

MDPI

Article

The Power Actor and Madrasah Performance: Political Connections as a Moderating Variable

Rahmawaty and I Made Narsa *

Department of Accounting, Faculty of Economics and Business, Airlangga University, Surabaya 60286, Indonesia; rahmawaty-2020@feb.unair.ac.id

* Correspondence: i-made-n@feb.unair.ac.id

Abstract: With the background of public sector management reform in the world of education, the characteristics of the leaders have become the main thing in improving an institution's performance theory; this study explores the influence of aspects of the heads of madrasah (their age, education, and tenure) and madrasah performance in Islamic educational institutions in East Java, Indonesia. This study shows that political relations strengthen the positive influence of the head's age and tenure on madrasah performance. Meanwhile, political connections do not enhance the positive impact of the madrasah head's formal educational background on madrasah performance.

Keywords: power actors; madrasah performance; political connections; upper echelon theory



Citation: Rahmawaty, and I Made Narsa. 2022. The Power Actor and Madrasah Performance: Political Connections as a Moderating Variable. *Economies* 10: 107. https://doi.org/10.3390/economies 10050107

Academic Editors: Giorgio Vittadini and Ralf Fendel

Received: 11 January 2022 Accepted: 1 April 2022 Published: 1 May 2022

Publisher's Note: MDPI stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.



Copyright: © 2022 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/).

1. Introduction

The attitude of focusing on management in the world of education is an essential element of the public sector's critical reforms that have been carried out by many countries (Farinha et al. 2019; Helgøy and Homme 2016; Nkundabannyanga et al. 2018; Rahim 2019). Community demands regarding school performance have been very high, especially during the COVID-19 pandemic (Zou et al. 2021), ranging from curriculum preparation (Paraskeva 2022) and human resources (HR) (Warrier et al. 2021) to technological preparation (Lestari et al. 2021). In terms of governance, schools must provide services to education users (Almahdawi et al. 2021).

Indonesia is home to the world's most prominent Islamic education system, where thousands of madrasahs cater exclusively to the Muslim community (Asadullah and Maliki 2018). Islam stretches from North and West Africa to South and Southeast Asia, including countries such as Egypt, Nigeria, Pakistan, Afghanistan, and Bangladesh, and the madrasah education system in these regions is growing (Asadullah and Chaudhury 2016; Asadullah and Maliki 2018; Coulson 2004). However, madrasahs are often seen as rural schools (Parker and Raihani 2009). As time has passed, madrasahs have slowly changed (Bano 2014), ranging from making curriculum improvements to innovations that continue to be developed.

The heads of the madrasahs in this study are the heads of public madrasahs who are government employees paid by the government as stated in the Minister of Religion Regulation No. 58 of 2017. The duties of a head of a madrasah are managerial, developing entrepreneurship, supervising teachers and education staff, as well as carrying out learning and teaching tasks and giving guidance to meet the needs of the teachers at the madrasah. In Indonesia, these madrasahs are specialized as (public) schools that have an Islamic religious curriculum. It is the same with other countries that have such religious schools, such as Belgium (Lafrarchi 2020), Australia (Jackson 2020), Germany (Wittmer and Waldhoff 2019), and the United Kingdom (McGrail and Towey 2019). Similarly, madrasahs are known as Islamic educational institutions in Singapore (Mokhtar 2010).

This study also introduces the theory of the upper echelons by including the characteristics of the heads in terms of their age, education, and years of service. Based on the

Economies 2022, 10, 107 2 of 13

2020–2024 Medium-Term National Development Plan (RPJMN) in Indonesia, there are several priorities in the distribution of education services, one of which is an affirmation of access to madrasahs and the acceleration of 12-year compulsory education through priority programs for SBSN (Sharia Securities) assistance, others include the improvement of madrasah infrastructure and the addition and modification of School Operational Assistance (BOS) and Educational Operational Assistance (BOP) to Raudhatul Athfal (RA, religious schools) (Iptek and Lipi 2015). On the one hand, the equitable distribution of education services through the madrasah assistance infrastructure is minimal. The gap is increasingly visible with the help of SBSN madrasahs, which have very large assets. Nevertheless, this SBSN program can only focus on a few madrasahs, so there is no balance in terms of the number of existing madrasahs. This phenomenon is a challenge for madrasahs in improving their infrastructure to support learning and the development of madrasahs in the future.

The role of the madrasah head is not only to build cross-sectoral working relationships between ministries/agencies or with local governments; however, this is very much needed in the development of madrasahs in the future (Kalkan et al. 2020). Changes in habits (new standards) during the COVID-19 pandemic have been a challenge for madrasah heads and resource components in madrasahs, both internally and externally. Furthermore, there was a law pertaining to the competence of madrasah heads enacted by way of the Minister of Religion Regulation (PMA) 58 of 2017, namely itemizing personality, and managerial, entrepreneurial, supervisory, and social skills. This phenomenon is a challenge for madrasahs in attempting to improve the infrastructure to support learning and development in the future.

Several previous studies related to school performance have been carried out for school development in various developed countries and these include interesting topics (Pagès 2021). For this study's purposes, school performance is the same as madrasah performance because they have the same institutional function for students. School performance is an exciting topic to discuss, coupled with various previous research findings that are very diverse even in terms of how they define school performance (Díaz-Fernández et al. 2020). School performance is a part of the accountability that is determined mainly by the principal's decisions regarding all components of learning including the composition of the school.

Thus, the head has a relationship with school performance, and his or her characteristics can be seen from their educational background; the head's career experience affects their decision making and has an impact on school performance (Clark et al. 2009). Recently, a school principal or madrasah head has had to think fast and be innovative in every instance of decision making, especially in the "new normal" situations that we see in the present day; madrasahs must be able to improve various services for users of educational services, and not only that, for educators too. In addition, the demands on madrasah heads are stipulated in the regulation of the Minister of Religion Decree (KMA) Number 184 of 2019 pertaining to the implementation of the madrasah curriculum, which says madrasahs can innovate and develop the curriculum at the education unit level according to the vision, mission, and goals of madrasahs in terms of their needs, innovations in the curriculum structure, and their learning strategies.

Change is an unavoidable reality. The demands for good performance by madrasahs are very high, including wanting them to be of world-class quality, and so this is the target for madrasah performance in the context of the plurality of Indonesian society, especially East Java (GERAMM 2019). In East Java itself, the development of madrasahs through the dissemination of superior madrasah models has been carried out through various achievements and competitive and comparative advantages in the academic and non-academic fields: these include literacy madrasahs, healthy madrasahs, entrepreneurial madrasahs, fraudul madrasahs' Aaliyah, and innovation madrasahs (GERAMM 2019). In addition to developing a good quality culture and imaging the quality of madrasah education services, they also need to be improved because with the existence of madrasah education, the chal-

Economies 2022, 10, 107 3 of 13

lenge for madrasah education, which is growing bigger, is the process of mainstreaming Islamic education into the national education system.

This research contributes to the literature on demographic characteristics in organizations, including age (Eduardo and Poole 2016; Serfling 2014), tenure (Boling et al. 2016), and education (Bhagat et al. 2010; Donatella and Tagesson 2020; Eduardo and Poole 2016; Hambrick 2007; Ting et al. 2015). Previous research has used gender independent variables using a management control system for school performance measures (Bobe and Kober 2020), while this study examines the effect of several characteristics of madrasah heads on madrasah performance with political connections as a moderating variable.

This study finds empirical support for the contention that political connections strengthen the positive influence of heads' demographic characteristics regarding their age and tenure on madrasah performance. However, political connections do not enhance the effect of heads' educational background on madrasah performance. Our findings improve the understanding of the strategic decisions of the heads of madrasahs, which are strongly influenced by internal and external factors and thus have an impact on madrasah performance. We have also obtained an overview of the importance of considering demographic characteristics in the appointment of prospective heads or the arrangement of heads.

The remainder of this paper is structured as follows: In Section 2, we review the literature and formulate hypotheses. Section 3 describes the research methods, measurements, and data used. In Section 4, we present a summary of the statistical results as well as a discussion. We conclude with Section 5.

2. Theoretical Foundation and Development of the Hypotheses

D.C. Hambrick (1986) posited the idea that managerial characteristics can be used, in part, to predict organizational outcomes (in the case of this paper, heads' characteristics and performance of their madrasahs). This was based on the idea that top managers' choices are influenced by their cognitive biases and values. Because such psychological constructs are difficult to observe, they suggested that top managers' demographic characteristics can be used as proxies for their cognitive baseline and values. This is why the relationship between observable managerial characteristics and strategic choices (often also called "organizational outcomes") lies at the heart of the theory. Hambrick (1986) add that both the characteristics and strategic choices of the upper echelons can be influenced by situational characteristics of the organization, such as the external environment or characteristics of the company. Therefore these precede managerial characteristics and organizational outcomes (Carpenter et al. 2004; Nielsen 2010). For example, when observed, diverse companies have simple origins, but a connection is built because they join a community (Channon 1979). Upper echelon theory explains that there are three conservative attitudes found in older executives. First, more senior executives may be limited by their physical and mental stamina in understanding new ideas and learning new organizational behaviors (Child 1975). Managerial age is negatively related to integrating information and beliefs into decision making. However, it appears to encourage a positive tendency to seek more information and evaluate information accurately; thus, decision making has a lasting impact (Hambrick 2007). Second, older executives have a more pronounced psychological commitment to the organizational status quo (Stevens et al. 1978). Third, more senior executives may have reached a point where maintaining their financial security and comfort, and their careers, are the most important things. They will regulate social circles, expenses, expectations, and retirement income to avoid taking risky actions. Distractions would be avoided by senior executives (Stevens et al. 1978), and age was also found to have a relationship with strategic decision making (Ye and Post 2020). Another study found that the selection of Chinese government leaders was based on personal ability, age, gender, education, and other individual characteristics, where attractive officials were more likely to be promoted than their less attractive counterparts. Ultimately, this has less impact on economic performance (Ling et al. 2019). Career is the most important thing that maintains it all. They will regulate social circles, expenses, expectations, and retirement income to

Economies 2022, 10, 107 4 of 13

take risky actions. Distractions would be avoided (Stevens et al. 1978), and age was found to have a relationship in every aspect of strategic decision making (Ye and Post 2020).

One of the exciting aspects of this theory is that education has a relationship with particular social groups (Collins 1971). In addition, this theory is supported by research from the UK, where education's influence on the class structure is relatively more pronounced. This study examined a different sample of chief executives in the UK. We found that around 50 percent of them had been educated at Oxford or Cambridge (Channon 1979). Therefore, this study notes and finds substantial evidence of educational background building stronger ties between organizations.

According to upper echelon theory, the existence of managerial characteristics also affects organizational performance, both directly and mediated by corporate results (Hambrick 1986) or moderated by the internal and external environment (Hambrick 2007). Thus, this study uses the characteristics of the heads of madrasahs (age, educational background, and tenure) with political connections as the moderating variable, which, in this study, is a network that is built from the madrasah committee according to the criteria regulated by the Minister of Religion Regulation (PMA) No. 16 of 2020, namely parents/guardians of students, community leaders who observe education, and education experts, where sometimes parents/guardians are public officials who are also on madrasah committees. Thus, this study tries to complete the upper echelon model as proposed by DC Hambrick (1986) so that the managerial characteristics of the head of the madrasah can be influenced by the internal and external environment.

2.1. Political Connections and Age

The existence of political influence can give color to an organization not only in the private sector but also in the public sector. Politically connected firms have higher managerial ownership. However, compared to non-political firms, the tendencies are minimal, making them more vulnerable to exacerbating governance practices (Ang et al. 2013); political connections are also able to weaken an organization (Cheng et al. 2018). The results of previous studies show that political relations are detrimental to the company's financial performance, and the director's financial expertise as a moderator strengthens the political relationships and the company's financial performance (Niazi et al. 2021). Other theoretical and empirical studies demonstrate that political influence greatly affects the implementation of corporate governance and corporate performance.

On the other hand, the relationship between the age of top executives and organizational characteristics has not been widely studied, especially with regard to political relations. The political relationship itself is part of the organizational characteristics according to the upper echelon theory, which is part of the socioeconomic background of its leader, which is closely related to strategy or organizational performance. One can observe that the most diversified and high-acquisition firms have modest origins but have merged into one organization, and other traditionally managed firms become member communities to establish relationships comprising connections (Channon 1979). The existence of a socioeconomic background, although from different characteristics, will be entrenched in the leader.

Likewise, in this study, the role of the madrasah committee will strengthen organizational performance through the political connections created by a madrasah head oriented towards the achievements of his or her organization. The political connection in this research is that the madrasah committee member is also a public official, and they have a network that can participate in achieving organizational goals. Therefore, the demographic characteristics (age, years of service, education, etc.) will be aligned with contingency factors from the internal and external environment where the company's effectiveness comes from the adjustment and needs of company characteristics by reflecting the company's situation. Therefore, the hypothesis proposed in this study is as follows:

Economies 2022, 10, 107 5 of 13

Hypothesis 1 (H1). The existence of political connections strengthens the positive influence of the age of the heads on the performance of their madrasahs.

2.2. Political Relations and Education

A person's formal educational background can produce rich and complex information. Education shows a person's knowledge base and their skills. For example, a person with an education in engineering can generally be expected to have a somewhat different cognitive base than someone with an education in history or law. Beyond that, if it is assumed that most people make their decisions about education seriously, then teaching to some extent serves as an indicator of a person's grades, cognitive preferences, and so on. Sometimes a person's attitude in making relatively early educational decisions is caused by incomplete information. However, on average, it can be proven that someone with a previous background in English literature will differ from someone with business experience.

A consistent finding is that the education level (either of the CEO or other central actors) is positively related to innovation acceptance (Becker 1970; Kimberly and Evanisko 1981). Another study examined the type of educational curriculum (administrative vs. non-administrative degrees) and found no association with organizational adoption of innovation (Kimberly and Evanisko 1981).

Likewise, in this study, a madrasah head with an educational background may have previously come from a sizeable Islamic boarding school with leadership provided by a religious figure or community figure. On the other hand, a madrasah head may have religious ties to, or be involved in, other organizations, meaning there are social relations. This will strengthen the network, which will have an impact on the interests of the organization; it does not even rule out the arrangement of the management structure of the madrasah committee as suggested by evidence from research (Fizel et al. 1990), who showed that organizational structure and organizational behavior are essential keys for CEOs in addition to being specific critical behavior characteristics of a CEO.

Thus, the existence of social relations between these organizations will form political ties that will have an impact on organizational development, so the research hypothesis is as follows:

Hypothesis 2 (H2). *The existence of political connections strengthens the positive relationship between the educational background of the heads and the performance of their madrasahs.*

2.3. Political Connections and Tenure

An organization depends on its external environment to achieve its goals. One of the critical factors is that there are political connections in the external environment and political relationships (Reitz 1979). In addition, in Reitz's research, an organization, through a political mechanism, will try to create a suitable environment for its interests. Organizations can use various political means to change the external economic climate. Therefore, CEO affiliation can be a mechanism to maximize the profitability of an organization (Reitz 1979). Furthermore, the political connections of a company CEO will strengthen the central relationship between shareholders, board members, and executive officers and government officials (Maaloul et al. 2018)

One of the impacts of political connections is on tenure, and there is extensive research in the literature on this sometimes controversial topic in the context of companies and governments (Hou et al. 2017). Evidence suggests that CEO tenure influences company performance at the top management level. Related to this research, political connections can have an impact on the development of madrasahs, for example, by adding to a madrasah's assets or for the organization's benefit in the form of efforts to obtain assistance from both the central government and regional governments. In addition, this political relationship also impacts the personal interests of the madrasah head regarding the term of office and a rotation to a better position or place.

Economies 2022, 10, 107 6 of 13

Interestingly, heads of madrasahs can take advantage of political connections to maintain their tenure as long as possible. As a result, they can affect the performance of madrasahs, as can the performance of companies in the private sector be affected by CEO tenure. Evidence suggests that CEO tenure influences firm performance at the top management level. Findings from other studies show that CEOs can form a power base over time, making it a challenge to remove or replace them (Carnahan et al. 2010). A negative firm performance relationship is associated with difficulty removing entrenched CEOs (Goyal and Park 2002). Therefore, this study proposes the following hypothesis:

Hypothesis 3 (H3). The existence of political connections strengthens the positive influence of the tenure of the heads on the performance of their madrasahs.

3. Materials and Methods

3.1. Data and Sample

The sample in this study was 432 heads of public madrasahs throughout East Java drawn from each level, namely Madrasah Ibtidayah Negeri (MIN) at SD level with 146 institutions, Madrasah Tsanawiyah Negeri (MTsN) at SMP level with 195 institutions, and Madrasah Aliyah Negeri (MAN) equivalent to SMA with 91 institutions. The data collection technique was through a survey. Respondents who were targeted and asked to fill out the questionnaire were the heads of the madrasahs who are the managers and controllers of the madrasah environment. The questionnaires were distributed to 432 madrasah heads via email, which requested assistance from the Madrasah Working Group (KKM) as a forum for Madrasah Heads at the MI (elementary school), MT (junior high school), and MA (high school) levels. The questionnaires (found at a link to google forms in the email) included types of questions related to the performance of madrasahs, covering the development of 8 (eight) National Education Standards (SNP), namely: content standards, process standards, graduation competency standards, assessment standards, standards for educators and education personnel, management standards, infrastructure standards, financial management standards, plus questions about the adoption of financial and non-financial performance measures (Bobe and Kober 2020). The secondary data on the characteristics of the heads of madrasahs included age, tenure, and educational background and they were obtained from the Information System and Management of Educators and Education Personnel of the Ministry of Religion (SIMPATIKA), while for political connections we used secondary data obtained from the Decree by the Madrasah Committee as determined by the madrasah. Of the 432 questionnaires distributed, all 432 were returned having been filled out in full.

3.2. Definitions and Measurement of Variabels

This study uses a dependent variable, an independent variable, a moderating variable, and a control variable. They are defined in Table 1.

Table 1. Definition of Variables.

Variable	Symbol	Information
Age	AGE	Age of the head of the madrasah, where $1 = 40$, $2 = 41-50$, $3 = 51-60$, $4 = 60$
Education	education	The educational background of the head of the madrasah, if 0, the head of the madrasah has a bachelor's degree, and if 1, holds a master's degree/doctoral degree.
Length of service	TNR	The term of office of the head of the madrasa, where $1 = 10$ years in the madrasa, $2 = 11-20$ years in the madrasa, $3 = 20+$ years in the madrasah

Economies 2022, 10, 107 7 of 13

Table 1. Cont.

VariableSymbolPolitical ConnectionPOLTC		Information When the madrasah committee has or is holding a government position, code 1 and code 0 if not present			
Madrasah Size	SIZE	Number of students based on madrasah level where $1 =$ number of students > 1000 and code $0 =$ number of students < 1000			

3.2.1. Dependent Variable

The measurements of a madrasah's performance in this study follows previous research (Bobe and Kober 2020) related to financial and non-financial performance. The measure of financial performance is seen in terms of an appropriate summary of short-term financial performance. Given the corporatization of the world of education, there is intense competition that must be dealt with in order to obtain funds and meet an organization's needs (Chow and Van der Stede 2006). It is expected that financial performance measures will be important. For example, they encourage decisions that can lower long-term value, lack guidance for future action, and lead to risk aversion (Fisher 1992). Thus, am argument has been made regarding the need to include more actionable, controllable, future-oriented, non-financial performance measures, along with related strategies rather than financial performance measures (Fisher 1992). The measurement uses a Likert scale where 1 = strongly agree, 2 = agree, 3 = sometimes, 4 = disagree, and 5 = strongly disagree.

3.2.2. Independent Variable

The measurement of the characteristics of madrasah principals follows several previous studies (Campos-García and Zúñiga-Vicente 2020). This includes age, which is measured on a year scale of 1 to 4, where 1 = 40, 2 = 41–50, 3 = 51–60, 4 = 60 (Campos-García and Zúñiga-Vicente 2020). Regarding education, this study uses the formal education of heads of madrasah with code 0 if the principal holds a bachelor's degree and code one if he holds a master's or doctoral degree (Campos-García and Zúñiga-Vicente 2020). The term of office of the heads of madrasahs uses a scale of 1 to 3, where 1 = 10 years in madrasahs, 2 = 11–20 years in madrasahs, 3 = 20+ years in madrasahs (Campos-García and Zúñiga-Vicente 2020).

3.2.3. Moderating Variable

Political connections as a moderating variable in this study used existing secondary data in the form of data on the management of the Madrasah Committee.

3.2.4. Control Variable

Madrasah size is an organizational size that has long been seen as one of the central constructs in strategic management. The size of the madrasah in this study is based on the number of students, which will be grouped based on the number of public madrasah students at each level as with the research by Campos-García and Zúñiga-Vicente (2020).

3.3. Regression Model

This study uses the moderating regression analysis (MRA) method using SPSS 25 software for hypothesis testing, while the regression model is as follows:

$PERFM = +1 \ AGE + 2 \ EDU + 3 \ TNR + 4 \ POLTC + 5 \ POLTC \times AGE + 6 \ POLTC \times EDU + 7 \ POLTC \times TNR + 8 \ SIZE + e \ POLTC + 5 \ POLTC + 6 \ POLTC + 7 \ POLTC + 7 \ POLTC + 7 \ POLTC + 7 \ POLTC + 8 \ POLTC + 6 \ POLTC + 7 \ POLTC + 7 \ POLTC + 8 \ POLTC + 6 \ POLTC + 7 \ POLTC + 7 \ POLTC + 8 \ POLT$

In the model above, political connections moderate the relationship between characteristics of heads and their madrasahs' performance. This study uses the upper echelon

Economies 2022, 10, 107 8 of 13

> theory and contingency theory to examine the effect of the characteristics of the heads of the madrasah on the performance of their madrasah, where political connections act as a moderator because the development of the madrasah is very dependent on the internal and external environment.

4. Results and Discussion

4.1. Descriptive Statistics

Table 2 presents the descriptive statistics and correlations of all the variables used in our study sample. Based on the descriptive statistical table, it can be seen that the average age of the heads of madrasahs scores 2.60, while the proportions per age range are as follows: up to 40 is 3.0%, 41–50 is 34.3%, 51–60 is 62.3%, and 60 years is 0.5%. The average education score of the total sample is 0.68, and the average education level of madrasah principals is 31% with a bachelor's degree and 69% with a master's/doctoral degree. For the average tenure, the score is 1.20 for the total sample, while the proportions per range are as follows: for ten years is 71.3%, 11-20 years is 23.8%, and 20 years is 0.2%. The average number of madrasah students is 6.24, while the average number of madrasahs with political connections is 88.9%, and those without political connections are 11.1%. Then, the results of this study show that the average madrasah size scored 6.24, which was greater than the standard deviation value, so it can be concluded that this variable, i.e., the size of madrasahs, did not vary in this study.

Variable	Means	Std. Dev	0	1	2	3	4
AGE $(1 = 40, 2 = 41-50, 3 = 51-60, 4 = \ge 61)$	2.6019	0.55659	-	3.0	34.3	62.3	5
education $(0 = \text{title S1 and } 1 = \text{S2/S3})$	0.6898	0.4631	31.0	69.0	-	-	-
TNR $(1 = 10, 2 = 11-20, 3 = \ge 21)$	1.2051	0.4975	3.9	71.3	23.8	0.2	-
SIZE (number of madrasah students)	6.2463	0.68721	-	-	-	-	-
POLTC	0.8889	0.31463	11.1	88.9	-	-	-

Table 2. Variable Statistics and Summary.

(1 = connected and 0 = not connected)

4.2. Political Relations and Characteristics of Heads of Madrasah

Table 3 presents the results of a moderated regression analysis where it can be seen that the constant value in column model 1 is 7.235, while in column model 2 it is 7.961. In column model 3 it is 6.820, while in model column 4 it is 7.549 with a significance value of 0.000. Then, we see that the t-value of moderated political connections has an age of 3630. The significance value of 0.000 is smaller than the 5% alpha (0.05). The results of testing the first hypothesis demonstrate that political connections strengthen the positive influence of the head's age on a madrasah's performance. This finding is consistent with the argument developed for the first hypothesis but contradicts the theoretical assertion that older CEOs are less competent and lack the necessary risk taking and information capacity (Chen et al. 2019; Hambrick 1986).

According to model 3 presented in Table 3, the results of testing the second hypothesis show that the t-value resulting from the multiplication of education with political connections is 0.388 with a significance value of 0.421, which is greater than alpha 5% (0.05). Therefore, there is no influence, or, in other words, it is not in line with the second hypothesis that the existence of a political connection strengthens the positive relationship between the educational background of the head and the performance of the madrasah. On the other hand, the results of testing the third hypothesis in model 4, the t-value of Economies 2022, 10, 107 9 of 13

the moderating influence of political connection on tenure is 2435, which is significant at 0.015, i.e., smaller than alpha 5% (0.05), meaning that the existence of a political connection strengthens the positive influence of the tenure of the head of the madrasah on its performance. This finding is consistent with previous research, which showed that CEOs are more enthusiastic in the early years of a career and they seek a range of knowledge from internal and external sources (Carnahan et al. 2010), which can improve political connections and company performance.

Table 3. Results of Moderation Regression Analysis on the Equation Model.

Variable		Model 1	Model 2	Model 3	Model 4
constant	coefficient	47,211	66.683	48.375	55,912
	t-value	7235	7961	6820	7.549
	Sig	0.000 *	0.000 *	0.000 *	0.000
AGE	coefficient	-2.204	-9733	-2158	-1800
	<i>t</i> -value	-1.875	-4097	-1827	-1.525
	Sig	0.061 **	0.000 *	0.068 **	0.128
education	coefficient	1.568	1945	-0.146	1670
	t-value	1.100	1.379	-0.034	1.177
	Sig	0.272	0.168	0.973	0.240
TNR	coefficient	-11,346	-10,843	-11,334	-19.206
	<i>t</i> -value	-8.858	-8535	-8837	-5.535
	Sig	0.000 *	0.000 *	0.000 *	0.000
POLTC	coefficient	-8810	-32,574	-10,209	-19.131
	t-value	-4.287	-4.754	-2613	-4.067
	Sig	0.000 *	0.000 *	0.009 *	0.000 *
AGE*POLTC	coefficient		9.929		
	<i>t</i> -value		3630		
	Sig		0.000 *		
EDU*POLTC	coefficient			1908	
	<i>t</i> -value			0.421	
	Sig			0.674	
TNR*POLTC	coefficient				9.110
	t-value				2.435
	Sig				0.015 *
SIZE	coefficient	0.849	0.383	0.843	0.683
	<i>t</i> -value	0.876	0.398	0.870	0.707
	Sig	0.381	0.691	0.385	0.480

Source: data analysis. * $sig \le 0.05$ ** $sig \le 0.1$.

Figure 1 is a diagram of the moderating effect of political connections. Figure 1 shows that when madrasah heads have political ties, the relationship between age, education, and years of service is positive, and the slope is steep. In contrast, these relationships become less favorable when they have no political associations and a flatter slope. The results show that political connections strengthened the positive role of the head of madrasah's characteristics in terms of age, education level, and years of service in improving the madrasah's performance.

Economies 2022, 10, 107 10 of 13

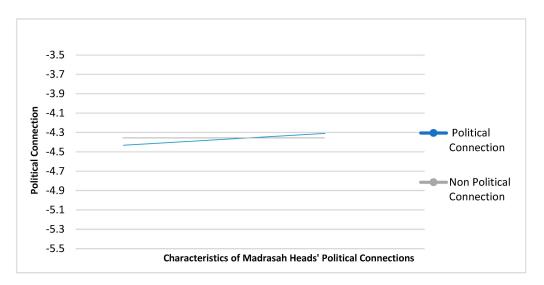


Figure 1. Moderating Effects of Political Connections.

Our findings reveal that madrasah heads, regardless of their age, will improve their madrasahs' performance—both financial and non-financial performance—if they have political connections. These findings are consistent with the results of previous studies conducted on different types of organizations (Lu et al. 2021; Saeed and Ziaulhaq 2019; Kunze et al. 2015; Campos-García and Zúñiga-Vicente 2020), and they show that age has a strong relationship with political connections. In addition to that, they also have practical implications regarding performance in terms of listening to and considering the perspectives of other stakeholders when seeking solutions.

While this study's results on political connections do not indicate that they strengthen the influence of the madrasah head's educational qualifications on the madrasah's performance, they are in line with previous research (Cheng and Leung 2016). This study shows that the political connections that are developed are not determined by the educational background of a head of a madrasah, whether it be S1, S2, or S3. The formal education of the heads in the sample used by this research, on average, is S2 or S3. According to this theory, the educational background is important in building solid organizational ties as shown by previous research (Channon 1979), but such findings will vary in different industries such as education or certain schools that are considered important in terms of business success, due to different social background. Different types of leadership will affect the type of leadership that has an impact on decision making (Channon 1979). Education itself has a relationship with certain social groups (Hambrick 1986) according to the upper echelon theory saying that geographical indicators have more influence than psychological measures, for example, a person's educational background can indicate socioeconomic background, motivation, cognitive style, propensity, risk, and other fundamental characteristics

According to this research, social relations, including political connections as part of the organizational environment, are not related to the formal education of the head of the madrasah, whether it be S1, S2, or S3. DC Hambrick (1986) says that if we find different results related to upper echelon theory, these could be due to additional demographic data. In addition, human behavior is part of the complexity of the ecosystem in which the fit between environmental design and behavior is accommodated by the environment. The existence of behavioral regulation does not pay much attention to the psychological processes of individual differences, but the relationship between people and their environment is more influenced by social characteristics such as habits, rules, typical activities, and physical characteristics (Jahoda and Curtis 1960).

5. Conclusions

According to the results of this study, political connections are a moderating variable in determining the characteristics of madrasah heads in improving madrasah performance. Po-

Economies 2022, 10, 107 11 of 13

litical connections strengthen the age diversity of madrasah heads in improving madrasah performance.

These political connections are not influenced by the formal educational qualifications of the head, whether they be S1 or S2/S3. This means that the level of formal education of the head of the madrasah does not strengthen the effects of the political connections on the performance of the madrasah. The political connections have the effect of increasing the tenure of the head which also supports the performance of the madrasah, especially when the tenure of the madrasah head is ten years or more. So, two important points can be drawn: First, the existence of political connections results in a longer term of office, so this will have an impact on the performance of madrasahs and on their development in the future. Second, with the absence of leadership regeneration, there is a lack of innovation and a lack of challenges. This is because the heads are in the same place and position for so long and this means, in terms of experience and career development, they are very limited because they only progress within the madrasah system.

However, aside from the contribution made by this study, there are some limitations. First, the characteristics of the heads used in this study are only age, tenure, and education; future researchers could take a more complex look at the heads' demographic characteristics by including experience and socioeconomic characteristics. Second, the control variables in future studies could also use measures of teacher training, staff stability, or financial resources. Third, the size of the sample in this study is relatively small. Future researchers could use a wider choice of madrasahs in other developing and developed countries. Fourth, further research could focus on developing the entrepreneurial aspect of educational institutions including the understanding of this aspect on the part of the heads of the madrasahs. This situation is encouraging, especially in the current era. Educators and education personnel must develop skills and understanding related to entrepreneurship education for advancement. It is the development of an entrepreneurial institution where students gain work experience and skills while educational institutions can earn additional income from the sale of the products that students make.

Author Contributions: Conceptualization, R.; methodology, R.; software, R.; validation, R.; formal analysis, R.; investigation, R.; resources, R.; data curation, R.; writing—preparation of the original draft, R.; writing—review and editing, R.; visualization, R.; supervision, I.M.N.; project administration, R.; fundraising, R., I.M.N. All authors have read and agreed to the published version of the manuscript.

Funding: The cost of this research was borne by the authors who did not receive financial support from any party.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Statements were collected before conducting the research. Permission was also obtained from the institution.

Data Availability Statement: The primary data were sourced from a government application for internal civil service use provided by the Ministry of Religion.

Acknowledgments: The author would like to thank the Regional Government of East Java Province, Indonesia, which has provided all the data on madrasah.

Conflicts of Interest: The authors declare no conflict of interest.

References

Almahdawi, Manal, Salieu Senghore, Horia Ambrin, and Shasidhar Belbase. 2021. Performance indicators of high school students in distance learning in chemistry during the COVID-19 pandemic. *Educational Sciences* 11: 672. [CrossRef]

Ang, James S., David K. Ding, and Tiong Yang Thong. 2013. Political relations and corporate values. *Asian Development Review* 30: 131–66. [CrossRef]

Asadullah, M. Niaz, and Maliki. 2018. Madrasah for girls and private school for boys? The determinants of school type choice in rural and urban Indonesia. *International Journal of Educational Development* 62: 96–111. [CrossRef]

Economies 2022, 10, 107 12 of 13

Asadullah, M. Niaz, and Nazmul Chaudhury. 2016. To madrasahs or not to madrasahs: The question and correlates of enrolment in Islamic schools in Bangladesh. *International Journal of Educational Development* 49: 55–69. [CrossRef]

- Bano, Masooda. 2014. Madrasa reforms and Islamic modernism in Bangladesh. Modern Asian Studies 48: 911-39. [CrossRef]
- Becker, Marshall H. 1970. Sociometric Locations and Innovation: Reformulation and Expansion of the Diffusion Model. *American Sociological Review* 35: 267. [CrossRef]
- Bhagat, Sanjai, Brian J. Bolton, and Ajay Subramanian. 2010. CEO Education, CEO Turnover, and Firm Performance. SSRN Electronic Journal, 1670219. [CrossRef]
- Bobe, Belete J., and Ralph Kober. 2020. Personal characteristics of the university dean and use of management control systems and performance measures. *Studies in Higher Education* 45: 235–57. [CrossRef]
- Boling, J. Ruben, Torsten M. Pieper, and Jeffrey G. Covin. 2016. CEO Ownership and Entrepreneurship Orientation in Family and Non-Family Companies. *Entrepreneurship: Theory and Practice* 40: 891–913. [CrossRef]
- Campos-García, Irene, and Jose Zúñiga-Vicente. 2020. Strategic decision making in secondary schools: The impact of the demographic profile of principals. *Leadership and Policy in Schools*. [CrossRef]
- Carnahan, Seth, Rajshree Agarwal, and Benjamin Campbell. 2010. Effect of Corporate Compensation Structure on Mobility and Entrepreneurship of Extreme Actors. *Business* 1154: 1–43. [CrossRef]
- Carpenter, Mason A., Marta A. Geletkancz, and Wm. Gerard Sanders. 2004. Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management* 30: 749–78. [CrossRef]
- Channon, Derek. 1979. Corporate Leadership and Performance in the Service Industry. *Journal of Management Studies* 16: 185–201. [CrossRef]
- Chen, Wanyu (Tina), Gaoguang (Stephen) Zhou, and Xindong (Kevin) Zhu. 2019. CEO tenure and corporate social responsibility performance. *Journal of Business Research* 95: 292–302. [CrossRef]
- Cheng, Louis T. W., and Tak Yan Leung. 2016. Government protection, political connections, and management change in China. *International Review of Economics and Finance* 45: 160–76. [CrossRef]
- Cheng, Louis T. W., Ricky Y. K. Chan, and Tak Yan Leung. 2018. Impact of benefits spending and marketing spending on firm performance in China: The moderating role of political connections. *Journal of Business Research* 86: 83–95. [CrossRef]
- Child, John. 1975. Managerial and Organizational Factors Associated With Company Performance-Part Ii. a Contingency Analysis. *Journal of Management Studies* 12: 12–27. [CrossRef]
- Chow, Chee W., and Wim A. Van der Stede. 2006. Uses and Non-financial Uses. Quarterly Management Accounting 7: 1-8.
- Clark, Darmon, Paco Martorell, and Jonah Rockoff. 2009. Principal and School Performance. Working Paper 38. National Center for Analysis of Longitudinal Data in Education Research Working Paper. December. Available online: https://eric.ed.gov/?id=ED5 09693 (accessed on 12 December 2009).
- Collins, Randall. 1971. Functional Theory and Conflict of Educational Stratification. *American Sociological Review* 36: 1002–19. [CrossRef] Coulson, Andrew. 2004. *Education and Indoctrination in the Muslim World Is There a Problem? What Can We Do about It?* Washington, DC: Cato Institute.
- Díaz-Fernández, M. Carmen, M. Rasorio González-Rodríguez, and Biagio Simonetti. 2020. Top management team diversity and high performance: An integrative approach based on upper echelons and complexity theory. *European Journal of Management* 38: 157–68. [CrossRef]
- Donatella, Pierre, and Torbjörn Tagesson. 2020. CFO characteristics and opportunistic accounting choice in public sector organizations. *Journal of Management and Governance* 25: 509–34. [CrossRef]
- Eduardo, Marcelo, and Brooks Poole. 2016. CEO age and gender: Subsequent market performance. *Cogent Business and Management* 3: 1–8. [CrossRef]
- Farinha, Caria, Sandra Caeiro, and Ullissies Azeiteiro. 2019. Sustainability strategy in Portuguese higher education institutions: Internal insights and commitment and practice. *Sustainability* 11: 3227. [CrossRef]
- Fisher, Edward P. 1992. The impact of play on development: A meta-analysis. In *Play & Culture*. Champaign: Human Kinetics Publishers, Inc., vol. 5, Issue 2. pp. 159–81.
- Fizel, John L., Kenneth K. T. Louie, and Marc S. Mentzer. 1990. An economic, organizational and behavioral model of the determinants of CEO tenure. *Journal of Economic Behavior and Organization* 14: 363–79. [CrossRef]
- GERAMM. 2019. Available online: https://id.scribd.com/document/447506845/Buku-GERAMM-1-pdf (accessed on 20 March 2021).
- Goyal, Vidhan K., and Chul W. Park. 2002. Board leadership structure and CEO turnover. *Journal of Corporate Finance* 8: 49–66. [CrossRef]
- Hambrick, Donald C. 1986. Upper Echelons: The organization as a reflection of its top managers. *Academy of Management Review* 9: 193–206. [CrossRef]
- Hambrick, Donald C. 2007. Upper echelon theory: Update. Management Academy Review 32: 334–43. [CrossRef]
- Helgøy, Inggrid, and Anne Homme. 2016. Education and marketing reform in Norway–A challenge to the social democratic and inclusive school tradition? *Research in Comparative and International Education* 11: 52–68. [CrossRef]
- Hou, Wanrong, Richard L. Priem, and Maria Goranova. 2017. Does One Size Fit All? Investigating Pay–Future Performance Relationships During CEO "Seasons". *Journal of Management* 43: 864–91. [CrossRef]
- Iptek, J., and R. Lipi. 2015. Ministry of Religion Strategic Plan. pp. 1–6. Available online: https://doi.org/351.077Indr (accessed on 15 April 2021).

Economies **2022**, 10, 107

Jackson, Stephen James. 2020. "Not in indoctrination": Religious education in South Australian public schools, 1968–1980. Review of the History of Education 49: 249–62. [CrossRef]

- Jahoda, G., and Jack H. Curtis. 1960. Social psychology. British Journal of Sociology 11: 300. [CrossRef]
- Kalkan, Ümit, Fahriye Altınay Aksal, Zehra Altınay Gazi, Ramazan Atasoy, and Gökmen Dağlı. 2020. Relationship Between School Administrator Leadership Style, School Culture, and Organizational Image. SAGE Open 10–17. [CrossRef]
- Kimberly, Jhon R., and Michael J. Evanisko. 1981. Organizational Innovation: Influence of Individual, Organizational, and Contextual Factors on Technology Innovation Adoption and Hospital Administration Author(s): John R. Kimberly and Michael J. Evanisko Published by: Academy of Management. *Journal of Academic Management* 24: 689–713.
- Kunze, Florian, Anneloes M. L. Raes, and Heike Bruch. 2015. It matters how old you are: Performance antecedents and consequences of average subjective, relative age in organizations. *Journal of Applied Psychology* 100: 1511–26. [CrossRef] [PubMed]
- Lafrarchi, Naima. 2020. Reviewing the Islamic religious education curriculum in public secondary schools in Indonesia. *Religion* 11: 110. [CrossRef]
- Lestari, H., Wahyu Sopandi, U. S. Sa'ud, B. Mustafa, D. Budimansyah, and R. R. Sukardi. 2021. The impact of online mentoring in the implementation of radec learning on the competence of elementary school teachers in training students' critical thinking skills: A case study during the COVID-19 pandemic. *Indonesian Journal of Science Education* 10: 346–56. [CrossRef]
- Ling, Leng, Danglun Luo, and Guoman She. 2019. Judging a Book by its Cover: The Effect of Physical Attractiveness on the Promotion of Regional Leaders. *Journal of Economic and Organizational Behavior* 158: 1–14. [CrossRef]
- Lu, Xienyue, Ge Wang, Chang Zhu, and Xinyang Chi. 2021. Mapping the challenges to the sustainable operation of suburban villages in a metropolis: A comparative case study from the lens of three stakeholder-led approaches. *Land* 10: 864. [CrossRef]
- Maaloul, Anies, Raida Chakroun, and Sabrine Yahyaoui. 2018. The effect of political connections on companies' performance and value: Evidence from Tunisian companies after the revolution. *Journal of Accounting in Emerging Economies* 8: 185–204. [CrossRef]
- McGrail, Peter, and Anthony Towey. 2019. Partner in progress? A study of the impact of the 2016 Religious Education reform in the UK. *International Journal of Christianity and Education* 23: 278–98. [CrossRef]
- Mokhtar, Intan Azura. 2010. Madrasahs in Singapore: Bridging the gap between their role, relevance, and resources. *Journal of Muslim Minority Affairs* 30: 111–25. [CrossRef]
- Niazi, Murtaza Masud, Zaleha Othman, and Sitraselvi Chandren. 2021. Moderate director's financial expertise in political relations and corporate financial performance in Pakistan. *Accounting* 7: 865–74. [CrossRef]
- Nielsen, Sabina. 2010. Top management team diversity: A review of theories and methodologies. *International Journal of Management Reviews* 12: 301–16. [CrossRef]
- Nkundabannyanga, Stephen Karutaro, Moses Muhwezi, and Venancio Tauringana. 2018. Ugandan secondary school management accounting practice, governing board, and competitive advantage. *International Journal of Educational Management* 32: 958–74. [CrossRef]
- Pagès, Marcel. 2021. Enacting performance-based accountability in a Southern European school system: Between administrative and market logics. *Educational Assessment, Evaluation and Accountability* 33: 535–61.
- Paraskeva, Joao M. 2022. 'Did COVID-19 exist before the scientists?' Towards curriculum theory now. *Educational Philosophy and Theory* 54: 158–69. [CrossRef]
- Parker, Lynette, and Raihani. 2009. Governing madrasah. Policy Brief 4: 1-10.
- Rahim, Bushra. 2019. Decentralized decision making and educational outcomes in public schools: Evidence from Pakistan. *International Journal of Educational Management* 33: 1625–40. [CrossRef]
- Reitz, H. Joseph. 1979. Organizational External Controls: The Resource Dependency Perspective. *Management Academy Review* 4: 309–10. [CrossRef]
- Saeed, Abubkr, and Hafiz Muhammad Ziaulhaq. 2019. The Impact of CEO Characteristics on the Internationalization of SMEs: Evidence from the British. *Canadian Journal of Administrative Sciences* 36: 322–35. [CrossRef]
- Serfling, Matthew A. 2014. CEO age and company policy risk. Journal of Corporate Finance 25: 251–73. [CrossRef]
- Stevens, John M., Janice M. Beyer, and Harisson M. Trice. 1978. Assessing personal, role, and organizational predictors of managerial commitment. *Academy of Management Journal* 21: 380–96. [CrossRef] [PubMed]
- Ting, Irene W. K., Noor Azlina Binti Azizan, and Qian Long Kweh. 2015. Upper Echelon Theory Revisited: The Relationship between CEO Personal Characteristics and Financial Leverage Decisions. *Procedia-Social and Behavioral Sciences* 195: 686–94. [CrossRef]
- Warrier, Uma, Monoo John, and Surendranath Warrier. 2021. Utilizing Emotional Intelligence Competencies for the Sustainable Development of Higher Education in the New Normal Era. FIIB Business Review 10: 62–73. [CrossRef]
- Wittmer, Fabius, and Christian Waldhoff. 2019. Religious education in Germany about religious diversity: Constitutional requirements for religious education. *German Journal of Law* 20: 1047–65. [CrossRef]
- Ye, Zihan, and Thomas Post. 2020. What age do you feel?–Subjective age identity and economic behavior. *Journal of Behavioral and Organizational Economics* 173: 322–41. [CrossRef]
- Zou, Cuiying, Ping Li, and Li Jin. 2021. Online college English education in Wuhan against the COVID-19 pandemic: Student and teacher readiness, challenges and implications. *PLoS ONE* 16: e0258137. [CrossRef]