Abstract

There is a critical need for madrasas to make changes. These changes lead to structural changes in organizational management, including HR management. This research aims to analyze the effect of Authentic Leadership and HR practice for competitive advantage in madrasas. A descriptive survey study of 204 madrasas with the observation unit involving teachers was applied in this study and the data obtained were analyzed using Structural Equation Modeling (SEM) procedure. The research results show that the essential structural changes to cope with the challenges and demands of competition in inclusive institutions such as madrasas require a leader who understands and can represent the values of madrasas. Structural changes in HR management expand opportunities to gain a solid competitive advantage. The institutionalization of various HR roles requires a foundation of values directed by madrasas leaders. The leaders ensure the identity of madrasas’ values and orientations while considering the demands of competition. The conclusion is that the institutionalization of HR practice management in madrasah’s efforts to compete requires leadership support that represents and understands madrasas with an inclusive nature.

Keywords: authentic leadership, competitive advantage, hr practice, madrasas

1. Introduction

The competition dynamics and the demands for rapid change concern academics and education practitioners. To achieve the orientation to be a better institution and present values, it is necessary to consider the main demands of educational institutions, including madrasas. Madrasas are specific institutions with distinctive characteristics of religious values as their primary foundation. It has a religious values foundation and is located among countries whose most people are Muslims. However, madrasas have not become the most desirable choice in education. The management of
benefactor foundations of Private Madrasas Aliyah (PMA) is generally still traditional. This can be seen from the foundations' educational background and human resources.

Institutions such as madrasas are under pressure from the competition (Istiyani et al., 2020), pressure from various social forces (Liow, 2017), and the pressure of community demands (Afista and Bakar, 2020; Dogar et al., 2021, Maimun, 2020). These conditions encourage the need to change the modern management systems (Maimun, 2020). There is a crucial need for madrasas to enhance development in every sector (Afista and Bakar, 2020). Golam and Kusakabe (2020) argue that religion-based schools such as madrasas are far from a thorough transformation.

The changes created in madrasas management aim to gain legitimacy as a desirable educational institution, achieve the effectiveness of organizational management, and cope with the competition. However, these changes brought various consequences, including internal resistance which led to the failure of organizational success. Therefore, the changes applied in madrasas to harmonize the structure and adapt to environmental changes should be based on the consideration of the characteristics of the madrasas (Maimun, 2020).

From the institutional perspective, competition exists as a pressure to create structural changes in organizational management. However, these changes cannot be carried out radically; they should be incrementally implemented concerning priorities. In the same perspective, Anderson and Colyvas (2021) suggest that reform efforts are often initiated to deal with demands and more transformation efforts are carried out locally in educational institutions. Important changes in the organizational structure aimed to achieve institutional alignment to competitive needs begin with changes in the more strategic role of HR. In this case, the role of HR in strategic activities is to determine the steps that institutions should take.

Changes in organizational management functions are complex and need to be carried out in a planned and systematic manner. One of the demands for change is in the HR aspect. Adopting changes in structural elements such as in HR management requires assurance that the process prioritizes the values and orientation of madrasas. Hence, changes to the structure to encourage more strategic roles, such as the HR role, require leaders who understand the differences and madrasas. The leaders desired are those who can promote the role of HR while at the same time guaranteeing the differentiation of the internalization of madrasas values in every decision making. These leaders can create accelerated change while ensuring the continuity of the madrasa’s values.

Authentic leadership is one of the leadership styles that promote ensuring a balance between aligning HR’s strategic role in competition and maintaining the values of madrasas as the top priority. Authentic leaders consist of four components, namely self-awareness, transparency, moral perspective, and balanced processing (Avolio & Gardner, 2005). Authentic leaders demonstrate values, principles, morals and ethics (Begley, 2010).

Authentic leaders also fulfill their followers’ expectations (Agrawal & Khan, 2015). Authentic leaders refer to the leaders who create expectations, set goals and decide how to reach the desired achievements and motivate their followers. Authentic leadership is expected to ensure that madrasas maintain their orientation values while encouraging changes to the HR structure to align with the competition. Komariah & Kurniady (2017) assert that authentic leadership is the identity ahead of madrasas in developing the values of educational systems.

A study on the relationship between authentic leadership and its role in ensuring balance in the process of change and alignment of organizational structures, that is, the strategic role of HR and its relation to competitive advantage in madrasas context, needs to be conducted. However, studies and concepts used as references to encourage changes in madrasas’ management structure are still limited.

The results of this study can contribute as a framework to encourage changes in the structure of HR management and place leadership as the driving focus of madrasas. This is essential to make sure that madrasas maintain their characteristic values. There is a possibility that the changes will bring the madrasas away from their distinctive characteristics and values. Research on madrasas strongly supports the development of madrasas in Indonesia, the country with the majority of its population
being Muslims, and presents a more moderate face of madrasas.

As the oldest educational institution, it is undeniable that madrasas need meaningful changes while balancing their values and orientation. This statement is strongly supported by Panda, Pandey, Bennett, & Tian (2019) state that the competitive advantage in the world of education is increasingly being eroded and it requires the development of orientation about competitive advantage. To deal with the challenges, it is necessary to elaborate on a theoretical framework based on institutional construction (Jepperson & Meyer, 2021). This research aims to analyze the effect of Leadership and HR practice on competitive advantage in madrassas.

2. Literature Review

2.1 Authentic Leadership

Authentic leaders refer to the leaders who understand morals as a fundamental issue of human life. Walumbwa, Luthans, Avey, & Oke (2009) describe authentic leaders as leaders with heightened self-aware (very aware) in how they think and act and are perceived by others as people who are aware of their moral values and others; broad-minded and robust; aware of the context in which they operate, confident, hopeful, optimistic, resilient and live according to high moral standards. Feng (2016) points out that authentic leadership in schools refers to leaders who act based on deep personal values. Meanwhile, Ismail et al., (2015) define authentic leadership in a school context as the leaders who inspire and promote positive psychological abilities by focusing on moral and ethical behavior perspectives and maintaining transparency and honesty in their relationships with employees (Chaudhary & Panda, 2018).

2.2 HR Practices

HR practices are a series of activities in HR management. HR practices range from recruitment systems to employee retention with strategic and operational orientation. According to Aboramadan, Albashiti, Alharazin & Dahlez (2019), HR practices include selection and recruitment, training and development, performance appraisal, rewards and compensations, and job security. HR practice is the effort to build an HR management system oriented towards developing capabilities as a resource in competition.

HR practices are essential for supporting an organization’s operations and becoming a strategic partner. HR practices focus on restructuring the process of education services oriented towards competitive advantage, reducing operational costs, improving the quality of education services, innovation, and developing an excellent academic and non-academic service system. HR practices have both operational and strategic functions. The active functions include procurement, development, compensation, and ensuring the availability of employees to contribute to an effective system. The HRM (Human Resource Management) practices as a strategic partner function to support and consider strategic decision-making.

2.3 Competitive Advantage

Systematic efforts to create competitive advantage require a grand theory foundation, the Resource-Based View (RBV) approach. There are four empirical indicators to create competitive advantage: value, rareness, imitability, and substitutability (Rockwell, 2018).

Miller (2019) explains that Resources-Based View (RBV) is a set of related theories that share assumptions of resource heterogeneity and resource immobility of organizations. From the RBV perspective, an organization consists of resources and capabilities (Zhao, Meng, He. & Gu, 2019). Hwang, Choi, & Shin (2019) and Nampulsuksa & Wonglorsaichon (2020) point out a different perspective, namely the Market-Based View (MBV). The competitive advantage based on market
perspective (MBV) in education is unique aspects of services: the intangibility, heterogeneity and inseparability of products and consumption (González & Segarra, 2016).

Regarding competitive advantage in education at the first level, Panda et al., (2019) state that competitive advantage can be identified from the brand image with several alternative choices. Both views complement each other and are applicable as a basis for encouraging competitive advantage. The implementation is adjusted to the context and institutional characteristics.

2.4 Hypothesis Development

a. Authentic Leadership and Competitive Advantage

Leaders play a very strategic role in directing, providing understanding, and inspiring subordinates, colleagues, and the community to create a competitive advantage. Xu & Wang (2018) suggest that leaders’ behavior affects organizational capabilities. Leaders build loyalty, trust, collaboration, involvement and commitment of all organization members, including leaders, to show superiority compared to the institution. Authentic leaders are resources or strengths that emerge in the innovative organization evolution. Authentic leadership is increasingly prominent in a whirlwind change and intense competition era. Authentic leadership creates a positive environment and an enthusiastic work team to achieve organization value excellence. Panda et al. (2019) state that an organization’s competitive advantage can be identified from its brand image with several alternative choices. Leaders can display an image that represents madrasas as a strength. In addition, Aria, Jafari & Behifar (2019) express that in education, “the foundation of authentic leadership is authenticity.”

Ha1: Authentic leadership affects competitive advantage.

b. Authentic Leadership and HR Practices

Leaders can change the structure of an organization according to their vision and orientation. However, these changes require guarantees that the distinctive institutional characteristics of organizational management are maintained, including in HR management. The typical values of madrasas are preserved even though there are changes in the structure of HR practices. Therefore, the role of authentic leaders is vital. Authentic leaders have legitimacy from their followers to promote a set of values on behalf of the institution in HR activities.

When facing unpredictable demands and competition, there is an urgent demand for organizations to have leaders who can direct and influence with values based on followers’ beliefs. Authentic leadership integrates organizational functions and environmental support to achieve HR activities according to demands. Yang and Lew (2020) point out the importance of leadership styles for HR practices.

Ha2: Authentic Leadership affects HR Practices.

c. HR Practices and Competitive Advantage

Competitive advantage emerged from an analysis of the condition of an institution’s internal resources. Lo & Tian (2019) state a relationship between knowledge, absorption capacity, innovation ability, and competitive advantage. Competitive advantage can be achieved with the support of the ability to implement strategies that come from internal strengths and avoid weaknesses in the institution’s internal functions.

Resources can include all assets such as partnerships and social capital. Education institutions combine resources with authentic leadership to find solutions and achieve strategic and operational goals to build competitive advantage. Valuable resources enable the integration and use of resources to gain a competitive advantage. Farhikhteh, Kazemi, & Shafiee (2019) state that micro factors affect competitive advantage, and the micro factor is HR.

Internal resources are crucial for competitive advantage (Gomes & Romao, 2019). However, this role is oriented toward value creation. Institutions cannot ignore the importance of the value offered (Salunke, Weerawardena, & McColl-Kennedy, 2019). In the midst of competitive costs, opportunities, and threats, internal resources are essential creating a competitive advantage (Baia et al., 2019). Competitive advantage lies in internal resources and the orientation of HR management, producing
HR capable of playing a strategic role in generating value.

Competitive advantage is created based on resources (Zhao et al. 2019). The structural changes will lead to competitive capabilities. A sustainable structural transformation encourages the improvement and achievement of competitiveness (Khan, 2018). Gligor, Feizabadi, Russo, Maloni, & Goldsby (2020) suggest the effectiveness of combining various resources to create a competitive advantage.

Collins (2020) argues that a high commitment to human resource strategy leads to competitive advantage by creating rare and valuable HR-based resources. In addition, Nampulsuksan & Wongloraichon (2020) state that organizational capabilities affect the competitive advantage, defined as superior performance. Hanaysha (2020) explains that organizational capabilities such as innovation affect organizational performance which is indicated by its competitive advantage.

Ha3: HR practices affect competitive advantage
Ha4: HR practices mediate the effect of authentic leadership on competitive advantage

3. Methods/Materials

3.1 Sampling Method

A random sampling method was carried out to determine the Private Madrasas Aliyah (PMA) involved in this study. The observation units are teachers and parents. There were 204 samples selected according to the number of questionnaires representing each of PMA in West Java. The research was conducted using cross-sectional data collection techniques. Ten research assistants were employed. Their task was to distribute questionnaires online for areas covered by the internet and offline for remote areas regarding the difficulty of accessing the internet. From 700 questionnaires distributed, only 204 PMAs were returned, each representing three observation units or a total of 612 questionnaires.

Before conducting research, researchers submitted a notice of the study to the relevant agencies, namely the ministry of religion both personally (orally), followed in writing. After obtaining a license, the researcher contacted the teacher or principal to conduct research. Most of the 182 private madrasas data collection was conducted using internet-based social media over four weeks. The data of 22 other private madrasas were collected manually by directly approaching the author and the research assistant. This is because internet infrastructure constraints are still weak so it is difficult to use in research as well as areas located in coastal and remote areas.

The results showed the demographic characteristics of teachers (408), teachers who had additional duties as principals (3 principals), and parents (204). Based on the demographic characteristics of teachers (principals): 57% are male and 43% female and 29% were aged 22 to 29 years, 33% were aged 30 to 35 years, 26% of teachers aged 36 to 40 years, and 12% were aged 38 years. Meanwhile, based on the educational background, 11% of the participants had high school/equivalent educated with additional qualifications, including at least Islamic Boarding House (Pesantren) experience and simply mastering religious materials that become subject matter and 31% had D3 education. In this case, both high school graduates/equivalent or D3 are pursuing undergraduate education. Furthermore, 55% of the participants are S1 educated and 4% are S2 educated. Judging from the working period in PMAs, 26% of the participants had working period of 1 to 5 years, 35% had working period of 6 to 10 years, 24% had working period of 11 to 15 years, and 12% had working period of ≥15 years. For the parents, most are women by 82%, while men is 18%. The majority of parents aged older than 40s is 84%, while those aged between 36 and 40 years old is 16%. The majority work as traders, farmers and private employees.

After the questionnaire was received, the author completed the verification of the data using hypothesis testing. After that, the data were calculated based on the number of PMAs. Each of teacher and parent data represents by the PMAs.
3.2 Research procedure and Measurement

The measurement of authentic leadership is, as suggested by Walumbwa et al. (2009) and Chaudhary & Panda (2018) include four parameters. First is self-awareness which refers to how leaders view themselves and the extent to which they are aware of one's strengths/weaknesses and their impact on others. Second is internalized moral perspective, which symbolizes self-regulation, indicating that the behavior and actions of leaders are guided by personal values and one's moral standards. Third is relational transparency that is related to how leaders share information openly and express their true thoughts and emotions. Fourth is balanced processing refers to how leaders consider all available information before making a decision.

Then, HR Practices measurement was adapted from Aboramadan, Albashiti, Alharazin & Dahlez. (2019), namely selection and recruitment, training and development, performance appraisal, rewards and compensations, and job security. The competitive advantage measurement was developed based on RBV and MBV, namely Growth, Heterogeneity, Intangibility, Inseparability and Application from Product to Service, developed by the context madrasas. The respondents answered using a differentia rating scale from 1 to 5. The data obtained were analyzed using Structural Equation Modeling (SEM) procedure.

4. Data Analysis

4.1 Descriptive statistics

An explanation of authentic leadership in madrasas can be seen from the indicators presented in this study. Following the dimensions inherent in authentic leadership, it is readily apparent that the highest dimension of authentic leadership is the internalized moral perspective. This shows that the moral values inherent in the leaders are represented in the organization’s life and the relationship between the leaders and outsiders. These moral values are based on considerations of religious and social values, including in decision making. Madrasas leaders understand the importance of the moral foundation in organizational management, including decision making.

4.2 Inferential Analysis

Results Analysis with SEM procedure.

The test result of Confirmatory Factor Analysis (convergent validity, average variance extracted (AVE), composite reliability are as follows:

Table 1: CVA, AVE, and CR Test Results

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loading factor</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic Leadership</td>
<td>Self-awareness (AL1)</td>
<td>0.54</td>
<td>0.41</td>
<td>0.66</td>
</tr>
<tr>
<td></td>
<td>Internalized Moral Perspective (AL2)</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relational Transparency (AL3)</td>
<td>0.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balanced Processing (AL4)</td>
<td>0.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR practice</td>
<td>selection and recruitment (HRP1)</td>
<td>0.63</td>
<td>0.45</td>
<td>0.61</td>
</tr>
<tr>
<td></td>
<td>training and development (HRP2)</td>
<td>0.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>performance appraisal (HRP3)</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>rewards and compensations (HRP4)</td>
<td>0.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>job security (HRP5)</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>Growth (CA1)</td>
<td>0.59</td>
<td>0.45</td>
<td>0.63</td>
</tr>
<tr>
<td></td>
<td>Heterogeneity (CA2)</td>
<td>0.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intangibility (CA3)</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inseparability (CA4)</td>
<td>0.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Application form Product to Service</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: AVE = average Variance Extracted, CR = Composite reliability
The vital aspect of authentic leadership in the context of madrasas is the moral values of the leaders. These values are rooted in the religion of the leader's beliefs. These values are universal. This statement is in line with Walumbwa et al. (2009). Ismail et al. (2015) express that the awareness of moral values as a source of value is important for authentic leadership. Ismail et al. (2015) also state that the functional duties of leaders are to encourage changes to the organizational structure as well as to the values that underlie strategic and operational orientations in HR practices. The results showed that the prominent HR practices were selection and recruitment (HRP1). In general, the kinship system influences the choice and recruitment system at PMA. The system needs to be changed. The competitive advantage indicator that has a high factor weight is the ability of madrasas to apply madrasas values into the form of education services. The learning process is based on the curriculum that describes the orientation and vision of madrasas.

4.3 Discriminant Validity Test

According to the test results in the table above, it can be seen that the AL1-AL4 indicator has the highest correlation to the Authentic Leadership Construct (X1). The HRP1-HRP2 indicator has the highest correlation to the HR Practices Construct (X2), and the CA1-CA4 indicator has the highest correlation to the Competitive Advantage Construct (Y). Therefore, it can be concluded that the discriminant validity in each category is greater with its respective latent constructs compared to other latent constructs.

4.4 Significance Test

The test results show that there is a significant relationship among latent constructs. The beta coefficient that shows the relationship between Authentic Leadership and HR practices is 0.48, and the beta coefficient of HR practices and Competitive Advantage is 0.68. The beta coefficient of the relationship between Authentic Leadership and Competitive Advantage is 0.237.

4.5 Model Suitability Test (Goodness of Fit Test) and Model

The GOF (goodness of fit) test results show that the model is accepted. Based on the goodness of fit criteria testing results, each measure of the goodness of fit, namely absolute fit indices, incremental fit indices, and parsimony indices, is fully represented. There is a match between the data in the field obtained through the survey and the model constructed in the research.

4.6 Causality Test with Regression Analysis Technique (Regression Weight) and Mediation Effect

The results of the causality test show a significant positive relationship among the constructs, including the test result of the role of HR practices as a mediating construct, as shown in the following table:

Table 2: Regression Weight and Effect of Mediation

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Beta coefficient: Direct</th>
<th>Beta coefficient: Indirect through PSM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic Leadership affects Competitive Advantage</td>
<td>0.237</td>
<td>0.485</td>
<td>0.485</td>
</tr>
<tr>
<td>Authentic Leadership affects HR Practices</td>
<td>0.196</td>
<td>0.196</td>
<td>0.196</td>
</tr>
<tr>
<td>HR practices affect Competitive Advantage</td>
<td>0.68</td>
<td>0.384</td>
<td>0.384</td>
</tr>
<tr>
<td>HR Practices mediate the effect of Authentic Leadership on</td>
<td>0.237</td>
<td>0.186</td>
<td>0.424</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The test results show that the proposed hypotheses are accepted. This further confirms authentic leaders' role in encouraging madrasas to create their competitive advantage. Leaders encourage changes by prioritizing the "madrasas" identity, which is developed based on more moderate religious values. The value of the beta coefficient is significant. Changes in authentic leadership encourage changes in the institutional structure of madrasas.

5. Discussion

The results of this study are in line with Xu & Wang (2018), Panda et al. (2019), and Aria et al. (2019), who found the strength of authentic leaders. Leaders can encourage changes in the HR structure that lead to competitive advantage. Madrasas have a streamlined organizational structure, and leaders can interact directly with subordinates as well as act as formulators and implementers in HR. This statement is in line with Yang and Lew (2020), argue that the implementation of HR practices is very likely to be influenced by the behavior of leaders who are the primary implementers of HR practices. Therefore, changes to the structure of HR practices are critical.

Changes in HR determine the competitive advantage of madrasas. This is in line with Lo & Tian (2019), Shafiee, (2019), Gomes & Romao (2019), Salunke, et al. (2019), Zhao et al. (2019), Gligor et al. (2020), and Nampulsuksan & Wonglorsaichon (2020) stating that competitive advantage can be achieved with the support of resources. The required resources are those following the demands of competition. Adequate human resources can encourage competitive advantage through innovation, as suggested by Hanaysha (2020).

A leadership role is also demanded to deal with threats, as Baia et al. (2019) stated. The position of leadership in institutions is very important, especially for madrasas that seek to create a competitive advantage through their human resources. Changes in organizational management structure are risky and cause a lot of resistance. Therefore, authentic leaders build awareness of their members based on the authentic values of madrasas and the reality of madrasas competition both with public schools and with state schools as their reference. Implementing education in madrasas requires and demands the presence of authentic leaders who have a solid foundation of values. Leaders do not only represent madrasas. However, they can change the structure of HR management. This means that authentic leaders integrate the needs of madrasas stakeholders so that they can compete in the HR management system.

Problems that arise about competitive advantage include changes in the structure of HR management. The results of this study provide an institutional framework for changes. The efforts to encourage competition in madrasas started from HR changes that authentic leaders support. Authentic leaders influence the changes and ensure that HR changes are based on the values inherent in authentic leaders.

From an institutional perspective, madrasas leaders are subjects who influence and represent madrasas’ values in HR practices. Leaders express the substance of values that exist in the structural changes of HR management as an effort to cope with the pressure from demands and changes in the environment. Madrasas leaders can respond and formulate the relationship between the madrasas and the foundation as a structured relationship.

Madrasas are the subordinates in outlining the vision and mission of the foundation. On the other hand, madrasas have the autonomy to interpret the strategic and operational framework through the structural changes in HR management. Authentic leaders are at a balance point between the interests of the foundation and the strategic orientation of madrasas in facing competition.

The difference between the foundation and the madrasas is related to their views regarding the orientation of the madrasas. On the one hand, there is a need to perform changes in madrasas. On the other hand, accommodating the foundation’s interests also needs to be carried out. Authentic leadership in madrasas can ensure an interface between the changes demands and the foundation’s interests. Authentic leadership then interprets it into changes in HR management. The relationship between madrasas and foundations is carried out on a broader scope, namely the importance of
madrasas' values, the advantages of these values, and placing madrasas on their superior values (Valuable, Rare, Inimitable and Non-Substitutable or VRIN).

The primary focus of authentic leadership is on creating competitive advantage through the changes in the HR management structure. The moral values underlying authentic leadership encourage changes in processes such as recruitment and selection, performance appraisal, training and development, rewards, and compensations. The changes in the HR practices structure are carried out based on a priority scale focusing on activities that have the highest dimensions and have the highest impact on competitive advantage.

The first step is to emphasize that moral values are the foundation and benchmark for changes in the recruitment and selection system as well as other HR practices, as stated by Walumbwa et al. (2009) and Ismail et al. (2015). The orientation of HR is to create a competitive advantage. This process takes place as a sustainable institutionalization process. Anderson and Colyvas (2021) point out that institutionalization occurs because it focuses on analyzing the way of reproduction that supports the standardized structure. This method starts from the leaders to HR practice and finally to competitive advantage.

6. Limitation

This study was only conducted with the analysis unit of private madrasas using cross-sectional data collection. In this study, PMA was not categorized based on their accreditation, and this limitation may allow for a representative bias. Further research is suggested to apply another approach covering more representative data of MA, both public and private madrasas alyah.

7. Theoretical Implication

The theoretical implication generated from this study is the demand to develop institutional theory in the context of madrasas. The development of institutional theory in madrasas confirms that institutional theory can be implemented at the application level. Authentic leadership is not only treated as a stable essence and quality. Authentic leadership is viewed by its dynamics and the process of self-recognition, transparency of its relationship, and moral internalization with subordinates. Consistency of decision-making cannot be separated from the evaluation process towards information for the leadership.

8. Managerial Implication

The results provide direction for madrasas and policymakers in madrasas to encourage competitive advantage. The management process to improve and enhance competitive advantage can be carried out in two ways, namely; 1) implementing the appropriate strategy in HR practices, deciding the value of advantage that is created based on the distinctive characteristics of madrasas and 2) strengthening the role of the leadership to solve problems of competitive advantage through HR practices. Leaders can map out internal adaptation issues of the institution to compete and then take the next step to HR practice issues institutionally. The emphasis on changes in HR practice indicates the importance of balancing the demands of competitive values and preserving the typical values of madrasas as their primary orientation.

Authentic leadership can generate greater self-awareness in teachers, and the self-development of madrasah teachers and staff expands space and time. There is a process of social interaction between subordinates and leaders who are directed at learning leadership values to be applied in HR governance practices that encourage excellence.
9. Conclusion

Authentic leadership determines changes to the structure of HR practices and competitive advantage. Moral values based on religion direct HR practices following the demands of competition and maintaining a balance between retaining the typical values of madrasas and fulfilling the demands of competition.

Authentic leaders in the context of drama can represent moral values that correlate with madrasah and become a typical madrasah identity. These efforts direct PMA to be more creative to improve HR Practice, provide motivation and ensure better excellence. Authenticity framed by morality, sincerity, ethics, and honesty, a leader can guarantee the increasing role of leadership to encourage HR Practice and competitive advantage. The existence of authentic leadership is a resource (RBV) to build competitive advantage through HR practice.

HR practices partially mediate the effect of authentic leadership on competitive advantage. Interaction between leaders and subordinates is an interaction that comes from the values that are the foundation for the development of organizational capabilities. The conformity between authentic leadership values and PMA characteristics makes authentic leadership functions more optimal as a resource to realize competitive advantage through HR Practice. Madrasa leaders serve to learn the values of drama as a resource that moves organizations to their superiority.

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