

## Implementation of Schwartz's value theory: Transforming personal value into competitive advantage (Empirical study at café 27 Coffee & friends, Cirebon, West Java, Indonesia)

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### ABSTRACT

Efforts to explore and achieve competitive advantage through personal superior value owned and developed into the superior value of the organization is an effective business strategy, efficient, not easily imitated, and long-term. This study aims to examine the implementation of Schwartz's theory (Schwartz Value Theory) in building competitive advantage through personal value (case study at café 27 café & friends, Cirebon, West Java). This research uses qualitative methods, such as observations and interviews, and purposive techniques to determine informants. The results of these researchers verified that in building a competitive advantage there is a role of personal value so that service innovation, product and customer service, and the atmosphere of friendship become the value formed in café shop 27 Coffee & friends.

**Keywords:** Schwartz's value theory, personal value, competitive advantage

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### INTRODUCTION

The coffee shop business competition is experiencing a very tough situation because the number of coffee shop business people is increasing sharply while existing coffee lovers are always looking for the best and latest in innovation in both products and services. The GAP that occurs today requires optimization of all resources in winning the competition. Caffè Shop 27 Coffee and Friends is one of the coffee shops in Cirebon, West Java, Indonesia, which seeks to survive in advancing and developing its business. Through the vision and mission of the business where the Value café must be raised to be a value that distinguishes it from other café shop. Friendship is a value that is socialized so that the atmosphere of working relationships between owners and employees, employees and consumers, and consumers and owners must be a close relationship, harmony, and collaboration to form comfort for consumers and job satisfaction for employees because they can make innovations for customer satisfaction in a positive and superior value. This is a business strategy that is not easily replicated and is long-term. Baumann ..at all (2017) suggests the difference between competition and competitiveness. Competition focuses more on the conditions that occur in the market situation, while competitiveness emphasizes more on the organization's ability to create a competitive advantage.(C. Baumann, S. Hoadley, H. Hamin, 2017) ; (Krksova et al., 2024)

Competitive advantage through the personal value of superior human resources is the ability of management and employees to make breakthroughs in service and bring in consumers through friendship, creating a comfortable café atmosphere for discussion, work, group study, or small meetings in a pleasant café atmosphere tailored to the needs of visitors. Value awareness that owners and employees are teamwork that always makes the necessary innovations for the convenience of customers in getting good service and products they like and are values that must guide HR in this café.

Previous studies, namely Moideenkutty, et al (2011); Razouk (2011); Barney (1991) have confirmed the positive correlation between personal value through HR management and the acquisition of competitive advantage.(Moideenkutty, U., Al-Lamki, A., & Murthy, Y. S. R. (2011). *HRM Practices and Organizational Performance in Oman. Personnel Review*, 2011);(Ait Razouk, 2011);(Ait Razouk, 2011);(Burney J., 1991). Wang (2015) suggests that competitive advantage is generated through company resources, one of which is human resources that have superior value. (Wang, 2015)

This research was conducted to examine the implementation of Schwartz's value theory (SVT) in generating a competitive advantage process in the coffee shop business at Caffee Shop 27, Coffee & friends, Cirebon - West Java, Indonesia.

### **Competitive Advantage**

Competitive advantage is the advantage of an organization that can produce advantages that are accepted and liked by customers either regarding product excellence or service excellence. The resulting product or service has a certain attraction that is of interest to its customers compared to the attractiveness produced by competitors, this is obtained from exploring the advantages of various resources owned that can be utilized effectively in attracting customers and efficiently from the cost. (Andarwati, 2023) ;(Haji, S., Arifin, R., & ABS, 2017);(Wijayanti & Hanandia, 2022)In business competition, being a superior and healthy competitor will take a role in determining the success of the company. (Ataei et al., 2024)

Studies have shown a direct correlation between knowledge management and corporate success, including increased levels of innovation, productivity, and profitability.(Alrubaiee, H.M. Alzubi, R.E. Hanandeh, 2015) .In Management Science that is done efficiently will be able to do a good identification, acquisition, and socialization of new knowledge to be able to achieve excellence in competition and survive as a market leader (H.C. Chaudhary, 2005)

Resource-Based View (RBV) theory of competitive advantage can be done through technological innovation in a comprehensive framework. According to RBV theory, the competitive advantage of business organizations comes from an interesting combination of resources and skills of high-value personnel, difficult to imitate, and difficult to find a replacement.(Nyuga & Tanova, 2024); (E. Baia, J.J. Ferreira, 2020).

In the theory described by Wang (2015), in the environment of business organizations, HR that has been upgraded and has superior value is a driver of competitive advantage.(Wang, 2015) According to this theory, although valuable organizational capabilities can generate competitive advantage for the company, maintaining its competitive advantage can only be achieved with the capabilities of the person with sufficient value, which can prevent competitors from matching it.(Mappigau, 2012)(Eldor, 2020). Business competitive advantage is one of the main goals for every company. In a dynamic economic context, it is important for companies to be competitive to ensure their survival. Organizations that have these characteristics are able to take advantage of more opportunities for expansion, conquer new markets, and attract new customers(Almanza et al., 2024). Several factors are considered influential in the process of building competitive advantage: Personal knowledge management (personal value knowledge) has a positive and significant influence on value creation and sustainable competitive advantage. (Wardhani et al., 2022)

### **Personal Value**

The definition of personal values according to Schwartz is the core beliefs of individuals and the value principles that are believed and guided by an individual in making decisions to perform a behavior and decision making of that individual (Heredia-carroza & Chavarría-ortiz, 2024);(Claessens et al., 2023);(Isnaeni & Rahayu, 2023)

Personal values have broad and desirable goals that play a role in encouraging a person to take certain actions.(Schwartz, 1992). They influence a person's perceptions, cognitions, and behaviors over time and across situations, and in turn, reflect the perceived importance of values in an individual's priorities.(Sagiv, L., & Schwartz, 2022) According to Rohan (2000) The priorities that individuals make usually influence attitudes and give direction to behavior with little or no awareness. (Rohan, 2000)

Schwartz Value Theory (SVT) is a value theory developed by Shalom H. Schwartz in 1992. Schwartz's main theoretical framework talks about basic human values that have been widely used. To understand how values provide guidance in decision-making and encourage appropriate behavior (Schwartz, 1992, 2006, 2010, 2012);(Heredia-carroza & Chavarría-ortiz, 2024). Schwartz categorizes values into four broad dimensions of Self-Improvement, Openness to Change, Self-Transcendence, and Conservation, each based on ten underlying motivations. The dimensions that influence individual decisions are self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism. (Heredia-carroza & Chavarría-ortiz, 2024); (Konsky & Blue, 2000).

There are some other opinions that personal values are at the broadest level of cognitive belief systems that guide individual behavior from within, while motives operate at a more specific level. (Rokeach, 1973);(Vinson, D. E., Scott, J. E., & Lamont, 1977). Values being identified as internal guides of behavior,

simply operate differently: values are abstract, stable, and can be applied to multiple domains, whereas motives are specific, transient, and apply to a single domain.(Claessens et al., 2023)

The Upper Echelon Theory states that decisions made by a company are influenced by its top management and that this influence is shaped by their background, personal values, and preferences. The various psychological characteristics of a CEO, such as narcissism and hubris, and their political ideology. (Chin et al., 2013; Di Giuli and Kostovetsky, 2014), and their abilities (Lee et al, 2019) affect company performance. (Khanh et al., 2024) It is important to update the character of entrepreneurs in this era of disruption (Kasali, 2017) because it will have a major impact on business success.(Chandrarin & Manan, 2017)

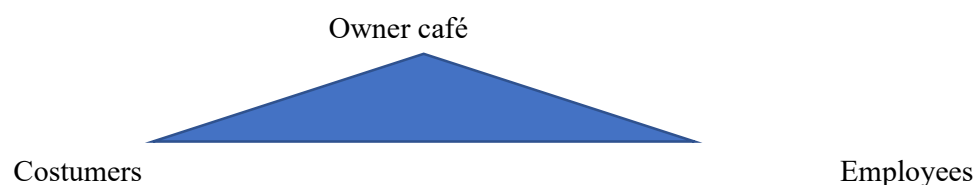
The results of the personal value self-direction dimension show a positive influence on entrepreneurial intention with a significant number and classified as high.(Utama & Mulyadi, 2021)Business actors in the era of volatility, uncertainty, complexity, and ambiguity (VUCA) must learn to improve their business performance supported by personal characteristics such as locus of control and motivation to support the formation of new mindsets and action patterns that are in line with the increasingly high demands of the business world (Chandrarin and Manan, 2017).

## METHODS

The use of qualitative methods in this research was carried out by researchers to find out the implementation of Schwartz's Value Theory in Caffe Shope 27 Caffe and Friends as a step in building a competitive advantage through the value possessed by the personnel involved in this business. The purposive technique was used by researchers to determine whether informants were effective and efficient. Researchers determine it to represent the informant profile needed for research purposes. Data sources were obtained from in-depth interviews, observations, and observational data conducted by researchers as well as other data sources to complement this research. In-depth interviews are a way of collecting data or information by meeting face-to-face with informants, to obtain a complete picture of the topic under study. In qualitative research, in-depth interviews are the main tool combined with observations so that they can assist research in analyzing the results obtained in the study.(Bungin, 2010)

To test the validity of the researcher check the data through triangulation techniques. This technique is used by researchers by using various data sources so that the research results obtained between informants are then synchronized with one another. Triangulation is a technique based on a multiperspective phenomenological mindset. This technique is believed to be used in drawing valid conclusions that can be used from various points of view instead of using only one point of view. (Sutopo, 2006) ;(Creswell, 2012) ; (Soewardia & Anandaa, 2015)

For this research we use interview data with café shop owners, coffee shop employees, and coffee shop customers in completing the triangulation technique as we describe in the picture below.



**Figure 1: Triangulation Relationship in Validity Testing**

## RESULT AND DISCUSSION

In making or running a business run by caffè 27 caffe and friend prioritizes personal values such as honesty, employee involvement, and consumers in receiving input and products that are sold and a harmonious atmosphere in making satisfaction to customers. The owner of the coffee shop prioritizes customer satisfaction by innovating by recruiting employees from customers and customer communities so that the continuity of communication goes well. The atmosphere of the café is a gathering place and friendship occurs because the employees recruited are people among themselves. Employees from students who are still active, invite other students to have coffee and study together in the café with a comfortable atmosphere of learning and doing

assignments. while employees from one of the two-wheeled communities attract customers in the same community. The presence of wifi and payment with the latest technology can make it easier to do work, and activities, and payments, while the owner has certified expertise and experience in this business that can be transmitted to employees. In addition, there is also the involvement of part-time workers who are recruited from the neighborhood with customers. From the results of interviews with employees, they feel that they get important things in the knowledge gained from their work and are motivated to innovate in terms of making menus that customers like.

In terms of satisfaction questions to customers, about the available products that are always asked by employees whether they like the product ordered, less and more so that requests for input, they are very happy because they feel their satisfaction feels cared for and there is consumer involvement. A comfortable atmosphere as well as wifi, music, and a calm atmosphere with a variety of products at prices by generally others, making prices not a problem.

In terms of the social environment, café 27 follows the norms that exist in society so that there is compatibility with the local environment. These norms are developed into good relationships with the environment such as religious norms, culture, and other norms that apply in the environment, this can be done as a value that can be developed with, for example, sales programs for certain holidays related to social culture and other norms.

Events that are requested to be held at the request of customers are accommodated if it is by the working hours of the coffee shop 27, for example watching football together, watching other sports activities, or community events such as two-wheeled community events, there are birthdays or other activities as well as guidance for college assignments, office meetings and other activities related to making customer satisfaction get accommodation as needed. For all of that, the personal values instilled in this company produce the necessary innovations in personal employees and owners in fulfilling customer satisfaction. This has proven to build its competitive advantage.

From the results of these researchers, it is revealed that the competitive advantage that has been verified is that the relationship between customers and café employees can be closer and act as friends, café employees can make innovative products that customers like, and the convenience of customers in transactions using widely used technology, as well as the existence of wifi that supports as an added value that the café shop has successfully created.

However, café management is advised to continue to explore things that can increase sales and the number of customers so that the competitiveness of the café shop can be reached by more customers which contributes to increasing sales.

Researchers realize that there are still many shortcomings in this study, so researchers hope that more research can develop and enrich the literature in terms of research related to personal value in more complete business management.

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