

LEADERSHIP AND CRISIS BASED ON CONTINGENCY APPROACH AND LEADER'S FATAL FLAWS A CASE STUDY IN X INSTITUTE INDONESIA

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Abstract: The power of a leader is on the impact on the people that he leads, the organization's condition and the sustainability of the organization. Conditions in the organization is a difficult thing to predict. Every decision taken has a different impact. That is where a leader's ability is tested. How a leader in the midst of his limitations must be able to bring himself, his team and his organization in a better direction. This study was analyzed by taking into account factors that exist in the contingency and fatal flaws approach of a leader. The results of the analysis found that a leader who has strong experience, competence, commitment and ability to build and maintain good relationships with his team will be an effective leader and able to bring the organization out of the crisis.

Keywords: Leadership, crisis, Contingency Approach, fatal flaws

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The crisis is a word that sounds scary and tends to be avoided. The word crisis comes from the Greek word “*krinein*” which means “decide” or “decides” evolves into the word “crisis” which means “Decision”. The word crisis is synonymous with a time of great, or powerful, difficulties, problems or dangers capable of destabilizing an individual or an organizational group. The crisis is like hot water that ready to flush tea at any time to test the quality of the tea. Crisis,

for some people, can be used as a stepping stone to achieving a better career and reputation, but for individuals who do not have the resilience and decision-making ability, the word crisis will be a word that leads to destruction and despair. The crisis can make the organization better or worse depending on how perceptions of management about conflict and how they respond to crisis situations.

Conflict, too, is a word that sounds uncomfortable and often has a negative impact if it is not addressed properly. Changes in an organization that has long been established may cause internal conflicts as organizational members are forced to change, developing their ability to follow higher targets and expectations. Differences in thoughts, principles, personal abilities, and attitudes that exist in each personnel involved causing the possibility of a

stronger conflict. The more personnel involved in an organization or institution, the more conflict will arise. But if organizations or institutions prefer to avoid conflict and not make any changes, the organization will remain in the comfort zone, unaware of the slow downs that will erode them and leave the company in crisis and even bankruptcy situations.

The Leader's role is crucial to the organization's progress. Strategic thoughts leading to new breakthroughs are not enough. A leader must be able to influence the surrounding environment to move together, able to create the expected conditions and bring his team to achieve common goals within the organization.

A good leader is a leader who brings a positive influence so that the people he leads are able to transcend their ability to be a better and superior person. A leader is expected to be able to see far ahead of the phenomena that will occur, leveraging the strengths and weaknesses of each member of his team and determining the organization's milestone, achievement strategy. He must be able to create an atmosphere so that what is planned can achieve the best results.

The role of a leader will be evident in the crisis and in every conflict that arises. His ability to manage the emotions of every personnel he leads must be preceded by his ability to manage his personal emotions as a leader who becomes an example or role model for every personnel he leads. In his book, *Agility*, Prof. Rhenald Khasali quoted French diplomat Charles Maurice de Talleyrand saying "A hundred goats led by a lion would be far more dangerous than a hundred lions led by a goat" (Kasali, 2014, page 1) This statement describes the power of a true leader lies in his own character and personal power transformed in every member he leads. A leader who succeeds in overcoming the crisis and is able to take advantage of the conflict that arises makes him an increasingly mature and influential leader.

In his book *High Performance Companies; Successful strategies from The World's Top Achievers* (Pangarkar; 2012; page 123), written Johnson & Johnson's experience out of the crisis. The role

of top management, Jim Burke in responding to the crisis is very important and determines the sustainability of Johnson & Johnson. Tylenol and Cyanide cases that caused the death of seven people and had a mass media scandal in 1982 caused a considerable impact to destabilize Johnson & Johnson. Strategic steps undertaken by Burke time was fairly simple but right on target. He gathered seven strategic teams and asked two questions. The first, "how can we protect consumers?" And "how do we save the product?". Various strategic steps are planned, executed and evaluated quickly and accurately so Johnson & Johnson is able to get out of the crisis.

In Johnson & Johnson's story, we can see that Focusing on the ability and charisma of a leader is important to encourage companies to respond effectively to crises. The existence of resources and commitment also supports the organization's readiness to respond appropriately and quickly. In contrast to the story, in this study, the author will explore the conflicts and crises that arise in one of the private universities in Indonesia. The absence of a leader's ability and charisma, as well as poor communication between college leaders, foundation leaders as higher education providers, and poor communication with human resources involved in the process lead to more conflict and prolonged crisis.

History of X Institute

X Institute is one of the private universities in Indonesia that has been established since 1992. Initially this institution in the form of School of Economics (STIE), with a market share of employees who are still educated high school who wants to increase education level to the undergraduate. The first rector in the office is a former private university in Indonesia. Over time, STIE is open to the public but still with the same target market, ie professionals/employees who want to continue education strata 1. But because of age, then the first rector should be replaced with the second Rector. During the leadership of the second Rector (the year 2000-2006), STIE was in the golden days; it gained ISO certification, excellent accreditation and a good reputation among the people. No wonder all these

achievements are achieved because of the strong ability and commitment of the leadership at that time. Character, dignity, and ability in finding opportunities to enlarge the institution are accompanied by the ability to make various strategies or breakthroughs that are very influential on the condition of the institution.

Since the change of leadership in the third and fourth rectors in 2007, strategies and policies that are too tight towards quality assurance have caused the number of students to drop dramatically. The policy and selection of new admissions are made more stringent in order to ensure the quality of student input, this leads to the target market which initially is a professional student become a regular student who graduated from senior high school less than 4 years. This is where the conflict began. Foundation as the organizers who rely on income from students began to feel threatened because the number of students continues to decline. While on the other hand quality assurance efforts made at that time to force every personnel to work rigidly according to applicable standards. Throughout 2007 to 2011 many conflicts occurred. In 4 years operation, there are replacement occurs 5 leaders with various types and backgrounds of leaders who support the interests of education providers. Rector is elected and appointed by the organizational foundation only by title without considering his or her ability and experience in managing the institution. Institutional leaders no longer have sufficient authority to determine policies and make strategic decisions because of the strong influence of the foundation. The confused Follower works in their own way to meet the targets set by the fluctuating leadership, the difficulty of control and the absence of continuous improvement processes.

In between the crisis period, in 2008 STIE turned into the Institute with the joining of High School in Engineering and the addition of one study program in the field of communication science. Several attempts have been made to rescue the ship that is heading for destruction, every leader has made various efforts and strategies with their respective styles but the crisis peaked when in 2011, stakeholder confidence in institutional performance

declined sharply this sparked a wave of demos and resistance that quite disturbing the stability of the institution. Finally in mid 2011, with the new Rector joining, the Institution decided to not accept students and to revitalize all components within the organization.

PROBLEM IDENTIFICATION AND PRINCIPAL ISSUE

Contingency Approach Theory explains the relationship between leadership style and effectiveness in specific situations. A leader must aware and ready to face any changes and challenges. In Education fields, the challenge becomes more challenging because of uncertainty factors, government involvement and strives of the foundation and stakeholders.

That is why so important to know how the leadership model that could fulfill this need and can lead the organization to reach its goals. How the key to success of X Institute can rise from the crisis caused by the inability of leaders in an organization

METHOD

Data collection techniques in this paper are based on the proximity of the author with the source information. Interviews are done in depth and each question posed is explained in detail. Supporting data in the form of vision, mission, a policy taken and institutional performance in recent years as well as a direct observation on location and utilizing secondary data sources. This research uses a simple qualitative approach and takes place at X Institute in Indonesia. The study was conducted from May to October 2017.

LITERATURE REVIEW

Definition of Leadership

Leadership is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes (Lim, Ghee Soon & Daft, 2017:5). Leadership uses influence in the setting of organization or situation, producing meaningful influence and have a direct impact on the completion of challenging goals. A leader

can also be defined as a complex phenomenon involving leaders, followers, objectives, and situation (Hughes, Ginnet & Curphy, 2018:4). Summarizes the key elements in this definition, a leader must concern to 6 elements below:

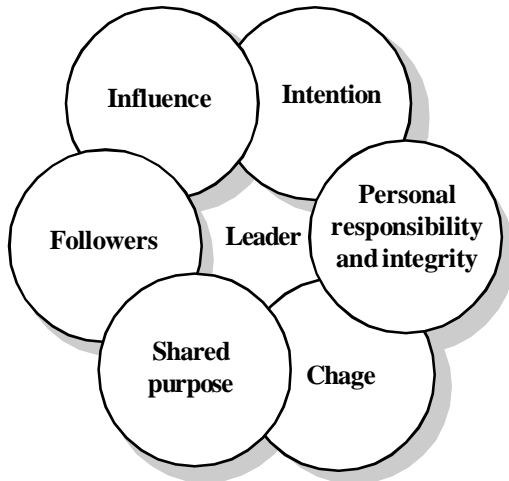


Figure 1 What Leadership Involves (Lim, Ghee Soon&Daft, 2017:5)

Leader Fatal Flaws

There are five fatal flaws that cause Derailment while a leader walking their mission, which can be seen in Figure 2.



Figure 2 Five Fatal Flaws That Cause Derailment (Lim, Ghee Soon&Daft, 2017;22)

Conflict

In the traditional view of the conflict, Conflict is seen as a dysfunctional outcome due to poor communication, lack of openness and trust among people, and the failure of managers to be responsive to the needs and aspirations of their employees. Whereas in the interactionist view of the conflict pushes the conflict on the basis that harmonious, peaceful and quiet group collaboration is vulnerable to being static, indifferent, and unresponsive to the need for change and innovation. (Robbins, 2003; 546)

The Contingency Approach

Uncertainty is the key to the contingency approach. A Leader has a different type and character, but at a certain moment, the type and character of leadership are forced to adapt to several related factors.

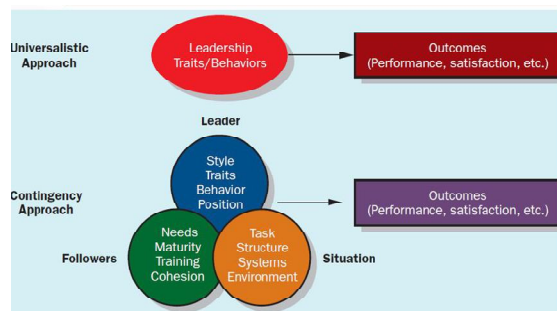


Figure 3 Contingency Approaches to Leadership (Lim, Ghee Soon & Daft, 2017;72)

The contingency Approach defined as approaches that seek to delineate the characteristics of situations and followers and examine the leadership styles that can be used effectively. (Lim, Ghee Soon & Daft, 2017;73)

Based on the framework above, it can be concluded that the outcomes in the form of institutional performance and stakeholder satisfaction are determined through the interaction between leaders, followers, and situations. The ability of the leader to leverage followers to move and to exert all their ability under uncertainty will determine the success of the institution.

RESULTS AND DISCUSSION

Leader Factor

Based on interviews conducted on one of the leaders of X Institute, it was found that five previous leaders were leaders with backgrounds of educational staff and had strong experience in the field of “Tri Dharma” Higher Education as a lecturer. However, to lead the institution of higher education, it is not only experience in the field of “Tri Dharma”, a Higher Education leader must have charisma, experience in managing people in the team, experience solving conflicts, having sufficient capability in establishing basic and organizational steps and having a strong commitment to keeping improving in all situations.

In a contingency approach, an event depends on another occurrence, and to be an effective leader there must be a match between the leader’s behavior and style with conditions in the situation facing the institution. Leaders, in this case, spelled out unsuccessfully because of their high ideals of principles without taking into account the risks of organizational decisions and conditions.

Followers Factors

Each follower has different backgrounds and values of each individual. In times of crisis at X Institute’s lack of leadership, the long conflict between leaders and phak education providers makes a lot of leeway and confusion arising among followers. Followers are not able to do a good job because every job is done with a changing standard that meets the expectations and targets of the ever changing leader.

In the contingency approach, followers need to produce the best performance, self-development needs, maturity in decision making, healthy internal relationships and communication are not met. This leads to failures in the fulfillment of personal existence and institutional outcomes.

Situation Factor

Higher Education Institution is one of the unique organizations because its existence is directly supervised by the government, society, related pro-

fessional institutions, industrial world as graduate users as well as parents and students as the main stakeholder. The whole process in the Higher Education Institution is in direct contact with humans. The technology used is limited to support for the smooth process or as an educational process control tool. The core process in Higher Education involves humans. The Head of Institution, the officials who are authorized to determine various policies, operational support staff, lecturers as educators and students as consumers of services to make the institution of universities can not be separated from the conflict.

Universities have a high dependence on government policies and regulations. This situation causes uncertainty. Economic conditions and state politics also colored the condition of college management. The substitution of ministers or organizational structure in government also causes the change of rules and policies. For that, leaders need to keep abreast of the development of the world of education, regulations and policies that quickly change and seem overlapping with other rules. Decisions need to be made quickly and accurately. Changes in organizations and systems need to be done. This also impacts up to the daily task that must be done by the followers must be adjusted to the predefined standards. In the contingency approach, the situation factor becomes central which influences the leadership factor and is closely related to its followers.

The key to success of X Institute can rise from crisis

The key to the success of X Institute can rise from the crisis caused by the inability of leaders in organizational governance lies in the decisions made by the organizers of Higher Education. The Rector’s changes repeatedly show the mistrust of the foundation as the education provider to the Rector’s ability to resolve the various conflicts that arise. Until in 2011, the foundation decided to cooperate with B University who has decades of experience in managing universities. With a new Rector with a good leadership background at B University, X Institute has improved itself. Here are the policies adopted

in the new era in 2011 to address the various problems that arise based on the 5 fatal flaws that cause derailment:

Solving the performance problem

The new Rector selected and established a recovery team of the remaining 27 employees. The 27 personnel who survived 90% of them have a high quality awareness and sense of ownership because it has been selected naturally. Rectors and recovery teams begin with long and ongoing meetings and make decisions to:

1. change the name of the institution and create a new brand
2. to suspend student admission in 2011
3. reformulate vision, mission, goals, policies, target achievement and a new strategy

With high commitment, the team works under the direction of the new rector and achieves better performance. Results began to appear when in 2013 a variety of achievements incised and since 2014 various awards and recognition of the community was received very well

Solving problems with Relationship

In addition to leadership factors, problems that arise are the factors of leadership relationships with college organizers and leadership relationships with followers. The relationships established by both the Preliminary Leaders and the newly built Rectors are conducted by conducting regular weekly coordination meetings. The intimate relationship with the empathy and sense of having a strong organization makes the relationship between the leader and his followers not only transactional in terms of work. Communication is built not only in the formal atmosphere but also in the informal atmosphere of everyday togetherness.

Changing

Changes made in the organization always bring effects to the organization and its followers. Changes that are too fast cause confusion and despair for followers to adjust the rhythm of work with the new system. However, slow changes cause

employees to stay in comfort zones and eventually the organization will be eroded by competition.

Changes made to rescue the Institute A, are rapidly undertaken and take into consideration the human resource capabilities and support of the foundation. Here are the changes made:

- Reorganization of the Institutional Senate
- Organizational Structure Change
- Rearrangement of personnel within the organization
- Formulation of a new vision, mission and objectives,
- New Quality Objectives,
- Balanced Score Card with 17 objectives reviewed annually,
- Strategic plan 2011-2020,
- Milestones of measurable achievements with annual priority targets,
- Determination of the annual focus derived in the Key Performance Indicator (KPI) of each section
- Determination of initiative/work program and budget to achieve KPI

Fundamental changes are expected can provide guidance for organizations to improve themselves, move forward to leave the crisis. A more severe challenge is a change of mindset and behavior within an organization. However, consistency and commitment to the target set take time to harvest.

Building and Leading Teams

The ability to build and lead teams becomes one of the keys to success in achieving organizational goals. In the new era of leadership, the old model of Ki Hajar Dewantara “Ing Ngarso Sung Tulodo, Ing Madyo Mangun Karso and Tut Wuri Handayani” means a good leader is a leader who stands in front giving the example, standing in the middle encouraging and able to give support or encouragement from behind. By imitating that slogan, a leader is not only the policy maker and the strategy and source of the command to be carried out but deeper than that the involvement and presence of the leader in every process will build strong rela-

tionships to continue to motivate followers to give their best.

Management Experience

In addition to a strong commitment to quality, consistency to move forward, the experience possessed by a leader becomes the key to organizational success. A leader who has good managerial experience will automatically be able to choose the best people who will accompany him to achieve the goals set. Experience in career at Private Higher Education, solving various problems that arise in the structural as officials at the faculty and university level, involvement in the quality assurance pioneer team since 1996 and other valuable tacit knowledge throughout the course of his life, making the new Rector has an understanding depth to the conditions and challenges faced by private universities. Personnel placed strategically within the circle within the decision-making and policy areas are those who have leadership, good managerial experience, an understanding of organizational culture and a strong belief in a new leader.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

X institute has already endured a long journey of leadership changed. From the research conducted, it can be learned that the leadership model that has been carried out since 2011 has met the theory of contingency approach. This is evident from the process and the strategic decisions taken by the organizers and the new leaders to save the ship by adjusting to the current conditions and circumstances.

The key to success in X Institute to rise and come out of the crisis lies in a strong leadership

factor and is able to meet 5 critical flaws because of its strong experience, competence, and commitment in the field of higher education.

Recommendations

1. Based on the results that have been submitted earlier, then the organizer of education must have strong relationship ties with the Leadership of Higher Education.
2. The selection of new leaders after termination may take various aspects. Not only appoint a leader with a high academic degree but also be able to consider his experience, competence and commitment in developing all aspects of the organization.

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