et al. (1992) suggests a relational commitment as a goal that aims at maintaining a relationship value. The concentration of relational commitment plays a central role in a model that introduces the exchange relation on service marketing. Meanwhile Gundlach et al. (1995), revealed that relational commitment is an attitude that is the intention to maintain long-term relationships. So relational commitment is the desire to engage in a long-term value of relationship.

# **Service Quality**

Service quality is one of the relational marketing dimensions that offer better service than competitors. Hence, the quality of good service will require funding, human resources and enormous effort to create a superior service. Service quality is more difficult to understand than the quality of goods, both of which have different performance. Quality of service is not formed through the production process in the factory as the quality of the goods. Most of the quality of services is difficult to measure, quantify, store and test. This is in the opinion of Parasuraman et al., (1994) that the quality of goods can be measured objectively with indicators such as durability and formability, while the quality of service is an abstract and elusive concept.

The level of service quality cannot be assessed only on the company's point of view but should be viewed from the viewpoint of the customer appraiser. Therefore, in formulating strategies and service programs, the company must be oriented to the interests of customers by considering the components of quality of service. Boonajsevee's (2005) research shows that service quality variables significantly influence customer satisfaction on Thai bank customers. Moreover, Boonajsevee (2005) recommend the concept of relationship quality as a strategy to be considered in achieving customer loyalty. The results of Pramelia's (2004) study show that

variables of service quality significantly influence customer loyalty. It means that if the company wants to increase customer loyalty, then it must improve the quality of service to customers.

# **Institutional Image**

Image as the perception of an organization is reflected in the associations that exist in consumer memory (Keller, 1987). The image is considered to have the ability to influence the customer's view of the goods and services offered (Zeithaml and Bitner, 1996). Accordingly, the image can have an influence on customer purchasing behavior, especially for service companies where when services are difficult to evaluate, institutional image is believed to be an important factor affecting service quality, customer evaluation of customer satisfaction perceived by the services provided. The image of the institution/company is defined as what consumers think about an institution/company. The image of the company is the whole mind that consumers have from the corporate environment. Institutional image is a collection of beliefs, ideas and impressions of an object from a person's point of view (Andreassen & Lindestad, 1998; Kotler, 2000).

The image of the company has an influence on the choice of customers over the company, i.e. that the company image is believed to influence the purchase decision, where a good image will stimulate purchases (Fornell et al., 1996). Accordingly, the image of the company is believed to affect the customer in making the decision to buy. In the context of the relationship between institutional image and relational commitment, it can be seen from Doney and Canon (1997) suggested that by building relatively more difficult and more time-consuming trust, it will make a significant contribution in buyer-seller relationships and will increase the loyalty that ultimately will increase commitment. In this context the institutional image becomes an issue of attitudes and beliefs in terms of awareness, customer satisfaction and consumer behavior. The institutional/company image is believed to have a major impact on sales, revenue and valuation.

Thus, building the good image of the institution/company is a must. According to Andreassen and Lindestad, (1998) the product image can be considered as a function of the accumulation of buyer or consumer evaluation of a product that can affect satisfaction and loyalty. Meanwhile, according to Assaerl (1992) consumers also organize a variety of information about a product and experience after using the product, will ultimately create a consumer opinion that leads to satisfaction or dissatisfaction.

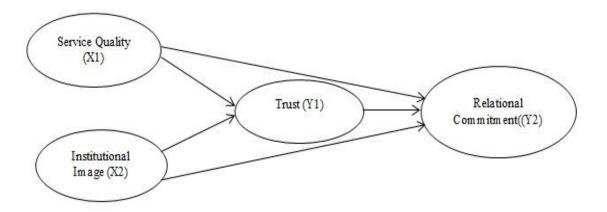
### **Customer Trust**

Moorman et al. (1993) argue that trust is a desire to rely on a trusted exchange partner. Trust is assumed as a trust to a particular person or party. It is further disclosed that the relationship between two exchange parties, such as users of research information with researchers, the quality of interaction with researchers, involvement in the research process and commitment are the variables closely related to the behavior of users of market research information. Morgan and Hunt's research (1994) reveals that the interconnected behavior that occurs between the company and its partners is largely determined by trust and commitment, so it can be expected that trust will have a long-term relationship for customers who have a high relationship orientation toward the organization. Relationships are characterized by high-value trust so that the group is committed to the relationship.

Garbariono and Johnson (1999) found that regular customers, trust and commitment were the main intermediaries in influencing behavioral intentions compared to overall satisfaction. Parasuraman et al. (1991) found that customer relationships with companies require trust. According to Crosby et al. (1990) trust is the belief that service providers can use it as a tool to forge long-term relationships with buyers to be served. Thus, it can be concluded that the belief of a willingness or belief in the exchange partners to run long-term relationship to produce a positive performance. Trust is important in relational context where individuals look for predictable and obligatory behaviors of their relationship partners, so there is a relatively high level of certainty associated with the outcomes in the future.

Timely communication helps develop trust by helping to restore disputes and align perceptions and expectations (Moorman et al., 1993). The ability to communicate effectively is an instrument to generate customer trust. Effective communication will help customers to increase their knowledge and understanding of the importance of creating trust in service providers, because frequent and high quality of communications will result in greater trust (Morgan and Hunt, 1994). Lane and Bachmann (1998) explains that trust is the foundation of business, and a business transaction between two or more parties will occur if each party trusts each other. This trust cannot simply be recognized by other parties or business partners, but also must be built from the beginning and can be proven. If the activities undertaken by one party leads to a positive outcome for the other, then trust will grow in the relationship. Parasuraman et al. (1994) found that customer relationships with companies require trust. Trust is a process of interorganizational learning and adaptation that groups aim for strong continuity of relationship continuity (Granovetter, 1985, Hallen et al., 1991 in Geyskens et al., 1996).

### RESEARCH MODEL



# FIGURE 1 RESEARCH MODEL

### **HYPOTHESES**

Development of research hypothesis is as follows:

H1: Quality of service has a significant positive effect on trust. The better the quality of services provided by private universities, the higher the students' trust.

- H2: Institutional image has a significant positive effect on trust. Increasing the image of private higher educations will maintain student trust.
- H3: Quality of service has a significant positive effect on relational commitment. Increasing the quality of services provided by private universities will increase more relational commitment between the students and their universities.
- H4: Institutional image has a significant positive effect on relational commitment. Increasing the image of private universities will increase the relational commitment between students and their universities.
- H5: Trust has a significant positive effect on relational Commitment. The more students' trust in the institution, the higher the students' relational commitment to private universities.

### RESEARCH METHODS

# **Type of Research**

This type of research includes explanatory research, a study that highlights the relationship between research variables and tests the previously formulated hypothesis (Singarimbun, 2000).

# **Operational Definition**

The measurement of service quality variable was by using indicators, that are reliability of administrative services, responsiveness of communication and information services, guarantees of learning services, emphasis on library services, building physical facilities and parking. The measurement of institutional image variable was by using indicators like institutional reputation, institutional management competence, institution/firm value, problem solving, service to user as partner. The measurement of trust variable was by using indicators of student expectations, student consistency, student integrity, student competence, student learning motivation. The variable of relational commitment was measured by using indicators of a high commitment to staying in touch with institutions, maintaining good relationships for an indefinite period of time, high loyalty to institutions, feeling of being tied to institutions, boasting institutions with others.

# Sampling

The number of samples in the study were 500 students from 10 private universities in Central Java, that are University of 17 Agustus 1945 Semarang, Sultan Agung University Semarang, Unika Soegijapranata Semarang, University of Muhammadiyah Surakarta, University Pancasakti Tegal, University Wijaya Kusuma Purwokerto, University Muhammadiyah Purworejo, University Slamet Riyadi Surakarta, University Muria Kudus, Universitas Pekalongan. Sampling technique in this research is purposive sampling. The study was conducted in July 2016-December 2016.

### RESULT

# **Data Conformity Assessment-Model**

Model testing is done by using Structural Equation Modelling (SEM) with two step approaches. In the two-step approach of SEM, the measurement model is first formulated and evaluated separately and then set in the second step when the structural model is estimated (Hair et al., 1998). Testing of the measurement model allows for a comprehensive estimate of the validity of the construct where the validity of the convergent can be estimated by determining whether the factor loading of each item on an underlying construct is significant at the level of significance established. The fit-model data assessment is based on many indices, selected from:

- a. γ2 Chi Square statistic.
- b. CMIN/DF (Normed Chi-Square).
- c. GFI (Goodness of Fit Index).
- d. AGFI-Adjusted.
- e. TLI (Tucker-Lewis Index).
- f. CFI (Comparative Fit Index).
- g. RMR (The Root Mean Square Residual).
- h. RMSEA (The Root Mean Square of Approximation).

The results of the fit-fit model data are presented in Table 1.

Tabel 1 INDEX OF FEASIBILITY TESTING OF STRUCTURAL EQUATION MODELLING						
No.	Goodness of Fit Index	Cut of Value	Result	<b>Evaluation Model</b>		
1	$\chi^2$ - Chi-Square	<109.77	89.98	Good		
2	Significance Probability	>0.05	0.067	Good		
3	CMIN/DF	<2.00	1.912	Good		
4	GFI	>0.90	0.908	Good		
5	AGFI	>0.90	0.951	Good		
6	TLI	>0.95	0.973	Good		
7	CFI	>0.95	0.982	Good		
8	RMSEA	< 0.08	0.067	Good		

# Validity and Reliability Testing

Validity testing on this research is conducted by using factor analysis technique. The assumption underlying is the factor analysis used on the matrix should have sufficient correlation. A valid indicator must have a loading factor value>0.40. It can be seen, based on the validity testing result that in the test of factor analysis yield factor value loading, each indicator on each construct has value greater than 0.40, so it can be declared that all indicators of question are valid. Moreover, reliability testing is done to analyze whether the measuring instrument used

can give relatively the same results when re-measured on the same subject. The reliability test in SEM is obtained through the formula (Ferdinand, 2006):

Construct Reliability=
$$(\sum std. \ loading)^2$$
  
 $(\sum std. \ Loading)^2 + \sum \varepsilon j$ 

Table 2 RELIABILITY TESTING						
Variable	Std. Loading	Std. Error	Reliability			
Trust	4.512	1.156	0.818			
Service Quality	5.134	0.498	0.896			
Institutional Image	5.876	1.184	0.902			
Relational Commitment	4.298	0.362	0.913			

Based on the results as shown in Table 2, it can be seen that all construct reliability values are greater than 0.7. This indicates that all research constructs are reliable. While Table 3 shows that the research constructs are valid.

# **Evaluation of Outliers**

Outliers are observations or data that have unique characteristics that look very much different from other observations and appear in the form of extreme values, both for a single variable or combination variables. The outliers were evaluated in two ways, namely the analysis of univariate outliers and the analysis of multivariate outliers (Hair et al., 1995). Evaluation of multivariate outliers is necessary because although the analyzed data show no outliers at the univariate level, but the observations can be outliers when combined. The Mahalonobis distance for each observation can be calculated and will show the distance of an observation of the average of all variables in a multidimensional space (Ferdinand, 2005). To calculate the distance Mahalanobis is based on Chi-Square value at degrees of freedom of 20 (variable indicator) at level p<0.001 that is 51.80 (based on Chi Square distribution table). So, the data that has a distance of Mahalanobis greater than 51.80 is multivariate outliers. Therefore, all cases that have a value of Mahalanobis distance greater than 51.80 from the model are considered to have multivariate outliers.

Table 3 CORRELATION COEFFICIENT USING SPEARMAN'S RHO						
	Trust	Service Quality	Institutional Image	<b>Relational Commitment</b>		
Trust	1.000	0.312	0.303	0.046		
		0.026	0.035	0.014		
Service Quality	0.312	1.000	0.008	0.216		
	0.026		0.048	0.042		
Institutional Image	0.303	0.008	1.000	0.339		
	0.035	0.048		0.034		
Relational Commitment	0.046	0.216	0.339	1.000		
	0.014	0.042	0.034			
N	500	500	500	500		

# **Hypothesis Testing**

The hypothesis testing representing the direct influence of a construct on another construct is tested by examining whether the path regression (significant regression weights estimate) is significant at a certain level of significance. Each hypothesis is tested by comparing the critical ratio (CR) value and the t-table value in a given degree of freedom (df). If the value of CR is greater than the value of t-table at a certain df, then the relationship of the tested variable can be expressed significantly at a certain probability level. It can also be seen from the probability level if p<0.05, the hypothesis is accepted, and if p>0.05, the hypothesis is rejected. From the result of calculation of Structural Equation Modeling, the model in this research can be accepted. The measurement results have met the goodness-of-fit criteria. Furthermore, based on this fit model it is tested on five hypotheses proposed in this study which results calculations are presented in Table 4.

Table 4 REGRESSION WEIGHT STANDARDIZED STRUCTURAL EQUATION MODEL							
HYPOTHESES	ESTIMATE	S.E	C.R	P			
Trust ← Service Quality	0.568	0.083	4.146	0.038			
Trust ← Institutional Image	0.6015	0.134	5.274	***			
Commitment ← Service Quality	0.655	0.198	4.462	0.027			
Commitment ← Institutional Image	0.529	0.220	3.840	***			
Commitment ← Trust	0.468	0.253	3.971	0.019			

Hypothesis 1 states that quality of service has a significant positive effect on trust. The testing shows the value of Critical Ratio (CR) of 4.146 higher than the t-table value of 3.00 with a probability level of 0.038<0.05 with estimate value ( $\beta$ ) of 0.568. Thus, first hypothesis stating that the quality service has a significant positive effect on trust is accepted. Furthermore, hypothesis 2 states that institutional image has a significant positive effect on trust. By looking at the value of Critical Ratio (CR) of 5.274, it is indicated that the value is above the value of t-table 3.00 and the probability value of 0.000<0.05 with the estimate value ( $\beta$ ) of 0.601. Thus, hypothesis 2 which states that the image of the institution has a significant positive effect on student trust is accepted.

Moreover, hypothesis 3 stating that service quality has a positive significant effect on relational commitment is accepted, indicated by looking at the value of Critical Ratio (CR) of 4.462 or above t-table value of 3.00 and probability value equal to 0.027 < 0.05 with  $\beta$  of 0.655. Hypothesis 4 stating that institutional image has a significant positive effect on relational commitment is accepted. Based on the calculation in Table 3 it can be seen that the value of Critical Ratio (CR) of 3.840 indicating that the value is higher than the value of t-table 3.00 and the probability value is 0.00 < 0.05 with the  $\beta$  of 0.529. Thus, hypothesis four which states that institutional image has a significant positive effect on relational commitment is accepted. Finally, hypothesis five states that trust has a significant positive effect on relational commitment. Based on the calculation, it can be seen the value of Critical Ratio (CR) of 3.971 indicating that the value is higher than the value of t-table 3.00 and probability value of 0.019 < 0.05 with  $\beta$  of 0.468. Accordingly, hypothesis five stating that mediting variable of trust has a significant positive effect on relational commitment is accepted.

### DISCUSSION

The results of this study support the opinion of Moorman et al. (1993) demonstrating that service quality is essential to correct perceptions and develop trust. Furthermore, good communication services help clients to appreciate the latest market developments and help solve problems and misconceptions. By contacting clients regularly, answering their questions and giving them regularly their investment developments will help develop trust in a relationship. The results also show that any form of activity or other means that shows the good image of private higher education according to the students' view will establish a good interaction between the higher education institutions and the students. The existence of high interaction frequency between students and institutions of higher education is more likely able to foster student trust in private universities, especially in Central Java. The results are in accordance with the results of research from Morgan and Hunt (1994), Hakim (2017) which suggest that the perception of the company's good name in the past will often result in greater trust. High quality in this regard is intended as relevant, timely and reliable. The results of this study also support research Chen et al. (2016) which shows that the frequency of customer interaction with the company will affect consumer trust in a relationship. As a managerial implication, to gain the trust that is one component of relationship marketing (reliability, responsiveness, assurance, empathy, tangible), private higher education, especially through relationship officer and frontliner should conduct a variety of efforts that led to improved reputation of institutions such as quality and communication frequency that are both decisive and convincing factors in a relationship in achieving common goals (Setyowati et al., 2017). In addition to increasing the trust of the students towards private universities, it is necessary to make various efforts which in turn improve the good reputation of these higher education institutions such as research activities and community service that shows institutional reputation, increased training to improve the competence of institutional managers, improving the quality of graduate output that shows the value of the institution, the improvement of human resources that solve the problem of students, good relationship with the service user institution as the partner of private higher education.

This means that the quality of good services to students can foster a sense of selfsatisfaction in students, then the students are committed to continue to establish relationships with Private Higher Education institutions in Central Java. The results of this study in accordance with research Mittal and Lassar (1996), Mittal et al. (1998) which states the two groups of service quality that is technical quality and functional quality has different characteristics. In companies with low interpersonal relations (low contact), technical quality has a significant influence on relational commitment, while in companies with high interpersonal relations (high contact), the functional quality has a more significant influence on relational commitment (Budiharseno, 2017; Nugroho et al., 2017). Furthermore, the good image of institution according to students' assessment is more likely able to foster a sense of selfsatisfaction of students, then the students are committed to continue to establish relationships with their institutions. The results of this study are in accordance with the opinion of Coulter & Coulter (2002), and Wahyuni and Ginting (2017) stating that intensive, interpersonal and longterm customer relationships require professional attention and communication among individuals within the organization that are featured in advertising, direct marketing and public relations, which in turn will enhance the company's reputation from the consumer's point of view. Furthermore, it is argued that the high frequency of relationship between the company and its customers will succeed in creating a relational commitment. Thus, it is necessary to have a high institutional image according to the students' view.

The trust of students of private universities is also more likely able to foster a relational commitment with their institutions. The results of this study indicate that students have a sense of trust on private universities, and trust is utilized by these higher education institutions to establish good relationships with students. The relationship built on student trust in this institution is one of the most fundamental steps in shaping a long-term relationship. The results of this study are consistent with the study of Crosby et al. (1990) who express trust can be used by service providers as a tool to forge long-term relationships with buyers to be served. Furthermore, it is stated that trust is a willingness or belief in exchange partners to establish a long-term relationship to produce a positive performance. The study also supports the opinions of Morgan and Hunt (1994) suggesting that trust exists when a group believes in the trustworthiness and integrity of partners. Trust is an expectation held by an individual that one's speech is reliable and a trustworthy group needs to have high integrity and be trustworthy. As a managerial implication, trust determines the continuity of the relationship. Therefore, trust as one of the predictors of customer loyalty can be enhanced through efforts that can help the realization of wishes/expectations of students, provide learning and activities that in turn can improve student consistency, student integrity, student competence, and encourage to improve motivation to learn college student.

# **CONCLUSION**

The result of the hypothesis test shows that the five proposed hypotheses can be accepted. First, quality of service has a significant positive effect on trust, and Institutional image has a significant positive effect on trust. Second, quality of service has a significant positive effect on

relational commitment, and institutional image has a significant positive effect on relational commitment. Third, the mediating role of trust has a significant positive effect on relational commitment.

# MANAGERIAL IMPLICATIONS

Some managerial implications are needed to propose. The results of this study indicate that service quality is instrumental in shaping relational commitment, while relational commitment is the dominant variable in building customer loyalty. Thus, it can be stated that the effort to maintain the customers or in this specific case, students of the private universities in Central Java can realized by paying attention to the quality of service and relational commitment of the students. Good service quality can be created with improvements of reliability of administrative services, responsiveness of communication and information services, guarantees of learning services, emphasis on library services, physical facilities of buildings and parking and other facilities and infrastructures such as campus entrance, cleanliness to make students more comfortable in campus environment. The involvement of all parties from the educational staff and lecturers will display the excellent service quality so there will be a strong relational commitment between students with the institution. Therefore, it is necessary to evaluate how strong the relational commitment of the students successfully managed by the higher education institution. The evaluation is conducted regularly so that the institution can always recognize the needs of students and respond quickly. Student relational commitment can also be improved by putting good relationships between institutions and students. Successful activities programs implemented by the institution inherent in the students will be able to become a important element in fostering institutional relationships with students in the long term. Moreover, in order

to increase the relational commitment of students with their education institutions, there is a need for various activities in the institutions which in turn brings the good name of the institution viewed from the perception of students and society in general. Efforts to improve the activities are expected to bring the good image of the institution and required the active involvement of all stakeholders and the high support of the institutional management.

Some suggestions for future research as a follow-up to these findings are likely to be elaborated. Future research is expected to examine in depth about other factors as antecedent trusts in addition to service quality and institutional image, which are still in the corridor of higher education, and are considered able to strengthen relationships between students and private universities. In addition, future research is expected to test the variables in this study in other scopes in education, such as testing in public higher education, which is considered to have a low degree of entrepreneurial flexibility compared to private ones. In addition, future research is expected to research within a wider range, and to involve more institutions to gain higher generalizability.

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