

Implementation of Good University Governance in State University of South Sumatera and Bangka Belitung, Indonesia

Rulyanti Susi Wardhani^{1*}, Taufik², Luk Luk Fuadah², Saadah Siddik³, Anggraeni Yunita¹, Duwi Agustina¹, Suhdi⁴, Syaeful Windiarso⁵

¹Faculty of Economy, Bangka Belitung University, Gg. IV No.1, Balun Ijuk, Merawang, Kabupaten Bangka, Kepulauan Bangka Belitung 33172, Indonesia

² Faculty Economy, Sriwijaya University, Jalan Palembang-Prabumulih km 32, Indralaya, Ogan Ilir, Sumatera Selatan, 30662, Indonesia

³ Faculty Economy, Muhammadiyah University, Jalan Jendral Ahmad Yani, 13 Ulu, Seberang Ulu II, Palembang, Sumatera Selatan, 30116, Indonesia

⁴Fakulty of Technic, Bangka Belitung University, Gg. IV No.1, Balun Ijuk, Merawang, Kabupaten Bangka, Kepulauan Bangka Belitung 33172, Indonesia

⁵ Faculty Economy, Raden Fatah Islamic University, Jalan Prof. K.H Zainal Abidin Fikri, Palembang, Sumatera Selatan, 30151, Indonesia

***Corresponding author**
Rulyanti Susi Wardhani

Article History

Received: 18.12.2018

Accepted: 27.12.2018

Published: 30.12.2018



Abstract: The purpose of this study was to determine the differences in the application of good university governance in South Sumatra and Bangka Belitung State Universities, while the state universities were Bangka Belitung University, Sriwijaya University, Sriwijaya State Polytechnic, Bangka Belitung Manufacturing Polytechnic. The principles of good university governance in this study are governance structure, autonomy, accountability, leadership, and transparency. Respondents from the study are structural officials in the form of questionnaires. The analysis used Friedman different test because groups of state universities that are new and long established, the results of the analysis that accountability and transparency in the application of good university governance between Bangka Belitung University and Sriwijaya University are different, unlike the Sriwijaya Polytechnic with the Bangka Belitung Manufacturing Polytechnic in the application of good university governance has no difference.

Keywords: Governance Structure, Autonomy, Accountability, Leadership, Transparency.
JEL: M, M4,M490

INTRODUCTION

Currently, Indonesia and the Southeast Asian countries are facing the Association of Southeast Asian Nations (ASEAN) Community, related to that preparations have been made in each country in terms of human resources to face labor market competition in the Southeast Asian region. According to Nulhaqim, Heryadi, & Pancasilawan [1], the competitiveness of skilled labor between ASEAN member countries requires a quality workforce that is competitive. The quality of the workforce must be supported by the quality of education held by each country. With the good quality of education, the country's human resources are ready to compete in the ASEAN labor market.

Indonesia in organizing higher education is regulated in the Law Republic of Indonesia Number 12 of 2012, one of which is the autonomy of universities, both autonomy of State Universities (PTN) and autonomy of private universities. The autonomy of the tertiary institutions is the autonomy of the academic and non-academic fields (Law No. 12 of 2012). Educational statistics for 2017 illustrate the development of tertiary institutions in Indonesia presented in Table-1.

Table-1: Development of Number of Higher Education Institutions in Indonesia

Higher Education Institutions	2015	2016	2017
State Higher Education Institutions	122	122	122
Private Higher Education Institution	3.124	3.153	3.154
Amoount	3.246	3.275	3.276

Source: Ministry of Research, Technology and Higher Education (2017)

Based on Table-1, the number of tertiary educational institutions in Indonesia from 2015 to 2016 was 0.89 percent while 2016 to 2017 was 0.03 percent. Although universities in Indonesia each year experience an increase especially private universities, but not followed by an increase in the quality of higher education, this is marked by the low competitiveness of Indonesian universities in international circles [2]. According to Constantin [3] universities also face competition as must other entities, while the competition faced by universities is the growth of higher education, attracting prospective students and professors as educators and strengthening funds. One of the mechanisms of universities in facing this competition is by displaying the advantages and resources they possess [4, 5].

The examination results of the Financial Examination Agency, Republic of Indonesia [6] states that there are still many problems and weak management of Higher Education Institutions caused by weak internal controls and still not compliant with the provisions of the legislation in the management of Higher Education Institutions in Indonesia [7]. The existence of higher education autonomy will open up areas of improvement and competition, but these conditions are still limited by state-driven higher education policies and increasing interventions related to external quality assurance [8]. Actuality and education providers in Indonesia experience a number of obstacles, both in terms of policy, implementation, supervision, and evaluation (Government Regulation No. 4 of 2014). This condition demands that optimization of the application of the principles of Good University Governance (GUG) be carried out. According to Amilin [9] and Suryani [10], the principles of governance include transparency, accountability, responsibility, efficiency, fairness, and reward-punishment.

Good University Governance (GUG) is a concept adopted from Good Corporate Governance (GCG). At present, the study of Corporate Governance is not a new issue compared to the issue of University Governance, because previous studies on Good University Governance have not been widely publicized. Likewise, the study of university governance provides an important contribution for university managers as one of the references in managing a good tertiary institution.

Good governance in higher education is defined by Kohler [11], as follows: Which are concerned with the identification, validation, and realization of those prerequisites and consequences and of that culture and those which play to institutional autonomy and individual freedom in their constituents with the public responsibility of the institution to be governed

The same thing with universities in Bangka Belitung and South Sumatra are required to improve the quality of higher education in its processing. For state universities in Bangka Belitung namely manufacturing polytechnics (POLMAN) and Bangka Belitung University (UBB) are New State Universities that switch status from private to state higher education, therefore the management undergoes changes in accordance with the applicable rules need to be adjusted to carry out the university's operational activities. Then to South Sumatra Province, the college is Sriwijaya University (UNSRI) and Sriwijaya State Polytechnic (POLSRI) both of which are long-established universities so that management is quite good.

The four colleges according to Webometrics [12] were not included in the category of the 50 largest universities in Indonesia, as for the category scores as follows: 1) ranked 65th Sriwijaya University, 2) ranked 91th Sriwijaya State Polytechnic, 3) ranked 187th Bangka Belitung University and 4) Bangka Belitung State Manufacturing Polytechnic. This condition makes the four universities must continue to improve the quality and quality of graduates who can compete both nationally and internationally.

This study refers to the Amilin research [9] that the principles of good university governance affect managerial performance and research by Sutanto & Putri [13] with the statement that the factors that influence the optimization of GUG are factors of centralization of operations and academic decentralization. Research from Saiti, Abbott, & Middlewood [14] which is a qualitative research conducted in two countries, namely England and Greece with organizational techniques and methods (O and M), the results of managing higher education in each country will be different due to cultural and ideological perceptions so that they need to develop models more effective and constructive university governance in serving the interests of the community. Bingab, Forson, Abotsi, & Baah-Ennumh [15] study with a type of qualitative research by raising issues of funding, accountability, infrastructure, trust and regulation that can complement the governance of universities in Ghana. The novelty of this research uses quantitative research with Friedman different tests from four universities, both polytechnics, and universities and has a uniqueness by testing a new state university with a long-standing state university. Therefore the purpose of this study is to analyze and test the differences in the application of good university governance in South Sumatra State Universities and Bangka Belitung.

LITERATURE REVIEW

Grand theory used in this study is agency theory which states agency relations as a contract where one or more (principals) hire people (agents) to do some services for their benefit by delegating some decision-making authority.

According to Jensen & Meckling [16], that agency relationships are under the contract the principal delegates some decision making authority to the agent. The relationship with public sector accounting has a role in overcoming the problems between agents and principals through governance mechanisms. The manifestation of the agent's responsibility towards the principal, the agent carries out good governance where the agent here is the management of the university while the principal is the government.

Good University Governance (GUG) according to Kersbergen & Waarden [17] is that governance needs not only occur in the country but have occurred both privately, semi-privately and in a public environment and at different levels (global, international, national, regional, local, organization). Governance refers to the structure and process by which an organization is directed and controlled so that organizational goals can be achieved. Good governance can guarantee organizations to 1) be able to deliver goods, services or programs effectively and efficiently, 2) be able to create good performance and 3) be able to meet legal requirements, issued regulations [18].

In simple terms, Good University Governance (GUG) can be seen as the application of the basic principles of the concept of good governance in the governance system and process in universities. According to Martini, Sari, & Wardhani [19], the principles of good university governance are the structure of governance, autonomy, accountability, transparency, leadership.

METHODOLOGY

This research was conducted at Sriwijaya University, Bangka Belitung University, Sriwijaya State Polytechnic, and Bangka Belitung Manufacturing Polytechnic with Chancellor, Deputy Chancellor, Director, Deputy Director, Dean, Deputy Dean, Head of Department. Analysis of the data used with Friedman different test so that it can be seen the differences in the structure of governance, autonomy, accountability, transparency, and leadership which are the principles of good university governance. The Friedman test will determine whether different ranking columns (samples) come from the same population, by testing whether the total rank (R_j) differs significantly by calculating Friedman's statistical values [20, 21]:

$$\chi_r^2 = \frac{12}{bk(k+1)} \sum_{j=1}^k R_j^2 - 3b(k+1)$$

Where

b (many groups), k (number of treatments), R_j (number of ranks the i and t treatments (the number of observations are of the same value))

The rejection of the null hypothesis implies that the number of ranks for various columns differs significantly. So the score is dependent on the conditions used to get the scores. The purpose of the Friedman test is to see whether or not there are differences in effects between treatments, therefore it does not require the assumption of normal distribution and unknown population variance [21]. The provisions of the Friedman test have the following-making criteria: if the probability is > 0.05 , then H_0 is accepted and if the probability is < 0.05 , then H_0 is rejected. The research hypothesis in this study is H_0 : there is no difference between H_1 universities: there is a difference between universities.

Before conducting the Friedman test, first test the validity and reliability. The validity testing was conducted to find out whether the contents of the questionnaire were right to measure what the respondents wanted to measure and adequately understand, indicated by the small percentage of answers that did not deviate from the answers of other respondents. Furthermore, the reliability test is a measurement of the reliability of an instrument, using Cronbach Alpha. Data is said to be reliable if the Cronbach Alpha value is greater than 0.06.

RESULTS AND DISCUSSION

Validity test results are indicated by the small percentage of answers that are not too distorted from the answers of other respondents. If the correlation of each factor is positive and significant < 0.05 then it can be said to be valid (attachment 1). Similarly, the reliability test of Cronbach Alpha values is all questions above 0.06 so it is concluded that the data has been reliable and can be further analyzed.

Based on the table above that the two-sided asymptotic significance column for governance, autonomy, and leadership structures has a probability value above 0.05, then H_0 is accepted meaning that the application of good university governance with the principle of governance, autonomy and leadership structure is no different between Sriwijaya University and Bangka Belitung University. While accountability and transparency have a probability value below 0.05 so H_0 is rejected, it means that there is a difference in the application of good university governance related to the principles of accountability and leadership at Sriwijaya University (UNSRI) with Bangka Belitung University (UBB).

There are differences between Sriwijaya University and Bangka Belitung University regarding the application of good university governance in terms of transparency and accountability because Bangka Belitung University which is a new state university in 2010 with the transfer of status from the private sector to the country many problems encountered in its management. Accountability differs from UBB and UNSRI because the lecturers and employees of UBB have the resources not in accordance with the standards set by the regulator or government. Then the governance system in UBB has not guaranteed accountability because there are still employees and lecturers whose employment status is not yet clear so that it disrupts performance in terms of accountability and assessment of the performance of the leadership of the university and faculty is not optimal. While UNSRI has been quite accountable, this is because the resources owned are in accordance with the rules. The ease of accessing public information on UBB is not high quality for users because UBB is still in infrastructure development or improving and providing facilities for teaching and learning process first.

Table-2: Good University Governance Difference Test of Sriwijaya University with Bangka Belitung University

Information	University	Mean Rank	Chi-Square	Asymp. Sig.
Governance Structure	Sriwijaya University	1.60	1.200	0.273
	Bangka Belitung University	1.40		
Autonomy	Sriwijaya University	1.47	0.133	0.715
	Bangka Belitung University	1.53		
Accountability	Sriwijaya University	1.23	8.533	0.003
	Bangka Belitung University	1.77		
Leadership	Sriwijaya University	1.77	0.000	1.000
	Bangka Belitung University	1.83		
Transparency	Sriwijaya University	1.50	0.000	0.000
	Bangka Belitung University	1.50		

Source: data processed, 2018

Relevant and available information transparency will benefit the public in general in this case the rules and decisions are clearly available and disseminated [23]. The spirit of transparency has not been fully done at UBB, for example students have never known about the implementation budget and the management of higher education at UBB. According to the Education Law Number 12 of 2012 concerning higher education states that accountability and transparency by reporting all campus activities both academic and non-academic must be reported by this basis so that every state higher education institutions in Indonesia must refer to the regulation.

Furthermore, the results of different tests for Sriwijaya State Polytechnic with the Bangka Belitung Manufacturing Polytechnic can be seen in Table-3 as follows:

Table-3: Good University Governance Different Test of Sriwijaya State Polytechnic with Bangka Belitung Manufacturing Polytechnic

Information	Polytechnic	Mean Rank	Chi-Square	Asymp.Sig.
Governance Structure	Sriwijaya State Polytechnic	1.60	1.200	0.273
	Bangka Belitung Manufacturing Polytechnic	1.40		
Autonomy	Sriwijaya State Polytechnic	1.47	0.133	0.715
	Bangka Belitung Manufacturing Polytechnic	1.53		
Accountability	Sriwijaya State Polytechnic	1.37	2.133	0.144
	Bangka Belitung Manufacturing Polytechnic	1.63		
Leadership	Sriwijaya State Polytechnic	1.60	1.200	0.273
	Bangka Belitung Manufacturing Polytechnic	1.40		
Transparency	Sriwijaya State Polytechnic	1.57	0.533	0.465
	Bangka Belitung Manufacturing Polytechnic	1.43		

Source: data processed, 2018

Different test results Table-3 both institutions both Sriwijaya State Polytechnic and Bangka Belitung Manufacturing Polytechnic have a probability value above 0.05, then H_0 has accepted means that there is no difference in the structure of governance, autonomy, accountability, leadership and transparency from the application of good university governance. This is due to the fact that the Bangka Belitung Manufacturing Polytechnic before the country was a fostered institution of the Tin Company which is a State-Owned Enterprise (BUMN) company whose governance system has been good so that when the Bangka Belitung Manufacturing Polytechnic was released from PT Timah to become an existing state of governance only a few rules that adjust to being applied such as discipline, quality of institutions and alumni or graduation can compete with other universities.

The results of different tests in this study illustrate that this study supports agency theory, especially for the principles of transparency and accountability of the implementation of GUG, there are still differences not in accordance with the objectives of the government implemented by Bangka Belitung University and Sriwijaya University [16] but not supportive of research [9] In contrast to the successor to GUG at Sriwijaya State Polytechnic and Bangka Belitung Manufacturing Polytechnic, it does not support agency theory but supports research [9].

CONCLUSION

Accountability and transparency at Bangka Belitung University with Sriwijaya University in implementing Good University Governance is different because it is still not transparency as well as accountability in Sriwijaya State Polytechnic and Bangka Belitung Manufacturing Polytechnic because there are some rules that have not been maximally applied in each University. The hope for the future to face a world-class university is the need for leadership commitment to the role of the internal supervision unit or quality guarantor in the Faculty and universities to monitor activities at the university.

ACKNOWLEDGMENTS

The author expressed her great thanks to the Republic of Indonesia Ministry of Research, Technology and Higher Education which has funded research grants with one of the outputs of this writing.

REFERENCES

1. Nulhaqim, S. A., Heryadi, D., & Pancasilawan, R. (2015). Peranan Perguruan Tinggi dalam Meningkatkan Kualitas Pendidikan Indonesia Untuk Menghadapi ASEAN Community 2015: Studi Kasus Universitas Padjadjaran. *Share: Social Work Jurnal*, 1, 1-24.
2. Rahayuningtyas, A., Prihatni, D., & Triana, E. (2017). Modal Intelektual dan Daya Saing Perguruan Tinggi di Indonesia. *Jurnal Akuntansi dan Investasi*, 18(2), 153-162.
3. Constantin, B. (2009). The intellectual capital of universities. *Academy of Economic Studies, Bucharest*, 63-70.
4. Tobari. (2015). Strategi Perguruan Tinggi Swasta Menghadapi Persaingan. *Jurnal Media Wahana Ekonomika*, 12(3), 61-68.
5. Kartikasari, D. (2014). Analisis Persaingan Pendidikan Tinggi di Batam dari Perspektif Politeknik Batam. *Cakrawala Pendidikan*, (2).
6. Murdiyarso, D., Purbopuspito, J., Kauffman, J. B., Warren, M. W., Sasmito, S. D., Donato, D. C., ... & Kurnianto, S. (2015). The potential of Indonesian mangrove forests for global climate change mitigation. *Nature Climate Change*, 5(12), 1089.
7. Bartley, T., & Egels-Zandén, N. (2015). Responsibility and neglect in global production networks: The uneven significance of codes of conduct in Indonesian factories. *Global Networks*, 15(s1), S21-S44.
8. Hénaud, F., & Mitterle, A. (2010). Governance and Quality Guidelines in Higher Education: A review of Governance Arrangements and Quality Assurance Guidelines. OECD Reviews of Higher Education in Regional and City Development, IMHE, 114. Retrieved from <https://www.oecd.org/edu/imhe/46064461.pdf>
9. Amilin, A. (2016). Dampak Penerapan Good University Governance Terhadap Kinerja Manajerial Melalui Implementasi Anggaran Berbasis Partisipatif. *Universitas Tarumanagara Journal of Accounting*, 20(3), 330-344.
10. Suryani, I. (2015). Good University Governace. *Jurnal Riset Akuntansi*, 7(2), 20.
11. Kohler, J. (2006). Higher education governance—Background, significance and purpose. *Higher education governance between democratic culture, academic aspirations and market forces*, 17-32.
12. Webometrics. (2018). Rangkang Web Of Universities.
13. Sutanto, H., & Putri, K. W. (2010). Pengaruh spiritual value terhadap job performance pada rumah sakit di wilayah yogyakarta. *Karisma*, 4(2), 79-90.
14. Saiti, A., Abbott, I., & Middlewood, D. (2018). University governance: insights from England and Greece. *International Journal of Educational Management*, 32(3), 448–462.
15. Bingab, B. B. B., Forson, J. A., Abotsi, A. K., & Baah-Ennumh, T. Y. (2018). Strengthening university governance in sub-Saharan Africa: the Ghanaian perspective. *International Journal of Educational Management*, 32(4), 606–624.
16. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360.
17. van Waarden, F., & van Kersbergen, K. (2004). “Governance” as a bridge between disciplines: Cross-disciplinary inspiration regarding shifts in governance and problems of governability, accountability and legitimacy. *European Journal of Political Research*, 43(2), 143-171.
18. Learmount, S. (2004). Corporate Governance: What Can Be Learned From Japan? Corporate Governance: What Can Be Learned From Japan?.
19. Martini, R., Sari, K. R., & Wardhani, R. S. (2015). Analisis Penerapan Good University Governance Melalui Efektivitas Pengendalian Intern Dan Komitmen Organisasional. In Simposium Nasional Akuntansi XVIII. Medan.
20. Cleophas, T. J., & Zwinderman, A. H. (2012). Non-parametric Tests for Three or More Samples (Friedman and Kruskal-Wallis). In *Clinical Data on a Pocket Calculator*, (788), 61-62.

21. Bryman, A., & Bell, E. (2015). Business Research Methods. Business Research Method.
22. Kahneman, D., & Egan, P. (2011). *Thinking, fast and slow* (Vol. 1). New York: Farrar, Straus and Giroux.
23. Kassim, P. N. J. (2005). Organ transplantation in Malaysia: a need for a comprehensive legal regime. *Med. & L.*, 24, 173.