BEYOND GOOD GOVERNANCE: AN ULTIMATE KEY SUCCESS FOR HIGHER EDUCATION QUALITY

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Abstract. The purpose of the study was to find out the effect of leadership and cultural academic on good governance, which focused on transparency and accountability aspects. The study adopted a quantitative approach by using causal survey method with path analysis technique, which was to test the hypothesis. Thirty-one respondents consisting of lecturers and staff of graduate school of Universitas Muhammadiyah Prof. DR. HAMKA (UHAMKA) were taken as a sample by using Taro Yamane formula. Questionnaire of three variables was distributed to the respondents by employing a Likert scale. For data analysis, the study used SPSS 21 to test data normality, linearity, coefficient correlation, and path coefficient. The research has revealed that: 1) leadership has a direct positive effect on academic culture; 2) leadership has a direct positive impact on good governance; 3) academic culture has a direct positive effect on good governance; and 4) the implementation of good governance is in accordance with its principles, i.e., transparency and accountability which has excellent impact to human resource quality, particularly in term of the increasing number of research and community service. It can be concluded that organization coherence is well created on account of the implementation of good governance principles, which is supported by strong leadership and academic culture. On the other word, strong leadership plays a vital role in effective governance.

Keywords: accountability; transparency; leadership; academic culture

I. INTRODUCTION

Universities as the highest educational institutions have a very imperative role and contribute significantly to the economic success of a State. Universities as well play many direct roles to society, such as stimulating economic development, providing a focus for cultural development and social regeneration machinery and so on. Zaman (2015) pointed out that higher education is very vital for sustaining growth in low and middle-income East Asia. Higher education intensifies production and competitiveness in striving East Asian countries by 1) Providing high-quality skills to the labor market, i.e., technical, behavioral and thinking skills; and 2) Bestowing research for innovation and development. In line with its contribution, improving the quality of education is highly essential, which can be pursued by governance since it becomes a significant leverage tool in all aspects of higher education (Hénard and Mitterle, 2007). They also emphasized that governance has become a crucial issue in higher education due to facing some dramatic changes. The changes include expansion of tertiary education systems, diversification of provision, new modes of delivery, more heterogeneous student bodies, the growing internationalization of higher education and research and innovation, which leverage the production of knowledge Hénard and Mitterle, 2007; OECD, 2008). International rankings also become the indicators of university governance, which add pressure for tertiary education. Salmi (2009) connected high-ranking universities to three related factors, that is, the concentration of talent, sufficient funding and appropriate governance.

Thus, it is not surprising that Kennedy (2003) asserted, “Higher education governance is an ultimate key policy issue of the 21st century.” Gallagher cited by Locke, Cummings, and Fisher (2011) defined governance as the structure of relationships that brings about organizational coherence, plans, and decisions, authorize policies, and account for their integrity, responsiveness and cost-effectiveness. By this definition, tertiary education will bring
about changes significantly by implementing good governance. Previous UN Secretary-General Kofi Annan reflected the growing consensus when he stated that good governance is the most critical factor in eliminating poverty and improving development. This statement implies the importance of implementing good governance within an organization or institution, in this case, educational institutions that provide social, economic and cultural impacts on the welfare and development of individuals within an organization. UNESCO reported in 2008 (2009) that many countries have introduced far-reaching governance reforms in education. Two key findings emerge from these reforms. The first finding is that there is no blueprint for good governance: each state is obliged to develop national and local strategies. The second one is that governments across the world have attached insufficient weight to equity in the design of governance reforms.

Higher education governance is not just a personal matter of tertiary education, but it is in the public interest that is practically beyond what applies to corporate governance in the business. Governance is not only a matter of ensuring the integrity and process of transparency, but it is a question that enables communities to protect broader investments in education, intellectual knowledge and innovation tailored to the needs of the 21st-century world. According to Prondzynski (2012), it is tempting to consider university governance as a form of corporate governance, determining the strategic direction of the organization and ensuring that its management is fully accountable. In fact, universities, as part of the national framework of education, have broader responsibilities that need reflecting in the principles of governance. Prondzynski (2012) contended the purposes of university governance as follows: 1) university's effective stewardship to protect its sustainability over the medium and long term; 2) securing the university's mission and the services, which offers for the public benefit; 3) safeguarding the appropriate and effective use of public and other funds; and 4) ensuring stakeholder participation and being responsible for the broader society for institutional performance. The significance of these principles is that they recognize the role of a governing body in guiding institutional strategy and performance, but in addition point to its role in protecting the interests of the academic community of staff and students, as well as the broader societal benefit.

Under these circumstances, the research is imperative to be conducted at University of Muhammadiyah Prof. DR. HAMKA on account of the increasing achievement obtained by UHAMKA for the last five years. Thus, it aims to find out the practice of the principle of good governance, particularly to aspects of transparency, which include: (a) transparency of the decision-making process, (b) transparency to partners, and (c) transparency of employee performance appraisals, both lecturers and staff. Whereas, the aspect of accountability encompasses tertiary education responsibilities towards institutional progress by building harmonious cooperation between the organs or components and the accountability of financial report. It is regarded that the principle of accountability plays an important role to balance the interests of the inter-organ/component in higher education.

II. METHODOLOGY

The quantitative approach of causal survey method with path analysis technique was employed to find out the effect of leadership on academic culture and good governance, and the effect of academic culture on good governance. Thirty-one respondents consisting of lecturers and employees of the graduate school of Universitas Muhammadiyah Prof. DR. HAMKA as a sample where the overall population is seventy-nine people comprised of forty-eight permanent lecturers from eight study programs and thirty-one employees consisting of fourteen staff, eight security guards and nine janitors. Data were analyzed descriptively consisting of data presentation with histogram, mean, median, standard deviation and range of each variable. Inferential analysis was used to test the hypothesis with path analysis. Previously, the normality test and linearity regression were conducted for data analysis requirements. The research used SPSS 21.0 to test data normality, linearity, correlation coefficient, and path coefficient.

In this research, there are three variables as the object of study: one exogenous variable and two endogenous variables. Leadership is the exogenous variable and; academic culture and good governance are endogenous variables. Academic culture becomes an endogenous variable for leadership variable and becomes an exogenous variable for good governance variable. To obtain more data about the implementation of good governance principles, interviews, and participant observation were conducted. The interviews were conducted to find out about the accountability and transparency principles in term of performance appraisal, decision-making process, financing and reporting the performance of lecturers and budgets. The related documents were also checked to gain more valid information. To support and analyze the findings, the research relied on literature reviews as well.

III. RESULTS AND DISCUSSION

The findings to test the hypothesis of three variables, that is leadership (X1), academic culture (X2), and good governance (X3) and its discussion is elaborated below by the calculation result of path analysis as follows in Table I.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.010E+02</td>
<td>.170</td>
<td>.000</td>
<td>1.000</td>
</tr>
<tr>
<td>1 Zscore: Academic culture</td>
<td>.363</td>
<td>.173</td>
<td>.363</td>
<td>2.100</td>
</tr>
</tbody>
</table>
Hypothesis 1: Leadership ($X_1$) has a direct positive significant effect on Academic culture ($X_2$). ($H_0$: $\beta 21 \leq 0$; $H_1$: $\beta 21 > 0$)

From the analysis results, it was obtained that the path coefficient ($P_{31}$) is 0.363 with a correlation coefficient of 0.363, while the coefficient $t$ value is 2.100. To declare $H_0$ is rejected and $H_1$ is accepted, then coefficient $t$ value is compared with $t$ (Table). Because $\alpha = 0.05$ and $df = n-k-1 = 31-1-1 = 29$, it was obtained that $t$ table is 2.045. Because $t$ value is greater than $t$ table, that is 2.100 $> 2.045$, then $H_0$ is rejected, and $H_1$ is accepted, which means that the effect of leadership on academic culture is proven and acceptable empirically. Based on this finding, it is inferred that there is a positive and significant influence of leadership on academic culture. This means that the higher or, the stronger the leadership of leaders (officials) is, the more the academic culture of lecturers and staff increases.

Hypothesis 2: Leadership ($X_1$) has a direct positive significant effect on good governance ($X_3$). ($H_0$: $\beta 31 \leq 0$; $H_1$: $\beta 31 > 0$)

Based on the results of path analysis calculation, it was obtained that a path coefficient of ($P_{31}$) is 0.351 and a correlation coefficient of 0.351. After testing the significance of the path coefficients through $t$-test, it was found that $t$ value $= 2.738 > t$ (Table) ($\alpha = 0.05$; 28) $= 2.048$. Because the value of $t$ is greater than $t$ table, that is 2.738 $> 2.048$, then $H_0$ is rejected, and $H_1$ is accepted, which means that there is a positive and significant influence of leadership on Good Governance. It shows that the path effect of leadership on good governance to be empirically proven and acceptable. Based on the results of the path effect analysis, it can be inferred that there is a positive and significant influence of leadership on Good Governance. It means that the higher the leadership of leaders (officials) in UHAMKA, the more it will improve the implementation of good governance.

Hypothesis 3: Academic culture ($X_2$) has a direct positive significant effect on good governance ($X_3$). ($H_0$: $\beta 32 \leq 0$; $H_1$: $\beta 32 > 0$)

The results of path analysis calculation (Table II) showed that the path coefficient ($P_{32}$) is 0.576 with a correlation coefficient of 0.703. After testing the significance of the path coefficients through $t$-test, it was obtained that $t$ value $= 4.496 > t$ (Table) ($\alpha = 0.05$; 28) $= 2.048$. Because the value of $t$ is greater than $t$ table, that is 4.496 $> 2.048$, then $H_0$ is rejected, and $H_1$ is accepted, which means that there is a positive and significant influence of academic culture on good governance. The result revealed that the path effect of academic culture on good governance is empirically proven and acceptable. Based on the results of the analysis, it is summed up that there is a positive and significant influence of academic culture on good governance. It means that the higher academic culture conducted in the UHAMKA environment by all academic community, the higher it will improve the implementation of good governance.

<table>
<thead>
<tr>
<th>Table III</th>
<th>PATH COEFFICIENTS $P_{31}$ AND $P_{32}$</th>
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<tbody>
<tr>
<td></td>
<td>Model</td>
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<td></td>
<td>B</td>
</tr>
<tr>
<td>(Constant)</td>
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<tr>
<td>Zscore: Leadership</td>
<td>.351</td>
</tr>
<tr>
<td>Zscore: Academic culture</td>
<td>.576</td>
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</tbody>
</table>

a. Dependent Variable: Z-score: Good Governance

Test Result of Path Coefficient Model

Based on the results of hypothesis testing, it is obtained that leadership ($X_1$) affects the academic culture ($X_2$) that is $P_{31} = 0.363$ and $r_{12} = 0.363$. Leadership ($X_1$) affects good governance ($X_3$) that is $P_{31} = 0.351$ and $r_{13} = 0.560$. Academic culture ($X_2$) affects good governance ($X_3$) that is, $P_{32} = 0.576$ and $r_{23} = 0.703$. From the results of the analysis stated that all are significant meaning that: 1) There is a positive direct and significant effect of leadership ($X_1$) on academic culture ($X_2$), 2) There is a positive direct and significant effect of leadership ($X_1$) on good governance ($X_3$), and 3) There is a positive direct and significant effect of academic culture ($X_2$) on good governance ($X_3$). By this result, the final model of the causal relationship in this study can be described as follows in Fig. 1.
Based on the hypothesis and the analysis of findings, it is revealed that leadership and academic culture affect good governance. Following discussion is elaborated below:

A. Leadership ($X_1$) affects academic culture ($X_2$)

Leadership explains the high and low level of academic culture. The amount of direct influence of leadership to academic culture is 0.363 or 13.17 %, while the remnant of 86.83 % is affected by other factors. Thus, it can be inferred that leadership has a positive and significant effect on academic culture. It implies that the stronger the leadership is, the more increasing the academic culture is. It is proven that the academic culture of lecturers and staff in the graduate school of UHAMKA is improved on account of the strong leadership of the director. Shibru, Bibiso, and Ousman, (2017) pointed out that “the leadership in the organization is to meet the three challenges. The first challenge is by providing a shared vision of where the organization is preceding and what its objective is (the mission). The second one is to set objectives, that is, to convert the strategic vision and directional course into certain performance outcomes for each key area which leaders deem necessary for success. The last challenge in providing strategic direction is to generate and develop a strategy that will determine how to accomplish the objectives.” On the other word, an institution will run well if the leader can accomplish and do those challenges effectively and efficiently. Furthermore, the leader must have the capacity and capability to improve the academic culture in the institution.

Louis, Leithwood, Wahlstrom, and Anderson (2010) proposed definition of leadership collected from the essence of their research findings: "leadership is all about the improvement of organization; more precisely, it brings about how to establish agreed-upon and worthwhile directions for the institution in question and doing whatever it takes to prod and encourage individuals to move in those directions". In line with the research finding, Purwana (2015) in his research focuses on the type of leadership. The research found that transformational leadership has a direct positive effect on academic culture which the implementation of transformational leadership style can improve the quality of the academic culture in higher education. Shutlock (2003) also described the relationship between leadership style with the academic culture that leadership styles must be qualified by disciplinary cultures and by the nature of university organizations as well. The charismatic leadership styles can greatly assist universities in crisis. Charismatic leadership in Bass's perspective is identical with the transformational leadership (Bass and Riggio, 2006). Besides that Achua and Lussier (2010) argued that "the effectiveness of leaders behavior can determine the success of individual careers and organizational fate. Leadership is regarded as crucial for success, and some researchers have argued that it is the most critical ingredient. Since academic culture talks about communication channels and interaction among the members of the university (Sabaghian, 2009) and it’s also considered as one of the effective determinants of higher education policies (Sarmadi, Nouri, Zandi, and Lavasani, 2017). It can be summed up that leadership has a significant role in improving the academic culture in higher education, which gives impact to the development of human resource and institution thoroughly.

B. Leadership ($X_1$) affects good governance ($X_3$)

The finding shows that leadership has a strong influence on good governance, which is 0.351 or 12.32 %, and the remnant of 87.68 % is affected by other factors. It implies that the stronger the leadership is, the more it will improve the implementation of good governance. Balarin et al. cited by McCrone, Claire, and George (2011) pointed out that the most significant elements of effective governance are strong leadership. As leadership is one of the crucial factors in any institution's governance, so the success of the organization will depend on its leader who has the capability of running its organization effectively and efficiently. Gutrie and Reed (1991) in Usman (2009) added that strong leadership is the one who has a clear vision in real meaning and its acronym. The leader must have a vision, inspiration (give inspiration to other), strategy orientation (long term orientation), integrity, organizational sophisticated (understand and organize sophisticatedly) and nurturing (maintain equilibrium and harmony between the organizational goal and individual goal or sensitive to subordinate's objective). Robert in Bateman and Snell (2004) also pointed out that "The leader's job is to create a vision." Galagher (2001) cited by Locke, Cummings, Fisher (2011) argued that leadership is seeing opportunities and setting strategic directions, and investing in and drawing on people's capabilities to develop organizational purposes and values. Hdiigui (2006) emphasized a number of universal principles that define good governance as follows: 1) The use of performance measures in determining the extent of (internal) efficiency and (external) effectiveness (or productivity) in public sector programmes; 2) Budgetary transparency and the rule of law; and 3) The need for operational flexibility and the capacity to recognize, analyze, and adapt planning and management procedures so that they better reflect changing societal needs and anticipate situations before they become problems. According to UNDP (United Nations Development Program), nine principles are required to implement good governance: namely 1) participation; 2) Consensus orientation; 3) Strategic vision; 4) Responsiveness; 5) Effectiveness and efficiency; 6) Accountability; 7) Transparency; 8) Equity; and 9) rule of law (Graham, Amos and Plumptr, 2003). They also acknowledged that good governance includes 1) legitimacy and voice, 2) direction, 3) performance, 4) accountability, and 5) fairness.

Those principles can be implemented accordingly by having strong leadership. Thus, the implementation of good governance is strongly affected by the effectiveness of the leadership, which brings a positive impact on the development of human resource. To see the effectiveness of governance in any institution, Davies (1999) pinpointed that there are 8 essential elements, which includes 1) The identity
of the body; 2) Definition of its purpose; 3) How the aim is to be achieved; 4) Membership criteria both explicit, such as shared interest, and implicit for example shared values; 5) How the body is to be administered; 6) How the body relates externally; 7) How success is measured; 8) Termination arrangements. To sum up, the role of leadership plays an essential part in the development of effective governance. Leaders must have the capacity to care for others, a commitment to persist and clear communication. To build strong authority, the educational institution must have strong leadership, which can influence all individuals to achieve the goals altogether.

C. Academic culture affects (X₃) good governance (Xᵢ)

The research finding shows that academic culture has significant correlation and strong direct influence on good governance which is 0.576 or 19.11%. The remnant of 80.89% is affected by other factors. It means that the higher academic culture is the more improvement in the implementation of good governance in UHAMK environment. Smerek (2010) and Davies (2001) cited by Purwana (2015) said that one distinguishing feature between an organization and another is its organizational culture. Higher Education as an organization can be meant to be different than any other organization from the perspective of its culture. Higher education either in the form of university, academy, institutes or colleges has its culture character known as academic culture. Rosser and Tabata (2010) contended that colleges and universities have a strong academic culture and reward structure that acquires performance in teaching and advising, research and scholarship, and service and committee activities for earning promotion and tenure. The academic culture of tertiary education can be categorized into four types, namely the culture of discipline, the culture of the enterprises, the culture of profession, and the culture of systems (Boss and Eckert, 2006; Clark, 1980; Henkel and Vabo, 2006; Morrill, 2007; Valimaa, 2006). Purwana (2015) highlighted that academic culture as a subsystem of tertiary education plays a vital role in the effort of building and developing the culture and civilization of the society and the nation as a whole. Arimoto (2011) affirmed that academics are involved in various knowledge functions, such as discovery, dissemination, application and control, and teaching, service, research, and management, respectively. They are expected to give a contribution to social development by way of pursuing their academic work to enhance scholarly productivity, especially in research and teaching. This explanation can be understood because academics provide service to students, colleagues, their institution, their discipline or profession, and the public (Macfarlane, 2007). Shen and Tian (2012) maintained that academic culture on campus is the external manifestation of the shared values, spirits, and people’s behavior norms that are pursuing and developing their study and research. This culture is likely to be personified in the behavioral patterns of the academics, the rules and regulations, and the facilities. It mainly comprises academic outlooks, academic spirits, academic ethics, and educational environments.

The finding indicated that transparency, accountability, and responsiveness, which are part of good governance principles give a profound contribution to academic culture (Mufi, 2010). Governance is the interactions among structures, processes, and traditions that determine how power and responsibilities are practiced, how decisions are taken, and how citizens or other stakeholders have their say. Fundamentally, it is about power, relationships, and accountability: who has influence, who decides, and how decision-makers are held accountable (Graham, Amos & Plumptre, 2003). Galagher (2001) cited by Locke, Cummings, Fisher (2011) defined governance as “the structure of relationships that bring about organizational coherence, authorize policies, plans and decisions, and account for their probity, responsiveness, and cost-effectiveness.” It can be summed up that the implementation of good governance is affected by academic culture, which contributes to the development of human resource and institution. Besides, academic culture in higher education is related to primary values such as research skills, critical thinking, communication ability, and beliefs as well as the sharing expectation among individual to achieve common goals.

IV. CONCLUSIONS

To conclude from the research findings that 1) leadership has a direct positive effect on academic culture; 2) leadership has a direct positive effect on good governance; 3) academic culture has a direct positive effect on good governance; and 4) the implementation of good governance is in accordance with its principles, i.e., transparency and accountability which has excellent impact to human resource quality and the development of institution. As good governance is an essential issue in quality assurance of higher education, which gives a significant effect on the development of the educational institution and quality of graduates as the user of schooling. That's why the awareness of higher education needs to be increased that demand on good governance implementation is not only an obligatory. But it is also a need. Due to tighter competition, good governance of higher education must be realized as an embedded system with its dynamic. The implementation of good governance principles can be internalized to be organizational/university culture as to become the system to strengthen competitive advantage. The aim of good governance policy in higher education is that every element functions to run the institution in accordance with its authority and responsibility. To be briefly stated that all people in the higher educational institution are required to have the understanding of governance concept as to develop and redesign the quality of governance model, which fits with Islamic culture of Muhammadiyah.
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