

Performance of State University: Choice of Strategic Priorities and Implementation of Good University Governances

Agus Cahyana¹, Sri Mulyani², Citra Sukmadilaga³, Ida Farida⁴

Abstract

Advances in science and technology affect all areas of life, including university. Universities must be responsive to uncertainties and rapid changes by setting a choice of strategic priorities and putting them into action in accordance with the principles of good university governance in order to produce quality and competitive university performance. The purpose of this research is to examine the impact of the choice of strategic priorities on the implementation of good university governance, as well as the implications for the quality and competitive performance of state universities. This type of research is descriptive and verificative with explanatory survey methods. The sample size in this study was 50 State Universities (PTN) and using questionnaire distribution as the data collection method to echelon II officials and echelon II equivalents. The data analysis technique used in testing the hypothesis is Partial Least Squares (SmartPLS3.0). The outcomes of this investigation led to a choice of strategic priorities that had a significant positive impact on Good University Governance implementation. Implementation of Good University Governance on state university performance has a significant positive effect. The choice of strategic priorities on university performance has a significant positive effect. The choice of strategic priorities on the university performance through the implementation of Good University Governance has a weak effect.

Keywords: *Choice of Strategic Priorities, Implementation of Good University Governance, State University Performance.*

Introduction

The performance of universities (PT) entering World Class University (WCU) is still low compared to the number of universities. Until 2021, only four universities have entered the Top 500 World Class University (WCU), the corresponding QS ratings of 254, 290, 303, and 465 are Gadjah Mada University, the University of Indonesia, the Bandung Institute of Technology, and Airlangga University are among the institutions. Likewise, the acquisition of international accreditation/certification of study programs has only reached 301 out of 3,594 study programs. The use of good university governance is necessary for performance success as the impact of university governance (good university governance) on university performance, specifically university autonomy and competition (Aghion et al., 2010). The percentage of college graduates who work within

¹ Assistant Professor, College Vocational Studies, IPB University, Bogor, Indonesia, and Universitas Padjadjaran Bandung, Indonesia, agusca@apps.ipb.ac.id, ORCID ID: 0000-0002-9997-4993

² Professor, Universitas Padjadjaran Bandung, Indonesia, sri.mulyani@unpad.ac.id

³ Associate Professor, Universitas Padjadjaran Bandung, Indonesia, agasukma01@gmail.com

⁴ Assistant Professor, Universitas Padjadjaran Bandung, Indonesia, ida190262@gmail.com

one year after graduation is 74.4% of the total 296,342 graduates and 31.5% earn a minimum salary of 1.5 times the regional minimum wage (UMR).

Yusoff, Khan, Mubeen, & Azam (2013) state that university performance depends on entrepreneurial activities carried out at universities that integrate better with industry. New ideas, innovative activities and new business models define university performance. According to Sedláček (2017), aspects of good university governance such as university autonomy and stakeholder involvement, complemented by expenditures data for university are also linked to research university performance. Furthermore, international patents and publications which are considered a scientific image of university values also reflect social cohesion, social science, national economic prosperity, national development, global competitiveness, support, and legitimize government actions (Mukhtiyanto, 2017). The university performance is affected by the implementation of management accounting and the choice of strategic priorities, the university performance includes financial performance, research performance, and student performance.

Based on the data source on SJR (2021) about ranking of journals based on countries in the Asiatic Region from 2016 to 2020, Indonesia is in 10th place behind China from all sides, namely the number of documents as many as 212,806, 206,360 citable documents, citations 1,054,947, 268,853 self-citations, 4.96 citations per document and 259 H Index. Meanwhile, China has 7,454,602 documents, 7,229,532 citations per document, 78,201,759 citations, 44,817,420 self-citations, 10.49 citations per document and H Index 1010. Thus, Indonesia is still lag behind the ranking of journals, especially citations per document.

Mensah, Fobih, and Adom (2017) state that university authorities and policy makers are the need to consider the condition of company resources as an important determinant during strategy formulation and implementation processes to improve university performance. The university's mission and goals are also outlined in the strategic plan, making it a coordinating function important for a general understanding of university goals and direction (Doyle & Lynch, 1979), and ultimately requires colleges to define and measure important aspects of research and teaching performance, and serves as the basis for controlling performance and driving achievement in all areas. The performance of companies is positively impacted by the selection of general strategies and management control systems (Junqueira, Dutra, Filho, & Gonzaga, 2016).

Furthermore, the following strategic objectives are frequently associated with the use of non-financial performance assessments, the significance of market/customer focus, innovation, and employee development (Verbeeten & Boons, 2009). According to Bradshaw (2009), college governance is becoming more complex and there is a need to conceptualize new ways of thinking. According to Marinas & Prioteasa (2015), universities can concentrate on research and teaching initiatives that enhance their strategic profile, reap their full rewards, and/or diversify their sources of income—these are the two main strategic options.

To determine the most important aspects of university governance that will be impacted by the EU universities' decision to diversify their funding sources. In order to remain competitive, new models of good university governance are needed by institutions. The previous explanation forms the basis for the purpose of this research to find out the implementation of effective university management, and has a direct or indirect impact on the choice of strategic priorities for performance achievement.

Literature Review

Performance management is a process, or a set of processes, that empowers an association to accomplish its objectives (Kaplan, Norton, & Ansari 2010). Performance as a value that can be created by an organization by comparing the use of productive assets

with the value expected by owners of capital usually uses financial measures (Kurt & Berghe, 2004). Organizational performance as the context of net benefits which consists of three categories of organizational benefits, namely strategic, informational, and transactional (Mulyani, Hasan, & Anugrah, 2016). Performance is the output or outcome of actions or programs that have been completed or are anticipated to be completed in relation with the usage of the budget. It must be of a quality and quantity that can be measured (Database Peraturan, 2014).

The Economic and Social Commission for Asia and the Pacific (UNESCAP) reported in Shil (2008) decisions are made through the governance process, which is also how those decisions are carried out or not. Furthermore, Aristo (2005) argues that the concept of Corporate Governance and Good University Governance is a subset of the broader concept of governance, namely good governance. According to Muhi (2011), because university in terms of the economics of education is an industry, in higher institutions, the idea of good corporate governance may and should be applied.

Strategy is an ongoing, flexible response to opportunities and challenges from the outside as well as internal strengths and weaknesses that could affect the organization (Argyris, 1985; Mintzberg, 1979; Steiner & Miner, 1977). According to Porter (1985), to gain an advantage over the competition, strategy is an extremely important tool. The company's decision to pursue the cost leadership, differentiation, and focus strategies as a means of capitalizing on market opportunities has given it a competitive advantage. According to Glueck & Jauch (1998) strategic choice is a decision, then all decision-making processes apply to decision-making strategic priorities choices. The strategic decision-making process combines prescriptive and descriptive approaches. The prescriptive approach is how to do something while the descriptive approach is how something is done. Strategic choice is a decision to choose from a number of alternative strategies that are considered the best strategy to achieve company goals. Strategic choices involve various decisions that shape the future competitiveness of the company and have consequences across organizations and society. Every framework describes a small number of fundamentally different strategic options for organizations operating in the same industry. These frameworks include strategic types such as defender, prospector, analyzer, and reactor; common strategies such as cost leadership, differentiation, and focus options; and value disciplines such as operational excellence, product leadership, and customer intimacy options (Luoma, Risikko, & Erkkilä, 2016).

H1: Selection of strategic priorities has a good influence on the implementation of government universities

H2: the application of good university governance has a good impact on the implementation of sustainable performance

H3: Choice of strategic priorities has a positive effect on university performance

H4: Selection of priorities based on a strategic management approach has a positive effect on university performance through good university governance

Materials and Methods

The treatment process of implementing this research was to see if strategic priority selection and good university governance had any effect on university performance. The population of the unit of analysis is state universities which are under the Directorate General of University as many as 122 state universities and 4 community academies of the total population are not included as a population, bringing the total population to 118 state universities. Questionnaires returned from echelon II officials or officials equivalent to echelon II were 62 PTNs and questionnaires that could be processed were 50 PTNs or 53%. With consideration, (Cooper & Schindler, 2014) states that with a return rate of

30% it can be stated as good. PTN data that can be processed is divided into three clusters, namely Legal Entity State Universities (PTN Legal Entities) 11 analysis units, Public Service Agency Universities (PTN BLU) 28 analysis units and Work Unit Universities (PTN Satker) 11 analysis units.

The SmartPLS software is used in this study's data analysis method. PLS is a variance-based structural equations (SEM) analysis that has ability to simultaneously assess measurement and structural models (Mashur et al., 2019). Validity and reliability can be evaluated with measurement models, while causality can be demonstrated with structural models (hypothesis testing with predictive models). PLS is a soft modeling analytical technique since it does not presuppose that the data must be measured on a scale, allowing for a minimal number of samples (under 100) (Rigdon, Sarstedt, & Ringle, 2017).

Results

The descriptive analysis of the respondent's data can be used to improve the discussion. The state of the factors under consideration can be distinguished based on the portrayal of the information. Through use of the primary symptoms and variability measurements, descriptive analysis is possible (Cooper & Schindler, 2014). The mean, median, and mode are the primary symptom measures, while the range of scores and standard deviation are the variability measures. In this review, each variable's state is depicted using its average value and standard deviation. The response score from the processing of the standard deviation shows that the application of good university governance within the scope of PTN in Indonesia is very helpful in providing a detailed description of the selection of priorities and prioritizing strategic concepts.

Table 1. Descriptive Statistics Variables

PTN	Variable	Real score	Max score	Average	% Real	% Gap	Category
All PTN n = 50	X	2537	3150	5.64	80.54	19.46	Very good
	Y	5438	6.300	6.04	86.32	13.68	Very good
	Z	5548	7350	5.28	75.48	24.52	Good
PTN BH n = 11	X	614	693	6.20	88.60	11.40	Excellent
	Y	1237	1386	6.21	89.25	10.75	Excellent
	Z	1274	1617	5.87	78.79	21.21	Very good
PTN BLU n = 28	X	1421	1764	5.63	80.56	19.44	Very good
	Y	3077	3528	6.06	87.22	12.78	Excellent
	Z	3124	4116	5.34	75.90	24.10	Very good
PTN Satker n = 11	X	502	693	5.06	72.44	27.56	Good
	Y	1124	1386	5.64	81.10	18.90	Very good
	Z	1078	1617	4.71	66.67	33.33	Good

According to table 1, the highest average score for all PTNs and per PTN status is the Good University Governance Implementation construct (Y) and the lowest score is for the University Performance construct (Z). The highest average score of Implementation of Good University Governance (Y) for all PTNs is 6.04 (very good), PTN BH is 6.21 (excellent), PTN BLU is 6.06 (excellent) and PTN Satker is 5.64 (very good), while the lowest average score university performance for all PTNs was 5.28 (good), PTN Legal

Entities 5.87 (very good), PTN Public Service Agencies 5.34 (very good) and PTN Work Units 4.71 (good).

The Choice of Strategic Priorities Construct (X) is measured using three dimensions. An average score was generated from the respondents' responses for all PTNs of 5.64 on a scale of 1-7. Overall, this score indicates that state universities are very good at analyzing internal weaknesses and strengths as well as challenges and opportunities that can be exploited so that they can choose priority strategies in achieving performance for each PTN. The average score of PTN BH is 6.20 higher than the average score of all PTNs while the average score of PTN BLU is 5.63 and PTN Satker is 5.06 lower than the average score of all PTNs.

Overall, the highest average value of the cost leadership strategy dimension is 6.11 and the lowest value of the differentiation strategy dimension is 5.37, thus the strategy used in tertiary management is a cost leadership strategy. The average score of the cost leadership strategy dimensions of PTN BH and PTN Satker is higher than the average score of all PTNs with a value of 6.21 and 6.15 respectively, while the average score of PTN BLU is lower than the average score of all PTN dimensions. Furthermore, the average value of the dimensions of the choice of strategic priorities variable is explained as follows:

Table 2. Descriptive Statistics Dimensions of Choice of Strategic Priorities

Dimensions	All PTN		PTN BH		PTN BLU		PTN Satker	
	Mean	% Score	Mean	% Score	Mean	% Score	Mean	% Score
Cost Leadership Strategy	6.11	87.24	6.21	88.74	6.04	86.39	6.15	87.88
Differentiation Strategy	5.37	76.67	6.21	88.74	5.26	75.17	4.78	68.40
Focus Strategy Competitive	5.44	77.71	6.18	88.31	5.61	80.10	4.27	61.04

Implementation of Good University Governance (Y) is measured using eight dimensions. On a scale from 1 to 7, the responses from the respondents produced an average score. for all PTNs of 6.04. This score indicates that state universities in Indonesia are very good at implementing good university governance for activities in the academic and non-academic fields. The average score of PTN BH is 6.21 and PTN BLU is 6.06 higher than the average score of all PTNs while the average score of PTN Satker is 5.64 which is lower than the average score of all PTNs. Overall, the highest average score for the accountability dimension is 6.46 and the lowest score is 5.71 for the participation dimension. Thus, in the implementation of university management, the accountability aspect is the focus of very high attention from university leaders. The average score of the accountability dimensions of PTN BH is higher than the average score of all PTNs with a value of 6.58 while the average score of PTN BLU and PTN Satker is lower than the average score of accountability dimensions of all PTNs with an average value of 6.40 respectively and 6.29. The following additional explanations help to clarify the average value of the variables that make up the variable implementation of good university governance:

Table 3. Descriptive Statistics Dimensions of Good University Governance

Dimensions	All PTN		PTN BH		PTN BLU		PTN Satker	
	Mean	% Score	Mean	% Score	Mean	% Score	Mean	% Score
Participation	5.71	81.57	5.95	85.06	5.64	80.61	5.63	80.52
Enforcement Law Supremacy	5.80	82.86	6.09	87.01	5.92	84.69	5.18	74.03
Transparency	6.13	88.10	6.45	92.64	6.17	88.78	5.67	81.82
Responsive	6.16	88.00	6.45	92.21	6.23	89.03	5.68	81.17
Orientation To Consensus	5.78	82.57	5.63	80.52	5.94	84.95	5.50	78.57
Equity and Inclusiveness	5.88	84.00	6.13	87.66	6.03	86.22	5.22	74.68
Effective and Efficient	6.17	88.14	6.45	92.21	6.14	87.76	5.95	85.06
Accountability	6.46	91.71	6.58	93.07	6.40	92.35	6.29	88.74

University Performance (Z) is measured using four dimensions and respondents' responses to the performance of all PTNs with an average score of 5.28 on a scale of 1-7.

Thus, state universities have good performance in managing activities in the academic and non-academic fields. The average score of PTN BH was 5.87 and PTN BLU was 5.34, which was higher than the average score for all PTNs, while the average score for PTN Satker was 4.71 which was lower than the average score for all PTNs. Overall, the highest average value of the customer perspective dimension is 5.40 and the lowest value of the internal process perspective dimension is 5.12, thus in the implementation of university management it produces very good performance on the customer aspect. The average score of PTN BH's customer perspective dimensions is higher than the average score of all PTNs with a value of 5.87, while the average score of PTN BLU and PTN Satker is lower than the average score of customer perspective dimensions of all PTNs with an average value of each 5.38 and 4.96 respectively. Furthermore, the average value of the dimensions of the university performance variable is explained as follows:

Table 4. Descriptive Statistics of Performance Dimensions

Dimensions	All PTN		PTN BH		PTN BLU		PTN Satker	
	Mean	% Score	Mean	% Score	Mean	% Score	Mean	% Score
Financial Perspective	5.29	75.55	5.26	74.58	5.46	77.26	5.11	72.17
Customer Perspective	5.40	77.14	5.87	83.98	5.38	76.87	4.96	71.00
Internal Process Perspective	5.12	73.14	6.16	88.05	5.20	72.76	4.29	59.22
Learning and Growth Perspective	5.36	76.52	6.22	88.96	5.35	76.45	4.49	64.29

Discriminant validity, convergent validity, and reliability composite are the three measurement components utilized in outer model analysis. Cross loading is used to calculate discriminant validity, and the measurement is declared valid if the result of the item loading value in the variable is greater than the results of other variables. Using convergent validity to test the value of construct validity. Focalized legitimacy measures are recognized by factor stacking. A instrument is considered valid if its loading factor is greater than 0.7. Each item's test results must be greater than 0.7 to be considered valid for measuring the construct. The criterion for evaluating composite reliability, Cronbach's alpha, and discriminant reliability (AVE, CA, and CR) are if the discriminant reliability (AVE) is greater than 0.5, Cronbach's alpha is greater than 0.6, and the composite reliability is greater than 0.7, the construct is thought to be trustworthy. When measuring latent variables, all items can be regarded as reliable based on the reliability test findings showing that all latent constructs meet the reliability criteria.

The procedure of evaluating the Goodness of Fit in SEM-PLS involves testing the internal model, or it can be known as determining the capacity of exogenous variables that can affect variable factors other, like variable endogenous.

In the PLS analysis, the predictive relevance of Q-Square is used to build the Goodness of Fit model. According to calculations, Q² has a value of 0.923, or 92.3 percent. This means that the selection of strategic priorities, the establishment of effective university governance and the university's performance all contributed 92.3 percent, while other variables that were not discussed in this study contributed 7.7 percent. The importance of the direct and indirect effects that exogenous variables have on endogenous variables will next be assessed in order to test the hypothesis. The significance of the hypothesis is assessed using SEM-PLS by comparing the T-statistic and T-table values. Hypothesis research data processing is the next step by comparing the reference values of T-statistics and T-table. Two-sided speculation has a 95% certainty level > 1.96, or 5%, 0.05. The stages for conducting a specific hypothesis test are as follows:

Table 5. Summary of Hypothesis Assessment

Hyp	Direct effect	Original Sample	Sample Mean	ST DEV	T Stats	P Value	Ha
H1	Choice of strategic priorities → Implementation of good univ gov	0.782	0.799	0.042	18.797	0.000	Accepted
H2	Implementation of good univ gov → University performance	0.264	0.281	0.130	2.030	0.043	Accepted
H3	Choice of strategic priorities → University performance Indirect effect (Mediation)	0.777	0.795	0.063	12.251	0.000	Accepted
H4	Choice of strategic priorities → Implementation of good univ gov → University performance	0.206	0.225	0.105	1.957	0.051	Rejected

Results Discussion

H1: Selection of Strategic Priorities Has A Good Influence on the Implementation of Government Universities

Table 5 displays the findings of testing the hypothesis that the selection of strategic priorities has a considerable and favorable effect on how well good university governance is implemented, the original sample value is 0.782 and is supported by a Tcount value of $18,797 > 1.96$ and a P Value significance of $0.000 < 0.05$. The magnitude of the effect of the choice of strategic priorities on the implementation of good university governance is 0.782. This shows that the better the choice of strategic priorities in PTN, the better the implementation of good university governance and vice versa. Strategic choice is a decision obtained through a strategic decision-making process that combines prescriptive and descriptive approaches (Glueck & Jauch, 1998). According to Socea (2012) the strategic decision-making process needs the right information to be useful before, during, and after making a decision. The information in question is pertinent and useful for management decision-making (Mulyani, 2016). In contrast, the strategic choice perspective focuses on the leadership roles that universities play in shaping external and internal conditions and procedures (Miles & Snow, 1978; Child, 1997).

The findings of this research support the contingency theory (Donaldson, 2001) the task environment conditions have an impact on how well university governance is implemented. One strategy to establish strong university governance is to manage the execution of each institution's selected strategic objective. This implementation is stated in Government Regulation Number 60 of 2008, which includes the scale from the central region to the district/city level. Implementation of this government regulation, the Supreme Audit Agency (BPK) still finds problems with internal control system weaknesses in PTNs as many as three problems regarding weaknesses in the accounting and reporting systems occurring in four PTNs (IHPS semester 1 of 2022).

Basic priorities in a good tertiary strategy approach, referring to the strategic direction of the Minister of Education and Culture Number 22 of 2020. Based on this regulation it is stated that the Strategic Plan is a guide in preparing strategic plans for echelon 1, II, PTN and UPT units. All PTNs prepare and implement strategic plans, work plans, budget work plans, control the implementation of programs, activities and budgets, and administer government agency performance accountability systems. However, the implementation of the strategic plan was assessed by respondents as there were still weaknesses in 9 PTNs, consisting of 1 work unit Legal Entity PTN, 5 work units of BLU PTN and 3 work units of PTN Satker. Governance Maintenance is based on legal references to Government Regulation Number 4 of 2014. Based on these regulations, it is stated that university governance consists of policy makers, academic implementers, supervisors and quality assurance, academic support or learning resources and administrative or administrative implementers. Thus, the PTN Satker organization consists of a Senate, University Leaders and an internal supervisory unit, and the PTN Legal Entity organization consists of trustees' boards, university leaders and academic senates. The implementation of government regulation number 4 of 2014 regarding good university governance, according to respondents, is very good on the principle of accountability, while the principle of participation needs to be encouraged and improved.

The dimensions of the cost leadership strategy are considered very good, this is indicated by the approval of the single tuition fee (UKT) which is lower than the single tuition fee (BKT) and the contribution rates for private tertiary education development. PTN leaders have also succeeded in streamlining the cost of providing education by controlling costs according to the budget plan set to achieve quality tertiary education. Review of minimizing the financing of a campus, it is stated that it is implemented well with the results of an evaluation of the effectiveness of the arrangement by prioritizing completeness. The conditions for implementing cost leadership are in line with Porter

(1991) that the cost leadership strategy focuses on efforts to minimize costs to obtain products or services at the lowest prices. PTN Legal Entity contributes to creating competitive advantage by implementing a differentiation strategy in the form of innovation in operations and continuous improvement. Innovations in operations in the form of increased education, research and community service include increasing the number of publications of research scientific papers in reputable international journals and research innovation activities commercialized in collaboration with the business world.

H2: The Application of Good University Governance Has a Good Impact on the Implementation of Sustainable Performance

The results of testing the hypothesis of the implementation of Good University Governance on university performance have a positive and significant effect shown in the table 5, the original sample value is 0.264 and is supported by a Tcount value of 2.030 > 1.96 and a significant P Value of 0.043 < 0.05. The results of this study prove that the better the implementation of Good University Governance, the better the university's performance. The results of this investigation are in line with earlier research (Aghion et al., 2010) Good University Governance affects research results, based on international university research rankings and patents. Furthermore, Sedláček (2017) puts forward the principle of autonomy, independence of campus authority, can contribute to increasing the contribution of academic research results independently and superiorly.

Overall (all PTN clusters) tertiary institutions have succeeded in implementing good university governance, dimensions of accountability in the academic and non-academic fields that meet national university standards and accountability annual reports published to the public in a transparent manner, demonstrating the accountability of tertiary institutions to the government and society. In general, all ASEAN countries publish government financial reports, and have unique accounting standards (Sukmadilaga, Pratama, & Mulyani, 2015). However, International Public Sector Accounting Standards (IPSAS) have been created by the International Public Sector Accounting Standards Board (IFAC) as a global reference for government accounting standards (IPSASB). Implementation of financial accountability at PTN Satker and PTN BLU is carried out by compiling financial accountability reports in the form of budget realization reports, reports on changes to SAL on a cash basis. PTN Satker and PTN BLU in processing financial data, also includes operational statements of changes in equity, up to the actual treatment of notes to financial reports. PTN Legal Entity prepares financial reports in the form of activity reports, activity reports, financial position reports, cash flow reports, and financial statement notes based on ISAK 35 which regulates Non-Profit Oriented Entities and related PSAK according to Financial Accounting Standards. The PTN Legal Entity financial statements are audited by an Independent Public Accounting Firm. However, improvement efforts still need to be made to improve PTN performance in the implementation of good university governance principles of orientation to consensus in terms of decisions taken by PTN managers are not based on agreement from different interests in tertiary institutions and PTN managers do not involve stakeholders in making decisions regarding policies that needed in the development of a sustainable academic community.

The conception of applying good management of higher education institutions is based on the principle of accountability and efficiency by taking into account certain contexts or conditions in achieving university performance strengthens the premise of management accounting contingency theory. Otley (2016) because management accounting systems are acceptable only in specific situations or settings, whereas there is no universal accounting system that is always good for all contexts or conditions.

PTN Legal Entities have succeeded in excelling in implementing good university governance above the average score of all PTNs, especially the dimensions of

accountability in terms of management of education in the academic and non-academic fields in accordance with national university standards and accountability annual reports that are published to the public in a transparent manner demonstrating the accountability of PTN Legal entity to society and government. Efforts to improve need to be made by the leadership of PTN Legal Entities in the dimension of orientation to consensus, especially services to stakeholders by improving internal processes in mediating different interests as well as broad and long-term perspectives in the development of the academic community. The development referred to in the actual context of today's needs, namely the development of the academic community to speak English, as a means of communication between speakers of the wide world of education (Irawan, Puspaningtyas, Castellano, & Yanto, 2022). The notion of involvement in excellent university governance needs to be promoted by the government to PTN BLU, especially the participation of representatives who are given the opportunity to participate in decision-making so that the decisions taken are the result of several alternative choices. The government needs to encourage PTN Satker on the principle of upholding the rule of law by enforcing applicable laws and regulations.

H3: Choice of Strategic Priorities Has a Positive Effect on University Performance

The results of testing the choice of strategic priorities on university performance have a positive and significant effect as shown in table 5. The original sample value is 0.777 and is supported by a Tcount value of 12.251 > 1.96 and a significance Pvalue of 0.000 < 0.05. The results of this study prove that the better the choice of strategic priorities, the better the performance of public universities will be. The effect of the choice of strategic priorities on university performance is consistent with the findings of research conducted by Verbeeten & Boons (2009) strategic priorities are frequently related with the use of non-financial success indicators.

This condition strengthens the contingency theory of Otley (2016) that the management accounting contingency theory demonstrates an effort to identify the best potential control system for a certain set of circumstances that are present in the organization. One of the efforts to improve the performance of state universities is by implementing a choice of strategic priorities at each PTN. This is supported by the issuance of Indonesian Presidential Decree No. 29 of 2014 relating to government agency performance accountability systems (SAKIP) and the implementation of SAKIP involves performance data management, performance reporting, performance evaluation, performance review, and strategic planning. These regulations are strengthened by local regulation instructions in a substantial internal supervision scheme control system that is most likely for number of issues that higher education institutions face (Tampemawa, 2022).

Aspects of higher education indicators and services, based on legal regulations Decree of the Minister of Education and Culture 3/M/2021. According to the ministerial decree, key performance indicators are necessary to foster synergy and raise the standard of how government agencies apply the performance accountability system in order to support the Ministry of Education and Culture's achievement of result-oriented governance. Eight key performance indicators have been identified: graduates finding decent employment, students gaining experience outside of the classroom, lecturers engaging in activities off campus, the presence of teaching professionals on campus, developing innovative work of educators by the community, developing scientific aspects of study programs with world partners collaboratively by referring to and oriented to international standards.

Based on the evaluation's findings using the eight key performance indicators (IKU), 10 PTNs won awards for their performance in fulfilling the eight KPIs as follows: PTNBH League: University of Indonesia; Sebelas Maret University, PTNBLU League: Surabaya State University, Yogyakarta State University, Padang State University, Brawijaya University, PTN League Satker: Jakarta Veterans National Development University, Manado State University, Singaperbangsa Karawang University and PTN League Satker:

Art, Indonesian Art Institute, Denpasar. The findings of this investigation suggest that the performance of state universities as a whole is considered good in the perspective of customer satisfaction (students, parents and the community) including innovative learning improvisation, service quality assurance and graduate size through company assessments or social surveys. However, the internal process perspective needs to be encouraged to increase in terms of learning transfer and curriculum excellence. Legal Entity PTNs and BLU PTNs are considered very good, however Legal Entity PTNs need to improve their financial perspective by increasing income generating and BLU PTNs need to improve their internal process perspective. PTN Satker is considered good, but needs to improve the customer perspective. The autonomy in the academic and non-academic fields given to PTN Legal Entities gives a signal to independently determine the strategy it chooses so that performance is better than PTN Satker and PTN BLU.

H4: Selection of Priorities Based on a Strategic Management Approach Has a Positive Effect on University Performance Through Good University Governance

The findings of a study on how strategic priorities affect university performance when Good University Governance is implemented show that there is no positive effect as shown in Table 5. The original sample value is 0.206 and is supported by a Tcount value of 1.957 < 1.96 and a significance Pvalue of 0.051 > 0.05, while the direct relationship between choice of strategic priorities and university performance has a positive effect and significant, meaning that the university performance is directly affected by priority choices and positively supported indirectly by the implementation of good university governance (original sample 0.206 > 0). The endogenous variable of the implementation of Good University Governance is affected by the exogenous variable of choice of strategic priorities 60.3% and is affected by other variables 39.7%, while the magnitude of the effect on the endogenous variable of university performance is 61.5% and is affected by other variables by 38.5%. Taken together, these variables have a strong effect on the performance of state universities.

The findings of this study are consistent with previous research by Muktiyanto, Rossieta, and Hermawan (2014) The role of marginal mediation in Indonesian universities suggests that the function of strategic choice has not been optimized to improve performance. To achieve higher performance, the university's function still rests on the implementation of the Good University Governance principles. This problem will support height the increasing need for absorption of human resource management through information and communication technology, in higher education in Indonesia (Rusminingsih, Harnani, & Damayanti, 2022).

The choice of strategic priorities is realized in the form of the involvement of university leaders to decide on academic and non-academic implementation strategies in realizing good university governance and monitoring/evaluating the implementation of academic and non-academic activities or programs whether they are going according to the strategy set in achieving the performance of state universities. As a whole PTN, The good university governance accountability principle is regarded as being superior, thus supporting the achievement of the performance of state universities is considered good. The principle of orientation to consensus, the principle of participation and upholding the rule of law good university governance respectively at PTN Legal Entities, PTN BLU and PTN Working Units which are considered to be still weak in supporting the achievement of the performance of state tertiary institutions, so it is necessary to encourage improvement through monitoring and evaluation of all activities and programs implemented to support better university performance.

Conclusion and Recommendations

The selection of strategic priorities influences the implementation of good university governance. The findings of this study demonstrate empirically that the better the strategic priorities chosen, the better the implementation of good university governance. To realize good university governance, the government provides guidelines in the form of internal control system regulations, guidelines for preparing strategic plans and implementing university and university management which regulates university governance. State Universities develop choice of strategic priorities based on these government guidelines and implement strategic plans using the selected priority strategy. Overall, PTN chose to implement a cost leadership strategy, only PTN Legal Entities implemented a differentiation strategy and the importance of good university governance principles at PTN Legal Entities was higher than the average PTN score as a whole.

The implication of this research is that government regulations which serve as guidelines for all PTNs have resulted in PTNs implementing the choice of strategic priorities of cost leadership and good university governance considered very good. The choice of strategic priorities has a positive impact on tertiary institution performance, empirically proving that in order to realize quality and competitive university performance, the government has provided guidelines in the form of government agency performance accountability system rules and key tertiary performance indicators to be implemented by all PTNs. The implementation of these government regulations with a cost leadership strategy by all PTNs has resulted in tertiary institutions' performance both in the perspective of customer satisfaction (students, parents, community) including the implementation of education, research, and community service (Tridharma PT), but still needs improvement in the internal process perspective. The performance of PTN Legal Entities and PTN BLU is considered very good as a quality and competitive tertiary institution, but PTN Legal Entities still needs to improve its financial perspective by increasing income generating and PTN BLU still needs to improve its internal process perspective.

The improvement of university performance results from the adoption of good university governance, empirically proving that in order to achieve quality and competitive university performance, the government has regulated by issuing regulations regarding the internal control system by the government. The implementation of these government regulations with the principle of good university governance accountability has resulted in the overall performance of PTN universities being considered good from a financial perspective. The performance of PTN BLU is considered very good from a financial perspective, but PTN Legal Entities and PTN Working Units need to be encouraged to increase the availability of funds. In the case of financial reports there are differences in the standards used by PTN BLU and PTN Satker using Government Accounting Standards (Government Regulation Number 71 of 2010) and are accounting units while PTN Legal Entities use Financial Accounting Standards and are reporting units. The impact of strategic priorities on university performance as a result of Good University Governance implementation reveals a lack of support for university performance. As a result, PTN as a whole works to uphold the ideal of responsible university governance with regard to the nation and its people. Universities with state status are said to have obtained accreditation for good and quality autonomous governance, by prioritizing aspects of competitiveness standards in a superior and consistent manner

Efforts to realize an increase in good university governance and university performance to the level of very good predicate can be carried out through transformation from implementing a cost leadership strategy towards implementing a differentiation strategy or implementing a competitive focus strategy by changing PTN status in stages and increasing the intensity of controlling or supervising the management of state universities. This research needs to be developed by subsequent researchers to better explain the phenomena and problems that occur by expanding the unit of analysis for the number of PTNs and private universities (PTS).

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