



Leadership Transformation Culture in Private Higher Education Institutions in Balikpapan

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ABSTRACT: This study examines leadership culture transformation in Balikpapan's private higher education institutions (PHEIs), which are facing modern challenges. Data was collected through interviews and observations from various stakeholders using qualitative multi-site methods. Results show PHEIs are confronting diverse challenges, such as quality improvement, resource limitations, and governance issues. Transformation requires a holistic approach that includes consistent leadership, capacity development, and organisational restructuring. While positive impacts like increased collaboration and efficiency have emerged, obstacles such as role ambiguity and limited autonomy persist. Continuous evaluation is crucial for long-term success in improving PHEI performance and quality. Inspirational leadership is key to successful change. The study highlights the complex challenges PHEIs face and emphasises comprehensive strategies for effective transformation. Despite positive outcomes, ongoing assessment is needed to address remaining barriers and ensure sustained improvement in Balikpapan's private higher education sector.

Keywords: Leadership, Transformation, Culture, Private Higher Education Institutions



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INTRODUCTION

The Association of Indonesian Private Universities (Aptisi) and Commission X of the Indonesian House of Representatives (DPR RI) have revealed various issues and challenges faced by private universities (PTS). The Vice Chairman of Commission X stated that approximately 90% of the 3,128 private universities in Indonesia face significant health and operational challenges. One proposed solution to address these issues is through institutional mergers. However, this approach introduces new problems, such as meeting minimum lecturer and land requirements and difficulties in data migration. Moreover, the gap between private universities and public universities

(PTN) remains a significant challenge, with only about 10% of private universities considered to be operating effectively (Prastiwi Mahar, 2022). This highlights the critical role of leadership in higher education institutions in managing and overcoming these challenges, including fulfilling the threefold missions of higher education (tri dharma) and improving educational quality. With rapid changes in technology, globalization, and social expectations worldwide (Ahn et al., 2004), the need for effective leadership in managing educational institutions is becoming increasingly urgent (Candra Susanto et al., 2022) ; (Candra Susanto et al., 2023) To achieve effective leadership, higher education institutions must have a clear vision of their desired future direction (Abu Hasan et al., 2016). A crucial step in managing organizational change effectively is appointing a transformational leader (Putri et al., 2020).

In the context of Leadership Transformation Culture, transformational leadership is key to organizational performance as it fosters a highly conducive environment filled with motivation, productivity, integrity, patriotism, and strong character among its members (Masaong et al., 2023). Transformational leadership significantly contributes to building a collaborative and professional culture (Ngang, 2011:)(Parry & Proctor-Thomson, 2002), which can help overcome barriers in institutional mergers and the development of higher education institutions. Policy integration and inter-agency coordination are also required to improve the overall quality of higher education. Therefore, higher education leaders must promote positive changes and comprehensive quality improvement (Saputra & Rumangkit, 2021) (Busari et al., 2020) . Structural and cultural organizational transformation is key to maintaining institutional competitiveness and relevance (Oey et al., 2017).

However, such changes will only succeed with the vital leadership role capable of inspiring and guiding all organizational members through the transformation process. Leadership is not just about managing daily operations; authentic leadership is the ability to shape a vision, influence, and empower individuals within the organization to move toward common goals (Navia, 2022) (Buyung Aulia Safrizal, 2023). In the context of private universities, the role of organizational culture is increasingly critical. These institutions face challenges from global competition and technological advancements while adapting to local dynamics and regional demands (Laliyo et al., 2023) (Sethi & Dayal, 2023). Organizational culture does not form instantly; it is an accumulation of values (Warrick, 2017), habits, and practices implemented and upheld by all institution members (Berger et al., 2014) (Pavlova, 2023). Addressing cultural changes requires a leader who can adapt, direct, and motivate all organizational elements to transform collectively (Hasanah et al., 2023) (Zainol et al., 2021). Leadership and cultural transformation are essential to overcoming these obstacles and improving the overall quality of higher education (Amtu et al., 2021) (Kiran et al., 2020) (Froese & Peltokorpi, 2011) (Edgelow, 2011).

This study provides a novel contribution by focusing on the local context of private universities in Balikpapan, which face unique challenges in governance, institutional mergers, and human resource constraints. By integrating the Leadership Transformation Culture approach, this research highlights the importance of visionary and collaborative leadership in shaping an adaptive and innovative organizational culture. Previous literature often focuses on leadership transformation in the business sector or public education, while transformational approaches in private universities, especially in Indonesia, have yet to be explored in depth. This approach is relevant for addressing globalization, technology, and local dynamics . It offers practical solutions

to multidimensional problems faced by private universities, such as quality disparities and barriers to institutional mergers. The focus on building trust, participation, and organizational commitment during cultural transformation makes this research unique, offering a holistic perspective that integrates theory and practice to enhance the competitiveness of higher education institutions. These dimensions are crucial in addressing higher education institutions' sustainability challenges amidst increasing competition. Thus, this study contributes significantly to developing transformational leadership models capable of sustainably improving the quality of higher education relevant to local and global needs.

METHOD

Leadership as a Key Factor in Organizational Success, Including in Higher Education Out of 6,493 higher education institutions in Indonesia, many still face challenges such as access, quality, and equity, as noted on <https://pddikti.kemdikbud.go.id/statistik> (2024), Leadership crises often exacerbate internal issues. Ali Ghufron Mukti, Director-General of Science and Technology Resources and Higher Education (2019), accessed at <https://lldikti13.kemdikbud.go.id/> emphasized two perspectives on the role of university leaders: as their primary responsibility and as faculty members with additional duties. This study employs a qualitative paradigm with a multisite approach, as adopted by (Hasiara, 2018)(Audet & d'Amboise, 2001), focusing on the School of Economics (STIE) in Balikpapan. The research stages include preparation, planning, implementation, interpretation, and dissemination. Data collection methods include surveys, interviews, and participatory observation of STIE leaders (STIE Chair), vice-chairs, heads of institutional units, and faculty members.

Data analysis uses domain and content methods commonly used to evaluate qualitative parameters. According to (Lisboa et al., 2010), domain analysis is an engineering technique for identifying common characteristics of a specific area. (Rahardjo, 2010), explains that the goal is to obtain a complete domain overview from the existing data. In this context, the focus is on categorizing the assets of higher education institutions. Based on this domain, the data is filtered to identify and categorize raw information from interview transcripts into appropriate groups. Each piece of data is also examined using content analysis to understand the meaning of the messages. According to (Downe & Rn, 1992; Liamputtong, 2013) (Slamet et al., 2023). content analysis is a systematic and objective method of drawing valid conclusions from verbal and visual data.

Qualitative data analysis is conducted to identify key patterns and themes related to leadership and organizational culture. The research findings will be interpreted to formulate an understanding of the obstacles, potential solutions, and practical implementation strategies. Finally, the findings will be presented to stakeholders and integrated into the institution's human resource management policies.

Table 1. Informant Demography

Key Informants	Position	Age
Code 1	STIE Chair A*	67
Code 2	Vice Chair 3 A*	56
Code 3	Department Head A*	33
Code 4	Vice Chair B*	45
Additional Informants		
Code 1	BAAK Head A*	44
Code 2	Sub. Admin Head A*	51
Code 3	HR Head A*	29
Code 4	Lecture A*	57
Code 5	BAAK Head B*	47
Code 6	Lecture B*	40
Code 7	Lecture B*	54
Code 8	Admin Staff B*	50

RESULT AND DISCUSSION

The leadership culture in private higher education institutions in Balikpapan currently faces unique challenges that reflect the complex dynamics within these institutions—leaders in private universities who fail to update their knowledge and skills risk causing stagnation in institutional development. Leaders must keep up with the latest education, management, and technology developments to maintain competitiveness and relevance in facing modern challenges. This can lead to ineffective decision-making, outdated policies, and ineffective teaching and campus management innovation. As a result, the quality of education declines, students and faculty feel unsupported, and the institution risks falling behind other more adaptive and progressive universities.

This aligns with the key informant, Code 1 A* (67 years old), who stated:

"The leadership culture in private higher education institutions in Balikpapan highlights the importance of continuous knowledge updates. Leaders must continuously update their knowledge and skills to remain competent and professional. Additionally, coordination and appreciation are crucial, with the main focus being on coordinating and appreciating efforts to achieve organizational goals, with an emphasis on the roles and responsibilities of each individual. Decentralization is also important, aiming to foster creativity, innovation, and a learning spirit throughout the organization, not just focusing on central issues." (Key Informant Code 1 A, 67 years old).*

Furthermore, there is a dynamic between the managing foundation and university leaders. This situation creates an environment that requires a delicate balance between institutional autonomy and foundation oversight.

One of the major issues is when foundation administrators are directly involved in university management, even occupying structural positions. This creates a dilemma for university leaders. On one hand, they are tasked with effectively carrying out the institution's vision and mission. On

the other hand, their autonomy in decision-making is often limited by foundation intervention, which can result in:

1. Overlapping roles and responsibilities
2. Potential conflicts of interest
3. Blurred boundaries between strategic oversight and daily operations

This is in line with the views of key informant Code 2 A* (56 years old) and additional informant Code 1, Head of BAAK A* (44 years old), who stated:

"When the foundation owning the private university is also involved in daily management, it can affect the autonomy of the campus leadership. A structure too tightly controlled by the foundation can create tension in decision-making, slow innovation processes, and negatively impact organizational performance. It can also hinder necessary changes to improve accreditation and education programs." (Key Informant Code 2 A, 56 years old, and Additional Informant, Head of BAAK A*, 44 years old).*

This situation certainly affects the speed and effectiveness of university development. For example, university leaders often need help accelerating infrastructure development due to limited authority over financial management. Yet, to remain competitive in this increasingly competitive era, universities need flexibility and speed in making strategic decisions.

Ideally, foundations should grant greater autonomy to university leaders, particularly in financial management and strategic decision-making. With this freedom, university leaders could more freely design and implement necessary development programs, including improvements in infrastructure and academic quality.

This aligns with key informant Code 2 A* (56 years old), who stated:

"If the foundation gives full autonomy to private university leadership, as has happened in some universities in Balikpapan, it could create a more flexible and innovative organizational culture. Leadership with full control over the institution's management can prioritize quality improvement programs, human resources, and accreditation, ultimately enhancing the reputation and sustainability of the university." (Key Informant Code 2 A, 56 years old)*

Of course, this autonomy must be balanced with a strong accountability system. University leaders need to demonstrate reasonable and transparent performance in managing the institution. Once the institution has developed well and reached a respectable stage, a profit-sharing scheme between the university and the foundation could be considered.

However, many foundations still need to apply tight control over financial aspects, which can slow down development and innovation processes. This creates a challenging environment for private university leaders in Balikpapan. They must:

1. Balance institutional vision with foundation expectations
2. Negotiate for greater autonomy in decision-making
3. Manage complex relationships with various stakeholders

Additionally, authoritarian leadership styles are prevalent, where university leaders often make unilateral decisions without actively involving faculty, staff, or students. This leadership style tends

to suppress academic freedom and ignore the aspirations and input of various stakeholders. Policies are often rigid and driven by personal or institutional interests without considering the long-term impact on education quality and the welfare of the academic community. As a result, the work atmosphere becomes less conducive, dissatisfaction arises, and the potential for innovation and collaboration within the campus environment decreases.

This is supported by statements from key informant Code 3 A* (33 years old) and additional informants, Head of BAAK B* (47 years old), as well as lecturers A* (57 years old), B* (40 and 54 years old), who said:

"The leadership culture in private universities in Balikpapan tends to be dominated by authoritarian leadership styles, where leaders directly manage all aspects, from structure to operations. Although some universities grant autonomy to their management and staff, the majority still adhere to centralized leadership." (Code 3 A, 33 years old; Additional Informant, Head of BAAK B*, 47 years old; and Code 6, 7 Lecturers B*, 40, 56 years old)*

Similarly, key informant Code 4 B* (45 years old) noted:

"The leadership culture in our institution can currently be described as traditional. There is a tendency for centralized decision-making and one-way communication. Although there are efforts to involve staff in certain matters, this involvement is often more formal than substantive. The hierarchical structure is still robust, sometimes hindering innovation and creativity from the lower levels." (Key Informant Code 4 B, 45 years old)*

Transforming this leadership culture takes work and requires time. Intensive dialogue between the foundation and university leadership is needed to reach a mutual understanding of the institution's vision, mission, and development strategy. A sound governance system must also be established to balance autonomy and accountability.

The Main Challenges Faced in Efforts to Transform Leadership Culture at Private Higher Education Institutions in Balikpapan:

The transformation of leadership culture at private higher education institutions (PTS) in Balikpapan, as in many other PTSs in Indonesia, faces complex and layered challenges closely related to governance issues. The key challenges can be analyzed by linking them to governance problems, particularly in the School of Economics in Balikpapan.

A. Quality and Accreditation

One of the biggest challenges in transforming leadership culture is how PTS leaders can improve the quality of education and meet national accreditation standards. Many PTSs, including those in Balikpapan, still have a quality gap compared to state universities (PTN). This is due to limited human resources (HR), finances, and infrastructure.

As key informants, Code 2 A* (56 years) and Code 1 BAAK A* (44 years) stated:

"Measuring the success of leadership culture transformation is the strengthening of human resources (HR) and the improvement of institutional quality." (Key informant Code 2 A 56 years, Additional informant Code 1 BAAK A* 44 years)*

Leaders at these institutions often need help to create an academic culture focused on quality improvement due to administrative pressures and uncertainty regarding accreditation achievement. Standards set by the National Accreditation Board for Higher Education (BAN-PT) and now the Independent Accreditation Agency (LAM) require achieving certain quality levels. Still, with adequate resources, this becomes easier.

B. Financial

Another challenge is the high dependence on tuition fees as the primary source of income. In Balikpapan, as in other cities, many PTSs need help finding alternative funding sources, such as research grants or partnerships with industry. The lack of research funds, infrastructure, and professional development programs limits innovative leadership culture transformation. When institutions lack financial stability, institutional leaders are more likely to make short-term decisions that sacrifice long-term quality.

C. Human Resources

Leadership transformation requires highly qualified lecturers committed to change. However, PTSs often need help attracting and retaining quality lecturers due to limited budgets to pay lecturers according to standards and the lack of professional development programs. Leaders who want to push for transformation must address this challenge by designing strategies to improve lecturer welfare and motivation, such as non-financial incentives or strengthening collaboration with industry to enhance teaching relevance.

There is also resistance from university human resources when attempts are made to transform the institutional culture. This resistance is often due to comfort with long-standing routines, concerns about uncertainty, and fear of losing positions or roles they have held for a long time. Staff reluctant to change tend to maintain outdated work patterns, even though these are no longer relevant to new challenges in the evolving education world. As a result, adapting to modernization, academic innovation, and improving educational quality is needed, putting the institution at risk of falling behind competitors that are more flexible in responding to change.

This aligns with the views of key informant Code 1A* (67 years), who stated:

"Difficulties in Shifting Behavior. Long-established organizations may experience difficulties changing behaviors and cultures, requiring an evolutionary approach."

Also, key informant Code 3 A* (33 years) and Additional Informant Code 1 BAAK A* (44 years) mentioned:

"The most significant challenge in transforming leadership culture is the Gap in Acceptance of Change. There is a difference in the level of acceptance of change among subordinates. About 70% of subordinates

can follow changes, while 30% still find it difficult to adapt, especially those who are more attached to the old ways or have difficulty following new leadership styles." (Key informant Code 3 A 33 years, Additional Informant Code 1 BAAK A* 44 years)*

Furthermore, key informant Code 4 B* (45 years) stated:

"There is strong resistance to change, especially from those comfortable with the current situation." (Key informant Code 4 B 45 years).*

D. Infrastructure and Facilities

The transformation of the leadership culture at PTS dramatically depends on the quality of supporting facilities and infrastructure. As key informant Code 4 B* (45 years) stated:

"There are limited resources and infrastructure to support change. Cultural transformation requires investment in time, energy, and funds, which are sometimes difficult to prioritize amidst daily operational demands." (Key informant Code 4 B 45 years)*

Many PTSs in Balikpapan still need more educational facilities, especially those based on the latest technology. Transforming the culture towards a more modern and quality-focused education will only be optimal with supporting infrastructure.

E. Governance and Management:

One of the fundamental issues in PTS governance is the need for more transparency and efficiency in decision-making, as well as conflicts of interest between the foundation and academic managers. In some PTSs, the foundation is dominant in strategic decision-making, which can conflict with the academic vision focusing on educational quality and HR development. Leadership transformation requires a governance model that is more transparent, professional, and participatory, where every decision is made based on the long-term interests of the institution and not just short-term financial gains.

Key informants Code 2 A* (56 years), Additional Informant Code 1 BAAK A* (44 years), Sub. B. TU A* (51 years) and Code 5 BAAK B* (47 years) stated:

"Foundations are still involved in the structural management of universities, and authoritarianism is extreme in several private universities in Balikpapan."

F. Curriculum Relevance

A curriculum not aligned with industry and job market needs is a serious issue at PTSs. Leaders who wish to change the education culture often face challenges adapting the curriculum to global and technological trends. This requires closer industry partnerships and quick responses to labor market demands.

G. Research and Community Service

Due to limited funding and support, research is often not prioritized at PTSs, which focus more on teaching activities. Leaders who wish to promote academic culture transformation must confront the challenge of low research productivity. This is directly related to the need for more research funding, infrastructure, and incentives for lecturers to conduct research and publish scientific papers.

H. Competition

Competition with PTNs and other PTSs, as well as the challenges from online education, also hinder leadership transformation. Many PTSs feel pressure to compete for students in an increasingly competitive market. Leaders at these institutions need to think of strategies to enhance their institution's appeal, such as improving academic reputation and adapting to online education models.

I. Regulations

The high administrative burden related to higher education regulations in Indonesia often strains PTSs. Institutional leaders must balance their focus between meeting regulatory requirements and improving academic quality. The heavy administrative burden can hinder flexibility in making strategic decisions needed for transformation.

J. Internationalization

Limitations in developing international programs also pose a challenge for PTSs that want to transform and compete globally. Institutions often need help increasing international visibility and establishing partnerships with foreign universities, which is key to improving quality and global competitiveness.

Factors Influencing the Process of Leadership Culture Transformation in Private Higher Education Institutions in Balikpapan

A. Deep-rooted Organizational Culture

Factor: Long institutional history and traditions.

Institutions' longstanding history and traditions can create resistance to change, as people tend to be comfortable with familiar ways of doing things.

Key Informant Code 3 A* 33 Years:

"The diverse cultures from different regions within the institution make it difficult to unite everyone under one leadership culture."

B. Vision and Leadership Commitment

Factor: Clarity of vision and commitment from top leadership.

The transformation of leadership culture heavily depends on the top leaders' clarity of vision and commitment. This makes aligning the entire organization toward change easier. Leadership style adjustments are also necessary to accommodate the desired changes.

Key Informant Code 1 A* 67 Years:

"Leaders must provide freedom and guidance based on existing rules and structures without stifling creativity. They must also foster partnerships, facilitate leadership development in individuals, and ensure clear structural hierarchies as boundaries."

Key Informant Code 2 A* 56 Years:

"Leaders must truly understand and commit to the institution's vision and mission."

Key Informant Code 4 B* 45 Years:

"I envision an institution where ideas flow freely from the bottom to the top, and vice versa."

This transformation should create a more open environment for change, where every member feels valued and involved in decision-making."

C. Gap in Acceptance of Change

Factor: Differences in perception and readiness across organizational levels.

There is often a gap between leadership readiness for change and the readiness of lower-level staff. Cultural differences between departments or units can also lead to variations in change acceptance. A rigid hierarchical structure may result in limited bottom-up initiatives.

D. Mindset and Trust

Factor: Individual mindset and the level of trust within the organization.

Transforming leadership culture requires a shift in mindset at all organizational levels. A lack of trust between leaders and staff, or among departments, can be a significant barrier to this process.

Key Informant Code 3 A* 33 Years:

"There is still a lack of trust from top management downwards."

Key Informant Code 4 B* 45 Years:

"The lack of trust between various levels of the hierarchy also poses a significant obstacle."

Additional Informant Code 2 Sub. B. TU A* 51 Years:

"Full trust is given to each staff member in performing their duties without excessive interference."

E. Resources and Capabilities

Factor: Availability of human, financial, and technological resources.

Transformation requires investment in human resource development, technology, and possibly organizational restructuring. More resources can be needed to ensure the implementation of desired changes. Adapting to new systems also requires resources and time.

F. Local Balikpapan Context

Factor: Socio-economic and cultural conditions specific to Balikpapan.

Balikpapan has a unique cultural and economic context. Leadership culture transformation must consider local values and community expectations.

Key Informant Code 3 A* 33 Years:

"The different local cultures and customs often become barriers to implementing uniform changes."

G. Higher Education Regulations

Factor: Government policies and accreditation standards.

Changes in national higher education regulations can support or hinder transformation, depending on how well they align with the institution's vision.

H. Competition among Higher Education Institutions

Factor: Competitive pressure in attracting students and resources.

Intense competition can drive or hinder transformation, depending on how leadership responds to external pressures.

How to effectively implement leadership culture transformation in private higher education institutions in Balikpapan.

Practical strategies for implementing leadership culture transformation in private higher education institutions in Balikpapan must be comprehensive and integrated, including:

A. Exemplary and Consistent Leadership:

1. Top leaders must be role models in demonstrating the desired new behaviors and values.
2. Consistency in leaders' actions and decisions to strengthen the credibility of the change.
3. Provide strong and rational arguments for every change implemented.
4. Involve leaders at all levels in the change process to create a cascading effect.

This aligns with the statement of key informant Code 1 A* 67 years, who said:

"Lead by example, be a good role model with clear leadership. Be strongly committed to implementing regulations and rules and provide concrete arguments and evidence to convince organizational members about the necessary changes. This reduces dependence on authority figures and encourages the development of rationality and individual potential among organization members." (Key informant Code 1 A 67 years)*

B. Effective Communication and Socialization:

1. Develop a comprehensive communication plan to explain the vision, goals, and transformation process.
2. Use various communication channels (direct meetings, digital media, newsletters) to reach all stakeholders.
3. Hold open dialogue sessions to listen to feedback and address the concerns of the academic community.
4. Celebrate and communicate quick wins to build momentum for change.

This is in line with the statement of key informant Code 2 A* 56 years, who said:

"The first strategy is to increase understanding and socialization of change. Second, overcome resistance to change by communicating. Third, there is a need to establish new units that support the organization. Fourth, encourage teamwork and understanding of key tasks." (Key informant Code 2 A 56 years)*

This is supported by the statement of key informant Code 4 B* 45 years, who said:

"I apply a more open and collaborative leadership style in my small team. I also actively propose and support leadership development programs for junior staff. Additionally, I strive to build informal networks across departments to facilitate the exchange of ideas and best practices. In the future, I hope to advocate for a performance evaluation system that values initiative and innovation." (Key informant Code 4 B 45 years)*

C. Empowerment and Trust:

1. Delegate responsibilities and authority to lower levels to increase change ownership.
2. Encourage bottom-up initiatives and innovation by providing space for experimentation and tolerance for constructive failure.
3. Facilitate the formation of informal networks for the exchange of ideas and collaboration across departments.

This is consistent with the statement of key informant Code 3 A* 33 years, who said:

"Increasing trust and building a special team that can focus on facing rapid changes." (Key informant Code 3 A 33 years).*

D. Leadership Capacity Development:

1. Design and implement comprehensive leadership development programs for all levels of management.
2. Provide specific training on change management and cultural transformation.
3. Adopt mentoring and coaching approaches to support leadership growth.

E. Organizational Restructuring:

1. Form special teams or task forces focused on implementing and monitoring the transformation.
2. Evaluate and restructure internal processes to align with the desired new culture.
3. Create a more flexible and responsive organizational structure to adapt to change.

This is supported by the statements of key informants Code 2 and 3A*, who said:

"Building a special team to handle various aspects of the transformation as part of the leadership culture transformation strategy." (Key informants Code 2, 3 A 56 & 33 years).*

F. Evaluation and Reward Systems:

1. Develop a new performance evaluation system aligned with the values and behaviors desired in the new culture.
2. Implement a reward system that encourages and recognizes contributions to cultural transformation.
3. Integrate cultural transformation indicators into the organization's and individuals' KPIs.

G. Gradual and Adaptive Approach:

1. Implement changes gradually, starting in areas most ready for change.
2. Conduct regular evaluations and adjust strategies based on feedback and results.
3. Adopt an organizational agility approach to respond quickly to new challenges and opportunities.

H. Local Contextualization:

1. Ensure leadership culture transformation aligns with Balikpapan's values and local context.

2. Involve external stakeholders (local industry, local government) in the transformation process to ensure relevance and support.

This is in line with the statement of key informant Code 3 A* 33 years and Additional Informant Code 8 B* 50 years, who said:

"The transformation process must be adapted to the local context in the city of Balikpapan." (Key informant Code 3 A 33 years & Additional Informant Code 8 B* 50 years.*

I. Strengthening Collaboration and Partnerships:

1. Strengthen inter-departmental collaboration to break down organizational silos.

This aligns with the statement of key informant Code 3 A* 33 years:

"Communication and collaboration—how to develop more effective communication between leaders and staff and between different teams. Better discussion and collaboration are expected to facilitate the implementation of changes and address emerging challenges." (Key informant Code 3 A 33 years)*

2. Develop strategic partnerships with other institutions, industries, and the community to enrich perspectives and resources in the transformation process.

Private higher education institutions in Balikpapan face significant challenges related to leadership culture, where there is a complex dynamic between institutional autonomy and the intervention of managing foundations. Many foundations are directly involved in management, which often limits the freedom of leaders to make strategic decisions. This can lead to role overlap, conflicts of interest, and unclear boundaries between strategic oversight and daily operations. These obstacles could hinder institutional development, particularly in infrastructure and innovation. To address this, institutional leaders need greater autonomy balanced with strong accountability. Despite these challenges, some institutions have made progress in adopting more autonomous and results-oriented leadership models, which are expected to drive innovation and improve education quality in the future.

The gap between public universities (PTN) and private universities (PTS) in Indonesia remains a significant issue in the higher education landscape, with only around 10 percent of PTS considered to operate well (Prastiwi Mahar, 2022). PTNs, with more considerable government support, often enjoy better facilities, more research funding, and stronger reputations, attracting high-achieving students and quality academic staff. Meanwhile, PTS usually faces funding challenges, impacting the quality of infrastructure, the ability to attract and retain qualified lecturers, and the capacity to conduct research and development. This creates a vicious cycle where PTNs dominate national and international university rankings while many PTS need help to improve their standards. Consequently, there is an imbalance in job opportunities for graduates, with PTN graduates often favored by employers. Although some PTS have successfully stood out and competed with leading PTNs, this gap remains a significant challenge in creating a more equitable and high-quality higher education ecosystem in Indonesia.

The transformation of leadership culture in private higher education institutions (PTS) in Balikpapan faces various complex and interrelated challenges. Therefore, it requires organizational

culture, leadership, job-related knowledge, skills, experience, and competencies (Huang et al., 2020); (Miotto et al., 2020). The main challenges include improving quality and achieving national accreditation amidst limited resources, a high reliance on tuition fees as the primary income source, and difficulties finding alternative funding. Public universities (PTN) generally receive funding from the government. However, it still needs to be expanded due to complicated regulations, thus requiring assistance to develop their finances, which differs from private universities (PTS) that have more freedom in running funding businesses (Chevaillier & Eicher, 2002). Other challenges include difficulties in attracting and retaining high-quality lecturers; lack of infrastructure and modern educational facilities; governance issues, including lack of transparency and conflicts of interest between the foundation and academic management; curricula that are less relevant to industry needs; low research priority and productivity; intense competition with other PTNs and PTS as well as challenges from online education; high administrative burdens related to educational regulations; and limitations in developing international programs. Addressing these challenges requires PTS leaders' holistic and innovative approach to create an effective leadership culture transformation. Along with rapid changes in technology, globalization, and social expectations worldwide, the need for effective leadership in managing these educational institutions is becoming increasingly urgent (Candra Susanto et al., 2023).

Various interconnected factors influence leadership culture transformation in private higher education institutions in Balikpapan. These factors include long-established organizational cultures, clarity of vision, and commitment from top leadership (Abu Hasan et al., 2016). gaps in change acceptance across organizational levels, individual mindsets and trust levels, the availability of human, financial, and technological resources, Balikpapan's unique socio-economic and cultural context, national higher education regulations, and competitive pressures among higher education institutions. One appropriate step for managing organizational change effectively is to appoint a change leader with a transformational leadership model (Putri et al., 2020). Effective transformation requires a holistic approach considering all these factors, including intensive efforts in socializing the vision and mission, integrating new values into daily activities, developing leadership at various levels, and ongoing evaluation and adjustment. The success of the transformation also depends on the institution's ability to overcome resistance to change, build trust, develop capacity, and adjust strategies based on feedback and achieved results.

Practical strategies for implementing leadership culture transformation in private higher education institutions in Balikpapan require a comprehensive and integrated approach. Transformational leadership is key to organizational performance in Leadership Transformation Culture. It creates a highly conducive, motivated, productive, and integrity-filled environment, with strong character among the members being led (Masaong et al., 2023). This includes exemplary and consistent leadership, effective communication and socialization, empowerment and trust-building, leadership capacity development at all levels, organizational restructuring that supports change, an evaluation and reward system aligned with the new culture, a gradual and adaptive approach to implementation, local contextualization that considers Balikpapan's values, and strengthening internal and external collaboration and partnerships. These strategies must be applied holistically, with the understanding that transformation is a long-term process requiring patience, consistency, and commitment from all organizational elements. Periodic evaluation and strategic adjustments are crucial to ensure the effectiveness and sustainability of the transformation, as exemplified by

the formation of special teams to drive innovation and transformation. Therefore, higher education leaders must promote positive change and quality improvement (Busari et al., 2020).

The transformation of the leadership culture at the School of Economics in Balikpapan is expected to improve institutional performance and quality significantly. Transformational leadership significantly shapes a collaborative and professional culture (Ngang, 2011); (Parry & Proctor-Thomson, 2002). With increased collaboration between departments and institutional units, the efficiency of shared resource utilization will also improve, although improvements in SOP implementation are needed to reduce overlapping responsibilities. Human resource development through training and seminars is also expected to strengthen staff competencies, although support still needs to be improved. Furthermore, with strengthened reputation and trust, institutions are expected to attract more prospective students and expand partnerships with businesses and industries. More effective use of technology, such as ERP and LMS systems, will also accelerate operational efficiency and responsiveness to change. Ultimately, with greater autonomy and better staff empowerment, institutions are expected to create innovations and creativity that enrich the learning experience, increase the relevance of study programs, and build a strong foundation for long-term development.

CONCLUSION

This research has provided a deep understanding of leadership culture transformation in private higher education institutions in Balikpapan. However, more comprehensive follow-up studies are needed to broaden insights and develop more effective solutions. Some suggested research directions include comparative analyses with similar institutions in other locations, long-term studies to understand the evolution of leadership culture, evaluations of the economic impact of such transformations, in-depth explorations of resistance to change, the development of contextual leadership models, assessments of existing leadership development programs, investigations into the role of technology in transformation, analyses of organizational social networks, specific case studies, participatory research involving institutional members, policy analysis in education, and explorations of industry-academic collaborations. This multi-dimensional approach is expected to provide a more holistic understanding and targeted solutions to support leadership culture transformation in the private higher education sector. The results of these studies can significantly contribute to the institutions being studied and the private higher education sector in Indonesia as a whole.

This research reveals several findings that offer new perspectives on understanding leadership culture transformation in private higher education institutions in Balikpapan. The complex dynamics between the foundation and the university present a unique dilemma in terms of autonomy and governance, challenging conventional management models. The importance of the local context in the transformation process emphasizes the need for localized approaches, challenging the assumption of universality in change management. The gap between technological potential and its implementation in the field opens new discussions about barriers to technology adoption. The complexity of human resource development amidst resource limitations demands creative approaches. The phenomenon of "quick wins" versus long-term transformation highlights the challenge of balancing quick results with cultural changes that require time. The role of

informal leadership and social networks within the organization adds a new dimension to understanding change dynamics. The challenge of implementing SOPs underscores the gap between policy and practice. The need to balance autonomy with accountability opens discussions about the complexity of delegating authority. Increased external collaboration emphasizes the importance of redefining relationships with external stakeholders in the internal transformation process. Finally, the indirect impact of transformation on aspects such as reputation and stakeholder satisfaction shows a broader ripple effect of leadership culture change. These new perspectives enrich our understanding of the complexities of transformation in private universities, challenging existing assumptions and paving the way for more holistic and contextual approaches. While providing valuable insights, the research has several limitations that must be considered. The geographic scope, focused on Balikpapan, limits the generalization of the findings to other regions in Indonesia. The focus on two specific institutions may reflect the diversity of experiences across only some private universities in the city. The limited time frame of the study may not fully capture the dynamics of long-term change. There is a possibility that some critical perspectives, such as those of students or alums, need to be adequately represented. The focus on the private sector limits the application of the findings to public or religious-based institutions. Although not explicitly mentioned, there may be methodological limitations in data collection and analysis. Current regulatory contexts may affect the relevance of the findings in the future. The research emphasizes internal dynamics more than external factors, such as global economic trends. Long-term impact measurements may be limited. Potential subjective bias in the interpretation of the data should be considered. The in-depth exploration of resistance to change may be lacking. Finally, the research may focus more on formal structures than on the informal dynamics of the organization. Understanding these limitations is essential for accurate interpretation and identifying future research areas. Nonetheless, this research still contributes significantly to understanding leadership culture transformation in private universities in Balikpapan.

This study underscores the importance of transformational leadership in addressing the multidimensional challenges private universities (PTS) face in Balikpapan and similar contexts. The findings highlight that fostering autonomy, improving governance, and enhancing stakeholder engagement are key to driving institutional development and improving quality. Diversifying funding sources, investing in human resource development, and leveraging technology are critical steps to overcoming resource limitations and modernizing operations. Moreover, creating a collaborative and adaptive organizational culture tailored to the local socio-economic context can enhance institutional relevance and competitiveness. Regular evaluations and strategic adjustments are essential to ensure sustained progress and alignment with evolving needs. These insights provide practical recommendations for PTS and other institutions seeking to transform their leadership culture, emphasizing the importance of a holistic and context-sensitive approach to achieving long-term educational excellence.

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