

# PRINCIPAL ENTREPRENEURSHIP COMPETENCE BASED ON CREATIVITY AND INNOVATION IN THE CONTEXT OF LEARNING ORGANIZATIONS IN INDONESIA

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## ABSTRACT

*The development of entrepreneurial competence (Indonesia, 2007; Sudrajat, 2008a; Dharma & Akib, 2009) based on creativity and innovation in the context of a learning organization is the essence and orientation of the capacity building in public organizations in Indonesia. This research article aims to analyze and explain the implementation of entrepreneurial competence of principals based on creativity and innovation in realizing good school governance (GSG). Data collection was conducted using focus group discussion techniques and through literature study, as well as observations and experiences of the authors during their role as consultants and stakeholders in education. The analysis is done descriptively-qualitative-interpretative. The research findings are the strengthening and development of prototype creativity model (creative 4-P), Person or creative-innovative behavior of individual and group, Press or creative environment, creative process, and creative product (Akib, 2005) at the level of implementation or level praxis, a valuable innovation in the learning organization. Creativity and innovation is the basis for strengthening and applying the entrepreneurial competence of principals in managing their schools. The theoretical implication is to reinforce the ideas of David Osborne and Ted Gaebler on Reinventing Government (Osborne & Gaebler, 1992) and Banishing Bureaucracy (Osborne & Plastrik, 1997), which marks a new era of organizational reform or transformation (Akib, 2011) in Indonesia in formulating alternative development strategies.*

**Keywords:** Entrepreneurial Competence, Organizational Learning, Creativity, Innovation.

## INTRODUCTION

David Osborne and Ted Gaebler's ideas on Reinventing Government (Osborne & Gaebler, 1992) followed by a guidebook entitled Banishing Bureaucracy (Osborne & Plastrik, 1997) marked a new era of reform of public organizations in different parts of the world. The two masterpieces succeeded in raising the surface of the various organizations that developed around the government bureaucracy and formulated various alternative development strategies. Both books also inspire reforms or transformation of public organizations (Akib, 2011), including school organizations, in Indonesia, which are increasingly discovering their relevance momentum during the multi-dimensional crisis since the middle of 1997 and continues to the present.

One of the most important ideas that these two works offer—as well as other masterpieces born before and after—in the context of education is the need to involve various governance components outside the state, especially business (private) and society in the process of education. It is crystallized into the pillars of School Based Management (SBM), i.e. teaching-learning, good management or good school governance, and community participation. In the framework of organizational transformation (Akib, 2011), the central government and local government act as facilitators, accelerators, stimulators, catalysts, education organizers (Tilaar, 1998).

The need for transformation of public organizations and school organizations is closely related to the various negative impacts caused by the dominance of vertical agencies and local government. One of the most perceived impacts is the emergence of a symptom of "*learned disability*," a phenomenon of powerlessness in educational organizations at the school and principal levels due to over-dominance of government roles in higher structures. Therefore, it makes sense to increase the capacity of school organizations at various levels through capacity building (Mac Ruairc, 2013) is one of the breakthroughs that must be carried out in the spirit of reform of education and schooling. The form of the capacity building is to open opportunities and access as much as possible for all stakeholders to be involved or actively participate in the process of organizing education and schooling. The basic principles are "*school-based management*" (Murphy & Beck, 1995; Dimmock, 2013; Cheng, 2013) and "*community-based schools*" (Warren et al., 2009; Smith & Sobel, 2014). Nevertheless, the involvement of education stakeholders (parents, school committees, community members) in the framework of organizational learning (Gilley & Maycunich, 2000; Marquardt, 2011) and social learning (Wenger, 2000) are often only seen as an administrative technical process solely, not as an organizational learning process in a continuous learning organization. Therefore, this research article aims to know and explain the application of competence entrepreneurial principal (Indonesia, 2007; Sudrajat, 2008a; Dharma & Akib, 2009) based on creativity and innovation in realizing good school governance (GSG).

## RESEARCH METHODS

The research was conducted by using descriptive-qualitative-interpretative method with the focus of analysis on applying the entrepreneurial competence of principals (Indonesia, 2007; Sudrajat, 2008a; Dharma & Akib, 2009) based on creativity and innovation in the school organization's locus as a learning organization (Marquardt & Revans, 1999; Kuehn, 2008; Gilley & Maycunich, 2000). Data collection was conducted using focus group discussion techniques and through literature studies, as well as observations and experiences of the authors during their role as consultants and stakeholders in the education sector at central (national) and local (provincial, regency/city) levels in Indonesia. In this case, the team of writers (Husain Syam, Haedar Akib, Andi Aslam Patonangi, Muhammad Guntur), are separately or jointly involved in focus group discussions (FGD) held in Jakarta, Surabaya, Bogor, Makassar with the theme of education, principals, implementation of policy on principal's competence. The participants of the discussions and/or informants were principals in Indonesia who attended principal education and training activities (during 2008-2017 in principal education and training programs, principal accountability programs, talent scouting candidates for principals), both nationally implemented by the Directorate of Teachers and Education Personnel at the Ministry of Education and Culture, as well as those implemented at the provincial and regency/municipal levels by the Education Quality Assurance Agency (LPMP) in collaboration with the provincial and district

education offices in Indonesia. The analysis is descriptive-qualitative-interpretative that follows the "*interactive model*" step (Miles et al., 2014). Stages of analysis are carried out simultaneously along with data collection activities, data condensation, data presentation, and conclusions/verification.

## RESULTS AND DISCUSSION

The application of principal entrepreneurial competence based on creativity and innovation in continuous learning organization in Indonesia is realized based on the creative and innovative process as follows. The first step is to make the organization of the school at various levels as a learning organization. Typical such organizations are characterized by the ability of entrepreneurial headmasters or principals to facilitate the process and capacity building efforts of the actors incorporated therein (vice principals/principals, teachers/educators, staff/education personnel, students), by integrating various stakeholder elements (DUDI), press, universities/educational institutes of teaching force (LPTK) and local governments. In Marquardt's (Marquardt, 2011) flow of ideas, the findings of this study can be understood that school organization has put the learning process in the concentric circle of management sustained and sustained by other sub-systems; such as human beings (school supervisors, principals, teachers, education personnel, students, and parents); (KKPS working groups, teachers/KKG working groups, subject teachers/MGMP meetings, intra-school student organizations/OSIS, parent's committees); knowledge and technology (soft-skill and hard skill).

In such creative-integrative processes, as illustrated above, it is understood that school organization can improve its performance both in order to improve efficiency, effectiveness, productivity, input-process-output quality, and learning outcomes, the existence and improvement of school competitiveness, and able to apply the entrepreneurial competence of the principal in order to realize good school governance (GSC). The findings of this study are by the opinion of Dharma & Akib (2009) that the success of school managed by the principal is a manifestation of the entrepreneurial school development effort based on creativity and innovation.

In the context of institutions dealing with education at various levels in Indonesia (Ministry of Education and Culture, Provincial and District Education Office, and schools of various types and levels), the realization of entrepreneurial and innovative principal entrepreneurial competence is directed at the optimization of the implementation of various tasks principal and function as well as improving the quality of education services (Suti, 2011). The integration of these sub-systems enables a school organization to become more responsive and professional in realizing its school's vision and mission-objectives and organizational goals that accommodate the activities undertaken by the actors involved. In other words, it generally manifests the vision, mission, goals of the school organization and its stakeholder objectives, although there are differences in core priorities or competencies between school organizations (aiming to educate students or their students) with government organizations (equitable and fair public services), and with organization/private institution (obtaining business result, benefit, profit). Thus, the dynamics of school organizational learning can be characterized by the quality and frequency of organizational learning processes taking place in it. The results of this study are based on Priyanto's opinion (Priyanto, 2005) that the dynamics of learning can be measured from several indicators, such as the level of learning, type of learning, and organizational learning skills.

Although there are so many opinions about the concept of school organization as a learning organization, but generally there is a common understanding that the organization is a social unity of a group of people who interact with each other according to certain patterns, so that each member has the duties and functions of each as a whole has a purpose certain and have firm limits from the environment (Lubis & Huseini, 1987; Akib, 2009). In the definition contained some basic elements of the organization, namely:

1. Social unity.
2. Interaction.
3. Division of tasks and functions.
4. A particular purpose.
5. Strict limits of the environment.

The first four components are acceptable, but there is still debate over the last component. A frequently asked question is, how to make a clear separation between the school organization and its environment? Is not the organization in fact using the environment as a source of input as well as a place to do its activities? From this question comes the study of organizations, including complex school organizations where there is a complex interaction between school organizations and their environment (Etzioni, 1987).

The theoretical implications of the results of this study can be stated that the success of the achievement of the objectives of the school organization as a learner organization depends on the capacity of the organization to involve and cooperate with all other actors or groups who have direct or indirect interests to co-operate (Pace et al., 2000). Given the explicit purpose that must be realized, this type of organization has a clear structure, division of labor, and rules. The most striking example of this type of organization is the modern bureaucracy applied to almost all categories of school (public) organizations, both private-run school organizations, and public school organizations in Indonesia.

In contrast to formal organizations, non-formal organizations known as social organizations refer to patterns of social interaction and regularity that is more fuelled by social demands than by the instrumental economic demand, due to a particular purpose. Through such interaction and regularity, the individuals incorporated in them transform themselves into a group of people, or from a group of people into a larger social system. From these interactions then born a common norm or symbol that binds their social interaction (Pace et al., 2000).

Capacity building and institutional building in school organizations (Said, 2010) is a development vehicle that needs to be realized so that every school organization can continue to adapt to the development and demands of the surrounding environment to realize its goals, mission or vision. The development of school organization is very important to do with various considerations, in addition to the reasons stated above, the development of school organization is also done considering the rapid competition between schools, including with the increasing globalization of the scale and scope of the competition. The development of school organizations is directed towards responding to the challenges faced and at the same time making them a new input for improving school organizational performance that is more horizontal and vertical. Without development, a school organization will run statically and eventually die (Abdussamad et al., 2015; Jamaluddin et al., 2017). In other words, the development of school organization in the form of capacity building and institutional building is needed in line with the life cycle or organizational cycle.

In fact, a school organization has its dynamics as well as other living things (Smith & Miner, 1983). The first stage in the dynamics of school organization life is called the birth stage. This stage is the phase where a person who is usually called entrepreneur, which sees the opportunity to gain profit by utilizing the ability and resources that have to create a certain value. The birth stage is the most critical phase because of the likelihood of a large failure. This is because the new organization usually faces serious problems called liability of newness (Singh et al., 1986; Scott & Bruce, 1987; Jawahar & McLaughlin, 2001; Schoonhoven, 2015). Therefore, it takes a considerable length of time with the cost is not small to introduce a new organization, open the market and get the group that will become its stakeholders.

If a school organization passes through the first phase, it will then enter a second phase called the growth phase. In this phase, a school organization seeks to gain a firm base of legitimacy by developing certain structures, strategies and cultures (Schein, 1990) in line with its objectives. It is often pursued by imitating other successful organizational experiences, while adapting to the specific context (Ambarwati, 2003). This phase is still subdivided over several Sub-phases, namely:

1. Sub-phase of growth through creativity and innovation.
2. Sub-phase of growth by granting directors or direction.
3. Sub-phase growth through delegation.
4. Sub-phase growth through coordination.
5. Sub-phase growth through collaboration.

From these sub-phases, the last sub-phases are the most recent developments that are characterized by the development of networks with others around them. In other words, the results of the study found "*collaborative management of school organization*", either vertically (from children's playground, early childhood education, kindergarten education, primary school, junior high school, high school, school/college), or horizontally (vocational schools, public schools, special needs schools).

The growth phase is a critical phase that is very decisive because in each sub-phase there are serious problems that lead to the occurrence of a crisis. The crises included the principal crisis of sub-phase:

1. The autonomy crisis in sub-phase.
2. The sub-phase.
3. Control crisis, the excessive bureaucratic crises in sub-phase.
4. The crisis of collaboration (conflict) that eventually delivered a school organization in the next phase of life (Singh et al., 1986; Scott & Bruce, 1987; Jawahar & McLaughlin, 2001; Schoonhoven, 2015).

If a school organization fails to resolve the conflict to continue spurring its performance then the school will soon enter the next phase of life known as the decline phase. This phase is a critical phase when school organizations fail to anticipate, realize, prevent, neutralize or adapt to external or internal pressures that threaten its survival. Declination is also due to a mismatch between organizational structures and strategies to adapt to changing environments. In this context is also known as organization inertia (Kelly & Amburgey, 1991), the crisis of tension or lack of inclination to change. Inertia can be caused by a risk aversion and a strong tendency to embrace a highly bureaucratic system and organizational structure that generates a culture of the status quo. The anticipation of the condition requires the presence of headmasters as managers

who can maintain the degree of school organizational effectiveness at the highest level while making dynamic changes as one of the organizational strategies. According to (Akib, 2008), the principal in Indonesia succeeds in good school governance because it can actualize the main tasks, functions and roles within the EMASLIME acronym, principals as educators, motivators, administrators, supervisors, leaders, innovators, manager, and entrepreneur.

If the school organization is completely incapable of dealing with declination, it enters the final stage of the organizational life cycle, the phase of collapse or death (Smith & Miner, 1983; Scott & Bruce, 1987; Kelly & Amburgey, 1991; Jawahar & McLaughlin, 2001). This phase is the stage when declination cannot be reversed or repaired. At this point the school will lose its stakeholders and access to important resources will decline significantly due to loss of market and reputation.

The school organization dynamics described above need to be carefully understood. First, the cycle does not run linearly and follows the law of linearity. That is, an organization, including schools, even growing private universities does not have to reach the peak before ending down. In certain situations a private school may be found dead after only a short period, especially now when the government, the Ministry of Education and Culture, requires school accreditation. Likewise the organization that is experiencing a decline in performance after its heyday does not immediately decrease and eventually die. Some school organizations have enough endurance with reliable management support, so managing the crisis becomes an opportunity to improve its performance. Typical such organizations are organizations that have an accountable and flexible management system (principal) that can leverage all forms of challenges and changes in the environment around them. The exact assumption that "*school success is the success of the principal*" (Erickson, 1987; Akib, 2008; Triyanto et al., 2013).

The second note is the cycle outlined above assuming an organization is running normally which usually applies only to private organizations (private schools). The conditions are very different if the ones discussed are public organizations. There are significant differences between the two, especially in the strong influence of political factors and superior bureaucracy (government). Thus, an explanation of the birth, development, decline, and death of a public organization (government) can be explained by looking at the political constants and bureaucratic patterns that surround it. For example, there are still local government bodies in Indonesia that are founded not based on real needs to serve the community, but rather as the output of the negotiation process between the various political forces that exist. An organization that is in fact contrary to the logic of public service (effectiveness and efficiency, the principle of benefit) may be preserved because the political constellation requires it. For example, the Indonesian Ministry of Social Affairs which was once frozen was finally revived by President Megawati Soekarno Putri's cabinet, for humanitarian reasons to absorb labor. Including cases of the transfer of control and authority of senior high school management from district to province (Safa'at & Nomor, 2016), as previously considered to be effectively managed by regencies/cities in Indonesia. The implication is, seen in-effectiveness of management by the province in the early stages of this time (Hidayat, 2007; the results of the observation team of the author).

Understood that, the growth phase is the most important phase of the organizational life cycle (Smith & Miner, 1983; Scott & Bruce, 1987), so it really should be noted. In this phase an organization needs to pay particular attention to the "*development*" effort, as well as the "*empowerment*" that has recently become stronger. The development of school organization needs to be done on all aspects of the organization, both structural and cultural aspects, as well as personnel aspects (teaching staff/teachers and education personnel/staff) and management

practices. In structural aspects, for example, development is directed to continue to adapt the organization's design to the development and demands of the surrounding environment (community participation as a pillar of school-based management). Given that the school environment is a highly dynamic variable, the ideal organizational structure design is flexible and dynamic as well, besides the firmness of some principal aspects that are typical of the school organization's organization. In other words, the structure or design must follow the function and purpose which then also includes the vision-mission of a school organization in a new organizational model that adopts organic organizational patterns.

Similarly, the culture of the school organization. Culture is the spirit or soul of the organization that must be nurtured (Gilley & Maycunich, 2000). It is said that because culture is an essential basis of organization that includes certain regularities in interaction (language used, ritual, custom, or tradition), group norms, common values, formal philosophy, rules of the game, psychological climate, skills needed and developed, mental model, linguistic paradigm, common understanding, and collective symbols (Gilley & Maycunich, 2000; Schein, 2010). Such structures are usually preserved in the form of an organizational regime—a set of shared values, norms or institutions that guard the dynamics of an organization's life. In this context, in Indonesia today there are known or renowned as an Islamic, Christian, Hindu, Buddhist, and so forth school which is based on efforts to cultivate religious cultural values behind it. Similarly, there are known as public schools and special needs schools at various levels, as well as vocational schools (engineering, fisheries, agriculture, industry, offices, etc.) whose vision and mission and objectives are in order to cultivate cultural values work that is relevant to the business and industry (DUDI) which will be addressed/occupied by the alumni.

School organizational culture differs from school to school. These differences can be caused by many things, such as vision, mission, historical background environment, and the character of stakeholders. Some of these elements are also a major differentiator between the culture of the public organization and the culture of private organizations. In connection with the development of culture, there is a continuing thought of metamorphosis—building new propositions and models above the shortcomings of old propositions or models. The most contemporary model idealizes idealization of learning as an organizational culture. In this sense, organizational culture is not only concerned with certain values, as stated above, but also how those aspects undergo a change or transformation within the larger framework of organizational learning within the learning organization. The *"learning culture"* is considered essential to avoid the ossification and reification of structures and cultures, so that a school organization can continue to grow and develop into a contextual organization as an entry point to a high performing organization. In the context of schooling, in Indonesia, known by the name of leading national schools and international standard through the international school pioneering program (Coleman, 2009).

The development of an organization that adopts the learning model tries to abandon the old values, such as the importance of motivation, self-expression, or qualities that become an important emphasis on the philosophy of organizational life in the 1950s and 1980s. While some aspects of the pressures are still relevant, however, the development of school organizations is academically moving towards a new, more substantial model known for empowerment (Vogt, 1990) and collaboration. Vogt states that, *"the school community empowerment model"* is an ideal model of school organization development, being able to introduce a comprehensive and integral approach. The empowerment model builds the foundation for its work based on several aspects, such as the basic value and value orientation as the organization's needs and individual

self-actualization; effective leadership characterized by the ability and willingness to create an atmosphere conducive to learning; developing a behavioral model; introducing new egalitarian values; facilitate the flow of communication and participate actively as an expert leader and so on; creating a facilitative environment; learning as a lifelong process; organizational structures capable of accommodating and facilitating the development of individual and group needs; communication and organizational goals; and system integration that is between technological aspect and human aspect. Some of these aspects are the values of spirituality that are inherent in the model and process of school community empowerment. With a more comprehensive character it is believed that the empowerment model can improve the performance and sustainability of an organization, including school organization.

Human empowerment is understood as all forms of efforts to improve the quality of human resources and the means used to do so. Human empowerment in the organization can be measured from indicators, among others, namely:

1. Tata relationships between individuals within the same unit of school organization.
2. Interpersonal relations of various organizational units.
3. The steps of sustainable human resource development.
4. Strategy of human resource utilization.
5. Incentive and reward systems developed (Harefa, 2000).

This framework is applied to the context of good school governance (Dharma & Akib, 2009), because of the visionary framework and the entrepreneurs it contains. By incorporating the values of learning and entrepreneurial competence into good school organization governance, it can be realized a school that is dynamic as well as responsive to the various symptoms that occur in the vicinity.

The discourse on the importance of principal competence based on creativity and innovation in the context of learning organizations emerges as a form of attitude toward rapid changes in various levels. The proposition proposed is that the advancement of a school depends on the school's ability to learn from successes and failures, and learn from within and outside the environment. This reality is in line with the proposition of system theory which states that, the existence of an organization depends on the ability of the organization to adapt to various developments or changes that occur in the vicinity (Garvin et al., 2008). In other words, there is social learning and organizational learning within the school as a learning organization.

The organization of the school as a learning organization can be understood as an organization that continuously transforms itself to manage knowledge, use technology, empower people and expand learning, to adapt to and achieve better success in an ever-changing environment (Marquardt & Revans, 1999). Marquardt further emphasizes the importance of the process taking place firmly and collectively. In line with the opinion of Marquardt (2011), then Gilley & Maycunich (2000) define learning organizations as institutions that continue to study actively and collectively and constantly transform themselves to be better. Organizations that are manipulated and use science for organizational success, empower good people inside or outside the organization to continue learning as they work, and to use information and communication technologies to maximize learning and productivity.

Revealing these experts is also the focus of attention of some other experts. Senge (1996) for example reveals that a learning-oriented organization is an organization that:

1. Can adopt systems thinking.
2. Encourages the development of personal skills.
3. Brings the leading mental model to the surface and presents challenges.
4. Builds a shared vision.
5. Facilitate the team learning process.

Thus, the organization of the school as a learning organization can be measured from the dynamics of learning, organizational transformation, human empowerment, knowledge management and technology utilization. Whereas organizational transformation understood as the level of change attempted and occurred within an organization within the learning framework is measured by indicators:

1. Alignment of the structural framework with organizational goals.
2. The simplicity of the structural framework.
3. Organizational culture.
4. Clarity of vision.
5. vision-mission achievement strategy.

Senge's idea adds another dimension that has recently gained the attention of management analysts, namely "the importance of shared vision." It is this shared vision that unites all elements of an organization to strive for its manifestation. Management by Vision's idea (MBV) is a new generation that is slowly beginning to shift Management's Objectives (MBO) thinking. A shared vision is developed as a fusion of personal visions, or it can be an organizational vision built to accommodate stakeholders' interests. The existence of a shared vision that transcends personal vision is an important guarantee to convince an organization will operate for the benefit of all parties and not dominated by the interests or visions of a particular party. In this context, it becomes the duty of a leader to build and develop a shared vision that is accompanied by the creation of a conducive climate to make it happen. Although the level of elaboration of Senge is relatively narrower than Marquardt, both experts have provided input on the importance of learning process and entrepreneurial competence based on creativity and innovation (Dharma & Akib, 2009) in school organization in Indonesia.

Senge also emphasized the importance of a systemic thinking framework, so that all aspects within and outside the school's organization are noticed and developed to achieve systemic stability. According to Senge, such a framework is called the "*Fifth Discipline*", a discipline that integrates variants of discipline and makes it a coherent and practical theory building. In the same nuance, Senge wants to restore the organizational frame of mind about the importance of feedback, so that a particular output or action can reinforce or balance each other. The system thinking pattern can develop a comprehensive framework for recognizing the particular pattern behind an event or action and its details.

Learning is a process of reflection as well as the projection of various experiences to realize what is best for an organization. With the rapid development of information and communication technology, learning becomes increasingly important, so that any changes around the organization can be managed to improve organizational performance. Through the learning process, an organization can learn from the failures and successes achieved in the past, and based on those lessons formulate strategic steps for the future. Only by such a holistic way of

thinking an organization, including a school organization can improve its performance and can survive amid increasingly tough competition.

In fact, not all school organizations in Indonesia practice the above principles. In contrast, it is not uncommon to find defensive school organization practices. This ultimately breeds a defensive organization. In the view of Argyris (1993), defensive organizations are organizations that have a habit of acts, policies and behaviors used by their members to avoid embarrassing and threatening experiences, as well as to inhibit discoveries and improvements to the cause of such embarrassing experiences or threats.

Organizational learning at the school locus as a learning organization embraces a holistic approach, as it involves the various important dimensions that interact with each other. In this context, (Marquardt, 2011) offers its concepts where the five major dimensions, which he calls the sub-system, are learning itself, organization, people, technology, and knowledge. The learning sub-system is the most important sub-system to be placed in the center. The other four sub-systems work to enlarge-or otherwise to minimize-the quality and effect of learning. In the interaction functional interaction, weakening the function of one sub-system will significantly affect the function of other sub-systems.

According to Marquardt (2011) that the sub-system of learning consists of several theoretical aspects such as level (level), type and skills of learning by the organization. The level or level of learning is divided into individual, group, and organizational learning. Individual learning refers to the change of skills, understanding of understanding, behavior and values obtained by an individual through independent learning, understanding, and observation. Group learning is concerned with improving the knowledge, skills and competencies gained through and within the group. While organizational learning demonstrates the strengthening of intellectual and productive capabilities gained through a commitment to organizational scale as well as opportunities for continuous improvement. This last level of learning differs from other learning in which:

1. Learning takes place through the shared understanding, knowledge and mental model of organizational members.
2. Organizational learning is built on prior knowledge and experience, i.e. organizational memory that is influenced by the institutional mechanisms used in gaining knowledge.

The second skill is the mental model, i.e. a set of assumptions that affect the ordinances and events the principal understands the surrounding world and takes an attitude on it. An idealized mental model in a mental model that values openness to the citizens of the school. In the openness there is an opportunity for schools to explore the aspects that are perceived as weakness points and receive outside input to correct those weaknesses. A school that makes openness as a mental model is a typical organization that always learns new skills and external knowledge, acknowledges its internal weakness, makes innovations to correct those weaknesses, and equips itself with a reliable feedback system.

Third the personal mastery of the principal, namely the level of mastery of a person over the problem or skills required in performing the main tasks, functions and roles. In this case the principal controls his competence, especially the entrepreneurial headmaster's competence based on creativity and innovation. This can be realized because through a long process of learning so that a principal has the expertise or specialization in doing his work in the organization. The personal mastery of the principal also helps to control his behavior and actions, so that he can see and anticipate all the consequences of his actions. Nevertheless, personal mastery cannot be realized by itself and rely on the ability and will of an individual, but necessary systemic support

of the citizens of the school by creating a creative environment, conducive, and effective. Such an environment is manifested because it provides awards and other kinds of incentives to the school community.

The fourth team learning, which is the process to unite and develop the team's capacity to learn and achieve the specific outcomes that all group members expect. This dimension also opens opportunities for the creation of a shared vision and enriches the skills of each. Team learning allows for knowledge and skill sharing, thus addressing the gap between individual schoolchildren in both aspects of the school.

Fifth, a shared vision, that is, the ability to find the picture, purpose and direction of the school's future goals to the school community, which in turn can develop commitment and voluntary participation rather than compliance. This vision can be an accumulation of the principal's vision, but it can also be the vision of a school organization that overcomes the individual's vision but always remains sensitive to it.

Finally, the sixth skill is dialogue, i.e. the level of ability to hear and communicate with others. It demands a willingness to listen to others, creative exploration of underlying issues and self-control. Dialogue also includes the ability to control patterns of interaction within teams that can improve or even reduce learning. Thus, the honest and heart-to-heart dialogue is continuously done very positively for improving the performance and development of a school organization with internal integration in response to external demands and challenges.

Based on the above description, a proposition is made that the application of principal entrepreneurial competence based on creativity and innovation in learning organizations is *zine qua non* for the creation of good school governance. The creation of good school governance because it is based on the occurrence of organizational learning in schools as a learning organization. The principal who can master and realize his competence, especially the entrepreneurial competence is driven by creativity and innovation of value, both to himself, his group, his organization, and his environment.

## **CONCLUSIONS AND RECOMMENDATIONS**

Principal entrepreneurial competence based on creativity and innovation in the context of learning organization in Indonesia is a complex process involving school stakeholders. The entrepreneurial competence of the principal is effectively applied within the context of the learning organization, thereby enhancing the performance of the principal and the performance of the school. These findings reinforce the initial assumption that school success is the principal's (performance) success, because the principal has entrepreneurial competence based on creativity and continuous innovation. Other research findings are on the strengthening and significance of the ideas of David Osborne and Ted Gaebler on *Reinventing Government* (1992) and *Banishing Bureaucracy* (1997) which marks a new era of reform of public organizations, especially school organizations in Indonesia. The masterpiece succeeds in inspiring reforms or transformation of public organizations and school organizations in Indonesia which are increasingly discovering its relevance momentum during the multi-dimensional crisis since mid-1997 that continues to the present.

Principal entrepreneurship competence based on creativity and innovation in the context of learning organizations need to be re-actualized in the context of good school governance. Therefore, the strategy or steps are taken as a recommendation, among others, is the need to build commitment of school principals with school stakeholders to apply the principles of learning organization; internalize learning with the organization's daily activities; assess/measure

organizational capability in each systemic model sub system; communicate the vision-mission-goals of the school organization; recognize and recognize the importance of system thinking and collective action; presents leaders (principals) as role models/models for developing commitment to organizational learning; supporting the transformation process of school organizational culture into a learning culture and continuous improvement; establishing organizational strategy; cut bureaucracy/streamline structure; empower and motivate staff (administration, laboratory, computer worker, technician etc.); expanding learning into the school organization's chain of activities; sharing knowledge; applying the best information and communication technology in learning; provide motivation, expectation and expand learning at the individual, group and organizational level; and adapt, make improvements while learning continuously. All of these constructive suggestions are concrete steps to realize the school as a learning organization directed by principals who have entrepreneurial competence based on creativity and innovation.

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