THE ROLE OF SERVANT LEADERSHIP IN IMPROVING ENTREPRENEURIAL MINDSET, CLIMATE, KNOWLEDGE MANAGEMENT, ORGANIZATION DEVELOPMENT AND ITS IMPACT ON HIGHER EDUCATION PERFORMANCE

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Abstract: For higher education to continue in the education sector, they must perform better. The purpose of this study is to investigate the effects of organizational development, knowledge management, entrepreneurial atmosphere, servant leadership, and entrepreneurial mentality on performance in private higher education in the LLDikti III region. This study employs a quantitative approach, namely a survey method that gathers data through the use of a questionnaire. Lecturers from private universities in the LLDikti III region made up the study’s population. The sample in this study was 376 respondents. The analysis tool used is SmartPLS 3 with Structural Equation Modeling based on Partial Least Square. The results of this study state that higher education performance can be improved by having servant leadership, entrepreneurial climate, entrepreneurial mindset, and organization development. Private higher education needs to be more concerned to become entrepreneurial activities in their organization if they want to stay relevant in the industry.

Keywords: entrepreneurial mindset, entrepreneurial climate, higher education performance, servant leadership, organizational development


Kata kunci: pola pikir kewirausahaan, iklim kewirausahaan, kinerja perguruan tinggi swasta, kepemimpinan pelayan, pengembangan organisasi

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INTRODUCTION

During this period of rapid development, universities were required to improve the performance of human resources in various fields to support the creation of quality human resources (Firmansyah & Hersona, 2021). Through the implementation of the Tridharma of Higher Education, private higher education (PTS) must be able to play a role in producing quality human resources, scientific and technological innovation, and be able to play an active role as well as lecturers, then the chancellor or dean as higher education managers (Syamsia et al. 2022). The most specific difference in higher education in Indonesia lies in social responsibility, which refers to education and teaching, research and development, and community service, referred to as the Tri Dharma of Higher Education.

The foundation of organizational performance is the organization’s output, or its external manifestation, which may be evaluated in relation to the intended outcomes and goals. Three organizational areas are involved in organizational performance (Al Khajeh, 2019). In 2022, there will be a staggering number of private institutions in Indonesia, with PTA accounting for 27% of all universities, PTK for 4%, PTN for 3%, and PTS for 66% (PDDikti, 2022). The four primary concerns in higher education today are equity, welfare, quality, and access. Weak personnel, little incentives, few facilities, resources, and other issues all contribute to Indonesian education’s poor quality (Mahmud et al. 2022). In order to finance their research and development projects, administrators at private institutions must find alternative sources of funding (Ramaditya et al. 2022).

The organizational environment introduces this influence in the form of organizational culture and organizational climate, shared values, and basic assumptions of a group. It differs from the concept of organizational culture or, in other words, the formation of an entrepreneurial climate (Schneider et al. 2012). The pressure of structuring the entrepreneurial climate emphasizes the organization’s internal processes, namely the efforts made by educational institutions to strengthen their management systems (Aziz & Darmayanti, 2022). According to (McGrath et al. 2000), the ability to feel, act, and mobilize in uncertain conditions. Entrepreneurial climate has also been shown to significantly influence business performance (Bayarçelik et al. 2014; Ghosh & Bhownick, 2014; Lawal et al. 2018).

According to Liu and Li (2018), knowledge sharing can also be described as the exchange of concepts, knowledge, skills, and counsel among members of an organization in order to address issues, generate fresh concepts, or put policies or procedures into place. Low levels of participation in forums or seminars, a lack of initiative on the part of lecturers to share knowledge with other lecturers present, and low attendance at official meetings held at the Institute are all indicators of lecturers who disregard sharing of knowledge, especially with senior lecturers (Hermanto et al. 2022). Institutions realize their importance and usefulness in whole or significant part because of the lack of awareness and integration of knowledge management into their daily work (Espita et al. 2022).

The theory of competitive advantage known as the Resource Based View was employed in this work. It has been extensively utilized in the fields of manufacturing strategy, technology and digital transformation, and environmental sustainability (Weingarten et al. 2013; Elia et al. 2021; Tseng et al. 2021). Here, the terms “resources” and “two different forms of resources available to firms” are used interchangeably (Okorie et al. 2023). On the other hand, firms that are not set up to fully utilize their resources may be wasting competitive advantages (Pitu & Astawa, 2022). As opposed to this, a firm’s RBV’s company-specific focus, which is on company privileges, aims to build and sustain performance excellence once it is accomplished (Chatzoglou et al. 2018). This study closes the knowledge gap regarding how entrepreneurial mindset, climate, knowledge management, and organizational development affect performance in an organization. Therefore, servant leadership ought to be used to support all of that as well.

METHODS

The research strategy used in this research is a correlational approach involving a collection of data information to determine whether and to what extent there is a relationship between two or more quantitative variables (Santoso et al. 2021). The population in this study was 16,360 Lecturers at LLDikti University Region III Jakarta. The location only focuses on university in Jakarta Area. In collecting respondent data, the researcher implemented a questionnaire to collect the answers from the respondents between September and December 2022. Meanwhile, according
to Sugiono (2021), the Slovin formula is a formula for calculating the minimum number of samples if a population is known with an error rate of 5% so that the level of reasonableness will occur in sampling. Then, the technique used (Sekaran & Bougie, 2016) states that the stratified random sampling technique (proportional) is a sampling technique that requires starting stages. In this research, the questionnaire given to respondents was carried out using internet media in the form of Google Form.

The data analysis technique in this research uses Structural Equation Modeling (SEM) which is a multivariate analysis technique which is a combination of regression analysis which is determined in the analysis of other variables with factor analysis which is determined in the analysis between indicators. The reason for using the SEM analysis technique is because this analysis technique can find out what relationships will occur between other variables. Based on Figure 1. This study was develop the conceptual framework based on the literature, the hypothesis that can be developed is as follows:

H1: Servant Leadership is positively related to the Entrepreneurial Mindset
H2: Servant Leadership is positively related to the Entrepreneurial Climate
H3: Servant Leadership is positively related to Knowledge Management
H4: Servant Leadership is positively related to Organizational Development
H5: Entrepreneurial Mindset is positively related to the Entrepreneurial Climate

H6: Entrepreneurial Climate is positively related to Knowledge Management
H7: Knowledge Management is positively related to organizational development
H8: Servant Leadership is positively related to Higher Education Performance
H9: Entrepreneurial Mindset is positively related to Higher Education Performance
H10: Entrepreneurial Climate is positively related to Higher Education Performance
H11: Knowledge Management is positively related to Higher Education Performance
H12: Organizational development is positively related to higher education performance

Based on Table 1. The distribution of University in Jakarta and surrounding area was grouped based on the accreditation. Most of the universities were in the accreditation Very Good or B. and the rest in accreditation Excellent or A and Fine or C. The University in accreditation Very good such as Prasetya Mulya University, Pertamina University, Sampoerna University, Bunda Mulya University and many more. The University in accreditation Excellent were group in university such as Bina Nusantara University, Tarumanegara University, Gunadarma University, Pancasila University and many more. The questionnaire used Likert scale measurements. The measured variables are translated into several indicators, and each indicator has sub-indicators in Table 2.

Figure 1. Research framework
Inner Models

With a value of 0.649, the most significant path coefficient value is found in the maximum influence of Servant Leadership (X1) on Entrepreneurial Mindset (X2), according to the inner model scheme in Table 3. Entrepreneurial climate (0.240) and servant leadership (0.267) have an impact on the performance of private higher education. While knowledge management can have an impact on organization development (0.669), according to Table 4. In this study, the Coefficient Determination Test (R-Square) is used to quantify the degree to which one variable is influenced by another. According to Chin (2010), an influence can be classified as good if it results in an R-square value of 0.67 or higher, moderate if it results in an R-square value between 0.33 and 0.67, and weak if it results in an R-square value between 0.19 and 0.33.
Hypothesis Test

The hypothesis in Table 5 was tested, and the results showed that H1, H2, H3, H4, H5, H6, H7, H8, H9, and H10 were accepted and H11 and H12 were rejected. Colleges must cultivate a leadership mindset that acknowledges novelty and its associated risks. Servant Leaders see their critical role as assisting staff members in their exploration and development, offering them accurate and compassionate support throughout this process (Cable, 2018). In this situation, stakeholders (the leadership of an organization) can study these topics and use that knowledge to make wise decisions regarding changes to HR management. This will allow tertiary institutions to remain competitive while establishing a strong mentality as the cornerstone of their operations (Sakarina et al. 2022).

Table 3. Path Coefficient

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant Leadership → Entrepreneurial Mindset</td>
<td>0.649</td>
</tr>
<tr>
<td>Servant Leadership → Entrepreneurial Climate</td>
<td>0.441</td>
</tr>
<tr>
<td>Servant Leadership → Knowledge Management</td>
<td>0.290</td>
</tr>
<tr>
<td>Servant Leadership → Organizational Development</td>
<td>0.167</td>
</tr>
<tr>
<td>Entrepreneurial Mindset → Entrepreneurial Climate</td>
<td>0.371</td>
</tr>
<tr>
<td>Entrepreneurial Climate → Knowledge Management</td>
<td>0.469</td>
</tr>
<tr>
<td>Knowledge Management → Organizational Development</td>
<td>0.669</td>
</tr>
<tr>
<td>Servant Leadership → Higher Education Performance</td>
<td>0.267</td>
</tr>
<tr>
<td>Entrepreneurial Mindset → Higher Education Performance</td>
<td>0.151</td>
</tr>
<tr>
<td>Employee Climate → Higher Education Performance</td>
<td>0.240</td>
</tr>
<tr>
<td>Knowledge Management → Higher Education Performance</td>
<td>0.087</td>
</tr>
<tr>
<td>Organizational Development → Higher Education Performance</td>
<td>0.135</td>
</tr>
</tbody>
</table>

Table 4. Coefficient Determination (R-Square)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Mindset</td>
<td>0.421</td>
<td>0.419</td>
</tr>
<tr>
<td>Entrepreneurial Climate</td>
<td>0.544</td>
<td>0.541</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>0.490</td>
<td>0.487</td>
</tr>
<tr>
<td>Organizational Development</td>
<td>0.611</td>
<td>0.609</td>
</tr>
<tr>
<td>Private higher education Performance</td>
<td>0.561</td>
<td>0.555</td>
</tr>
</tbody>
</table>

Table 5. Measurement Variable

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Servant Leadership → Entrepreneurial Mindset</td>
<td>0.649</td>
<td>14.732</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Servant Leadership → Entrepreneurial Climate</td>
<td>0.441</td>
<td>7.539</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Servant Leadership → Knowledge Management</td>
<td>0.290</td>
<td>4.163</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Servant Leadership → Organizational Development</td>
<td>0.167</td>
<td>3.232</td>
<td>0.001</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>Entrepreneurial Mindset → Entrepreneurial Climate</td>
<td>0.371</td>
<td>5.740</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6</td>
<td>Entrepreneurial Climate → Knowledge Management</td>
<td>0.469</td>
<td>6.355</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7</td>
<td>Knowledge Management → Organizational Development</td>
<td>0.669</td>
<td>13.372</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H8</td>
<td>Servant Leadership → Higher Education Performance</td>
<td>0.267</td>
<td>3.541</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H9</td>
<td>Entrepreneurial Mindset → Higher Education Performance</td>
<td>0.151</td>
<td>2.174</td>
<td>0.003</td>
<td>Accepted</td>
</tr>
<tr>
<td>H10</td>
<td>Employee Climate → Higher Education Performance</td>
<td>0.240</td>
<td>3.536</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H11</td>
<td>Knowledge Management → Higher Education Performance</td>
<td>0.087</td>
<td>1.262</td>
<td>0.207</td>
<td>Rejected</td>
</tr>
<tr>
<td>H12</td>
<td>Organizational Development → Higher Education Performance</td>
<td>0.135</td>
<td>1.875</td>
<td>0.061</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
The entrepreneurial climate is greatly influenced and positively impacted by servant leadership. This is consistent with research (Sugiyanto, 2008), which found that an effective school principal’s leadership style significantly contributes to both the success of the school and the creation of a positive school climate, which is typically associated with a university (Guerro & Urbano, 2013). A supportive environment is necessary for entrepreneurship in universities in order to foster innovation and entrepreneurial encouragement among students. It was also demonstrated by (Chrisman et al. 1995) that the Entrepreneurial faculty is impacted by university policies and procedures. For the time being, the main motivation behind entrepreneurial activity is financial gain, which is not surprising given that many universities are financially vulnerable (Christensen et al. 2011). In this instance, it will be able to form something that can enhance the performance of higher education, thanks to the support that the nature of the Servant Leadership provided.

Knowledge management is greatly impacted in a good way by servant leadership. According to research, if university administration hopes to encourage faculty members to act more entrepreneurially, then part of their efforts to do so will need to be devoted to helping faculty members acquire the skills, abilities, and knowledge that they need on an individual basis (Allison, 2020). Organizational development is greatly impacted by and benefits from servant leadership. Because of how serving others can have a ripple effect, servant leadership has the potential to boost organizational development. Changes in structure, culture, tasks, technology, and resources can impact an organization’s ability to make quality decisions by enhancing organizational development’s productivity and effectiveness (Poluakan, 2016).

The fifth hypothesis was found to be accepted based on the testing results. This demonstrates how the entrepreneurial climate is greatly and favorably influenced by the entrepreneurial mindset. This study supports the findings of (Martin et al. 2018). Let’s say a university can promote taking chances and being an entrepreneur. In that instance, research indicates that innovation, entrepreneurship, and environmental consciousness in postsecondary educational institutions can have a positive effect on a variety of advancements, including personal development. Additionally, this study demonstrated the strong and favorable influence of entrepreneurial climate on knowledge management. What universities have always done to create and transfer knowledge can now have a market value thanks to academic entrepreneurship. According to Etzkowitz et al. (2000), there is a mutually reinforcing relationship between research, teaching, and economic development in research because of the transition to a knowledge-based society. As universities fight to remain relevant, knowledge creation and entrepreneurship have grown in importance and become crucial themes in higher education, increasing their ability to compete in the higher education market (Layne & Lake, 2015).

Additionally, this study demonstrates the strong and favorable impact that an entrepreneurial mindset has on academic performance. Universities play a part in helping students develop their knowledge, abilities, mindsets, and entrepreneurial attitudes; these factors can then encourage students to pursue their entrepreneurial goals and contribute to the success of postsecondary institutions (Elkaim, 2020; Lesonsky, 2019). Academic performance is significantly and favorably impacted by the entrepreneurial climate. It is anticipated that universities will take on an entrepreneurial role as intermediaries between the government and financial institutions, aiming to build inter-firm links and boost productivity. Business performance is positively and significantly impacted by the entrepreneurial climate (Prakasa and Putri, 2020). When a private university supports the infrastructure, resources, and lecturers’ resources, performance can be enhanced due to an entrepreneurial.

Employee Performance knowledge management is not significantly impacted by knowledge management. Suparman et al.’s (2020) research, which claims that employee knowledge also affects how well they complete the tasks given to them, is the next step. Knowledge is defined as information and learning objectives. Enough knowledge among lecturers will boost the organization’s efficiency. According to research (Tobari, 2015), some of the failures or weaknesses that can be seen from several universities with poor performance are those related to financial management, facilities and infrastructure, leadership, unhealthy human resources, agency image, and organization. These are followed by a lack of operational focus and suboptimal performance results.
Managerial Implications

Servant leadership positively impacts creating an environment or relationship where one can understand each other, be sensitive to members’ emotions, and create sympathy between leaders and lecturers so that a conducive work environment and Climate can be formed. The Servant Leadership leadership style can improve higher education performance to form an entrepreneurial mindset, entrepreneurial Climate, knowledge management, and organizational development. In implementing the Servant Leadership leadership style, private universities can also help lecturers’ Entrepreneurial Mindset and Entrepreneurial Climate, such as infrastructure and facilities that support increased use of lecturers’ creativity to provide the best service to universities. Lecturers who have Servant Leadership will be able to understand, be sensitive to their surroundings, and be empathetic and sincere in serving according to the tri dharma of higher education. Entrepreneurial Mindset creates this Mindset for lecturers to improve higher education performance so that they can be careful and remain vigilant in every situation and meeting needs. Entrepreneurial Climate provides a sense of support for developing ideas for lecturers; this can increase productivity, positively impacting higher education. Knowledge Management, in this case, a knowledge that is shared and collected can provide reasonable steps not only for lecturers but also for the surrounding environment, which will impact performance. Thus, organizational development ultimately will impact performance, which will support positive results both internally and externally.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Servant Leadership can creating an environment or relationship where one can understand each other, be sensitive to members’ emotions, and have sympathy between leaders and lecturers, creating a conducive working environment and Climate. Servant Leadership style can improve university performance by forming an Entrepreneurial Mindset, Entrepreneurial Climate, Knowledge Management, and Organizational Development. In applying the Servant Leadership style, private universities can also help the Entrepreneurial Mindset and the Entrepreneurial Climate of lecturers, such as infrastructure and facilities that support increasing lecturer creativity to provide the best service for both universities. Lecturers who have Servant Leadership will be able to understand, be sensitive to their surroundings, empathize, and also be sincere in serving according to the tri dharma of higher education. Entrepreneurial Mindset creates this Mindset so that lecturers can improve the performance of tertiary institutions, be careful, and remain alert in every situation and in making needs. Entrepreneurial Climate provides a sense of support for developing ideas for lecturers, which can increase productivity, positively impacting universities. The knowledge that is shared and collected can provide reasonable steps not only for lecturers but also for the surrounding environment, which will impact performance. Then, Organizational Development, in the end, the development carried out will have an impact on increased performance.

Recommendations

Future research may use the different geographical areas to expand the generalizability of the study. Furthermore, in data collection, add some interviews with the higher education stakeholders for better future results. The data collection method still uses questionnaires, so it will be possible for the data obtained to be subjective; it would be better to add an interview method, which will get more complex and detailed results in order to get specific results.

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