The Influence of Knowledge Development on Good University Governance in Indonesian Universities

Vania Stephani Bangun[1], Sambas Ade Kesuma[2], Parapat Gultom[3]

[1,2,3] Universitas Sumatera Utara

ABSTRACT: The implementation of Good University Governance (GUG) is anticipated to enhance transparency, accountability, university performance, and elevate the competitiveness of universities to international levels. Despite these expectations, the current implementation of GUG in Indonesia falls short. This research specifically focuses on examining the impact of Knowledge Development (KD) on GUG in public universities in Indonesia, utilizing the Resource-Based View (RBV) theory. The study population comprises public universities in Indonesia under the Directorate General of Higher Education of Indonesia (DIKTI). The sampling method employed is cluster sampling. The collected data are processed using SPSS for descriptive analytics and SmartPLS. The results indicate a positive and significant effect of KD on GUG. In essence, these findings align with the RBV theory, asserting that university capabilities contribute to enhancing overall university performance. Additionally, suggestions have been proposed for future research to expand the study's scope by investigating other variables that may potentially influence Good University Governance (GUG) and university performance.

KEYWORDS: Good University Governance, Competitive Culture, RBV

1. INTRODUCTION

Good University Governance (GUG) is an integral form of Good Governance (GG). In simple terms, GUG can be seen as the implementation of the GG concept in higher education. Basically, the GG concept is a combination of performance and organizational suitability (IFAC, 2014). The implementation of GUG is expected to increase transparency, accountability, and university performance (Indonesian Financial Audit Agency, 2021; OECD, 2004; Risanty & Kesuma, 2019). GUG is also expected to create a quality and competitive education system for students (Indonesian Financial Audit Agency, 2021; Putra, 2017; Yudianto, Mulyani, Fahmi, & Winarningsih, 2021).

In Indonesia, GUG has been the main agenda for implementation at universities for the last 5 years (Indonesian Financial Audit Agency, 2021). Strengthening GUG is mandated in the Regulation of the Minister of Education and Culture of the Republic of Indonesia Number 22 of 2020 concerning the Strategic Plan (Renstra) for 2020-2024.

The implementation of GUG is expected to improve university performance and increase university competitiveness to international levels (Yudianto et al., 2021). However, the implementation of GUG in Indonesia is still far from expectations. Based on the results of the Corruption Eradication
Commission's study in 2017, the implementation of GUG was still characterized by various acts of irregularities (Putra, 2017). This phenomenon is the background for this research in examining GUG and the performance of universities in Indonesia.

According to the Organization for Economic Cooperation and Development (OECD, 2004), in implementing GG, organizations generally adhere to 4 main principles that must be fulfilled, known as the "Code of Conduct (COC)". It consists of accountability, transparency, responsibility, and fairness.

In conducting GUG, it is important for universities to increase Knowledge Development (KD) in the organization, Knowledge can basically be interpreted as a combination of data and information, which are facts obtained through experience or learning. Knowledge is information that a person knows or is aware of (Maier & Remus, 2002). KD is a phenomenon where an action causes the acquisition of information (knowledge acquisition), distribution of information, shared beliefs (shared meaning), and archived memories (Hult et al., 2007).

Based on Resource-Based View (RBV), KD is a company capability that can create above-average performance (Barney, 1991; Hult, 2007). In simple terms, KD is a process of improving the interpretation of information and beliefs held by organizational members regarding an event or data. KD is the management of information in an organization to facilitate members in achieving organizational goals (Wiig, 1997).

KD, which is closely related to information, has the implication that KD influences GUG in terms of the strategic decision-making process (Blackman & Kennedy, 2009; Greiner et al., 2007; Raj Adhikari, 2010). KD is a capability that can create performance because it provides facilities for decision-makers in the form of adequate information (Barney, 1991; Hult, 2007). This adequate information makes it easier for governance board members to make decisions (Barney, 1991; Blackman & Kennedy, 2009; Hult et al., 2007).

According to RBV, KD is an important aspect in GUG because it maintains focus on organizational strategy (Barney, 1991; Blackman & Kennedy, 2009; Keenan & Aggestam, 2001). The information provided by KD, which is adequate and appropriate, will further strengthen the implementation of GUG (Blackman & Kennedy, 2009). Based on previous research conducted by Blackman and Kennedy (2009), it was found that KD contributed to the effectiveness of GUG implementation. This finding confirms that KD helps decision-makers in designing strategies and solving problems (Blackman & Kennedy, 2009).

Based on the background that has been stated, the purpose of this study is to examine the effect of Knowledge Development (KD) on Good University Governance (GUG) at public universities in Indonesia.

2. METHODS

This research will focus on testing the effect of KD on GUG in public universities in Indonesia. The population in this study comprises public universities in Indonesia under The Directorate General of Higher Education of Indonesia (DIKTI). Sampling will be conducted using the cluster sampling method. Data will be obtained from respondents who hold positions such as heads of study programs, deans, faculty leaders, professors, and lecturers. The questionnaire for this study will be distributed online via email to each relevant party in the form of a Google Form. The collected data will be processed using SPSS for descriptive analytics and SmartPLS.

The independent variable used in this study is Knowledge Development (KD), and the dependent variable is Good University Governance (GUG). The variable measurement scale in this study employs a likert scale. The data obtained are then processed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. PLS-SEM is a general method for estimating path models in latent constructs with various indicators. The PLS-SEM approach does not assume a specific distribution of data and can accommodate nominal, categorical, ordinal, interval, and ratio data (Ghozali, 2013). The statistical analysis is conducted using SmartPLS 3.0 software. A reflective model is applied to the KD and GUG variables, as illustrated in Figure 1 below.
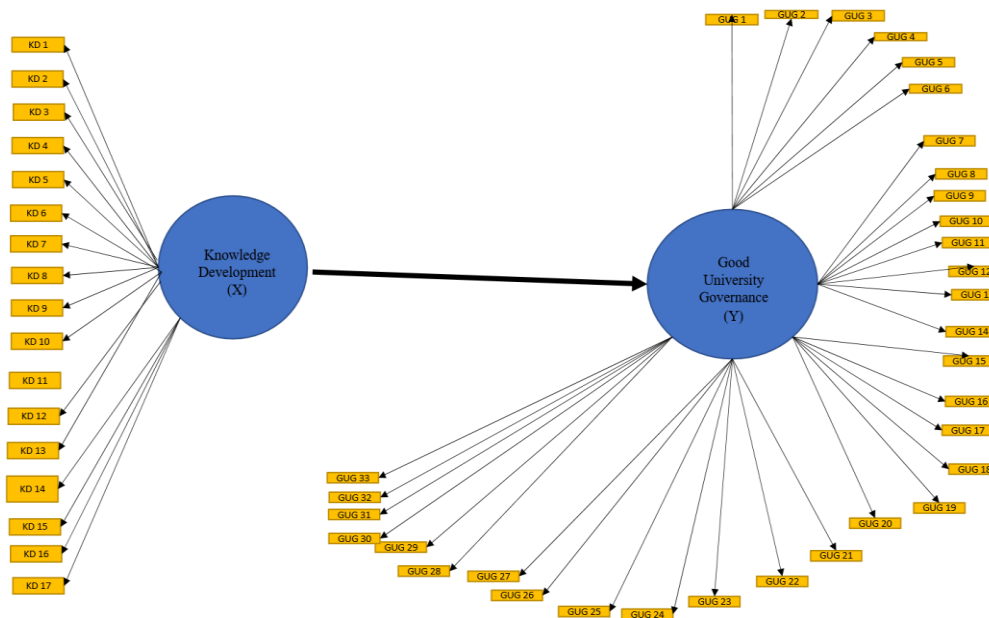
Figure 1. Conseptual Framework

The indicators of GUG can be shown in table 1 as follows:

Table 1. GUG Indicators

Operational Definition	Indicator	Measurement Scale
Vision, Mission, and University Objectives	Alignment of university vision, mission, and objectives (GUG1)	Skala Likert
	Academic community's understanding of the vision (GUG2)	
	Vision and mission as guidelines for work (GUG3)	
Fairness	Objective Key Performance Indicators (KPI) (GUG4)	Skala Likert
	Fairness in the remuneration system (GUG5)	
	Allocation of funds for financially disadvantaged students (GUG6)	
Transparency	Transparency University information transparency (GUG7)	Skala Likert
	Transparency in procurement of goods and services (GUG8)	
Leadership	Leadership Charisma of leaders (GUG9)	Skala Likert
	Leader's ability to motivate (GUG10)	
	Leader's ability to stimulate (GUG11)	
	Sustainable reward system (GUG12)	
Responsibility	Responsibility Compliance with laws and regulations (GUG13)	Skala Likert
	Response to audit findings (GUG14)	
	Academic atmosphere (GUG15)	

	Monitoring and evaluation system (GUG16)	
	University's code of ethics (GUG17)	
	Social responsibility of the university (GUG18)	
Participation	Participation Participation in the academic senate (GUG19)	Skala Likert
	Supervisory board participation (GUG20)	
	Alumni roles (GUG21)	
Accountability	Accountability Job description and analysis (GUG22)	Skala Likert
	Quality assurance system (GUG23)	
	Satisfaction surveys (GUG24)	
	Learning processes (GUG25)	
	Student development (GUG26)	
	Research and innovation development (GUG27)	
	Community service (GUG28)	
	Integrity zone program (GUG29)	
Autonomy	Autonomy Academic autonomy (GUG30)	Skala Likert
	Financial autonomy (GUG31)	
	Human resources autonomy (GUG32)	
	Asset management autonomy (GUG33)	

The indicators of KD can be shown in table 2 as follows:

Table 2. KD Indicators

Operational Definition	Indicator	Measurement Scale
Knowledge Acquisition	Future services (KD 1)	Likert Scale
	Internal research of services required (KD2)	
	Speed in detecting service changes (KD3)	
	Evaluate service quality, GUG implementation and performance (KD4)	
	Speed of detecting change (KD5)	
	Readiness to assess the impact of change (KD6)	
Information Distribution	Discussing trends in GUG and university performance (KD7)	Likert Scale
	Discussing GUG trends and future performance improvements (KD8)	
	Periodically disseminating participant satisfaction data (KD9)	
	Distributing important information (KD10)	

Shared Meaning	Effectiveness of information dissemination (KD11)	
	Developing a shared understanding of GUG and performance (KD12)	
	Developing a shared understanding of the implications of GUG and performance (KD13)	
Achieved Memory	Understanding the GUG implementation process and performance improvement (KD14)	Likert Scale
	Experience in the GUG implementation process and performance improvement (KD15)	
	Familiarity with the GUG implementation process and performance improvement (KD16)	
	Investment in research and development (KD17)	

3. RESULT AND DISCUSSION

From the results of distributing questionnaires, a total of 60 respondents provided answers. The demographic profile of respondents includes information on gender, highest education level, tenure, age, and position. Based on the demographic profile presented in Table 5.1, 23 (38%) respondents were female, and 37 (62%) were male. The majority of respondents, comprising 43 individuals (71%), held a master's degree, while 17 individuals (23%) had attained a doctoral degree.

Based on the statements from the respondents, the results of descriptive statistics for the GUG variable show that 2 (3%) respondents strongly disagree on average. Meanwhile, 9 (15%) respondents chose to disagree, 16 (27%) were neutral, 23 (38%) agreed, and 10 (15%) strongly agreed. Respondents expressed "strongly agree" and "agree" with 12 statements from the KD variable questionnaire, totaling a percentage above 50% (62%). Only 1 respondent appeared to "strongly disagree" with the questionnaire statements. Based on this, it can be concluded that respondents generally rated both the GUG and KD variables favorably within their university.

Based on the results of the outer model evaluation, it was found that indicators GUG 13, GUG 22, GUG 26, GUG 27, GUG 28, KD4, KD 8, KD 9, KD 13, and KD 17 had values below 0.7. Therefore, these indicators were eliminated from the analysis process and stage 2 outer model evaluation was carried out. After eliminating stage 1 outer loading values below 0.7, we obtained the stage 2 outer loading values. These values are presented in the following figure 2.
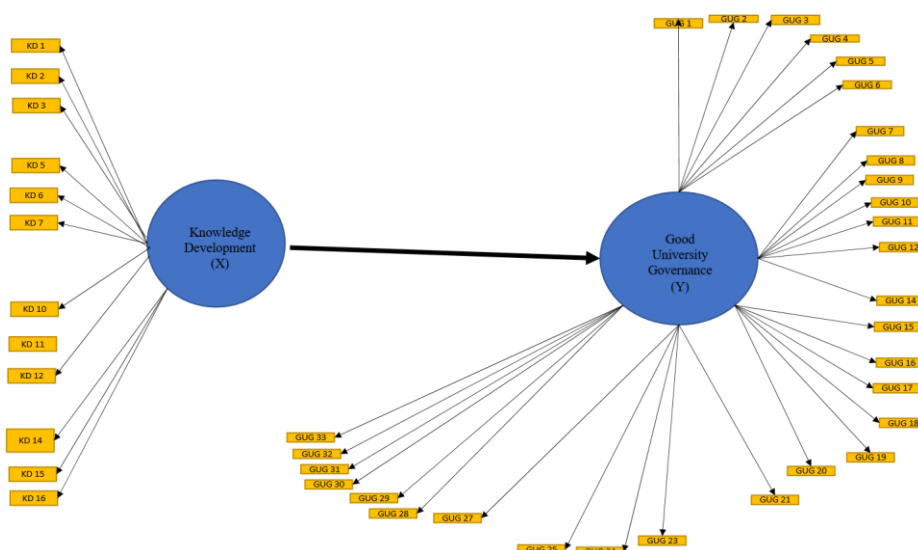

Figure 2. Outer loading stage 2

The recommended AVE value is above 0.5, and all AVE values exceed this threshold, indicating that the results meet the validity requirements. Reliability testing is conducted using the Composite Reliability (CR) value, with a recommended threshold above 0.7. The results meet the reliability requirements based on CR. Additionally, reliability testing based on Cronbach's alpha (CA) value indicates that all CA values are above 0.7, meeting the reliability requirements based on CA. This can be seen in tabel 3.1.

Table 3.1. AVE, CR, and CA

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Good University Governance (Y1)	0,991	0,992	0,830
Knowledge Development (X2)	0,996	0,996	0,954

KD (X) exhibits a positive and significant effect on GUG (Y) with a coefficient value (Original Sample column) of 0.438 and a P-Value of 0.000, which is less than 0.05. The results indicate a positive and significant impact of KD (X) on GUG (Y), leading to the acceptance of the hypothesis. The research outcomes address the research question by confirming the influence of KD on GUG. These findings align with the Resource-Based View (RBV) theory, asserting that KD serves as a capability enhancing performance. KD is identified as an asset influencing the enhancement of internal stakeholders' performance in processing information for implementing GUG (Barney, 1991). This can be seen in table 3.2.

Table 3.2.Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Knowledge Development (X) -> Good University Governance (Y)	0,438	0,428	0,121	3,610	0,000

According to the Resource-Based View (RBV) theory, Knowledge Development (KD) is a capability associated with information management in organizations. A wellmanaged and utilized capability can enhance performance above average (Barney, 1991). Within the RBV framework, KD plays a role in maintaining focus on organizational strategy (Barney, 1991; Hult, 2007). It serves as a crucial aspect aiding decision-makers in processing information and formulating strategies within universities (Blackman & Kennedy, 2009). The study results support the theory that KD indeed influences Good University Governance (GUG).

The results of this study align with the research conducted by Blackman and Kennedy (2009) and Keenan and Aggestam (2001). In the study by Blackman and Kennedy (2009), Knowledge Development (KD) assists decision-makers in designing strategies and addressing Good University Governance (GUG) issues. Additionally, Keenan and Aggestam (2001) assert that KD provides essential information for decisionmakers to strengthen the implementation of GUG. Consequently, it can be concluded that the study's findings are consistent with both the theoretical framework and prior research, affirming that KD has a significant influence on GUG.

4. CONCLUSIONS

This study aimed to assess the impact of Knowledge Development (KD) on Good University Governance (GUG). Sample collection utilized the cluster sampling method, resulting in 60 valid respondents. Data processing for the 60 respondents was conducted using SmartPLS and SPSS, and the study's results indicate that all measurement items in the questionnaire statements have been confirmed as valid and reliable.

KD (X) exhibits a positive and significant effect on GUG (Y) with a coefficient value (Original Sample column) of 0.438 and a P-Value of 0.000, which is less than 0.05. The results indicate a positive and significant impact of KD (X) on GUG (Y), leading to the acceptance of the hypothesis. The research outcomes address the research question by confirming the influence of KD on GUG. Based on the research findings, it can be concluded that the independent variable has a significant effect on the dependent variable. Overall, these results align with the Resource-Based View (RBV) theory, asserting that university capabilities can enhance university performance.

Based on the study's results, it is hoped that this research will contribute to the implementation of GUG policies and offer insights to university policymakers, addressing both GUG and KD in universities. The findings can provide an overview of GUG and KD in Indonesian universities for government policymakers and institutions involved in policy-making. This research aims to contribute to policymakers in developing or enhancing the implementation of GUG, ultimately maximizing the performance and competitive advantage of universities.

5. ACKNOWLEDGEMENTS

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