

# Exploration of University Governance model in Indonesia Private University

*by* Nur Sayidah

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## EXPLORATION OF UNIVERSITY GOVERNANCE MODEL IN INDONESIA PRIVATE UNIVERSITY

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### Abstract

This study aims to discover the model of governance in a private university in Indonesia. The model of university governance can be explained by the structure, mechanism and principles of governance. The results of exploration research show that the top of university governance structure is held by foundation. As supervising body, this foundation has big power to promote and dismiss all official in the university including daily executive agency, senate of university and faculty, rector, dean and administrator of graduate program. Rector and his staffs are responsible to foundation both directly or indirectly. Finally, university governance is conducted on the principle of unification, autonomy and creativity, transformation and pseudo accountability.

Keywords: Governance, University governance, Model

### 1. Introduction

University can be viewed as an economic institution (Braunig, 2011) which has character and national identity rooted in the culture and norms of the community in which the university is located (Nagy and Robb, 2008). University serves as a conservation and transmission of knowledge, research, teaching and community service (Markwell, 2003). The university goal is to maintain a learning society (Dearing Report, 1997) and develop knowledge (Markwell, 2005; Tilaar, 2009).

In order to achieve these objectives, university requires governance. The concept of governance is rooted from the Latin "gubernare" or from the Greek "kybernan" which means to steer, guide or govern (Iqbal and Lewis, 2009;2, Kim, 2008). Metaphor is often used to describe the essence of governance (Farrar, 2001) is a ship or idea of steering or captaining a ship (Syakhroza, 2005). Like a ship, the organization will be directed and controlled to reach the goal. Governance actually is an idea about who controls what and for whom (McCawley, 2005).

When associated with the university, the term of governance becomes university governance. University governance as decision-making process of university (Mackey, 2011) associated with the determination of the values, mission, goals, resource allocation, patterns of authority and hierarchy as well as the relationship with the other institutions, including academia, government, and society (Cumming, Fisher and Locke, 2011:2). Formulation of university governance depend on the need of each universities and how combine the internal work, relationship between the internal with external bodies including the government, and the critical role of academic freedom and public trust (Gallagher, 2001). There is no one model to all universities. Therefore, research that explores models of university governance is interested. This research explores the model of university governance in a private university in Indonesia.

## 2. Literature Review

The governance system includes structure, mechanisms and principles of governance (Syakhroza, 2005). Governance structure is designed to support the organization's activities in a responsible and controlled. Emphasis on the control of governance is very important because it relates to who control who and whom that emerge from the importance separation between who make decisions with parties who control interests (Syakhroza, 2008). Governance structure describes in detail the levels or layers of committees and its role. Roles, responsibilities and accountability of each different committees level dependent on the implementation of the organization (Grant et. al, 2007).

University governance structure in United States as referenced by Balderston (1995) consists of trustees, executive administration, faculty and groups and other units such as student (Ricci, 1999). In Indonesia, structure of higher education management of state university include (1) the chancellor, chairman or director of the college which have autonomy and on behalf of the minister, (2) senate university, college or polytechnic which give consideration and supervise

rector, chairman or director (3) surveillance unit to monitor the implementation of the autonomy of higher education for non-academic fields and on behalf of the rector, chairman or director (4) Advisory Council give consideration to university autonomy in non- academic and other functions statutes according to the rector , chairman , or director .

Governance mechanism are rules, procedures and relationship between parties which make and control decisions . Governance mechanism aims to ensure and oversee governance systems in the organization (Syakhroza, 2008). In higher education, the purpose of control mechanism is to control all components of the organization in accordance with their role and contribution in the higher education. Implementation of governance will be a coordinating and controlling process so higher education can achieve the vision and mission (Directorate General of Higher Education, 2005).

Relationship mechanism of internal and external in private universities are focused on how trustees, presidents and other actors carry out their institutional responsibilities. In the case of public universities, account must be made to show the relationship between the executive and legislative with central government, in particular with higher education coordinator (Ricci, 1999). Good governance must be able to create mutual relationship between institutions with government agencies, community groups and other institutions (BAN-PT, 2007).

Traditional model of university governance is collegial and consultative with broad representative bodies and open to entire community of university academics. Changes in university governance include increasing the participation of representatives and individuals outside the university, and the authority of the executive power is growing stronger. In most countries (Japan, the Netherlands , the UK and Austria ) there have been efforts to strengthen the executive authority of institutional leaders. The shift of power from faculty to administrative sector, effectively replace process of governance by professors and lecturers (Giroux, 2005). In the coming decades, governance became associated with the idea of a network (Rebora and Turri, 2009). Participation and public involvement is seen in the sense of building social capital (Newman, 2002).

Due to globalization and internationalization, universities currently are not only responsible to the stakeholders in their country but also to the international community. Therefore accountability schemes should meet several characteristics. The characteristics are

appropriate to relevant stakeholders, fair performance policy, open to feedback and dialogue and stimulate confidence (Stensaker and Harvey, 2011).

### 3. Research Methodology

The research methodology is part of science that studies how the working procedures of seeking truth (Muhajir, 2000) which provide the basis for a method of philosophical work (Kuswarno, 2009:4). Speaking on methodology means discussing about the methods used by humans, which is a subjective pole of knowledge to gain knowledge about the universe as a reality or objective pole (Burn, 1994; 29). The term of methodology is usually used to describe methods (Kuswarno, 2009, 34).

#### 3.1 Grounded Theory as Research Approach

This study use grounded theory approach as research methodology. Grounded theory methodology can be described as a highly developed ideas consisting of a set of formally named and described procedure. This methodology tries to develop theoretical idea, or more specifically, theoretical model, starting from the data (Eriksson and Kovalainen, 2008). The model theoretical that developed in this study is a model of university governance in the private universities.

#### 3.2 Research Site

Research site selected is a private university in Surabaya-Indonesia. The reason of this selection is easy to access data and information because researcher is one of lectures in this university and have a very close relationship with informants. This closeness facilitate researchers to understand university governance practices and discover the principles.

#### 3.3 Method of Data Collection

1. Interview. Unstructured interviews were conducted in order to provide flexibility for informants to express their opinions. Data were recorded and transcribed
2. Documentation. This method was conducted to complement the data generated from the interviews.

3. Participation observation techniques. Observation of subjects in the actual situation on the ground to see the behavior directly related to the activity of the subject.

### 3.4 Informants / participants

Informants consist of key informants and supporting informants. Selected key informants are Rector, Vice Rector and Head of Internal Control. Supporting informants consists of head of foundation, university senate, deans, vice deans, head of departments, lecturers.

### 3.5 Method of Data Analysis

Exploration results were analyzed by coding. The coding process of the data is essential element for the grounded theory methodology (Eriksson and Kovalainen, 2008). Coding enables researchers to create a theme or concept through conceptual categorization of raw data (Neumann, 2006). Coding can be divided into three groups: open coding, axial coding and selective coding (Neumann, 2006; Eriksson and Kovalainen, 2008; Creswell, 2008).

Open coding is the first coding is done to condense the data into code or preliminary analytical categories. In this process, researcher forms categories of information about the phenomena being studied by segmenting information (Creswell, 2008). All events, process and incidences occurring are labeled and grouped together (Eriksson and Kovalainen, 2008).

Axial coding aims to organize code and link code each other to find the key analytical category (Neumann, 2006). The investigator assembles the data in new ways after open coding (Creswell, 2008). Categories brought forward through and with help of axial coding are higher order concepts that have wider explanatory power and combine all the earlier identified concepts in the materials (Eriksson and Kovalainen, 2008). Finally, is a selective coding. Researcher identifies and select code to support conceptual categories that have been developed (Neumann, 2006).



#### 4. Findings and Discussion

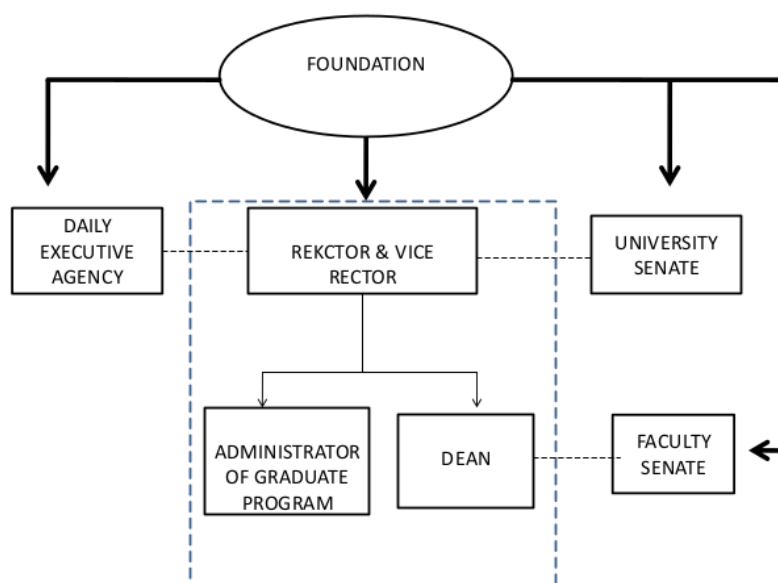
The findings of this research is consisting of three section. There are structure, mechanism and principles of university governance.

##### 4.1 University Governance Structure: The Structure Peak on Foundation Hand

The university governance structure can be seen in organizational structure. Based on organizational structure, the researchers find that the governance structure involves five parties, namely foundation, rector, university senate, dean and board of internal control. In detail, the structure of governance can be seen in the organizational structure as the figure 1 below.

Figure 1

University Governance Structure



Source: Author, adapted from Organizational Structure and University Job Procedure 2010 and University Statute 2010

The figure shows that the highest structure in the university governance is the Foundation as university owner which organize university and conduct oversight. The Foundation has big power to promote and dismiss all people in university ranging from Daily Executive Agency, senate of university and faculty, rector, vice rector, dean and administrator of graduate program.

Based on regulations, the Foundation consists of Board of Trustees, Managing Board and Supervisory Board. In carrying out everyday tasks, the Foundation promotes Daily Executive Agency which is an integral part of the Foundation. The Daily Executive Agency is formed to meet regulatory requirements as described by rector:

Daily Executive Agency was mandated by law, that the Foundation should not be directly involved in the learning process. All of tasks were given to university in this regard by the rector... Most of Daily Executive Agency members are people who understand how to manage universities (UA, Rector).

Daily Executive Agency as Foundation representative, in accordance university statute 2010 play role in assisting and providing input to the Foundation to develop university, mediating university management especially rector and the Foundation. These Daily Executive Agency roles are confirmed by one of Daily Executive Agency members:

Helping Foundation duties. Depend on Foundation demand ... Actually, we are like a bridge between university and Foundation (IN, Daily Executive Agency member).

Under the Foundation, university governance structure is Rector as university supreme leader. In carrying out his duties rector was accompanied by Vice Rector I, II, III and IV. They are directly responsible to rector. Vice Rector I assists rector in matters related to academics, Vice Rector II in the areas of administration and finance, Vice Rector III in student affairs areas and Vice Rector IV in cooperation areas to other parties. Rector must be accountable to Foundation, except in academic field he is responsible to the Minister directly (University Statutes 2010, Chapter VII, Article 35).

In academics field, university senate is normative and highest representative body at the university level. The formation of the university senate as described by the rector aims :

That's a decision the law. Our legislation regulate that university leader is rector. Then as leadership partners, in the normative field rector is assisted by senate . The senate is composed of structural leadership and faculty element (UA, Rector).

Furthermore, in the graduate program and faculty levels, respectively leadership in the hands of director and dean. They are responsible to rector. Dean is a leader in faculty who



responsible to organize faculty. He is assisted by Vice Dean I, II and III. Such as at the university level, there is faculty senate.

#### 4.2 Mechanism of University Governance

Governance mechanisms are rules, procedures and a clear relationship between parties which make decisions and control decision. Governance mechanism is directed to ensure and oversee governance system in the organization (Syakhroza, 2008). At this university, rector is university top leader and acts as decision makers. Rector's decisions that related with university policy except for academics matters are proposed to Foundation and must be approved by Foundation. This process enables Foundation to conduct oversight of rector's decision, as described by one of the members of Daily Executive Agency:

Foundation oversight consists of three fields, infrastructure, human resources and finance. In finance field like annual budget, rector are always proposed to Foundation to approval. Decision such as recruitment, officer turn over are always proposed by university. Foundation only publishes his decree (HR, member of Daily Executive Agency).

Especially for finance, monitoring is done through budget. University submit annual budget to Foundation for one year. After be approved by Foundation, university ask for senate approval. Then ask Foundation approval again.

After obtain approval and ratification from Foundation, the policy is implemented at both the university and the faculty. Implementation results are reported by rector to Foundation both monthly and annually.

Especially to finance matters, accountability reports are examined by Board of Internal Control. The role of Board of Internal Control is to audit financial reports and give recommendation to rector about financial policy.

Always .... there is a note from Board of Internal Control to repair financial policy. Financial reports from faculty, bureau and graduate program are examined by Board of Internal Control. Some recommendation will be reference to make new provisions. In conclusion, role of Board of Internal Control be important for us. Rector was not talking money in everyday life, not talking dollars or numbers. So advice about numbers we ask from Board of Internal Control (UA, Rector).

At faculty level, dean is responsible directly to Rector. Before financial report is submitted to Rector, the reports must be approved by the faculty senate.

#### *4.3 Exploration of University Governance Principles*

Exploration of values or principles of university governance is done by interview to the rector and vice rector, dean, university senate, head of Foundation, Daily Executive Agency, Board of Internal Control and lectures. In addition researchers also conducted observations, looking for source of data in the form of documents and observations to participate in a meeting with the university or faculty. After collect data, the researchers analyze to determine the principles or values that are followed in university governance. Data analysis was performed with the coding method, which gives the code in the field notes, observations and archival material (Miles and Huberman, 1992).

Results of coding indicate that there is some values that are followed by university governor. These values are figured as a building which consisting of foundation, pillars and roof of the building. The building foundation is the most fundamental part supported by pillars and the roof. Each section is filled with the principles of university governance. Building foundation in university governance is unification principle. This building foundation is supported by three pillars, namely autonomy and creativity, transformation and pseudo accountability. Unification principle means human resources unification and asset unification. Unification is done by reconciliation between two parties who conflicted. They agree to continue sustainability of the university. Unification of human resources is characterized with foundations desire to not lay off lectures and staff. All human resources are united in one Foundation. In order to prevent friction, the interests of each party are accommodated, including distribution of structural positions. This process is conducted by diplomacy and agreements. Unification of assets are marked with a deal to record asset together. They make a joint account so that authorization of funds disbursement carried out jointly between university and Foundation.

Furthermore three pillars were found in university governance are principle of autonomy and creativity, transformation and accountability. Autonomy and creativity principles mean that Foundation gives autonomy to universities both in financial terms or policies and always support university development. Fund from students purely are used for university financing. Autonomy is also given by the university to faculty in management of funds.

In addition to financial autonomy, the Foundation also gives policy autonomy. Although all decree issued by Foundation, the decree has been proposed by university. Unless the academic field, all university policies are proposed by rector. Especially for academic policy, rector has full autonomy to make decision. In this case rector has direct accountability to Minister of National Education through coordinator of private higher education. This autonomy encourages variety creativities in university governance, especially financial creativity. This creativity is creativity to find the sources of fund and manage existing fund required in the position of funding limitations. Sources of funds in this university mainly are gotten from students. Creativity obtain large amounts of students and manage them into a variety of grade levels is essential. Unfortunately the amount of current students is not reached as expected, so the others do is creativity in obtaining grants, cooperation with competent institutions like Government of East Java. There are limitations to this fund motivate university leaders to manage creatively. Creativity in determining priorities is necessary, given the budget making process when there is no cash on hand. Cash inflows are still in the prediction based on the number of students who pay tuition. How leaders manage the funds so as not to no turbulence for example, faculty and staff are not payday is creativity itself. Creativity is also required when there are other important expenditures but not in budget. BPI will switch the account for this purpose, so that funds can be disbursed.

The second principle is change. Changes made not only a physical change but also a change of mind. But the physical changes visible to dominate than a change of mind. Physical changes made to differentiate this university in the present with the past conflict, so there are other phenomena. Change the way of thinking begins with the spirit of the rector to transmit energy through frequent changes rector drops down to review the implementation of the policy

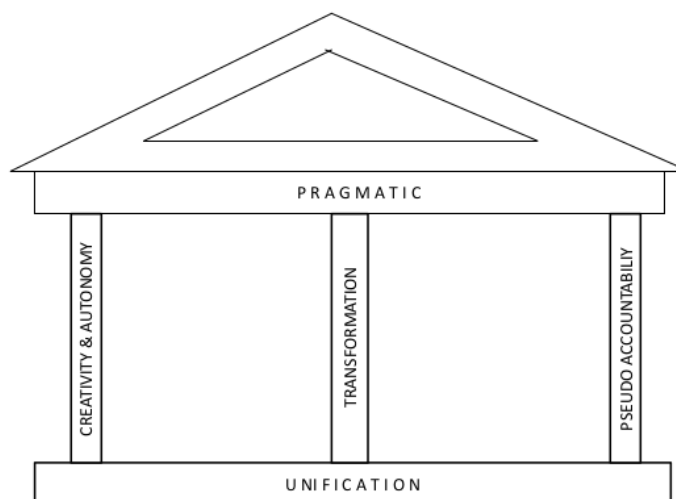
The third principle is pseudo accountability apparent. The word "pseudo" in this principle is used by researchers to describe that accountability is not fully implemented. There is lack of clarity and accountability mechanisms of tolerance for deviation. Accountability in financial report appears just as formality. There is a lack of clarity of accountability mechanisms. Often dean report to rector makes financial statements after his money is disbursed. Dean accountability mechanisms for the distribution of information do not exist, so the performance evaluation is difficult. Additionally dean accountability mechanisms do not work, because the vacuum faculty senate. Audit only until the money is used for what, not to whether the use of the

money and has been allowed by the rules. And again there is the throwing of responsibility, for example, when there is lack of faculty facilities.

The lack of clarity of accountability mechanisms is compounded by the presence of tolerance for financial irregularities. Irregularities problems were never investigated completely, because family culture is still high. Parties who conduct financial irregularities often retreated without any accountability. Tolerance to these irregularities is not approved by Board of Control Internal. This board was given oversight function.

The fourth principle of the building of university governance is pragmatic principle. This principle can be known from the reality show that almost all the activities in the university is to get money. Finally, the all principles of university governance in building metaphor can be depicted as below:

Figure 2  
Building of University Governance



Based on the picture above, researcher make proposition that university governance is way of governing university to reach pragmatic objective and based on unification principle as foundation and supported by pillars of autonomy and creativity, transformation and pseudo accountability.

## 5. Conclusion

The findings of this study indicate that the structure of governance at the University of DR on the transition consists of organizing universities and foundations as rector, dean and executive managers as a university graduate . The foundation is in the peak of the structure has the authority to appoint and dismiss all the organs inside the body implementing the university. In doing everyday tasks, Foundation forms Daily Executive Agency to monitor management of university directly.

For governance mechanisms, the rector is a top leader in the decision-making authority at the university level. Unless the academic field, all decisions related to the rector of the university's policy is proposed to the foundation for approval and ratification. Implementation of these policies at both the faculty and the university must collectively accounted for either directly or indirectly. Accountability is done monthly and annually basis.

The structure and mechanism of governance is covered by the values or principles of governance. Exploration results indicate there are five principles that followed by university governor. These five principles are unity, autonomy and creativity, change, responsibility apparent and pragmatic. In the building metaphor, principle of unification as building foundation, principles of autonomy and creativity, transformation and pseudo accountability as building pillars, and pragmatic principle as a roof . So the university governance can be expressed as a university effort that has the objective pragmatic and built on a foundation principle of unification with pillars supported by autonomy and creativity, transformation and pseudo accountability.



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