

# Good Governance, Organizational Culture, and Performance of Higher Education in Indonesia: A Conceptual Framework

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**Abstract-** The quality of human resources is determined by the learning process in educational institutions, especially higher education. In Indonesia, the process of managing education in higher education is regulated in Act no. 12/2012. The quality of higher education can be determined by aspects of governance and organizational culture that exists in organization. With good governance and good culture, it can support the performance of educational institutions. This is a literature review research to describe conceptual framework between good governance to organizational culture and organizational culture to organizational performance especially in higher education in Indonesia. This conceptual framework has not been widely discussed by researchers. The researcher hopes that the results of this study can serve as a guide for further research to prove empirically the conceptual framework.

**Index Terms-** good governance, organizational culture, performance, higher education

## I. INTRODUCTION

Education is a cornerstone for development that is useful in any country (Akomolafe and Ibjola, 2014). With a well-educated society, it is expected to make a good contribution and useful for the development of the country. Society is expected to achieve the highest level of education. Because education is a fundamental base in a country, Indonesia issued Act no. 20/2003 about the National Education System that guides the direction for the implementation of education in Indonesia.

The highest level of education in Indonesia is taken at the university's level. To ensure the implementation of the education process in universities can work well, the government of Indonesia issued its own regulation on the management of education in higher education. Ainun Naim (Secretary General of the Ministry of Technology and Higher Education of Indonesia) assesses that universities are a place for intellectuals and wisdom people. Therefore, it is good to be able to comply with the existing rules ([www.republika.co.id](http://www.republika.co.id)). This is considering that universities have their own autonomy in the implementation of education.

In 2012, Minister of Education and Culture Muhammad Nuh launched the start of good university governance. As the highest educational institution in Indonesia, universities have become role models in implementing good university governance. Muhammad Nuh hopes that with this declaration, the management of higher education will be better, transparent

and accountable and can be an example for the management of companies in general, and other educational institutions in particular ([www.kampus.okezone.com](http://www.kampus.okezone.com)). In the same year, the government established Act no. 12 of 2012 about Higher Education that regulate the management and organization of education conducted by universities.

Saint (2009) states that university management in Indonesia has high autonomy. In addition, Act no. 12/2012 article 62 states that higher education has the autonomy to manage its own institution as the center of the implementation of *tridharma*. *Tridharma* consists of teach, research, and community service. Autonomy of university as referred to in article 62 covers academic and non-academic fields.

By applying the principles of good governance and in accordance with existing regulations, it is expected to have an impact on organizational culture on the management of universities. Director of the Directorate of Institutional and Cooperation of Directorate General of Higher Education, Hermawan Kresno Dipojono, said to build a good academic culture in a university requires a not instant process. One of the conditions required to achieve this is good governance of universities ([www.dikti.go.id](http://www.dikti.go.id)).

In managing universities, the academic civitas within the university should uphold the good governance that has been proclaimed by the government. With good governance and good culture in universities, expected to support the achievement of optimal performance for universities. Achievement of these performance can be seen in terms of financial and non financial. For universities that are non-profit organizations, non-financial performance is a major concern. The performance can be observed in terms of *tridharma* college.

Several studies have been conducted aim to see the relationship between culture and good governance in the organization. The view of the research is that organizational culture will have an impact on organizational governance. Different cultures will shape different governance.

In this study, I have different views. The view is that the governance formed by the leadership of the organization, it can create an organizational culture as desired from the leaders of the organization. Good governance will create a good organizational culture as well. Improper governance will also create the organizational culture that is less good as well. Research on the relationship between good governance and culture is still rare. Researchers who have conducted research on these relationships are Sopper (2014) and Popadak (2016).

This research is a literature review study related to good governance, organizational culture, and organizational performance. The purpose of this study is to describe the relationship between good governance to organizational culture and organizational culture to organizational performance. This research seeks to present a conceptual framework on the relationship between good governance, organizational culture, and organizational performance.

## II. LITERATURE REVIEW

### Agency Theory

Agency theory is a contract between a person or more (called principal) who appoints another person (called agent) to perform services in accordance with the principal's interests, including the delegation of some decision-making authority to the agent. Agency theory basically governs the relationship between a group that gives work (principals) with the assignee (agent) to carry out the work.

According to Jensen and Meckling (1976), agency theory states that agency relationships arise when one or more people (principals) employ another person (agent) to provide a service and then delegate authority in making decisions to the agent. In the company, managers as organizers of the company certainly know more internal information and prospects of the company in the future better than to owners or shareholders. So managers have the obligation to provide information about the condition of the company to the owner. But in this case the information submitted by the manager sometimes does not match the actual company condition. The information asymmetry between management (agent) and the owner (principal) can provide an opportunity for managers to make earnings management (Richardson, 1998).

Agency theory can be applied to a universities. Principal position and the existing agent at the universities are different from the company. For state universities, it can be assumed that the employer (principal) is the government, and for private universities, the employer is the foundation. For the position of the assignee (agent) can be assumed are the structural leaders and academicians of a college. Some research on good governance in universities based on agency theory has been done by researchers such as Puspitarini (2012), Sari (2012), Wilkesmann and Schmid (2012), and Siswanto et al (2013).

Puspitarini (2012) describes the role of the internal control unit in supporting the achievement of good university governance. The research indicates that a unit or part of internal control at university plays an important role in supporting university governance. Sari (2012) conducted a study showing that an internal auditor has a significant role in efforts to achieve the university governance of an educational institution.

Study of Wilkesmann and Schmid (2012) aims to present findings from a national survey that the impact of new governance structures in German universities on academic teaching performance for professors. The results show that there is no direct effect of the provision of new incentives with the academic teaching performance of the professor. Siswanto et al (2013) conducted a study that found the problem is quite important in universities that high dependence on income sources

from students become a significant issue on the implementation of independent principles.

## III. STAKEHOLDER THEORY

Stakeholder theory can be defined as several groups or individuals that can impact or receive impacts from the process of achieving organizational goals (Abdullah and Valentine, 2009). According to Freeman (1994), the focus of stakeholder theory is defined in two questions. First, stakeholder theory asks, what is the purpose of the company? This encourages managers to articulate a sense of togetherness of the value that managers make, and what brings stakeholders being together. This encourages companies to look at the future and makes it possible to produce optimal performance.

Second, stakeholder theory asks, what responsibilities should management provide to the stakeholders? This encourages managers to articulate how they want to manage organizations to create the business managers want, especially how they want and need relationships with their stakeholders in order to meet the goals of the stakeholders. Donaldson and Preston (1995) argue that this theory focuses on the managerial decision-making process of the interests of all stakeholders who have intrinsic value and none of their dominant interests.

Universities are public and nonprofit organizations. Many stakeholders around of universities have different interests in the process of managing higher education. The stakeholders include students, students' parents, employees, government, graduate users, company, and alumni. Universities should still consider the interests of stakeholders in implementing the management of education. Universities will strive to satisfy what the stakeholders desire and in accordance with existing regulations. Some research on university governance using the basic stakeholder theory has been done by the researchers Brown (2001), Melo et al (2008), Akomolafe and Ibijola (2014), Nurhayati (2014), Dela Cruz and Jimenez (2015), and Maganga and Vutete (2015).

Brown's (2001) study shows that results are consistent with the idea that faculty participation is important in decisions making because faculty members have better information and better incentives than administrators. Melo et al (2008) conducted a study showing that university governance structures are used as a basis for performance appraisal and system improvement and reflect the structure applied within the university.

Study of Akomolafe and Ibijola (2014) aims to examine the perceptions of staff and students regarding student participation in university governance and organizational effectiveness. The results show that there is no difference in staff and student perceptions regarding the level of student participation in university governance.

Dela Cruz and Jimenez's (2015) study show that political governance and financial governance, the participation of faculty, that can influence the governance of state universities in the Philippines. Maganga and Vutete (2015) conducted a study that show generally universities follow and meet the established standards and legislation set by stakeholders.

IV. GOOD CORPORATE GOVERNANCE (GCG) IN INDONESIA

Forming of principles in GCG was first undertaken by National Committee on Governance Policy in 2001 which was later renewed in 2006. Based on GCG principles, the government strives to develop principles of education management and implementation. The government issued Government Regulations no. 66/2010 and Act no. 12/2012. The differences and similarities of GCG principles and principles of education are as follows:

**Table 1. GCG Principles and Educational Implementation Principles**

GCG Principles	Government Regulations no. 66/2010	Act no. 12/2012
Transparency	Nonprofit	Accountability
Responsibility	Accountability	Transparency
Accountability	Quality Assurance	Nonprofit
Independence	Transparency	Quality Assurance
Equality and fairness	Fair access	Effectiveness and efficiency

Source: GCG Principles, Government Regulations no. 66/2010, Act no. 12/2012

There is a major difference between GCG principles and the organize of education which is the nonprofit principle. In GCG principle there is no nonprofit principle as found in the principle of education implementation. Management of higher education has no main purpose to seek profit. The results of the fund management process for education are used for the development of human resources, facilities, and infrastructure of higher education. While in the company, the main purpose of the company's operations is to seek profit.

Another difference between the principles of GCG and the principle of the implementation of education is the principle of quality assurance. In the principle of GCG there is no quality assurance principle as found in the principle of education implementation. Educational institutions, especially universities, are institutions that create and produce graduates who are expected to have good competence and quality. To produce graduates who have good quality, it takes the learning process, curriculum, lecturers, facilities and infrastructure quality and standards that have been determined. Thus, in the education process there should be a quality assurance that the graduates produced will be in accordance with the standards and have a good quality.

V. GOOD GOVERNANCE OF HIGHER EDUCATION IN INDONESIA

According to Merchant and Stede (2012, p.603), an organization's governance refers to a set of mechanisms and processes that help ensure that organizations are directed and managed to create value for their owners and simultaneously fulfill responsibilities to other shareholders (eg employees,

suppliers, and society). Organizational governance systems are complex and how various governance mechanisms interact with each other, and with the characteristics of situations when they operate to deliver good (or bad) results, are not always well understood.

Good governance also applies to higher education. Good university governance reflects the success of universities that produce qualified graduates who are ready to compete in the global world. For that, it takes hard work and high discipline in educating, and teach the cultural values and association of global society.

In article 19 of Act no. 20/2003 states that higher education is organized with an open system. Open system has definition that the work program and the implementation of higher education can be known by the stakeholders, especially students so that work programs and systems in the university there is nothing to hide. The open also applies to the financial usage obtained by the college. In article 24 states that universities have autonomy to manage and organize educational activities that include teach, scientific research, and community service. With the authority of autonomy, the universities are free to organize the activities and finances that exist within the organization, so that necessary supervision and control that supports the creation of good university governance.

Based on table 1, there is a principle difference in PP no. 66/2010 with Act no. 12/2012. In the Government Regulations no. 66/2010, there is a principle of fair access which has the understanding of providing formal education services to prospective students and students. In Act no. 12/2012, that principle is replaced with the efficiency and effectiveness principles. Understanding efficiency and effectiveness is that the use of resources obtained by the college should be right on target and does not occur waste. Universities can find their own sources of funding, self-reliance, autonomy, which comes from outside the admission of student. These funds can be obtained from the government (eg research grants and non-research), donors, foundations, collaboration with institutions or companies within the country and abroad. Funds obtained should be used in accordance with the objectives of the implementation of education, development of targeted resources. Also not used arbitrarily resulting in waste or for personal or group interests.

Act no. 12/2012 about Higher Education can be used as a guide to state that a university has fulfilled good governance. Article to be used as a reference that is article 63 which states the principles in the management of universities autonomously. The principles are as follows:

1. Accountability Principle

Understanding accountability is the commitment of universities to report for all activities undertaken in the process of organizing education to stakeholders. To support the accountability of universities, it is necessary to clarify the mission and objectives of universities in line with the mandate of the government. The process of management and organization of higher education should also be supported by the permission of university establishment and the implementation of the study programme.

Universities have stakeholders who have their own interests. Students want a quality education, employees want

conducive conditions in the activities of service to students, the business environment wants graduates who are well educated, the government wants the implementation of education, which includes *tridharma*, can run well (Gillies, 2011). Given these various interests, then universities' leaders should be able to consider the various interests in decision making so that stakeholders know with certainty the purpose and the process of making a decision.

## 2. Transparency Principle

Understanding transparency is openness of relevant information about the activities and processes of the implementation of education in a timely and accurate to stakeholders. To support the transparency of universities, it is necessary to apply checks and balances mechanism and to avoid conflict of interest and multiple positions. Organizational structure, Academic Senate universities and faculty can control the activities and work programs of the rector and dean.

Universities in Indonesia have great autonomy in organizing the educational process (Saint, 2009). According to Gillies (2011), the autonomy of a college may include recruitment and promotion of employees at all levels and sections, approving the opening of new study programs or institutes / departments, conducting and selecting research activities, and determining direction, vision, mission and policy College. With high autonomy in the university, the activities and the implementation process is determined and decided by the leaders of the universities concerned. Whatever activities and work programs undertaken by universities / colleges, should be communicated openly so that transparency principles in universities can be achieved.

## 3. Nonprofit Principle

Non-profit is the implementation of education is not intended to seek profits so that funds obtained are used to improve service quality and development of infrastructure facilities so as to support the establishment of qualified graduates. Another understanding is that all remaining budget activities should not be distributed, should be reinvested for quality improvement and higher education development.

Universities are institutions engaged in services in order to form an educated graduate. Both state and private universities each have autonomy to manage their finances. State universities is responsible to the government, while the private universities is responsible to the foundation. Hope is that both universities do not justify any means to seek funds and profits only solely motivation from certain parties for their interests. Management of funds obtained by universities should still pay attention to the interests of various stakeholders that exist around the college.

## 4. Quality Assurance Principle

Understanding quality assurance is the activities, work programs and services of universities implemented by meeting / exceeding national standards and continuously strive to improve the quality of education services. To support the quality assurance of universities, then established Internal Quality Assurance System and external in the form of accreditation of study program and accreditation institution. Other supporting

activities include lecturer profession certification, student feedback, graduate study tracer, and user survey.

Universities are institutions in the field of services that produce qualified and educated graduates. That's what all parties expect. The process of management and implementation of education is guided by the predetermined standard of education so that the graduates produced have the standard quality according to the expectations of the stakeholders. The end result of the process of education is graduated quality and in accordance with the standards. For that, it takes the cooperation of all parties within the university. Not just the task of educators, but all parties in service delivery also play a role in quality assurance.

## 5. Effectiveness and Efficiency Principle

Understanding the effectiveness and efficiency is the activities and work programs of universities that use various resources strived to be on target and does not occur waste. In the organization of education, universities need resources and funds to be able to provide optimal service. Funds obtained can come from the admissions of students, government, foundations, institutions / companies, and donors. Universities have the autonomy and independence to obtain these funds. Funds obtained should be used as well as possible to support quality education process.

Research on university governance has often been done. In America, research on university governance has been done since the 1970's (Sceifor and Wheeler, 1970; Deegan and Mortimer, 1970). Research in Indonesia related to the variable of university governance principle has been done by several researchers. Hatmodjosoewito (2010) conducts research on the relationship of transparency with employee performance in universities. Harjono Muljo et al (2014) conducted a study using eight principles of good governance that are not guided by the law. Muhi (2012) and Soegiono and Sebastian (2012) conducted a study using the five principles of good corporate governance applied and elaborated on the universities. Nurhayati (2014) conducted a study using the autonomy and accountability variables associated with the managerial performance of universities. Research on good governance of universities in Indonesia no one uses the five principles based on Act no. 12/2012 as a measure of good governance. This encourages me to use good governance measurements according to these five principles in subsequent research.

## VI. HIGHER EDUCATION PERFORMANCE

Public organizations are organizations established with the aim of providing services to the public. This causes the public organization to be measured by its effectiveness and efficiency in providing services to the public. Although public organizations are not for profit, the organization is made up of interrelated units that share the same mission of serving the community.

Performance measurement is defined by Neely (2005) as the process of quantifying the efficiency and effectiveness of action. Performance measurement requires alignment with the organization's mission, policies, and objectives (Kaplan and Norton, 2004). Universities help to improve the nation's knowledge base and play an important role in shaping the

nation's future. Universities need strategic planning. Strategic planning describes the direction from the present position to the desired position in the future that is translated into its vision. Colleges are now facing a competitive market. It has implications for the utilization of its resources in order to attract market interest.

Performance measurement is defined by Otley (1999) as a financial or non-financial measure used at various levels within an organization to evaluate success in achieving their goals, key success factors, strategy and planning. The purpose of performance measurement is to meet the expectations of stakeholders through measurable quantitative results. In general, the measurement of organizational performance is measured using financial indicators. To complement the measurement of financial performance, non-financial measurements have been developed to assess the non-quantitative aspects of the organization's activities.

Research on the performance of universities has been conducted by several researchers. Study of Philippe et al (2010) shows the result that when state universities receive substantial funds, they generate more patents if they are more autonomous and gain competition from private universities. Brown's research (2001) uses a university performance variable proxied into the university ranking variables and funds held by the faculty.

Melo et al (2008) states that although students lack the power in decision making, but students are customers in the system of higher education. They pay a fortune to get results commensurate with costs incurred. Students are often invited to university meetings and seek advice from them. Festo and Nkote (2013) conducted a study showing the result that organizational governance variables negatively impacted financial performance when policy and decision making were significant predictors of financial performance. Dela Cruz and Jimenez (2015) use the dependent variable that is performance measured using quality and relevance, research capability and output, services to the community, and management of resources.

## VII. ORGANIZATIONAL CULTURE

Hofstede (2011) puts the definition of culture as a collective programming that distinguishes members from one another in groups or categories / characteristics of one person to another. Culture is the result of complex and partially influenced group learning processes by the behavior of leaders (Schein, 2004, p.11). Culture is always associated with collective phenomena. In each group there are various individuals who have various characteristics or categories

Organizational culture is a shared system and meaning shared by its members that distinguishes organizations from other organizations (Robbins and Judge, 2013: 512). Greenberg and Baron (2008: 544) state that organizational culture is a cognitive framework consisting of attitudes, values, norms of behavior and expectations shared by members of the organization. Hofstede (2011) states that organizational culture is an individual way of looking at what's happening within their organization. Organizational culture is in a work environment or practice within the organization.

Organizational culture within a company is certainly different from the organizational culture owned by other

companies. This is because in the culture of the organization reflects the personality or characteristics that distinguish the organization with other organizations. These characteristics can be in the form of visible things such as organizational rules or can also be things that are not visible as the mindset of the organization. These characteristics directly describe the organizational culture.

The culture that the leader creates is vital. Organizational culture is used not to win awards or make employees satisfied, but to drive the results of business and achieve maximum performance (Williamson, 2012). Research and observers have recognized that organizational culture has a strong impact on the organization's long-term performance and effectiveness (Cameron and Quinn, 2006, p.5). Organizational culture has become an area for researchers and organizers of organizational concepts to be able to provide guidance and direction for managers who seek ways to improve the effectiveness of their organizations.

Based on some argument of organizational culture according to some experts above, it can be concluded that organizational culture is anything that contains values, symbols, rituals, attitudes, and some practices within organizations that are shared by members of the organization as a guide to action which then affects the way work and behave from members of the organization. Organizational culture shows a certain identity how the organization works according to the value held so that organizational culture can distinguish one organization with other organizations.

Research on culture has been done by many experts. One instrument used as a cultural dimension is the cultural dimension proposed by Hofstede (Hofstede, 1980, 1983, 1984). The cultural dimension conveyed by Hofstede is a national culture. At first, Hofstede conveys four dimensions of national culture. Then in 1988, Hofstede conducted a study with Michael Harris Bond a psychologist and added a dimension of national culture. Then in 2010, Hofstede conducted research with his son and Michael Minkov and added a dimension of national culture. Thus, there are six dimensions of national culture proposed by Hofstede. The six national cultures are (Hofstede, 2011):

1. Power distance, related to the distance from human inequality
2. Uncertainty avoidance, related to the level of stress in society in the face of the unknown future
3. Individualism versus collectivism, associated with the integration of individuals into groups
4. Masculinity versus femininity, related to the emotional role between women and men
5. Long term versus short term orientation, relating to the choice of focus on human endeavor: the future or the present or the past
6. Indulgence versus restraint, relating to satisfaction versus controlling the basic human desires in enjoying life.

These six dimensions of national culture are often used by researchers to view organizational culture. Meanwhile, in 1990, Hofstede undertook research to expose the organizational culture dimension.

Study of Hofstede et al (1990) aims to identifying organizational culture dimensions using 20 units of work from 10

different organizations in Danish and Dutch countries. Six organizational cultures according to Hofstede (1990, 2011) are:

1. Process-oriented versus results-oriented

Process-oriented is dominated by technical and routine, while results-oriented are related to outcomes. In process-oriented, there are different perceptions between the levels of the units. In results-oriented, each individual accepts the organization's existing practice on existing perceptions.

2. Job-oriented versus employee-oriented

Job-oriented deals with responsibility for job performance and employee duties only, whereas employee-oriented deals with responsibility for welfare and all aspects related to employees, not just on the job alone.

3. Professional versus parochial

Professionals deal with that employees are identified in accordance with what their profession dictates, whereas parochials are related to that employees have the identity of the organization they work for.

4. Open systems versus closed systems

This dimension relates to the internal and external communication styles that are open or closed.

5. Tight versus loose control

This dimension relates to the degree of formality and timeliness in the organization.

6. Pragmatic versus normative

This dimension describes the prevailing way in the environment around the organization, especially with customers. Pragmatic has a more flexible sense, while normative has a more rigid understanding. This dimension measures the level of customer orientation.

### VIII. GOOD GOVERNANCE AND ORGANIZATIONAL CULTURE

An understanding of the relationship between good governance and organizational culture has not been widely shared by researchers. Researchers are more likely to examine the relationship between culture and good governance. In the conceptual framework of this study, I want to explain that there is a relationship between good governance and organizational culture. The concept of thinking has also underpinned some of the opinions and research that have been done before.

Director of the Directorate of Institutional and Cooperation of Directorate General of Higher Education, Hermawan Kresno Dipojono, said to build a good academic culture in a university requires a not instant process. One of the conditions required to achieve this is good governance of universities ([www.dikti.go.id](http://www.dikti.go.id)).

The Indonesia Corporate Governance Manual First Edition states (2014, 97):

- a. To realize a moral attitude in running a business, companies must formulate business ethics that has been agreed by the organization and all employees. The ongoing implementation of business ethics is a corporate culture that is a manifestation of company values.
- b. The ongoing implementation of corporate values and business ethics will support the creation of corporate culture.

From these statements, it can be seen that business ethics or corporate values that result from the governance of an organization will have an impact in the creation of an organizational culture. It is expected that good and continuous business ethics and corporate values will shape a good organizational culture as well.

Sopper (2014) conducted research with the aim of providing a better understanding of the logical structure of governance and cultural relationships. The results of this study introduce a comprehensive approach that combines governance and organizational culture into one analysis. The analysis is known as The Culture-Based Governance Analysis. Governance analyzes existing structures in the environment including their quality and intensity, while the culture is used to analyze the underlying mindsets and ideas of the stakeholders involved.

Study of Popadak (2016) aims to demonstrate the importance of organizational culture as a source of long-term sustainability of organizational values. The researchers also described a balanced relationship between governance and culture. This is because the behavior patterns implicitly employed by employees can be reinforced by corporate governance standards that are at this point a critical point in finding their balance equally appropriately. The results of this study indicate that investors need to consider the balance of governance and culture with caution if the goal is the creation of long-term value is sustainable. Strong and good governance is not always the best solution for corporate flaws. Another factor to consider is the culture within the organization.

### IX. ORGANIZATIONAL CULTURE AND ORGANIZATIONAL PERFORMANCE

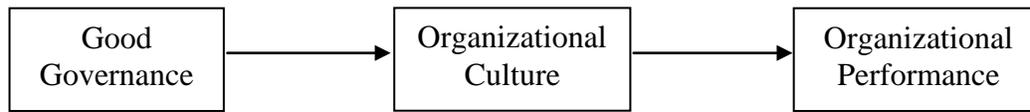
Denison (1984) is the first quantitative study that links between culture and performance. The results suggest that firms with higher positive perceptions in the work environment will have a better performance impact compared to lower positive perception firms. Denison and Mishra (1995) conducted a study that produced evidence of the existence of four cultural traits: involvement, consistency, adaptability, and mission. These four properties are positively related to performance measured by ROA and sales growth.

Tierney (1988) states that culture influences decision making. Organizational culture reflects what it does, how to do it, and who does it. Understanding organizational culture will help administrators to resolve potential conflicts and manage change more effectively and efficiently. Marcoulides and Heck (1993) are using the latent variables of organizational culture are organizational structure and purpose, organizational values, task organization, climate, and individual values and beliefs. The results show that there is a relationship between organizational culture variables and organizational performance.

### X. CONCEPTUAL FRAMEWORK OF GOOD GOVERNANCE, ORGANIZATIONAL CULTURE, AND ORGANIZATIONAL PERFORMANCE

Of all the studies described above, I attempts to propose a conceptual framework model that may be developed and proven

by empirical research. The conceptual framework is described as follows:



Source: prepared by me  
Figure 1. Conceptual Framework

From the picture above can be seen that good governance gives influence to organizational culture and organizational culture give influence to performance. In this literature study, the organization used as an object in the explanation of the framework is a university especially in Indonesia.

Universities that have good quality are believed to provide qualified graduates. The quality of higher education can be seen from the academic quality and quality of administrative services. Related to the quality of administrative services there are two important aspects that need to be considered namely the aspects of management and culture applied in the college concerned. According to Antonius, Chief Product Officer of Jobplanet Indonesia, stated that aspects of management and culture of universities play a role in determining the quality of administrative services in universities ([www.beritagar.id](http://www.beritagar.id)).

The quality of higher education is important to support the students' selection. At present, prospective students can assess the quality of college from various sources. The quality of a college is not something that a university gained from the government or other outside parties. Universities must realize that the quality of higher education comes from the internal organization by considering the quality of lecturers to the learning system found in universities. Improving the quality of human resources must start from the quality of higher education. The organizational culture in the university is different from the organizational culture in the company. In the company, the relationship between management and staff is hierarchical. Culture that exist in college is collegial culture. The relationship between the rector, the dean, the head of the study program is collegial. In higher education, there is a leadership rotation. The Rector will one day become a regular faculty member and become a colleague. This is what makes college culture interesting to studied.

Governance can have an impact on the formation of organizational culture. Good governance is expected to form a good organizational culture as well. Within higher education, governance and culture will support the creation of a college quality that will have an impact on the performance of universities. The quality of higher education is reflected in the quality of lecturers, good learning systems, the quality of graduates, research and publications undertaken, and administrative services. These things will directly support and support the performance of universities viewed from the financial and non financial aspects. Based on the existing research review literature, the opinions of experts, and the thinking of the researcher, a conceptual framework set forth above can be used as a basis for empirical research.

## XI. CONCLUSION

Organizational culture is an important thing to consider in supporting organizational performance. Organizational culture varies between organizations that are likely to have different performance impacts. Good governance is developed and implemented so that the governance in universities become well-controlled in accordance with Act no. 12/2012. Good governance and standardized will form a good organizational culture so as to realize the performance of a good college as well.

The conceptual framework proposed by the researcher is based on literature review, expert opinion, and thought of the previous researchers. This conceptual framework will become strong and become a new theory with empirical research to prove it. It is a task for researchers and me to prove it. I hope that the results of this exposure can be a guide for further research.

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