

The Influence of Strategic Leadership and Dynamic Capabilities through Entrepreneurship Strategy and Operational Strategy in Improving the Competitive Advantage of Private Universities in Jakarta, Indonesia

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Abstract- This study aims to analyze the influence of strategic leadership and dynamic capabilities on the competitive advantage of Private Universities in Jakarta using entrepreneurship strategy and operational strategy as the intervening variables. This study is a quantitative study in which samples 200 chairmen or leaders of 22 of Private universities in Jakarta were given questionnaires and interviewed. These data were then analyzed using Structural Equation Model (SEM) to examine whether or not there were influences of the strategic leadership and dynamic capability on competitive advantage of private universities in Jakarta. The study found that strategic leadership has positive and significant influence on the competitive advantage of private universities in Jakarta. However, there was an inverse relationship of strategic leadership on competitive advantage if the intervening variables of the entrepreneurship strategy were used. Therefore, it is clear that entrepreneurship strategy cannot be used as mediating variable in influencing the strategic leadership on the competitive advantage of the Private Universities in Jakarta.

Index Terms— Strategic Leadership, Dynamic Capabilities, Entrepreneurship Strategy, operational Strategy, Competitive Advantage, private universities.

I. INTRODUCTION

The main aim of this study is to examine the Influence of strategic leadership and dynamic capabilities on the competitive advantage using entrepreneurship strategy and operational strategy as intervening variables taking the Private Universities (PTS) in Jakarta as the unit of analysis. The number of the private universities sampled in the study was 22.

These private universities are Schools of Economic and Management under the coordination body of **Kopertis** III in Jakarta. The reason to select the Schools of Economic and Management as a unit analysis partly because of the fact of the increasing number of these universities from year to year. From 2002 and 2013, the number of these schools increased by 124. The increase of these numbers on one hand will increase the number human resources such as lecturers as well as other employees to support these schools, while on the other hand it will increase the competition in these businesses. For that reason, the university leaders must implement a strategy to compete through entrepreneurial strategies and operational strategies to achieve competitive advantage with other universities to achieve their vision and mission.

Of many strategic ways to compete in this field, leadership is the key to success in higher education industry (Hannah, 2003; Bryman, 2007). This is simply because globalization has made the markets competitive, environmental changes, increasing mass education, the growth of knowledge, decreasing public funds, the increasing needs of skills, pressure for more accountability and transparency in academic life. Besides that, the University are also required to be able to serve both new markets and different markets, and have to deal with the larger interests of the government and have to deal with the larger interest of the government and society (Ramsden, 1998; Davies & Davies, 2004; 2004). Thus, leadership can be considered as a major issue for a university (Ball, 2007).

Strategic leadership in the university plays important role as it has the capacity to set the direction, identify, select and implement activities that create competitive advantage. By having a strategic leadership, a university can be more dynamic, creative, flexible in the management of the institute and has the capability to dynamically in response tight competition and have the ability in the face of changes that occur while maintaining quality or academic (Holt and Palmer, 2008; 2010, Ong, 2012).

Higher education under the President of the Republic of Indonesia Ir. Joko Widodo and the Vice President Jusuf Kalla experience many changes in that the Ministry of Education has been divided into two, namely, the Ministry of Culture and Education and Ministry of Research, Technology and Higher Education. These two ministries are coordinated by the Coordinating Minister of Human Development and Culture. This showed that education has been considered a very important aspect for the progress of a nation.

As higher education becomes important and there are many challenges faced by the higher education in Indonesia, it is a must to study the Influence of strategic leadership and dynamic capabilities on the competitive advantage using entrepreneurship strategy and operational strategy as intervening variables taking the Private Universities (PTS) in Jakarta as the unit of analysis. Specifically, this study aims to examine the following issues. First, does strategic Leadership Influence entrepreneurship Strategy of university? Second, does the dynamic capability influence the entrepreneurship strategy? Third, does strategic leadership influence operational strategy? Fourth, does the dynamic capabilities influence operational strategy? Fifth, does the entrepreneurial strategy influence operational strategy? Sixth, does strategic leadership influence competitive advantage? Seventh, does the dynamic capability influence the competitive advantage? Eight, does the entrepreneurial strategies influence the competitive advantage? And Ninth, does operational strategy influence the competitive advantage of Higher Education? In other words, the specific aims of this study is to examine the Influence of strategic leadership and dynamic capabilities on the competitive advantage using entrepreneurship strategy and operational strategy as intervening variables taking the Private Universities (PTS) in Jakarta as the unit of analysis.

II. LITERATURE REVIEW

Strategic Leadership

The challenge of leadership now is not what it used to be. For the past several , It was found that the quality of the character of a leader makes a lot of difference. As Rogers and Meeh's (2007) stated : "Little in this age of globalization provides a company with an edge that competitors cannot simply copy or buy. Culture - the force that determines how people behave when no one is looking - is one competitive advantage. When people want to do things right, and want to do the right thing, companies have an invaluable edge. "

Leadership is the ability of individuals to motivate and make others able to contribute for the sake of effectiveness and success of the organization (House et al, 1999). The leader is a planner of the future vision and mission as the former of the cultural and moral values to provide motivation and inspiration for his subordinates. The leader made a breakthrough that could not be replicated by other competitors. Warren Bennis

stated that a leader is one who is not only "do the right thing" but also "do the right thing." Leadership is also associated with the handling of the changes set a direction to rearrange the future vision and then communicate it to the members of the organization, which in turn can unite and inspire people in the organization to achieve common goals. Detail of the definition of strategic leadership have been advanced in the literature. See, for instance, Rowe (2001: 82), Amos (2007), Hitt, Ireland, and Hoskisson (2007), and Boal & Hooijberg (2001) to name just a few. Hitt, et al., (2002: 180), for example, define the main component of strategic leadership into the ability to determining strategic direction, leveraging and maintaining core competencies, develop human resources, maintaining the organizational culture effective, stressing ethical practices, and build organizational balanced control system.

Dynamic Organizational Capability

Organizational capability is the capacity of the organization to integrate all resources to achieve organizational goals. Capabilities emerge through a complex interaction between the tangible and intangible assets owned by the organization. Capabilities that enable organizations to exploit external opportunities and develop a durable competitive advantage.

The main source of organizational capability lies in the expertise and knowledge of employees (Hitt et al., 2006). These two aspects are the most important intellectual asset in creating organizational capabilities or company. The intellectual capital is a major source of knowledge that comes with experience everyone in the organization that can provide benefits to achieve organizational goals (Widayana, 2005).

Further, organizational capability can be defined as the ability to work effectively in tasks and objectives, including the ability to transfer knowledge and skills to the task and the new situation resulting from a set of organizational resources (Hearn, Smith and Southey, 1996; Hunt and Wallace, 1997 ; Lado, et al., 1992). Thus the organizational capability refers to the capacity of the organization to perform certain activities. Organizational capability is a conception which tend to refer to the ability to manage the resources of the company's operating processes eyewear. While the dynamic organizational capability refers to the ability of the company in the processes specifically in relation to the environmental organization, both internally and externally.

However, some literature uses the word "capability" and "competence" interchangeably. Selznick uses the term competency to describe things that the company is relatively better than its competitors. Igor Ansoff used the same word to analyze the basis of the company's growth strategy. Hamel and Prahalad used the core competencies to differentiate performance capability and corporate strategy are fundamental. Priorities, development, and utilization of competence can be carried out in accordance with the mapping of the organization's capability gaps. With the availability of matching with the use, Durand (1997) suggests four approaches organizational capability development as (1) reinforcement in utilization,(2) a synergetic fit,(3) the utilization of the network (networking access),and (4) adaptability.

Operational Strategy

According to Skinner (1996), operational Strategy plays an important role for the organization to improve and compete.

Operational strategies according to Schroeder, Anderson and Clevand (1986) is divided into four parts: (1). Mission; (2) Objectives; (3). Distinctive competencies and (4) Policies. Mission, for instance, should be declared a priority among the goals either dealing with operation cost, quality, flexibility, timely, fast delivery service, and so on, the mission of reliable operation is if its strategy by setting a reasonable cost and also the importance of going to the introduction of new products. The objectives has four strategic objectives, namely, the operational cost, quality, delivery flexibility and service. Of these goals, they should be set in a form that quantitatively possible in order to reach target set. Distinctive Competence means reaching operating strategy ahead of competitors associated with the particular advantage such as a reasonable cost, high quality, best service, high flexibility. Finally, operation policy is an elaboration and explain how operating objectives will be achieved. Thus, this policy should be set up for each side of the decision concerning the capacity, quality of supplies and sequence of work and operational policies should be made by the senior managers with the involvement of strategic considerations. These four elements must be owned by the company in decision-making in operational strategy.

Entrepreneurship Strategy

In terms of entrepreneurship strategy, there have been many studies advanced in the literature (Ireland et al., 2001; Kuratko, Ireland, and Hornsby, 2001; Porter, 2001). Entrepreneurial strategy is the integration of an entrepreneurial view (i.e. the act of looking for opportunities) and strategic action for profit to design and implement strategies that create an entrepreneurial advantage (Hitt et al., 2001). Thus, strategic entrepreneurship is entrepreneurial action taken with a strategic perspective. Integrating strategic and entrepreneurial action is necessary for the company to create the maximum profit (Ireland et al., 2001). Entrepreneurial action is designed to identify and pursue entrepreneurial opportunities. Thus, strategic and entrepreneurial action is valuable in a dynamic environment and uncertain as a new competitive outlook for entrepreneurial opportunities arising from uncertainty. Entrepreneurial action using strategic perspective is helpful to identify the most appropriate opportunities to exploit and thus facilitate the exploitation of the results to build competitive advantage (expected sustained for a reasonable period of time).

Moreover, Schumpeter (1934) describes the combination of entrepreneurship as the creation of new resources through an act of innovation. The level of entrepreneurial companies can be analyzed through several dimensions such as the challenger risks, aggressiveness towards competitors, proactive in launching new strategies, and new product innovation (Covin and Slevin, 1991: 7; Stevenson & Jarillo, 1990). Enterprise companies can be defined as the creation of new patterns of action and strategic renewal through the transformation of the current organizational resources into a combination of new resources in existing firms (Burgelman, 1984; Venkataraman et al, 1992; Dess, et al, 1999).

Strategic Entrepreneurship is the integration of entrepreneurship, opportunity-search action and strategic advantage - seeking action against business concepts which provide superior value creation and at the same time reducing the competitive threat (Hitt et al, 2001; Venkataraman & Sarasvathy, 2001). A business concept or model is a framework that identifies how business can create, submit, and

extract value. Strategic Entrepreneurship implies not a few adjustments to the business concepts are well established, but the creation of entirely new business models that provide superior profits in the long term (Hitt et al., 2002). This perspective adds a dimension of competition for traditional entrepreneurial research (Hitt & Ireland, 2000; McGrath & McMillian, 2000). Provide guidelines for interaction between competitive strategies and resource allocation, where the acquisition and uniqueness of bundling resources, pattern of cost-efficient and valuable highlighted (Cooper, et al, 2000 ; Meyer & Heppard, 2000). Entrepreneurial action in a well established company must be located in keeping competitors away from the concept of a successful business.

The practice of entrepreneurship is the way adopted by some large companies to influence the competitive environment and established its position since the mid-1980s. Entrepreneurial activity into a new way by the company that wants to exploit the opportunities hidden or in the face of aggressive competition. Creating novelty, in terms of new resources, customers, markets, or new combinations of resources, customers, and markets, is a characteristic of entrepreneurial activity. Creative activities, renewal, or innovation, both inside and outside the organization are a few examples of actions undertaken entrepreneurship. When will these actions are set in one big action, referred to as an entrepreneurship strategy. Entrepreneurship has become a very important thing in the face of changes in market structure and industry very quickly, including the needs of customers, technology, and social values.

The company's strategy is a set of commitments and actions taken to develop and exploit a competitive advantage in a market facing. Ability to develop and exploit one or more competitive advantages is the common goal of the whole enterprise, which can be a source of value creation of the company. Competitive advantage is the eternal value that there is a difference in the minds of customers from the company's product or service compared to other companies. Companies must be able to exploit its competitive advantage today, and simultaneously made the decision to establish the advantages it has in the future, to increase financial success and a chance to survive in the long term.

Innovation offers many benefits to the company. First, innovation can be a valuable competitive advantage. In addition, with the rapid changes in the environment, innovation is a prerequisite in the competition as well as a competitive advantage. In addition, with the ability to innovate as an advantage today, it can help the company to up-grade competitive value bid from another. Moreover, Enron executive said: "Innovation is at the heart of sustainable competitive advantage for the company." Similarly, executives aware of the importance of innovation for the performance of current and future. Innovation brings something new - products / services, production processes, and markets. Sometimes, new markets for products currently found, in other cases, new products sold in new markets. Product, process, and market innovation often flows from the newly formed entrepreneurial action, which the company take advantage of opportunities that are not considered or pursued by other people.

Corporate entrepreneurship (CE) is generally defined as the development of new ideas and new opportunities in a large company or well established. In many cases, entrepreneurial companies described as a total process in which the company

establishes innovative actions, risky, and proactive ways (Zahra, 1993; Dess, Lumpkin & McGee, 1999; Bouchard, 2001). This action brings diverse outcomes such as new products, new services, development of business processes. CE as an option strategy that results in improved financial performance, as well as non-financial benefits, such as improved employee morale, workplace environment that is collaborative and creative (Hayton, 2005). All that resulted in a new organization called the "spin-out ventures" (Hornsby, Naffziger, Kuratko & Montagno, 1993; Altman & Zacharckis, 2003) or may contain restructuring and renewal strategic in companies that are now (Volberda, Baden-Filler and Van den Bosch, 2001). Entrepreneurial companies is a multidimensional phenomenon. Companies venturing, entrepreneurship, and strategic updates are different components in entrepreneurial companies (Hisrich & Peters, 2002; Covin & Slevin, 1989).

In this study, the authors argued that the entrepreneurial company as a process by which formal and informal initiatives introduced, assist in the creation of new products, services, business process improvements and maintain the competitive position and financial performance. Some authors explain that companies oriented entrepreneurial reflected on three dimensions: the ability to innovate, proactive, and challenger risk (Miller & Friesen, 1983; Covin & Slevin, 1991; Zahra, 1991; Knight, 1997). While Lumpkin & Dess (1996) suggested five dimensions of autonomy, the aggressiveness of the competition, proactive, innovative, and risk taking. This article argues that autonomy is the internal organizational climate that encourages entrepreneurial companies. In addition, the aggressiveness of the competition to be part of a proactive dimension, not a different dimension. Literature corporate entrepreneurship international argued that innovation, challenger risk, and proactively is a three-dimensional capabilities of CE affecting organizational climate within the company (Ahmed, 1998; Morris & Kuratko, 2002; Hornsby, Kuratko, & Zahra, 2002; Ngo & Lau, 2004; Martins & Terblanche, 2003).

Competitive Advantage

Competitive advantage according to Porter (1986) is the ability of a company to achieve the economic benefits above the income that can be achieved by competitors in the market in the same industry. Companies that have a competitive

advantage has always had the ability to understand the changing market structure and being able to choose an effective marketing strategy. Studies conducted further stipulates Porter generic strategies are classified into three categories, namely cost leadership, differentiation, and focus (see, Porter, 1986, for detail).

However, selection of each company to the generic strategies above will depend on the business environment analysis to determine opportunities and threats. According Tjiptono (2001), a marketing strategy that can be selected by the company applying the product differentiation strategy to always have a competitive advantage in the marketplace can be done by doing the following strategy selection as follows. First, Product differentiation that is a high creativity in creating unique products that are more attractive, cool, safe, convenient, fun, friendly employees, skilled, resourceful, and able to realize in everyday life so that more desirable by consumers compared to other competitors' products. Second, Differential Quality of Service, that is, high creativity harmonize the elements of the marketing mix: product, place, price promotion, people, packaging, programming partnership so the quality of service that exceeds expectations by consumers feelings. Third, image differentiation, that is, the image of the attribute is identical with a characteristic, special or distinctive appearance of a person or object. Differentiation is the image of the right mix of imaging elements, which create the image of a brand. Imaging process should build, maximize, utilize, and exploiting strengths and weaknesses of each element to ensure that the brand image it has good prospects on an ongoing basis (Zyman, S, 2000: 95). Thus, it can be drawn from the concept of competitive advantage through product differentiation is how companies can create a unique product that provides a level of above average profits that can be achieved by industry through a combination of humans and the environment.

III. RESEARCH METHOD

Details of the variables under the study are shown at table 1. In this table it can also be seen some previous studies that examined the similar objectives to this study. These previous studies are shown here to inform the theoretical background of the present study.

Table 1. Variables used in the study and Previous Studies that support the present study

Exogenous Variable	Endogenous Variable	Correlation	Previous relevant studies
Strategic Leadership (X1)	Operational Strategy (Y2)	Positive	Bernard M Bass (2007), Paul Roger & Paul Meehan,(2007)
	Entrepreneurship Strategy (Y1)	Positive	Abidi (2001), Bose (2003), Liu et al.(2005),Paiva et al. (2008), Huang (2009)
	Competitive advantage (Y3)	Positive	Roger C Smith (2007), Paul Roger & Paul Meehan,(2007)

Dynamic Capability (X2)	Entrepreneurship Strategy (Y1)	Positive	Teece et al. (1997), Margaret A White & Suzanne M Berh (2007), Flowers (2004), Waldman & Ramirez (1998), Daily et al. (2002), Elenkov et al. (2005),
	Operational Strategy (Y2)	Positive	Hough & Scheepers (2008), Serfontein & Hough (2011)Hamel & Prahalad (1998), Zott (2003), Helfat et al.(2007), Ireland & Hitt (2005)
	Competitive Advantage (Y3)	Positive	Protogerou et al. (2011), Ambrosini & Bowman (2009), Griffith & Harvey, Teece et al (1997)
Entrepreneurship Strategy (Y1)	Operational Strategy (Y2)	Positive	Helfat et al.(2007), Ireland & Hitt (2005)Schumpeter (hult et al (2003), Hough & Scheepers (2008)
Operational Strategy (Y2)	Competitive Advantage (Y3)	Positive	Paul Roger & Paul Meehan,(2007), Atkinson & Mc Crindell (1997), Andersen(2000), Protogerou et al. (2011),
Entrepreneurship Strategy (Y2)	Competitive Advantage (Y3)	Positive	Schumpeter (hult et al (2003), Hough & Scheepers (2008)

Source : taken from many literatures, 2015.

Based on Table 1 above, the detail of the conceptual framework of the study is exhibited at Figure 1. In this figure, it can be seen that the flow of the analysis of the study.

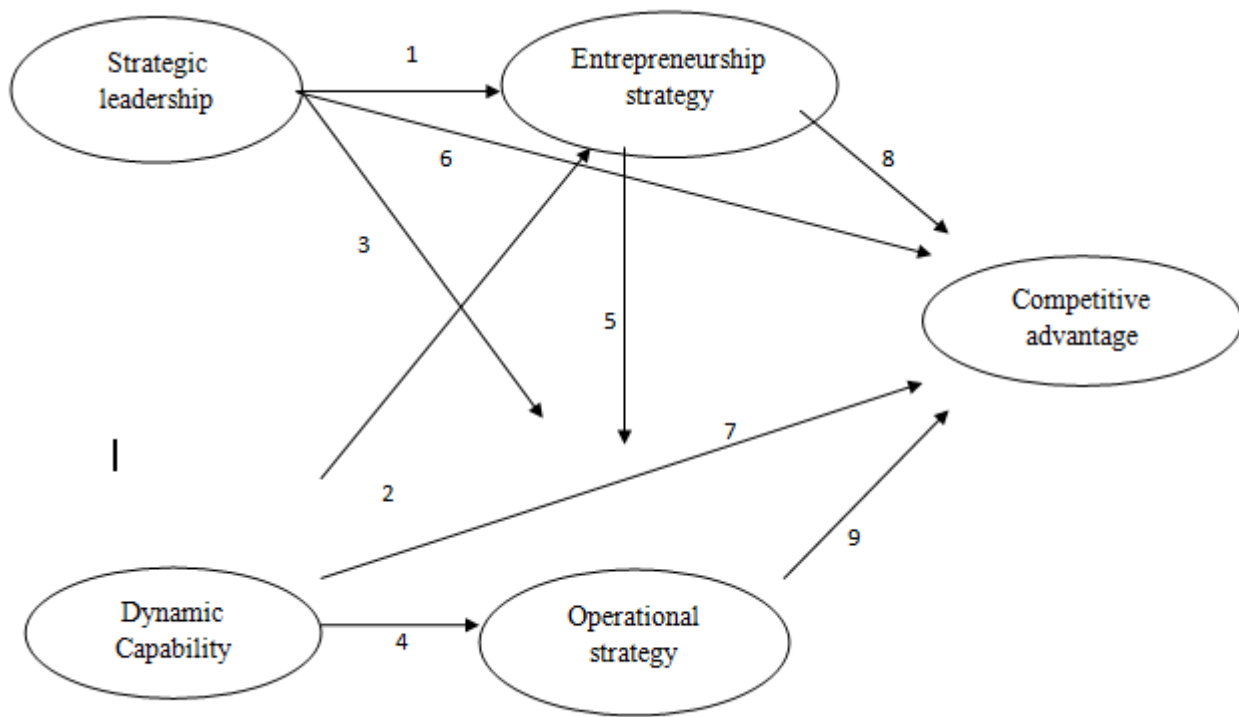


Figure 1. Conceptual Framework

Hypotheses

The hypotheses of this study are as follows.

Hypothesis 1:

Strategic Leadership has significant effect on entrepreneurial strategies.

Hypothesis 2.

Dynamic capability that supports entrepreneurial strategies, can be effective in its implementation is largely determined by the extent to which the capabilities of the organization is able to respond to the changes contained in the environment. The successful implementation of Enterprise strategy largely depends on the capacity of leaders in determining entrepreneurial vision, leadership and autonomy given to member organizations to innovate and be creative in everyday activities

Hypothesis 3:

The better is the strategic leadership of the organization, the better will be the implementation of operational strategies.

Hypothesis 4:

The better is the dynamic capabilities of the organization, the better will be the operational strategy.

Hypothesis 5:

Empirically proven that relate positively to Enterprise Strategy Operational Strategy

Hypothesis 6:

The better is the dynamic capabilities of the organization, the better will be the Competitive Advantage In facing the challenges of an increasingly turbulent environment, organizations need to be more adaptive and responsive as well as working to develop organizational capabilities to enhance the competitive advantage, which is a source of competitive advantage of the organization. Organizations that develop in a sustainable organizational

capability can achieve competitive advantage of innovation is higher.

Hypothesis 7:

The better is the strategic leadership, the higher will be the competitive advantage of the organization.

Sources of Data and Analytical Method

As mentioned before that this study is non-experimental research as there is no treatment (control) on the subject of research. This research is a correlation, because it aims to examine the effect or correlation between several variables of the study. According to the model of development or growth, this kind of research can be distinguished on models of longitudinal and cross-sectional. Model longitudinal study various stages of growth in a way "follow" developments for the same subject. While the model is a cross-sectional study a specific time by using many respondents. This research data collection at a specific time for a group of samples, therefore this research is a model of cross-sectional study.

Furthermore, this type of research by design or design of the study. According to Aaker et al. (2001) study design is detailed planning is used to guide the research studies that lead to the goal of the study. According to Kerlinger (1993) study design is a plan, a framework for conceptualizing the relationship structure variables of a research study. Meanwhile, according to Suchman in Nazir (2005) study design is all that is needed in the planning process and implementation research. The design or the design of the study are generally divided into three (3) forms, namely exploratory study (Explorative research), descriptive (descriptive research) and research explanations (explanatory research) (Umar, 1999). Explorative research is the kind of research that seeks ideas or relationships - a new relationship. While the descriptive research is research that aims to decipher the properties or characteristics of a particular phenomenon. Lastly, explanatory research is

research that aims to analyze the relationships between one variable with another variable or how a variable affects other variables.

The source of the data was taken from the private Universities (PTS) in Jakarta. The unit of analysis of this research is the PTS. Respondents of this research is focused on the leadership of high school economics, the Chairman, Vice-Chairman of I, II, III; IV, chairman of the department of management, where the PTS will be represented by six respondents. This study will describe the perception of the leadership of PTS on Strategic Leadership Analysis and Dynamic Capabilities to Increase Competitive Advantage of Private Universities in Jakarta. The leader or chairman of the university was chosen as a respondent, because they are aware of their university condition.

The population in this study is the leader or the chairman of the 22 universities in Jakarta. Of the total number of universities, 200 respondents from these universities were selected as sample of the study. These sample respondents were then given questionnaires and some of them were interviewed directly.

The method used to analyze the data is by using the Likert scale and the data were then analyzed using Structural

Equation Model (SEM). The scale interval used ranged from 1 to 5. By using SEM, it can be identified dimension of the construct and at the same time measure the effect and degree of relationship among the factors that have been identified (Ferdinand, 2000). Note also that this study used two kinds of analysis techniques: confirmatory factor analysis to confirm the most dominant factor in a group variable, and regression weight to examine most of the relationship between variables. See Hair (1995) for further details.

IV. RESULTS AND DISCUSSION

Measurement Results of Each Construct or Latent Variables

The test results of variable constructs such as entrepreneurial strategy, operational strategy and competitive advantage are evaluated based on the goodness of fit indices. As shown at Table 2 that from the evaluation of the proposed model, it was found that the overall evaluation of the construct to produce the critical value above. This indicates that the model has been in accordance with the data.

Table 2. Criteria Evaluation of Goodness of Fit Indices for Entrepreneurship strategy, Operational Strategy and Competitive advantage

Goodness of fit index	Cut-off Value	Estimated Model*	Note
χ^2 – Chi-square	Small Expected	126,342	Marginal
Sign. Probability	≥ 0.05	0.017	Marginal
CMIN/DF	≤ 2.00	1.330	Good
RMSEA	≤ 0.08	0.050	Good
GFI	≥ 0.90	0.900	Good
AGFI	≥ 0.90	0.865	Marginal
TLI	≥ 0.95	0.955	Good
CFI	≥ 0.95	0.965	Good

Source : Estimated results.

Table 2 shows that the variables of entrepreneurial strategy, operational strategy and competitive advantage were fit to the model. This is evidenced from the available eight criteria. For that reason the model was accepted.

Furthermore, to determine which variables that can be used as indicator of entrepreneurial strategy, operational strategy and competitive advantage, it can be

observed from the value of the loading factor or coefficient lambda (λ) and the level of significance, as shown in table 3. From the Table 3, it can be seen that loading factor of all variables measured in the study was found to be significant. Thus, all variables can be further tested and estimated.

Table 3. Loading factor (λ) of entrepreneurial strategy, operational strategy and competitive advantage

Variable Indicator	Loading Factor (λ)	Critical Ratio	Probability (p)	Note
Y1.1	0,597	6,085	0,000	Significant
Y1.2	0,775	7,607	0,000	Significant
Y1.3	0,710	Fix	0,000	Significant
Y2.1	0,739	Fix	0,000	Significant
Y2.2	0,618	6,508	0,000	Significant
Y2.3	0,571	5,993	0,000	Significant

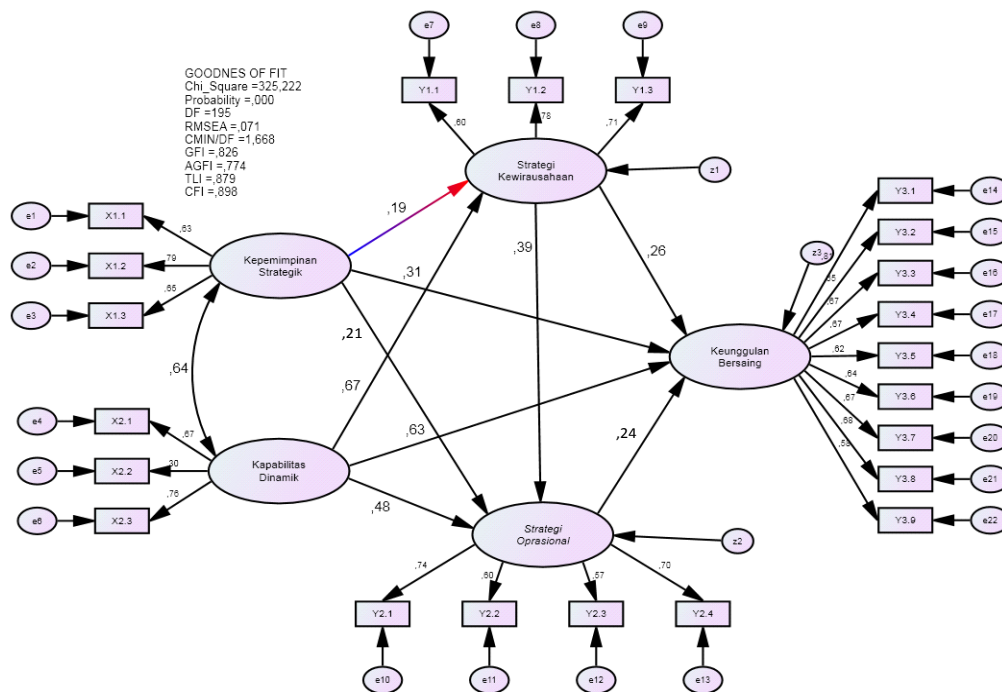
Y2.4	0,680	7,052	0,000	Significant
Y3.1	0,813	Fix	0,000	Significant
Y3.2	0,644	7,705	0,000	Significant
Y3.3	0,675	8,161	0,000	Significant
Y3.4	0,688	8,391	0,000	Significant
Y3.5	0,602	7,078	0,000	Significant
Y3.6	0,655	7,870	0,000	Significant
Y3.7	0,652	7,818	0,000	Significant
Y3.8	0,663	7,987	0,000	Significant
Y3.9	0,583	6,889	0,000	Significant

Source : Estimated from the data collected.

Structural Equation Model

Detailed SEM analysis results are shown at the figure 2.

Figure 2. The Results of SEM analysis



The results of SEM analysis above is evaluated based on the goodness of fit indices, the results were shown at Table 4.

Table 4. Evaluation Criteria of the Goodness of Fit Indices of the Overall Model

Goodness of fit index	Cut-off Value	Model*	Notes
χ^2 – Chi-square	Expected small	325,222	Marginal
Sign. Probability	≥ 0.05	0.000	Marginal
CMIN/DF	≤ 2.00	1,668	Good
RMSEA	≤ 0.08	0.071	Good
GFI	≥ 0.90	0.826	Marginal
AGFI	≥ 0.90	0.774	Marginal
TLI	≥ 0.95	0.879	Marginal
CFI	≥ 0.95	0.898	Marginal

Source : Hair (2006), Arbuckle (1997)

From the model evaluation above, it was shown that of the eight criteria of the goodness of fit indices, there was two model satisfied the criteria, namely, CMIN/DF and RMSEA,

while others found to be close to the critical values suggested. Thus, the model was fit to the data and can be further analyzed.

The Results of Hypothesis Testing

Of total models, there is a significant eight lanes, one lane is not significant (Table 5). The interpretation the results are as follows.

a. Strategic leadership have a positive effect, but insignificantly affect the entrepreneurial strategies with $P = 0.208 > 0.05$ with a coefficient of 0.194. This result indicates that the strategic leadership that was applied was unable to improve entrepreneurial strategy.

b. Dynamic capability has a significant positive effect on entrepreneurial strategies with $P = 0.000 > 0.05$ with a coefficient value of -0.665. This coefficient indicates that the dynamic capability strengthen the entrepreneurial strategy.

c. Strategic leadership has a significant positive effect on operational strategy with $P = 0.021 > 0.05$ with a coefficient of 0.208. This coefficient indicates that the strategic leadership will encourage operational strategy.

d. Dynamic capability has a significant positive effect on operational strategy with $P = 0.032 > 0.05$ with a coefficient of 0.478. This coefficient indicates that the dynamic capabilities affect the operational strategy.

e. Entrepreneurial strategies have a significant positive effect on operational strategy with $P = 0.015 > 0.05$ with a

coefficient of 0.391. This coefficient indicates that the entrepreneurial strategies will strengthen the operational strategy.

f. Strategic leadership has a significant positive effect on competitive advantage with $P = 0.005 > 0.05$ with a coefficient of 0.308. This coefficient indicates that the strategic leadership affect competitive advantage.

g. Dynamic capability has a significant positive effect on competitive advantage with $P = 0.025 > 0.05$ with a coefficient of 0.632. This coefficient indicates that the dynamic capabilities affect competitive advantage.

h. Entrepreneurial strategies have a significant positive effect on competitive advantage with $P = 0.041 > 0.05$ with a coefficient of 0.259. This coefficient indicates that the entrepreneurial strategy strengthen competitive advantage.

i. Operations Strategy has a significant positive impact on competitive advantage with $P = 0.019 > 0.05$ with a coefficient of 0.245. This coefficient indicates that the entrepreneurial strategies strengthen the operational strategy. Thus, all the null hypotheses of this study were rejected, except for the strategic leadership and entrepreneurship hypotheses as this hypothesis was found to be accepted.

Table 5. The results of Hypothesis testing

Hypothesis	Independent Variables	Dependent Variables	Direct Effect			Notes
			Standardized	CR	P-value	
H1	Strategic leadership	Entrepreneurship Strategy	0,194	1,259	0,208	Insignificant
H2	Dynamic Capabilities	Entrepreneurship Strategy	0,665	3,683	0,000	Significant
H3	Strategic leadership	Operational Strategy	0,208	2,273	0,021	Significant
H4	Dynamic capabilities	Operational strategy	0,478	2,141	0,032	Significant
H5	Entrepreneurship strategy	Operational strategy	0,391	2,443	0,015	Significant
H6	Strategic leadership	Competitive advantage	0,308	2,784	0,005	Significant
H7	Dynamic capabilities	Competitive advantage	0,632	2,248	0,025	Significant
H8	Entrepreneurship strategy	Competitive advantage	0,259	2,063	0,041	Significant
H9	Operational strategy	Competitive advantage	0,245	2,310	0,019	Significant
Indirect Effect						
	Independent Variables	Dependent Variables	Intervening Variables	Standardize		Notes
	Strategic leadership	Operational strategy	Entrepreneurship strategy	0,076		Insignificant
	Dynamic capabilities	Operational strategy	Entrepreneurship strategy	0,260		Significant
	Strategic leadership	Competitive advantage	Entrepreneurship strategy	0,060		Insignificant
	Dynamic capabilities	Competitive advantage	Entrepreneurship strategy	0,172		Significant
	Strategic leadership	Competitive advantage	Operational strategy	0,051		Significant
	Dynamic capabilities	Competitive advantage	Operational strategy	0,117		Significant

Entrepreneurship strategy	Competitive advantage	Operational strategy	0,096	Significant
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Source: Estimated from the data collected.

V. CONCLUDING NOTES

This study found many interesting findings. First, it was found that the strategic leadership does not always have an entrepreneurial nature, but with the dynamic capabilities it can affect entrepreneurial strategy. This study is important for organizations to be able to implement a strategy that is good or right. Second, the dynamic capability also proved an important resource for leaders to enhance their competitive advantages of their universities in taking strategic decisions. Third, the result of this study revealed that the strategic leadership proved not a direct determinant for entrepreneurial organization. This variable plays its contribution through dynamic capabilities. This suggests that the implementation of strategy based on dynamic capability and strategic leadership can be a valuable organization's strategic capability and difficult to imitate. This further can be an organization's core competencies to improve or become competitive. However, as the sample used in the study are only chairmen of the private universities, further study involving lecturers and employees of the universities is encouraged to have a better findings. Thus, caveats apply to this study.

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