

THE ANALYSIS OF PARTIAL EFFECT AND ORGANIZATIONAL CULTURE MODERATION, TRANSFORMATIONAL LEADERSHIP, AND LOCAL CULTURE, TOWARD PRIVATE HIGHER EDUCATION ORGANIZATION CHANGES

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ABSTRACT

Purpose: This paper aims to analyse the partial effect and moderation between variables of organizational culture, transformational leadership, and local culture; toward organizational changes.

Theoretical framework: The process of higher education in Indonesia cannot be separated from government intervention as the highest stakeholder, including in educational institutions. Some policies related to the curriculum, teaching staff, education staff, facilities, administration, and so on. Thus, higher education providers must fulfil administrative elements predominantly, rather than developing knowledge and skills. By looking at this phenomenon, there has to be a link between political interests, policies, and higher education (Zhai and Yuan, 2019).

Design/methodology/approach: This study uses descriptive qualitative analysis. Data analysis used in this study is using SmartPLS 3.0 with 315 samples of higher education institution leaders in Jakarta. The research questions of this study are: a. the Effects of organizational culture on organizational change; b. the impact of transformational leadership on organizational change; c. impact of local culture on organizational change; d. the impact of transformational leadership facilitation on organizational change; e. effects of local culture moderation on the relationship between organizational culture and organizational change.

Findings: The results of this study are: 1) organizational culture has positive and significant impact toward organization changes (relatively low, only 7.1%); 2) transformational leadership has positive and significant impact toward organization changes (relatively high, 88.9%); 3) local culture has positive and significant impact toward organization changes (relatively low, only 5.3%); 4) transformational leadership has no moderation relationship between organizational culture and organization changes; 5) local culture has no moderation relationship between organizational culture and organization changes, hence those two moderation variables are not getting stronger nor weaken. They are independently has partial effect to the organization and need no moderation toward organizational culture to achieve organization changes.

Research, Practical & Social Implications: This study has come up with empiric and scientific findings that transformational leadership has the highest effect toward organizational changes in private owned higher education organizations in Jakarta, Indonesia.

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Originality/value: The novelty of this study has shown that shows that transformational leadership has the greatest impact on organizational change in a private university in Jakarta, Indonesia.

Keywords: local culture, organizational culture, transformational leadership, organization changes, governance.

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A ANÁLISE DO EFEITO PARCIAL E DA MODERAÇÃO DA CULTURA ORGANIZACIONAL, DA LIDERANÇA TRANSFORMACIONAL E DA CULTURA LOCAL, EM DIREÇÃO ÀS MUDANÇAS NAS ORGANIZAÇÕES PRIVADAS DE ENSINO SUPERIOR

RESUMO

Propósito: Este artigo tem como objetivo analisar o efeito parcial e a moderação entre variáveis da cultura organizacional, liderança transformacional e cultura local; em direção às mudanças organizacionais.

Estrutura teórica: O processo de ensino superior na Indonésia não pode ser separado da intervenção do governo como o mais alto interessado, inclusive em instituições educacionais. Algumas políticas relacionadas com o currículo, pessoal docente, equipe de educação, instalações, administração, etc. Assim, os prestadores de ensino superior devem cumprir predominantemente os elementos administrativos, em vez de desenvolverem conhecimentos e competências. Ao olhar para este fenômeno, tem de haver uma ligação entre interesses políticos, políticas e educação superior (Zhai e Yuan, 2019).

Design/metodologia/abordagem: Este estudo utiliza análise qualitativa descritiva. A análise de dados utilizada neste estudo utiliza o SmartPLS 3.0 com 315 amostras de líderes de instituições de ensino superior em Jacarta. As questões de pesquisa deste estudo são: a. os efeitos da cultura organizacional na mudança organizacional; b. o impacto da liderança transformacional na mudança organizacional; c. impacto da cultura local na mudança organizacional; d. o impacto da facilitação da liderança transformacional na mudança organizacional; e. efeitos da moderação da cultura local na relação entre a cultura organizacional e a mudança organizacional.

Constatações: Os resultados deste estudo são: 1) a cultura organizacional tem impacto positivo e significativo nas mudanças organizacionais (relativamente baixo, apenas 7,1%); 2) a liderança transformacional tem impacto positivo e significativo nas mudanças organizacionais (relativamente alto, 88,9%); 3) a cultura local tem impacto positivo e significativo nas mudanças organizacionais (relativamente baixo, apenas 5,3%); 4) a liderança transformacional não tem relação de moderação entre a cultura organizacional e as mudanças organizacionais; 5) a cultura local não tem relação de moderação entre a cultura organizacional e as mudanças organizacionais, portanto essas duas variáveis de moderação não estão ficando mais fortes nem mais fracas. Eles são independentes tem efeito parcial para a organização e não precisam de moderação em relação à cultura organizacional para alcançar mudanças na organização.

Pesquisa, Implicações Práticas & Sociais: Este estudo chegou a conclusões empíricas e científicas de que a liderança transformacional tem o maior efeito em direção a mudanças organizacionais em organizações de ensino superior privadas de propriedade em Jacarta, na Indonésia.



Originalidade / valor: A novidade deste estudo mostrou que mostra que a liderança transformacional tem o maior impacto na mudança organizacional em uma universidade privada em Jacarta, Indonésia.

Palavras-chave: cultura local, cultura organizacional, liderança transformacional, mudanças organizacionais, governança.

EL ANÁLISIS DEL EFECTO PARCIAL Y LA MODERACIÓN DE LA CULTURA ORGANIZACIONAL, EL LIDERAZGO TRANSFORMACIONAL Y LA CULTURA LOCAL, HACIA LOS CAMBIOS DE LA ORGANIZACIÓN PRIVADA DE EDUCACIÓN SUPERIOR

RESUMEN

Finalidad: El objetivo de este trabajo es analizar el efecto parcial y la moderación entre variables de la cultura organizacional, el liderazgo transformacional y la cultura local, hacia los cambios organizacionales.

Marco teórico: El proceso de educación superior en Indonesia no puede separarse de la intervención del gobierno como el mayor interesado, incluso en las instituciones educativas. Algunas políticas se relacionan con el plan de estudios, el personal docente, el personal docente, las instalaciones, la administración, etc. Así pues, los proveedores de educación superior deben cumplir predominantemente con los elementos administrativos, en lugar de desarrollar conocimientos y aptitudes. Al observar este fenómeno, tiene que haber un vínculo entre intereses políticos, políticas y educación superior (Zhai y Yuan, 2019).

Diseño/metodología/enfoque: Este estudio utiliza análisis cualitativo descriptivo. El análisis de datos utilizado en este estudio es el uso de SmartPLS 3.0 con 315 muestras de líderes de instituciones de educación superior en Yakarta. Las preguntas de investigación de este estudio son: a. los efectos de la cultura organizacional en el cambio organizacional; b. el impacto del liderazgo transformacional en el cambio organizacional; c. el impacto de la cultura local en el cambio organizacional; d. el impacto de la facilitación del liderazgo transformacional en el cambio organizacional; e. los efectos de la moderación de la cultura local en la relación entre la cultura organizacional y el cambio organizacional.

Hallazgos: Los resultados de este estudio son: 1) la cultura organizacional tiene un impacto positivo y significativo hacia los cambios organizacionales (relativamente bajo, solo 7,1%); 2) el liderazgo transformacional tiene un impacto positivo y significativo hacia los cambios organizacionales (relativamente alto, 88,9%); 3) la cultura local tiene un impacto positivo y significativo hacia los cambios organizacionales (relativamente bajo, solo 5,3%); 4) el liderazgo transformacional no tiene una relación de moderación entre la cultura organizacional y los cambios organizacionales; 5) la cultura local no tiene una relación de moderación entre la cultura organizacional y los cambios organizacionales, por lo tanto, esas dos variables de moderación no se están fortaleciendo ni debilitando. Son independientes, tienen un efecto parcial en la organización y no necesitan moderación hacia la cultura organizacional para lograr cambios organizacionales.

Investigación, Implicaciones Prácticas y Sociales: Este estudio ha llegado a conclusiones empíricas y científicas de que el liderazgo transformacional tiene el mayor efecto hacia los cambios organizacionales en las organizaciones de educación superior de propiedad privada en Yakarta, Indonesia.

Originalidad/valor: La novedad de este estudio ha demostrado que el liderazgo transformacional tiene el mayor impacto en el cambio organizacional en una universidad privada en Yakarta, Indonesia.



Palabras clave: cultura local, cultura organizacional, liderazgo transformacional, cambios organizacionales, gobernanza.

1 INTRODUCTION

The Indonesian government has three level of education structure namely elementary (1st grade to 6th grade), middle school (7th grade to 9th grade) and high school (10th grade to 12th grade) and lastly higher education (both state owned and private owned). The state owned higher education funded by the government, while the private owned are funded by private organization formed as education foundation that runs the school. The higher education level is divided into several form, namely from the highest to lowest are university, institute, high school, and the last is academy (the state law number 20, 2003). Higher education seen as the ecosystem of highest education level and the last level for a learner in Indonesia. The existence of the higher education has strategic impact both in its process and influence to the nation overall progress.

In running its daily operations, higher education organizations faces some significant problems that slowdowns its vision and mission achievement. As the highest level in educational level of learning process, the higher education are expected to be an independent institution in terms of power hierarchy. They have strategic responsibility, function and roles that transform a person into personal with adequate academic quality to sustain the nation and country. Therefore, education institution especially the higher education should possess policy, direction and goal that driven by industry and the labour market. In fact, the higher education are facing some challenges and obstacles in building the nation and country in terms of education (Supriyadi, 1997). Some of the obstacles that slowdowns the higher education process are: politics, centralistic policy, educator development, and education budget. When politics intervene higher education process, the direction, goal and achievement of the institution will never be fulfilled. There will be a bias between political interest versus higher education vision and mission. For the sake of national strategic matter, the politics intervene must be separated from the higher education day to day operational so that create an independent higher education process, focusing on science development, pragmatic and innovative.



2 LITERATURE REVIEW

The challenges and obstacles experienced by higher education in the past few decades have created educational institutions that are stunted, dependent, and poor in innovation. Higher education is stuttering, paranoid or excessively suspicious of various changes, both changes that come from internal and external environments. In order to increase the excellence of higher education, several decisive factors are needed, including teaching and research processes; autonomy or independence, rules or regulations; assessment, and academic competence (Cole, 2009). The theoretical study proposed by Cole has a similar concept to Law No. 12 of 2012 concerning higher education. It stated that higher education is obliged to carry out a teaching or educational process; research, and community service. These three elements are absolutes carried out by higher education. Cole said that the implementation of education can take place optimally when it is supported by reliable research activities. The data shows that higher education research activities in Indonesia (www.scimagoir.com, 2017) 54,146 articles in total, far behind Singapore (241,361), Malaysia (214,883) and Thailand (139,682). Thus, to advance the quality of education in Indonesia, governance is needed that has an impact on changes in higher education organizations. If the influence of inter-variables that have an impact on organizational change in higher education is known, then the management of higher education can direct all its strategic planning in a directed, measurable, and progressive manner.

2.1 ORGANIZATION CHANGES

Organizational change is the most crucial aspect in the management of various institutions, both profit-oriented or non-profit institutions. Organizational changes always have an impact on two sides. The first side is turbulence that opens up the possibility of conflict and the other is challenges and opportunities for development (Hussey, 2000). Another opinion states that organizational changes must be carried out with a humanist and democratic approach so that the goal of improving the performance of the institution can be achieved (Robbins & Judge, 2011).

Organizational changes are planned and systematic effort based on knowledge and experience that can be used to improve institutional performance in the future (Nasution, 2010). By focusing to the theoretical study above, it can be concluded that organizational changes are an effort that has the aim of improving the quality of the organization so that



it can exist and have adequate competitiveness. So, this research is aimed at knowing the extent to which organizational changes have been carried out in private higher education institutions in Jakarta, Indonesia.

2.2 ORGANIZATIONAL CULTURE

Organizational culture is the dominant factor that influences organizational change (Daft, 2005). In another theoretical study has pointed that organizational culture has an influence on achievement (Brahmasari & Siregar, 2009; Freytag, 1990; Sulistyaningsih, et al., 2012; Deal & Kennedy, 2000; Taurisa & Ratnawati, 2012). These studies show that if organizational culture changes, it will have an effect on organizational change in the context of institutional performance.

On the other hand, organizational culture is work behavior that is applied and carried out by the organization's civitas in an effort to achieve institutional goals (Robbins, 1998). Organizational culture can also be interpreted as a tool that binds all workers which distinguishes it from other institutions (Kreitner & Kinicki, 2009). Focusing to the theoretical study above, it can be summarized that organizational culture is a privilege or characteristic possessed by each institution in its performance to achieve organizational goals. So, this research is aimed at knowing the extent of the role of leadership in implementing organizational culture in achieving institutional goals in private higher education in Jakarta.

2.3 TRANSFORMATIONAL LEADERSHIP

The organizational governance cannot be separated from the leadership function. Reliable leadership will make the organization's operational cycle take place in a systematic, focused, and sustainable manner. Thus, significant positive organizational changes require a strong leadership intervention. Weak leadership does not have a significant impact on the institution. The leadership role has seven elements in organizational change, such as personal, influence, followers, direction, goals, change, and responsibility (Al-Jubouri, 2023; Daft, 2005).

Transformational leadership is the development of systems, qualities and forms of leadership that have a significant influence on organizational change (Rashed and Daud, 2013; Udin, 2023). Transformational leadership is also defined as a type of leadership that accommodate and move the organization's civitas to achieve common goals (Simola,



2012). Focusing to the theoretical study above, it can be concluded that transformational leadership is a form of up to date leadership that implements the best performance that has an impact on organizational changes. So, this research is aimed at knowing the extent of the role of transformational leadership to the organizational change to achieve institutional goals in private higher education in Jakarta.

2.4 SOCIETY CULTURE

Society culture is a direct or indirect influence on a person or group to carry out an activity (Basuki and Susilowati, 2005). Another opinion states that society culture is an institution or forces that are outside the organization and have the potential to have an influence on organizational performance (Robbins, 2006).

Focusing to the theoretical study above, it can be concluded that society culture is a system that takes place outside the organization, but can have an internal influence on organizational performance and changes. The culture of the society in question is a positive and constructive behavior for the development and improvement of organizational performance. Therefore, the purpose of this study is to know the extent of the role of socio-culture in organizational change in achieving organizational goals in private higher education in Jakarta.

3 METHODS

The method of this study is quantitative with a descriptive analysis approach. The data analysis technique uses SmartPLS 3.0 with a sample of 315 leaders in 181 private universities in Jakarta, Indonesia.

4 RESULT AND DISCUSSION

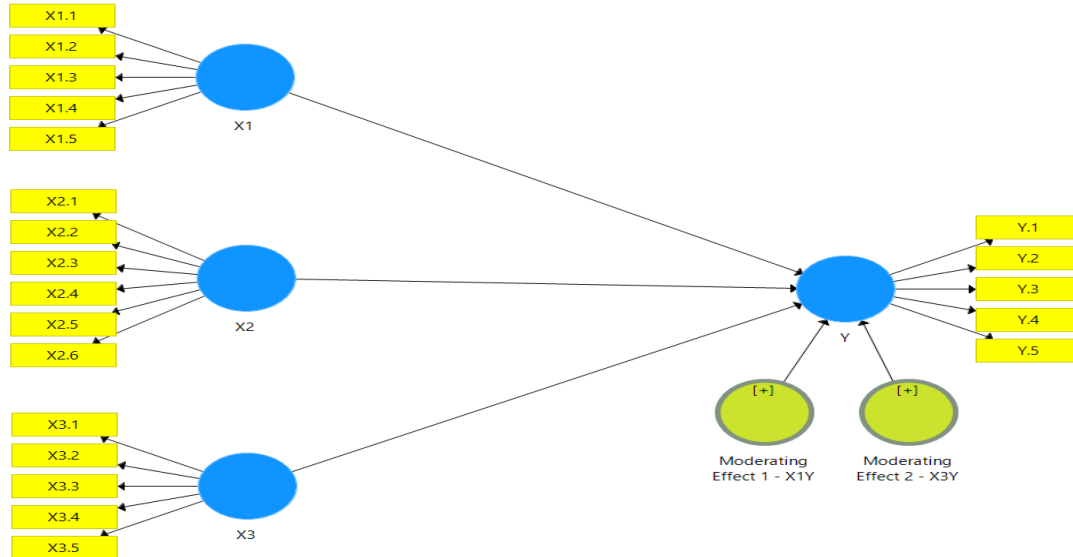
The primary goal of this research is to find the factors and their moderators that are important for organizational change. The majority of the factors studied are latent variables, so a suitable method is needed to determine the pattern of relationships between latent variables. Therefore, the PLS (Partial Least Square) model is used to achieve this goal. The variables involved in the PLS analysis are as follows.

1. Organizational Culture Variable (X1) is a 5 indicators latent variable.
2. Transformational Leadership Variable (X2) is a 6 indicators latent variable.
3. The Society Culture Variable (M1) is a 5 indicators latent variable.

4. Organizational Changes Variable (Y) is a 5 indicators latent variable.

Based on this the initial PLS Model chart was generated as follow.

Figure 1. The initial PLS Model



Source: Prepared by authors (2023)

After defining the model, the next step is to evaluate the model, so as to get the best model. The stages of evaluation described as follow.

4.1 OUTER MODEL EVALUATION

The components observed and evaluate the outer model are convergent validity (CV), discriminant validity (DV), and composite reliability (CR).

4.1.1 Convergent Validity (CV)

CV is visible from the value of outer loading and Average Variance Extracted (AVE). The value which described the contribution of the indicator to the latent variable. The expected outer loading value so that the indicator is declared to be valid as convergent is more than 0.6 (Hair, et al, 2008).



Table 1. The Outer Loading Value

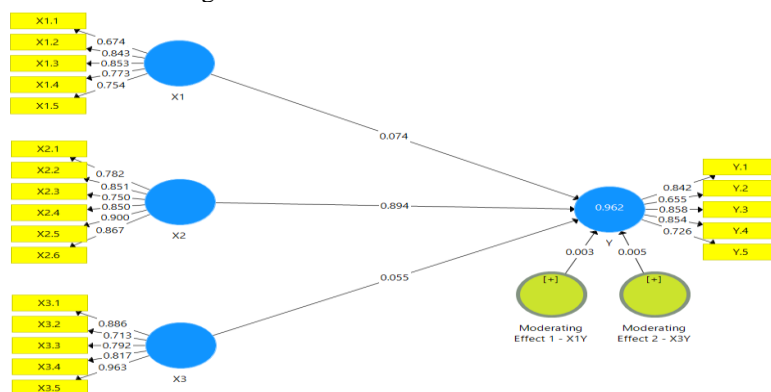
Latent Variable	Indicator	Outer Loading
Organizational Culture	X1.1	0.674
	X1.2	0.843
	X1.3	0.853
	X1.4	0.773
	X1.5	0.754
Transformational Leadership	X2.1	0.782
	X2.2	0.851
	X2.3	0.750
	X2.4	0.850
	X2.5	0.900
	X2.6	0.867
Society Culture	X3.1	0.886
	X3.2	0.713
	X3.3	0.817
	X3.4	0.963
	X3.5	0.635
Organizational Changes	Y1	0.842
	Y2	0.655
	Y3	0.858
	Y4	0.854
	Y5	0.726

Source: Prepared by authors (2023)

Based on the table 1 results, all indicators meets the outer loading criteria which are greater than 0.6 so that all indicators are maintained in the model.

The following figure is the model after the PLS analysis which includes the path coefficients:

Figure 2. The PLS and Path Coefficient



Source: Prepared by authors (2023)

The Average Variance Extracted (AVE) value will then observed. The expected AVE value is greater than 0.5 (Hair, et al., 2014). Having the AVE value less than 0.5



indicates that the construct cannot explain the variance of the indicator well. The following table 2 is the AVE value for each latent variable.

Table 2. The Average Variance Extracted (AVE) Value

Latent Variable	Average Variance Extracted (AVE)
Organizational Culture	0.612
Transformational Leadership	0.697
Society Culture	0.703
Organizational Changes	0.626

Source: Prepared by authors (2023)

Table 2 has shown that all variables already have an AVE value greater than 0.5. So based on the outer loading and AVE values, it can be stated that the outer model in the model is already validly converged.

4.1.2 Discriminant Validity

An indicator is a valid discriminant when it's outer loading value is more than the value of its cross loading with other variables. The outer model that meets discriminant validity shows that the indicators in the model are not highly correlated with other latent variables, other than the latent variables that are measured. Discriminant validity can be seen from the cross loading value. The complete results of this cross loading model are shown in the following table 3.



Table 3. The Cross Loading Model Value

	X1	X2	X3	Y
X1.1	0.674	0.405	0.428	0.396
X1.2	0.843	0.565	0.6	0.59
X1.3	0.853	0.686	0.582	0.713
X1.4	0.773	0.601	0.468	0.632
X1.5	0.754	0.49	0.404	0.502
X2.1	0.566	0.782	0.539	0.742
X2.2	0.618	0.851	0.625	0.821
X2.3	0.542	0.75	0.597	0.753
X2.4	0.66	0.85	0.659	0.858
X2.5	0.608	0.9	0.607	0.867
X2.6	0.599	0.867	0.595	0.851
X3.1	0.53	0.62	0.886	0.646
X3.2	0.435	0.472	0.713	0.488
X3.3	0.614	0.617	0.792	0.614
X3.4	0.469	0.604	0.817	0.625
X3.5	0.627	0.697	0.963	0.712
Y1	0.634	0.843	0.617	0.842
Y2	0.469	0.629	0.524	0.655
Y3	0.66	0.85	0.659	0.858
Y4	0.603	0.881	0.591	0.854
Y5	0.562	0.62	0.537	0.726

Source: Prepared by authors (2023)

Table 3 has shown that the value of the outer loading (green highlighted) on all indicators is greater than the value of the cross loading with other variables. Therefore, the construct in the model is declared as discriminant valid.

4.1.3 Composite Reliability (CR)

Composite reliability is a metric that measures the internal consistency of latent variables (Sanchez, 2013). The minimum expected value is 0.7 (Hair, et al., 2014). The following table 4 is the composite reliability value of the model.

Table 4. The value of Composite Reliability

Latent Variable	Composite Reliability
Organizational Culture	0.887
Transformational Leadership	0.932
Society Culture	0.921
Organizational Changes	0.892

Source: Prepared by authors (2023)

Table 4 has shown that all CR values are greater than 0.7, it is assumed that all model constructions are internally consistent. Based on the above mentioned tests results



(CV, DV and CR), the outer model is assumed to be reliable and valid, so that it can proceed to the next evaluation, namely the evaluation of the inner model.

4.1.4 Inner Model Evaluation

The internal model is evaluated considering the level of significance of the path coefficients from the bootstrap method. With a significance level of 0.05, when the path coefficient p-value is lower than or equal to 0.05, the relationship that occurs on the path is significant. The following table 5 shown that path coefficient p-value obtained from the model.

Table 5. The Path Coefficient p-value

Variable	Path Coefficient	T-Statistic	p-value
Organization Culture → Organizational Changes	0.074	3.397	0.001
Transformational Leadership → Organizational Changes	0.894	36.860	0.000
Society Culture → Organizational Changes	0.055	2.751	0.006
The effect of moderation of Transformational Leadership with Organizational Culture → Organizational Changes	0.003	0.191	0.849
The Effect of moderation of society culture with Organizational Culture → Organizational Changes	0.005	0.257	0.798

Source: Prepared by authors (2023)

By evaluating table 5 results, conclusions and actions that can be taken include:

1. Organizational culture, transformational leadership, and society culture variables will be maintained in the model.
2. The moderating variables of transformational leadership (0.849) and society culture (0.798) were excluded from the model because they had no significant effect.
3. Explanation of the moderating effect.
 - a. The moderating effect of transformational leadership on organizational culture has no effect on organizational change, which means that this moderating variable neither strengthens nor weakens (does not moderate) the organizational culture variable. Therefore, this moderating effect can be excluded from the model.
 - b. The community culture on organizational culture has no moderating effect nor has no effect on organizational change, which means that this moderating



variable neither strengthens nor weakens (does not moderate) the organizational culture variable. Therefore, this moderating effect can be excluded from the model.

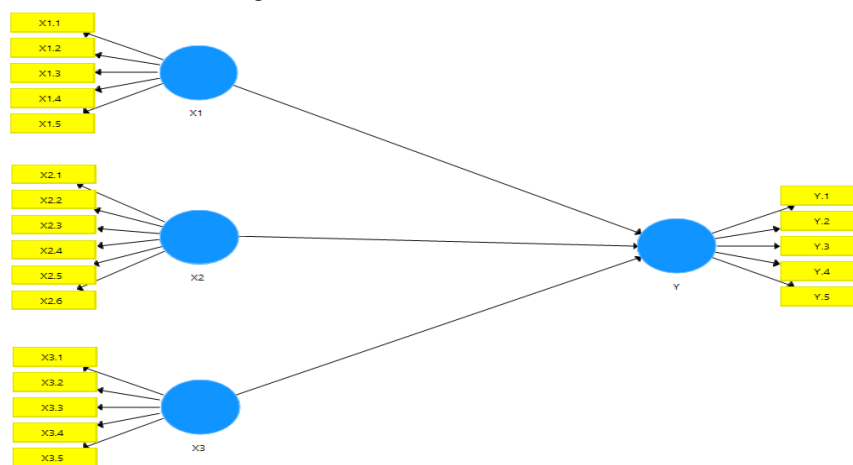
4. Even though there are moderating variables that have no effect on the relationship between the independent and dependent variables in the model, it can still be determined the type of moderation of these variables, among others.

a. Because the moderating variables of transformational leadership and society culture affect organizational change and do not moderate the independent variable of organizational culture, the moderating variables of transformational leadership and society culture for organizational culture are predictor moderation.

b. The predictor moderating variable is a variable that acts as an independent variable only in the relationship model that is formed.

By removing the variables according to the above calculations and analysis, the modified model is obtained as follows.

Figure 3. The Modified Results Model



Source: Prepared by authors (2023)

The results obtained from the previous steps are re-checked to evaluate the inner model to ensure the significance of each variable.

Table 6. The Variable Significance

Variable	Path Coefficient	T Statistic	p-value
Organizational Culture → Organizational Changes	0.074	3.285	0.001
Transformational Leadership → Organizational Changes	0.894	39.969	0.000
Society Culture → Organizational Changes	0.055	2.443	0.015

Source: Prepared by authors (2023)



The final model or model without a moderating effect variable will be checked and re-evaluated by the outer model described as follow.

1. The Final Model Convergent Validity

Table 7 summarizes the value of outer loading of the final model

Table 7. The Final Model of Outer Loading Value

Latent Variable	Indicator	Outer Loading
Organizational Culture	X1.1	0.674
	X1.2	0.843
	X1.3	0.853
	X1.4	0.773
	X1.5	0.754
Transformational Leadership	X2.1	0.782
	X2.2	0.851
	X2.3	0.750
	X2.4	0.850
	X2.5	0.900
	X2.6	0.867
Society Culture	X3.1	0.886
	X3.2	0.713
	X3.3	0.792
	X3.4	0.817
	X3.5	0.963
Organizational Changes	Y1	0.842
	Y2	0.655
	Y3	0.858
	Y4	0.854
	Y5	0.726

Source: Prepared by authors (2023)

Based on the results shown on table 7, all indicators meet the outer loading criteria with value greater than 0.6. Furthermore, the AVE value will also be observed and checked with results described on the following table 8.

Table 8. The Final Model AVE Value

Latent Variable	Average Variance Extracted (AVE)
Organizational Culture	0.612
Transformational Leadership	0.697
Society Culture	0.703
Organizational Changes	0.626

Source: Prepared by authors (2023)

Because each indicator in Model 3 has an outer loading value above 0.6 and the variable has an AVE value above 0.5, the outer model in the final model is declared validly convergent.



2. The Final Model Discriminant Validity

Table 9. The Final Model Discriminant Validity

	X1	X2	X3	Y
X1.1	0.674	0.405	0.428	0.396
X1.2	0.843	0.565	0.6	0.59
X1.3	0.853	0.686	0.582	0.713
X1.4	0.773	0.601	0.468	0.632
X1.5	0.754	0.49	0.404	0.502
X2.1	0.566	0.782	0.539	0.742
X2.2	0.618	0.851	0.625	0.821
X2.3	0.542	0.75	0.597	0.753
X2.4	0.66	0.85	0.659	0.858
X2.5	0.608	0.9	0.607	0.867
X2.6	0.599	0.867	0.595	0.851
X3.1	0.53	0.62	0.886	0.646
X3.2	0.435	0.472	0.713	0.488
X3.3	0.614	0.617	0.792	0.614
X3.4	0.469	0.604	0.817	0.625
X3.5	0.627	0.697	0.963	0.712
Y1	0.634	0.843	0.617	0.842
Y2	0.469	0.629	0.524	0.655
Y3	0.66	0.85	0.659	0.858
Y4	0.603	0.881	0.591	0.854
Y5	0.562	0.62	0.537	0.726

Source: Prepared by authors (2023)

The cross loading on table 9 is shown that all indicators have a higher outer loading value than their cross loading value. Therefore, the construct in the final model is declared discriminant valid.

3. The Final Model Composite Reliability

The CR value of all variables in the final model is described on the following table 10.

Table 10. The Final Model Composite Reliability Value

Latent Variable	Composite Reliability
Organizational Culture	0.887
Transformational Leadership	0.932
Society Culture	0.921
Organizational Changes	0.892

Source: Prepared by authors (2023)



The CR value of all variables in the final model are above 0.7. All constructs in the final model are declared internally consistent.

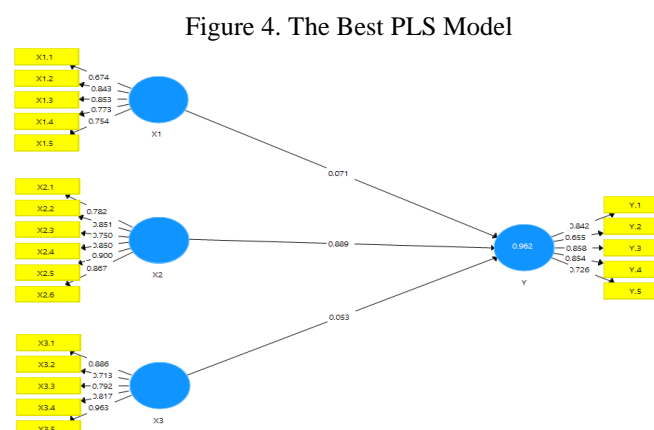
4. Summary

a. The results of the evaluation of the outer model above shows that the final model is reliable and valid. Likewise with the results of the previous inner model evaluation which showed that the variables of organizational culture, transformational leadership, and society culture have an effect on organizational change, but in the final model as the best PLS model to model the factors that affect Organizational Change, none of the variables have an effect of moderation on the independent variables.

b. The path model coefficients has shown that the influence of the variables is large. It also shows the magnitude of the direct influence of a variable on other variables, if other related influences have been taken into account. This model shows that transformational leadership has the greatest impact on organizational change.

4.1.5 The Best PLS Model

The following figure is a visualization of the final model along with the outer loading values and path coefficients.



The performance of the model through the value of the coefficient of determination or R^2 , where this model has an R^2 of 96.1% which is included in the very good category. In addition, the reliability of the measuring instrument can be checked by looking at the Cronbach's Alpha value. A reliable measuring instrument shows



consistency in measurements which, although repeated at different times, will produce relatively the same value. The expected base value for Cronbach's Alpha is 0.6 (Hair, et al., 2014). The results obtained are described on the following table 11.

Table 11. The Values of Cronbach's Alpha

Latent Variable	Cronbach's Alpha
Organizational Culture	0.841
Transformational Leadership	0.912
Society Culture	0.891
Organizational Changes	0.848

Source: Prepared by authors (2023)

5 CONCLUSION

As the conclusion of this study, we could summarized some facts as follow:

1. Figure 4 has displays a positive and significant effect of organizational culture to the organizational changes as much as 7.1% (relatively small).
2. Figure 4 shows that Transformational Leadership has 88.9% (relatively high) positive and significant impact on organizational change.
3. Figure 4 shows that socio-culture has a large (relatively small) positive impact of 5.3% on organizational change.
4. Table 5 has shown that transformational leadership (valued 0.849) has no moderation of the connection of organizational changes and culture. Likewise, the society culture variable (valued 0.798) has no moderation of the connection of organizational changes and culture. Therefore, the two moderator variables did not scale. Both are influenceable or vice versa to the organizational change in part and do not require organizational culture moderation for organizational changes.
5. Finally, this study empirically and scientifically shows that transformational leadership has the greatest impact on organizational change in a private university in Jakarta, Indonesia.



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