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Educational Transformation through Good University Governance: HR Empowerment Strategies in Private Universities

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ABSTRACT

Private universities in Indonesia have a crucial role in facilitating students' access to higher education. However, many private universities still struggle with difficulties, such as inadequate quality and non-optimal management. Therefore, educational transformation is needed through the improvement of good university governance. Good governance requires strong leadership, strategic planning, healthy financial management, and effective supervision. In addition, the empowerment of human resources, such as lecturers and education personnel, is also crucial to improve the quality of graduates and the competitiveness of private universities. Thus, they are expected to produce graduates who are competent and ready to meet global challenges, and contribute to national development. This research aims to examine and analyze the role of Good University Governance (GUG) in empowering Human Resources (HR) in private universities. This research method used qualitative methods to determine the implementation of GUG in improving the performance and capacity of human resources in universities. Data analysis was conducted to understand the impact of GUG on various aspects of HR empowerment, such as professional development, work motivation, and involvement in decision-making. The results showed that the implementation of GUG in private universities has contributed significantly to improving the quality of human resources. Transparency and accountability in university management encourage active participation of lecturers and staff, while continuous professional development policies improve their competence and performance. In addition, participation in decision-making creates a more inclusive and collaborative work environment, which further supports innovation and creativity.

Keywords: Good University Governance, HR Empowerment, Private Universities

INTRODUCTION

Private Universities are community-owned higher education institutions that operate with a license from the government. The management of resources at private universities is conducted by their foundation, which supports their operational. Good governance, known as Good University Governance (GUG), is required to provide quality education and transparent management. The role of private universities is very important in preparing human resources to meet the new era. Private universities and their human resources have experienced the industrial revolution 4.0 which focuses on the digital era (Yusuf et al., 2020). Currently, education in Indonesia is being affected by the Industrial Revolution 5.0. This revolution leads to major innovations in education, such as providing easier and more flexible access. The application in daily life can be seen in online courses, educational content on social media, and online learning platforms. As education becomes more accessible and flexible, education in remote areas has the same opportunity to develop as in other areas, thus changing the style and model of learning. Teaching methods that were previously teacher-centered are now being replaced with student-centered approaches that emphasize problem-solving, creativity, critical thinking and project-based assignments due to technological advancements.

Universities must change the way they teach by using deep learning systems, such as digital learning and online classes (Muniasamy & Alasiry, 2020). Universities not only need to be capable of graduating undergraduates and postgraduates, but also need to quickly respond and adapt to the needs of businesses and industries in the future. The Industrial Revolution 4.0 and 5.0 aims to turn organizations into more technology-based and innovative ones. The success in implementing it depends on the quality of human resources produced by universities, so that they can meet technological challenges and global competition. Therefore, to face these challenges, universities need good university governance. Universities need to have lecturers with high qualifications and competencies and have an efficient and productive learning process. In addition, universities can also increase revenue through cooperation with industry. Unless there is a revenue-generating unit and relying solely on student tuition fees, universities can suffer financial problems.

Higher education that applies the principles of Good University Governance (GUG) aims to seek, discover and disseminate scientific truth. Good governance enables the autonomy of higher education to be achieved. Therefore, a concept of higher education management known as Good University Governance (GUG) is needed (Nurlatifah et al., 2021). Good University Governance is based on five main principles, such as accountability, responsibility, transparency, independence, and fairness (Risanty & Kesuma, 2019). Government reform and higher education laws also participate in the implementation of GUG.

1. Government Reform 1998: The reforms changed government patterns from a totalitarian system to a participatory system and provided more autonomy to local governments. This change had an impact on various sectors, including higher education.
2. Law No. 12/2012 on Higher Education: This legislation introduces big changes for higher education in Indonesia, which include:
 - a. The administration shifted from a totalitarian system to a participatory system, which involved more stakeholders in decision-making.
 - b. Due to the expansive territory of Indonesia, decentralization of higher education services is done through L2DIKTI (Higher Education Service Institution).
 - c. It provides more autonomy to universities to manage their own affairs, including curriculum, finance, and administration (Larasati et al., 2018).

In general, higher education institutions should have good academic governance (Fatmawati et al., 2024) and modern information and communication technology management (Suti et al., 2020). In this context, Good University Governance (GUG) needs to be implemented to improve the quality of education in Private Universities and strengthen their responsibility to society (Putra & Roni, 2021). University governance is considered good (GUG) if it complies with the following criteria:

1. Goal-centered and focused on outcomes that are good for the community and service users.
2. Perform functions and roles clearly and effectively.
3. Enhance the overall value of the organization.
4. Gather information, make decisions and manage risks transparently.
5. Develop skills and competencies of all university managers effectively.
6. Engaging all stakeholders and creating real accountability (Fatmawati et al., 2024).

There are three main criteria for a successful university transformation:

1. Align organizational structures and academic behaviours to achieve desired performance.
2. Align academic processes and services to meet stakeholder satisfaction.
3. Implement good management practices in management and development (Nasution, 2023).

Furthermore, the transformation should be conducted within the framework of Good University Governance (GUG) to ensure that the university's development is in accordance with its own plans. The quality of universities usually depends on the implementation of GUG, which can be divided into good

governance, equitable governance, and bad governance (Daniri et al., 2023). A good implementation of Good University Governance (GUG) not only improves the quality of education and management in private universities, but also ensures that the institution can contribute maximally to community development. The principles of GUG are expected to enhance the empowerment of human resources and achieve greater sustainability and competitiveness. Further discussion is needed to understand the important aspects of GUG, including the higher education system and the role of private universities, the position of universities, the accountability framework of universities, organization and governance, and leadership and selection of university leaders.

The role of GUG in private universities is very important because they are one of the choices of students to continue their education at the tertiary level. The number of students who register and are accepted at State Universities and Private Universities can be seen from PDDikti data in 2023 in Figure 1.

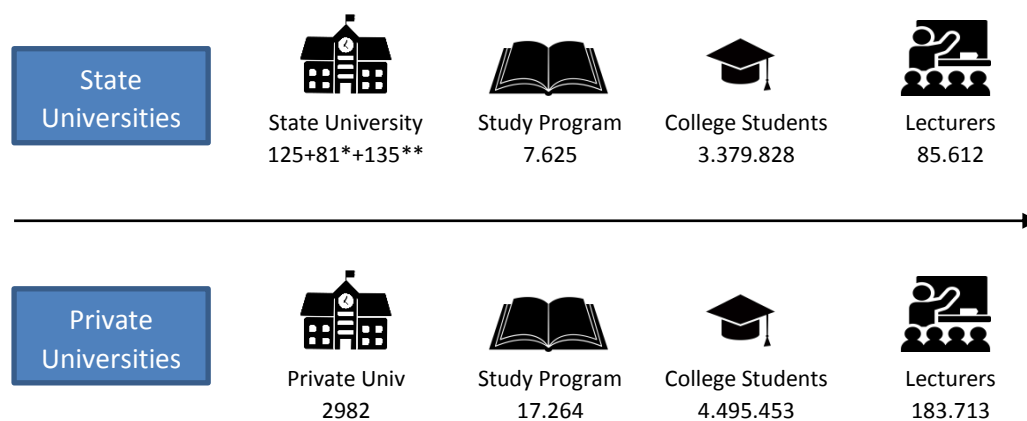


Figure 1. Comparison of State and Private Universities

Source: Directorate of Institutionalization of Education, Research, Technology and Higher Education

There are 2,982 private universities across Indonesia serving 4,495,453 students as shown in Figure 1. However, there are still few private universities in East Java that have been accredited as Excellent. as shown in Diagram 1 below.

Accreditation of Private Universities in East Java

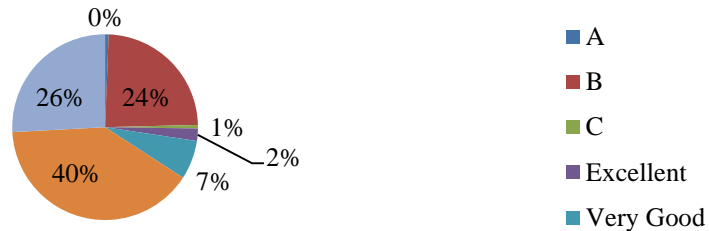


Diagram 1. Accreditation of Private Universities in East Java

Source: Directorate of Institutionalization of Education, Research, Technology and Higher Education

One of the big changes in BAN-PT Regulation No. 1/2020 is the replacement of accreditation rating terms. Old terms such as “accreditation rating” are replaced with “Excellent,” “Very Good,” “Good,” or “Not Accredited,” in accordance with the IAPS 4.0 and IAPT 3.0 accreditation systems. The change means that private universities are expected to be able to implement Good University Governance (GUG). However, many private universities are still not optimal in implementing GUG. Therefore, there is a need to encourage the implementation of GUG as a competitive advantage for private universities. According to the Decree of the Director of Research, Technology, and Community Service No. 1350/E5/PG.02.00/2023 on 28 December 2023 concerning Higher Education Clustering, the 2024 higher education clustering is based on SINTA-based higher education performance data from 2020 to 2022. This data includes researchers, affiliations, articles, research, community service, intellectual property, and books, which have been verified by the Higher Education LPPM.

This clustering is not a ranking, but rather a grouping of universities based on their performance. It is used to develop research roadmaps and strategic plans, and determine the authority to manage research and community service in higher education. This clustering aims to identify, measure performance, and group universities in order to accelerate their performance through cross-cluster collaboration. This collaboration is intended to improve the quality of research and community service. The private universities cluster consists of four categories, with the following explanation:

1. Independent Cluster: Private universities with excellent research and community service performance and independent in the management of academic resources and programs.
2. Main Cluster: Private universities that have good performance with strong management in the research and community service sector.

3. Intermediate Cluster: Private universities with moderate performance, which still require strengthening in the management of research and community service.
4. Primary Cluster: Private universities that are in the early stages of development, with performance that needs to be significantly improved in various academic and non-academic aspects.

According to the research of Hadiwidjaja & Endah Riana (2024), studies conducted between 2019 and 2023 on the impact of Good University Governance (GUG) on performance primarily focused on public universities. These studies predominantly employed Structural Equation Modeling (SEM) with Partial Least Squares (PLS) data analysis and frequently used "transparency" as the core GUG principle. Results consistently indicate a positive correlation between GUG implementation and higher education institution performance. The managerial implications of this research align with Indonesia's Ministry of Education and Culture Regulation No. 4/2020, which mandates GUG principles for the transformation of state universities into legal entities. Consequently, this research offers valuable insights for policymakers in evaluating GUG implementation. Meanwhile, according to Sabandar et al (2018), the implementation of good university governance has a significant and direct effect on the quality of education. Effective implementation of GUG at private universities will strengthen their position in this clustering, improve the quality of education, and contribute the most to society. Improved good governance will also have a positive impact on the competitiveness and sustainability of private universities. This research aims to find out that the implementation of Good University Governance (GUG) can improve the efficiency, transparency, and accountability of universities, as well as analyze the positive impact of GUG in educational transformation and human resource empowerment. In addition, this research also focuses on developing a good governance system to form a superior and quality university to face future needs. Cluster improvement strategies include updating curriculum, facilities, and teaching methods; encouraging quality research and useful service programs; and improving campus infrastructure and management to support academic activities. Using the GUG, private universities in Indonesia can improve their cluster and contribution to higher education in Indonesia.

LITERATURE REVIEW

Stewardship theory offers a different perspective from agency theory on the relationship between principals and agents in organizations (Schillemans & Bjurstrøm, 2020). While agency theory relies on formal rules, stewardship theory emphasizes the importance of organizational structures that build interpersonal and institutional trust. This theory also recognizes that non-financial motives can

influence managerial behavior, and focuses on achieving results that benefit the overall organization.

Good University Governance (GUG) is a very important concept to improve the quality of education in Private Universities. GUG allows private universities to compete globally through restructuring, reconstruction, repositioning, and revitalization of organizational functions. The principles of GUG are participation, accountability, transparency, responsiveness, consensus orientation, equality, effectiveness, and efficiency. The implementation of GUG aims to improve the quality of Higher Education in a sustainable manner and create an accountable institution (Reschiwati et al., 2021).

The principle of accountability in higher education management is outlined in Law No. 12/2012. Accountability includes the ability and commitment of the institution to account for all activities to stakeholders in accordance with the provisions of laws and regulations (Nuryati, 2014). Accountability involves leadership, strategic planning, focus on students and stakeholders, information and analysis, focus on faculty and staff, process management, and performance results. The implementation of these accountability principles aims to support the success and quality of education in higher education.

RESEARCH METHODOLOGY

This research uses a qualitative method and case study design to analyze the relationship between concepts and phenomena in improving management accountability performance as well as challenges in implementing good university governance (Nasir et al., 2023). In addition, the Systematic Literature Review (SLR) method was also applied to improve the quality of the literature review with a systematic, transparent and repeatable process (Boell & Cecez-Kecmanovic, 2015). The SLR process involves three main steps from planning, conducting, and documenting, which are synchronized with the needs of this research (Amrullah & Pane, 2023). This method has already proven effective in various previous management studies. Furthermore, the systematic steps followed by SLR can assist researchers in responding to complex research questions and contributing to the development of science. The main purpose of an SLR is providing a comprehensive and accurate overview of knowledge about a topic, and identifying gaps in the literature that still need to be further researched.

RESULT AND DISCUSSION

The implementation of Good University Governance (GUG) in previous studies has limitations regarding number of samples, especially in the eastern region of Indonesia. Therefore, further research is needed to understand the implementation of GUG in the region. The previous research concluded that each university should establish GUG principles that are appropriate to the character

and business processes of each, including universities and their spin-off companies.

The GUG principles suggested by Hénard & Mitterle (2010) include equal participation in decision-making, freedom of association, and the capacity to participate constructively. In addition, universities should have a long-term strategic vision that takes into account the historical, cultural, and social complexities of the institution. These principles help improve the quality of governance, ensure inclusive and participatory decision-making processes, and build a comprehensive strategic vision.

Implementation of GUG principles enables universities to strictly separate commercial and social service activities, conduct accountable commercialization of research, and have oversight organs to control irregularities. It allows the university to grow and develop in accordance with its vision, mission and strategic plan, and transform into an entrepreneurial university based on the GUG concept. All respondents from incorporated public universities, state universities, and private universities agreed that the implementation of commercial research based on GUGs has a strong impact.

CONCLUSION

Educational transformation through the implementation of Good University Governance (GUG) is a strategic step in empowering human resources (HR) in private universities. This research indicated that GUG principles such as transparency, accountability, responsiveness, independence, equity, and participation need to be thoroughly integrated in university governance. The implementation of these principles ensures that universities can provide high-quality educational services to students, lecturers, and administrative staff, and improve the quality of graduates who are able to compete in the national and international employment opportunities.

In addition, the implementation of GUG has an important role in empowering human resources through good and accountable management. The university can develop the maximum potential of human resources, improve the competence and performance of lecturers and staff, and create a work environment conducive to professional growth. The implementation of GUG also supports the commercialization of research, ensuring that research results can provide tangible benefits to industry and society at large. Leadership with integrity and an effective oversight system are essential to ensure the sustainability of GUG implementation.

The research generally concludes that the implementation of GUG is integral to improving the quality of education and empowering human resources in private tertiary institutions. The principles of GUG enable private universities to adapt to the changing and increasingly complex demands of education, and

contribute significantly to sustainable economic and social development. This research is expected to provide new insights into the importance of GUG in empowering human resources in higher education institutions, especially in East Java private universities, and serve as a reference for the development of policies and best practices in private universities throughout Indonesia.

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