

Financial Strategies of State Universities in Transition to Public Service Agencies: A Case Study of Universitas Bangka Belitung

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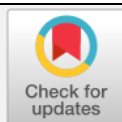
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ABSTRACT

In response to the challenges of globalization and the need to increase financial flexibility, many state universities (PTN) in Indonesia have chosen to transition to becoming public service agencies (BLU). This step is expected to provide greater autonomy in financial and resource management while increasing the competitiveness of institutions. This study aims to analyze PTN's financial management strategy for transitioning to BLU status using a case study at Universitas Bangka Belitung (UBB). The research approach used is qualitative descriptive with the SWOT analysis method to evaluate internal and external factors influencing the transition process. Data were collected through in-depth interviews, documentation studies, and observations of financial policies and practices at UBB. The research results revealed that the transition to BLU offers significant flexibility in financial management, allowing UBB to be more independent in using non-tax state revenue (PNBP). This directly contributes to improving operational efficiency and institutional competitiveness. However, several major challenges must be addressed, such as limited infrastructure, lack of highly qualified teaching staff, and competition with other state universities with BLU or PTN-BH status. This study also found that the greatest opportunities for Universitas Bangka Belitung (UBB) lie in optimizing assets and expanding industrial cooperation, primarily through the Kampus Merdeka program. In conclusion, UBB can leverage its BLU status to enhance the institution's competitiveness by implementing

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more flexible financial management, but it requires a clear strategy to tackle internal challenges. Recommendations include increasing the teaching staff's capacity, optimizing assets, and developing strategic partnerships with industry.

Keywords: *Asset Optimization; Competitiveness; Financial Management; Public Service Agency; State Universities; SWOT*

1. Introduction

Higher education in Indonesia is in a critical phase of facing the challenges of globalization, and improving the quality of research and scientific publications is one of the key indicators for increasing universities' competitiveness at the international level. Despite progress in educational accessibility, universities in Indonesia still lag in research quality and scientific publications compared to neighboring countries such as Singapore and Malaysia. Research shows that research resources and university management limitations are major barriers to efforts to improve international competitiveness (Kusumadewi & Cahyadi, 2013; Moeliodihardjo et al., 2012). This weakness is one of the reasons why universities in Indonesia still find it difficult to penetrate the top rankings of world universities.

To address these challenges, the Indonesian government has launched an education reform program, one of which is the Kampus Merdeka program, which aims to increase the relevance of higher education to the needs of the global labor market and strengthen the capacity of universities to conduct industry-oriented research (OECD/Asian Development Bank, 2015). This program gives universities more flexibility in designing curricula tailored to the workforce's needs. It is also expected to positively impact university collaboration with the industrial sector in improving the quality of research and scientific publications (Moeliodihardjo et al., 2012). Therefore, increasing universities' competitiveness is seen from the educational aspect and their ability to produce relevant and quality research.

Although the Kampus Merdeka program offers excellent opportunities, the main challenge faced by state universities (PTN) in Indonesia is financial management limitations. Most PTNs are highly dependent on funding from the central government, which limits their flexibility to innovate, both academically and operationally. These limitations affect the university's ability to manage resources effectively, including optimizing non-tax state revenue (PNBP) to support the development of academic and research programs.

As a solution to this problem, the Indonesian government introduced several financial management models for PTN, namely PTN Legal Entity (PTNBH), PTN Public Service Agency (BLU), and PTN Work Unit (Satker) (Kawulur et al., 2023). The PTNBH model provides full autonomy to universities in managing their assets and finances. In contrast, the BLU model offers flexibility in managing PNBP, allowing universities to be more independent in managing their finances. PTN Satker, on the other hand, is still under full government control regarding funding and administration, thus limiting its room for innovation (Kawulur et al., 2023; Moeliodihardjo et al., 2012).

However, the transition of PTN from Satker status to BLU is also not without challenges. One of the main challenges is balancing between financial autonomy and public accountability. Universities transitioning to BLU status are expected to manage their revenues independently, but at the same time, they must remain compliant with strict government regulations governing

administrative structures and funding mechanisms (Kawulur et al., 2023; Logli, 2015). This creates tension between the need for increased financial independence and operational flexibility, as well as the control and regulation imposed by the state.

Universities that switch to BLU status in Indonesia are expected to develop more innovative financial strategies, such as optimizing asset management and increasing revenue. This is important to improve financial sustainability and operational efficiency and ensure universities can manage their resources effectively. Establishing a new governance structure is also crucial to ensure accountability and transparency in financial management, ultimately needed to meet public expectations (Firizq et al., 2019; Mardiasmo, 2002).

The challenges faced by PTN in Indonesia in the transition to BLU status include not only financial aspects but also how universities can balance public accountability and operational autonomy. This transition process requires significant efforts in redesigning institutional management to ensure greater flexibility and the ability to respond to changing market and community needs (Alifa, 2023; Kawulur et al., 2023).

Improving the quality of public services, including higher education, is one of the main goals of Indonesian public sector reform. To achieve this goal, the government introduced the Public Service Agency (BLU) model as an innovative approach to managing the finances of public institutions, including state universities (PTN). The BLU policy was officially implemented in 2005 through Government Regulation No. 23 of 2005 concerning Financial Management of Public Service Agencies, as a follow-up to Law No. 1 of 2004 concerning State Treasury. The main objective of BLU is to provide greater financial autonomy to PTN, allowing them to manage their budgets flexibly while prioritizing the principles of accountability and transparency.

The implementation of BLU in PTN can be explained through the New Public Management (NPM) Theory framework, which promotes public sector reform by adopting more efficient, results-oriented, and performance-focused business management practices (Hood, 1991). NPM emphasizes the decentralization of authority and increased accountability through implementing performance-based management, which is relevant to managing PTN as BLU. This approach allows institutions to operate with greater flexibility in resource management, improve service effectiveness, and maximize the achievement of higher education goals (Pollitt & Bouckaert, 2011).

In addition, BLU policies can also be understood through institutional theory, which highlights how institutions are influenced by regulations, norms, and expectations from their environment (DiMaggio & Powell, 2000). PTN with BLU status is expected to be able to meet accountability and good governance standards, responding to demands from the community and other stakeholders. Studies show that state universities (PTN) that adopt the public service agency (BLU) model tend to experience improvements in financial performance and management efficiency. Flexibility in financial management, one of the BLU model's advantages, allows PTN to allocate non-tax state revenue (PNBP) more effectively to support improvements in the quality of education and research services. This model also reduces PTN's dependence on the government budget, giving them more room to innovate in governance and public services (Alifa, 2023; Satria et al., 2022; Sulaeman & Sofi, 2022).

With the flexibility offered, BLU allows PTN to manage finances, which is unavailable to non-BLU institutions. For example, PTN-BLU can directly use income from educational services or research for operational needs without waiting for APBN funds. This allows for faster and more efficient management.

Agency theory is also important in understanding the relationship dynamics between the government (principal) and PTN (agent) within the BLU framework. This theory emphasizes the importance of control and incentive mechanisms to ensure that PTN as an agent works following the goals expected by the government as the principal (Jensen & Meckling, 2003). With BLU status, PTN is incentivized to improve performance through more flexible and independent financial management, but it remains under strict supervision and performance evaluation.

Empirical research supports the benefits of implementing BLU in increasing public institutions' autonomy and responsiveness. Studies show that state universities (PTN) that adopt public service agency (BLU) status tend to be more capable of developing alternative sources of income, such as industrial collaboration and research commercialization. PTN-BLU is given more flexibility in managing non-tax state revenue (PNBP) and has a greater capacity to collaborate with the private sector. Such collaborations increase innovation and expand universities' contributions to the national economy (Juliani, 2018).

Research shows that the collaboration model between universities and industry can facilitate more effective technology transfer, accelerate the commercialization of innovations, and create new opportunities to increase institutional revenues (Cheslock & Gianneschi, 2008). This allows PTN-BLU to become more financially independent compared to non-PTN-BLU, which often have limited resources and scope of collaboration. This demonstrates that BLU enables PTN to become more financially independent and expands its contribution to the national economy and innovation.

Previous research has extensively discussed the transition of state universities (PTN) from work units (Satker) to public service agencies (BLU). Rinaldy and Chariri also showed that the motivation for the status change was mainly related to efforts to increase flexibility in financial management (Rinaldy & Chariri, 2009). However, most of these studies discuss more aspects of post-transition institutional assistance without providing an in-depth picture of the challenges faced by PTN during the transition process.

Institutional readiness in maximizing resources as a BLU is very important, but the main focus of this study is more on the stage after the transition has been successfully implemented. Only a few studies have examined the specific challenges in the early stages of the transition, particularly in the context of PTN located in areas with limited infrastructure and human resources, such as Universitas Bangka Belitung (UBB).

The study fills the existing research gap by highlighting the early transition process of UBB to BLU status. This study will provide a deeper understanding of the internal and external challenges faced by UBB, including infrastructure constraints and human resource limitations, and how universities can leverage BLU status to improve competitiveness and operational efficiency. This study is expected to provide practical contributions in formulating policies and strategies for universities in the early stages of transition to BLU.

2. Theoretical Framework

2.1. New Public Management (NPM) Theory

New Public Management (NPM) is a public management theory that emphasizes applying private-sector managerial practices to improve efficiency, effectiveness, and accountability in the public sector (Hood, 1991). In the context of PTN-BLU, NPM encourages decentralization of authority and performance-based management, enabling PTN to be more independent in managing finances. According to Christensen and Lægreid, the NPM principles applied in PTN-BLU provide greater flexibility in resource management and increase the ability to

overcome bureaucratic obstacles (Christensen & Læg Reid, 2007). Research shows that state universities (PTN) that adopt public service agency (BLU) status tend to achieve better resource and operational management efficiency. BLU status increases budget management flexibility, allowing PTN to optimize resource use and increase performance productivity (Alifa, 2023). PTN BLU has unique characteristics that support efficiency in financial and operational management, with improving the quality of higher education services as one of the concrete results of this policy (Sulaeman & Sofi, 2022).

2.2. Institutional Theory

Institutional Theory, proposed by DiMaggio and Powell, highlights that organizations must adapt to external norms, regulations, and expectations to maintain their legitimacy and survival (DiMaggio & Powell, 2000). In the context of PTN-BLU, regulatory pressure and public expectations are very high, especially regarding transparency and accountability in using funds. In addition, research also shows that external pressure from the government or stakeholders can encourage PTN-BLU to adopt sustainability programs. However, implementing this strategy must be evaluated carefully because its impact on financial or operational performance is not always positive. Management must weigh the benefits and costs of each program adopted, considering that significant external challenges may have a greater impact on environmental outcomes than on overall institutional performance (Rodríguez Bolívar et al., 2013).

2.3. Agency Theory

Agency Theory (Jensen & Meckling, 2003) examines the relationship between the principal (government) and the agent (PTN), with a focus on the incentives and oversight needed to ensure that the agent acts in the principal's best interests. In the context of PTN-BLU, there is a challenge in maintaining a balance between the autonomy given to PTN to manage its finances and the government's need to ensure accountability. PTN-BLU frequently struggles to balance budget management flexibility with strict government regulations. In this case, strict supervision from the government is needed to ensure that budget management remains following regulations, especially in optimizing non-tax state revenue (PNBP). This challenge can potentially affect the financial and operational performance of institutions, thus requiring proper management to achieve efficiency without violating government regulations (Alifa, 2023). Other studies also show that higher education institutions must navigate regulations carefully while maintaining operational and financial efficiency under government pressure. Effective management ensures institutions can operate optimally without violating regulations, especially in global competition (Harvey & Green, 1993; Sarrico, 2010).

2.4. Organizational Diagnosis

Organizational diagnosis is a comprehensive evaluation process important in measuring an institution's internal readiness to face major changes, such as the transition to Public Service Agency (BLU) status. According to the Burke and Litwin model, organizational diagnosis includes assessing factors such as leadership, organizational culture, structure, and strategy (W. W. Burke & Litwin, 1992). To ensure a successful and sustainable transition, the readiness of human resources, infrastructure, and management systems must be evaluated in the context of PTN-BLU.

French et al.'s research highlights the significance of analyzing organizational readiness during structural changes in educational institutions. They concluded that strong leadership

and effective change management play a major role in the success of adaptation to a new structure (French et al., 2020). In the case of PTN-BLU, institutions must have flexibility in budget governance but still adhere to strict government regulations, especially in managing non-tax state revenue (PNBP). This can affect the performance of institutions, so a clear strategy is needed to ensure that they can utilize autonomy properly without violating applicable regulations.

Research by Armenakis et al. highlighted that organizational readiness to make improvements depends on the capacity to adapt to changes in policies and the environment. They emphasized that organizations with effective communication, employee participation, and support from management are better prepared to face change (Armenakis et al., 1993). In this case, readiness evaluation is critical to ensuring that PTN-BLU can face external challenges and pressures while maintaining operational efficiency and effectiveness.

2.5. SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, Threats) is a well-known and widely used strategic analysis tool. This tool was introduced in the 1960s by Albert Humphrey in a research project at the Stanford Research Institute aimed to identify why corporate planning failed (Gürel & Tat, 2017). Until now, SWOT has been a simple but effective tool to help organizations evaluate their position and formulate appropriate strategies by considering internal strengths, weaknesses, opportunities, and threats from the external environment (Helms & Nixon, 2010). SWOT is becoming increasingly popular in strategic management, not only in the private sector but also in the public and educational sectors, due to its simplicity and ability to adapt to various organizations and contexts (Pickton & Wright, 1998).

The use of SWOT in the public sector, particularly in higher education institutions, has increased rapidly in recent decades. In this sector, SWOT analysis is used to help educational institutions understand the challenges and opportunities that arise in a changing environment, such as increasing accountability demands, policy changes, and the need for academic innovation (Helms & Nixon, 2010). For example, state universities with the status of public service agencies (PTN-BLU) can use SWOT analysis to formulate more flexible financial management strategies and increase institutional competitiveness amidst the challenges of bureaucracy and strict government regulations (Rangkuti, 2006).

A study of PTN-BLU shows that SWOT analysis can help institutions identify strengths, such as autonomy in financial management and weaknesses, such as infrastructure limitations. Bryan highlights the importance of utilizing SWOT as a strategic tool. He argues that universities that shift to an autonomous model can better capitalize on opportunities from the external sector while also addressing threats from uncertain policy changes (Bryson, 2018).

Although SWOT has many advantages, this tool is not without criticism. One of the main weaknesses of SWOT analysis is its descriptive and static nature. SWOT provides a picture of the organization's condition at a certain point in time but is often unable to provide clear and measurable strategic action recommendations (Pickton & Wright, 1998). This is because SWOT only identifies the factors that affect the organization but does not provide a way to prioritize or manage these factors. Some experts also argue that SWOT relies too much on the subjectivity of its compilers, making it susceptible to bias and errors in identifying strengths, weaknesses, opportunities, and threats (Hill & Westbrook, 1997).

Although SWOT is an effective tool for analyzing an organization's strengths, weaknesses, opportunities, and threats, several studies have shown that this tool can be further optimized when combined with other methods, especially in responding to dynamic changes in the

external environment. In higher education, universities often face rapid and unpredictable policy changes. In certain contexts, additional tools such as PESTLE analysis or Balanced Scorecard can provide a deeper and more comprehensive perspective on external factors that influence organizational strategy (Kaplan & Norton, 2001). However, in this study, SWOT remains relevant as an effective basic framework for understanding the internal and external conditions of PTN-BLU, especially in mapping potential strategies that institutions facing existing challenges can take.

In the Public Service Agency State Universities (PTN-BLU) context, SWOT analysis has been widely applied to help these institutions transition to a more autonomous management model. Several studies have shown that SWOT analysis provides a useful framework for understanding the internal and external conditions faced by PTN-BLU. For example, Rangkuti shows that PTN-BLU, which successfully identifies its internal strengths, such as flexibility in budget management, can improve operational efficiency. Meanwhile, weaknesses such as limited infrastructure and human resources remain major challenges that must be overcome (Rangkuti, 2006).

Using SWOT in PTN-BLU helps these institutions be more responsive to changes in government policy and competition dynamics in the higher education sector. Through SWOT analysis, PTN-BLU can develop more measurable strategies for utilizing opportunities such as partnerships with industry while reducing the negative impacts of external threats such as regulatory uncertainty. In this case, SWOT is an effective tool for formulating responsive and adaptive strategies. However, it is recommended to be complemented with other analysis tools to strengthen the basis of strategic planning.

3. Research Methodology

3.1. Research Design

This study uses a qualitative descriptive approach (Creswell, 2014). This design was chosen to explore in depth the phenomenon of the transition of state universities (PTN) to public service agencies (BLU) with a case study of Bangka Belitung University (UBB). During the transition process, the qualitative approach aims to understand the social context, policies, and managerial challenges associated with financial management at UBB. This design is important because it allows for a detailed exploration of the perspectives of stakeholders directly involved in the process.

3.2. Data Source

The data sources in this study consist of primary data and secondary data. Primary data were collected through in-depth interviews with key informants directly involved in the management and decision-making related to the transition of UBB to BLU. Informants were selected using a purposive sampling method, where the informant criteria included university leaders involved in strategic planning (such as the Chancellor and Vice-Chancellor), educators holding structural positions, and students who experienced the direct impact of the change in university status. Informants are selected based on their role and relevance to the research topic.

Secondary data were obtained from official university documents, including the University Strategic Plan (Renstra), Annual Work Plan (RKT), financial reports, status change documents, and references from related literature, such as scientific journals and books. Studying these documents is important to understand the university's financial policies and strategies for changing BLU status.

3.3. Data Collection Procedure

Data collection was conducted through in-depth interviews using a semi-structured interview guide, which provided flexibility to explore topics that emerged during the interview. Each interview lasts 30-60 minutes and is conducted face-to-face. Interviews were conducted with university leaders, educators, and students to identify the challenges, opportunities, and impacts of the transition to BLU.

In addition, observations were conducted to understand the implementation of BLU policies at UBB, especially regarding financial and administrative management. Secondary data collected from official university documents were analyzed in depth to support the data obtained from interviews and observations.

3.4. Data Analysis Techniques

Data analysis was conducted using SWOT analysis to evaluate internal and external factors that influence the transition process of UBB to BLU. In this analysis, strengths and weaknesses were identified based on the internal conditions of the university, such as human resource management, finance, and infrastructure. In contrast, opportunities and threats were identified based on external dynamics, such as changes in government policy and potential cooperation with industry.

The stages of a SWOT analysis include:

- **Data Reduction**
Data obtained from interviews and observations were simplified and focused on relevant information.
- **Categorization**
The reduced data was categorized into key themes related to the transition to BLU.
- **SWOT Analysis**
Once categorized, the data is entered into a SWOT matrix to evaluate the strengths, weaknesses, opportunities, and threats. This matrix assists in formulating relevant financial strategies for UBB to improve competitiveness and operational efficiency.

3.5. Data Validity

To ensure the validity of the data, this study uses source triangulation techniques, where data obtained from interviews are confirmed with data from documents and field observations. In addition, member checking is carried out, where the interview results are reconfirmed to the informant to ensure that the researcher's interpretation follows the informant's views and experiences. This technique helps to increase the trustworthiness and reliability of the data obtained during the research.

4. Results

4.1. Description of Research Object

Bangka Belitung University (UBB), established on April 12, 2006, is a state university born from the merger of several private educational institutions in the Bangka Belitung Islands Province, such as Politeknik Manufaktur Timah, Sekolah Tinggi Teknik Pahlawan 12, and Sekolah Tinggi Ilmu Pertanian (STIPER) Bangka. The establishment of UBB aims to improve access to higher education in the archipelago region, which has had limitations in terms of quality and accessibility of education.

In 2010, UBB officially became a New State University (PTNB) through Presidential Regulation Number 65, but it still had the status of a Work Unit (Satker) in its financial

management. This status places UBB under strict state financial regulations, where all revenues must be deposited into the state treasury before they can be used. This financial management flexibility limitation is one of UBB's main obstacles to developing facilities, expanding academic programs, and attracting high-quality academic staff.

This study reveals that pantun and proverbs in the Uluan community of South Sumatra are important in conveying environmental messages relevant to preserving local ecosystems. Using the symbolic interactionism approach, pantun and proverbs reflect the community's understanding of ecological balance, where natural symbols such as forests, water, and wildlife become media for communicating human responsibility in protecting nature. These oral traditions serve as entertainment or social advice and educational tools that transmit ecological values from generation to generation. This study emphasizes the importance of revitalizing the traditions of pantun and proverbs, especially in the context of modernization, which increasingly challenges environmental sustainability. These efforts can be undertaken through education and digital media to strengthen the relevance of these environmental messages today.

However, this study has several limitations that should be noted. The scope of the research is limited to the Uluan community in South Sumatra, so the results may not be generalizable to other regions. Additionally, the limited number of informants and reliance on oral sources may affect the comprehensiveness of the data obtained. For future research, it is recommended that the scope of the study be expanded to other areas in Sumatra with similar traditions and that comparative studies be conducted to explore differences in how environmental messages are conveyed in other Malay communities. Further research can also explore how pantun and proverbs can be integrated into digital platforms for broader environmental awareness campaigns, especially for younger generations. Additionally, a quantitative approach can be used to measure the impact of environmental messages in oral traditions on community behavior in protecting the environment.

Table 1. Initial Conditions of Bangka Belitung University (UBB) Before Transitioning to a Public Service Agency (BLU)

Aspect	Initial Conditions Before BLU Transition
Financial Management	Tied to the national budget system (Satker), all revenues must be deposited into the state treasury. Financial flexibility is limited, making responding quickly to campus needs difficult.
Human Resources	The number of highly qualified lecturers is limited, especially for new study programs. Rigid regulations also hamper lecturer recruitment.
Infrastructure	Inadequate infrastructure, including laboratory facilities and lecture rooms that do not meet standards, thus limiting research and teaching capabilities.
Academic Programs	The academic programs available are limited, with minimal room for innovation to develop new programs that meet the demands of industry and the job market.
Competitiveness	UBB's competitiveness is lower than that of other universities with BLU or PTNBH status, especially in research, innovation, and collaboration with industry.

After experiencing significant financial management, human resources, and infrastructure obstacles, UBB's transition to a public service agency (BLU) in 2023 will fundamentally change financial management flexibility. With BLU status, UBB no longer has to deposit all its revenues

into the state treasury, enabling more efficient and responsive financial management for campus needs. This flexibility provides a fantastic opportunity for UBB to increase its competitiveness at the national and international levels, especially through the development of more innovative academic programs, increased cooperation with industry, and improvements to adequate infrastructure and facilities.

However, the challenges faced by UBB are not easy. To fully utilize this BLU status, UBB must overcome various internal obstacles, such as limited human resources and infrastructure, and compete with other universities with BLU or PTNBH status. An appropriate and effective management strategy is needed to ensure this transition is successful and UBB can utilize all the potential BLU status offers.

4.2. SWOT Mapping of Bangka Belitung University (UBB) Before Transition to BLU

4.2.1. Strengths

Universitas Bangka Belitung (UBB), the only state university in the Bangka Belitung Islands Province, has a strategic position at the regional level. Its existence addresses the local community's need for access to quality higher education without leaving their area. Since obtaining the status in 2010, UBB has also developed a favorable reputation as a New State University (PTNB), which provides added value for the university in attracting prospective students from the surrounding area.

In addition to its ever-growing reputation, UBB is supported by a strong commitment from its academic community. Although UBB's teaching staff and staff are still small, they demonstrate a high level of dedication to the university's mission to improve the quality of education and community service. This relatively young and dynamic academic community has the enthusiasm to continue to innovate in the development of academic and research programs.

Geographical factors are also a strength for UBB. Located in an area rich in natural resources, especially in the mining and maritime sectors, UBB has the potential to establish close cooperation with local industries. This position provides excellent opportunities for UBB to develop applied research relevant to local industries' needs and offer academic programs that support regional economic development.

4.2.2. Weaknesses

However, as a still-developing university, UBB faces various challenges that hinder the institution's growth. One of the main weaknesses is the limited infrastructure. Supporting facilities, such as laboratories, lecture buildings, and research facilities, are still inadequate to support more intensive academic and research activities. This condition affects UBB's ability to provide students with a competitive and quality learning environment.

Besides infrastructure limitations, UBB also faces challenges regarding human resources. The number of highly qualified lecturers, especially those with doctoral degrees (S3) and functional positions such as senior lecturers and professors, is still very limited. This impacts UBB's capacity to develop more innovative and relevant study programs and hinders the potential for quality research. Dependence on teaching staff with less than optimal qualifications has limited UBB's competitiveness at the national level.

From a financial perspective, UBB's status as a Work Unit (Satker) under full control of the central government adds to the burden on university management. Before using it again, you must deposit all your income, including student tuition fees, into the state Treasury. This limited flexibility hampers UBB's ability to respond to pressing operational needs, such as

infrastructure development or improving the quality of education services. This leaves UBB trapped in a bureaucratic pattern that slows decision-making, especially regarding budget management.

4.2.3. Opportunities

Despite facing various weaknesses, UBB has several opportunities that can be utilized to accelerate the university's development. Support from local governments and local industries is one of the biggest opportunities. As the only state university in Bangka Belitung, UBB receives full support from the provincial and district governments through strategic partnerships and budget support for developing programs relevant to regional needs. Local industries, particularly in the mining and marine sectors, also offer excellent potential for research collaborations that could enhance UBB's academic relevance and provide opportunities for students to gain practical experience in the field.

Furthermore, government policies to increase higher education autonomy open up opportunities for UBB to be more independent in managing resources and determining development direction. In this context, the opportunity for transition from Satker to BLU is one of the solutions that UBB highly anticipates. BLU status allows UBB to manage PNBP flexibly, providing more room for infrastructure development and academic programs. This opportunity will accelerate the pace of UBB development in terms of budget management and efficiency in education services.

Another significant opportunity is the growing interest of local students in continuing higher education in their region. UBB can use this momentum to increase the number of new students each year. This potential also allows UBB to develop new study programs that align with the needs of the local and national job market, especially in leading sectors such as mining and maritime.

4.2.4. Threats

However, behind these opportunities, UBB is also faced with several threats that could hinder the university's progress. One of the biggest threats is competition with other state universities, especially those that are more established and have BLU or PTNBH status. These universities have greater autonomy in terms of financial and resource management, as well as a stronger reputation at the national level. This makes it difficult for UBB to compete and attract top students and highly qualified lecturers.

Budgetary constraints from the central government are also a significant threat to UBB. As a work unit, UBB is highly dependent on budget allocations from the central government. When the budget allocation is inadequate or unstable, UBB has difficulty implementing infrastructure development programs and improving academic quality. This heavy dependence on central government funds places UBB in a vulnerable position, especially in the face of economic changes or government policies.

Additionally, changes in national education policy create uncertainty for UBB. Inconsistent policies or sudden regulatory changes regarding university funding and autonomy could hamper UBB's long-term plans. For example, government budget cuts or changes in financial management rules can disrupt universities' operational stability and hinder the implementation of planned strategic programs.

Table 2. SWOT Mapping of Bangka Belitung University (UBB) Before Transition to BLU

SWOT Aspects	Factor
Strength	1) Status as the only PTN in Bangka Belitung.
	2) Strong commitment to a productive and innovative academic community.
	3) Strategic location near local industry.
Weakness	1) Limited infrastructure, such as buildings and research facilities.
	2) Lack of highly qualified teaching staff (S3 and Senior Lecturer or Professor positions).
	3) Limited financial flexibility due to Satker's status.
Opportunity	1) Local government support and local industry cooperation.
	2) Potential increase in the number of local students.
	3) Opportunities for national and international collaboration in education and research.
Threat	1) Competition with other more established PTNs, especially those with BLU or PTNBH status.
	2) Uncertainty about government policies regarding funding and autonomy of higher education institutions.
	3) Dependence on the central government budget.

4.3. SWOT Relationship Analysis Results

4.3.1. Strengths and Opportunities (SO)

UBB has internal strengths, especially its status as the only state university in the Bangka Belitung Islands Province and a high commitment from the academic community. These strengths can be leveraged to maximize external opportunities, such as support from local governments and the local industrial sector.

One of UBB's main opportunities is strengthening cooperation with the industrial sector, particularly in the mining and maritime sectors, which are the leading industries in the Bangka Belitung region. The commitment of UBB's academic community and reputation in the local area can be important capital for establishing strategic cooperation with local companies. In addition, UBB can expand international cooperation to increase the relevance of academic programs and the competitiveness of its graduates in the global market. More intensive international relations can encourage student exchange programs and joint research.

4.3.2. Weaknesses and Opportunities (WO)

Although UBB faces several weaknesses, such as a limited number of highly qualified lecturers and inadequate infrastructure, opportunities for international cooperation can be utilized to overcome these weaknesses. Through collaboration with international universities, UBB can bring in qualified guest lecturers, increase teaching capacity, and open opportunities for local lecturers to receive training and develop their skills through advanced study programs.

In addition, funding opportunities from international grants and industry partnerships can help UBB overcome infrastructure limitations. The development of facilities such as modern laboratories and lecture halls can be prioritized by utilizing support from local governments and the private sector.

4.3.3. Strengths and Threats (ST)

UBB can use its internal strengths to face external threats, such as competition with other more established state universities and uncertainty in government policies. As the only PTN in Bangka Belitung, UBB has a good reputation at the local level and is supported by the community and local government.

This reputation can protect UBB from competition with more advanced PTNs, especially in attracting local students. In addition, strong relationships with local governments can help UBB overcome policy uncertainty from the central government, especially regarding funding. This regional support can be a stability factor that allows UBB to continue to grow despite facing challenges at the national level.

4.3.4. Weaknesses and Threats (WT)

Overcoming internal weaknesses while facing external threats is a major challenge for UBB. Infrastructure and human resource limitations are obstacles to increasing UBB's competitiveness, especially when faced with the uncertainty of education policies from the central government. To address this, UBB must develop a funding diversification strategy that includes the private sector and international institutions.

Given the limited resources, UBB can prioritize infrastructure projects directly supporting teaching and research. More efficient fund management can help UBB respond quickly and flexibly to infrastructure needs through BLU status. In the face of policy uncertainty, UBB must rely on risk management to anticipate changes in regulation and funding.

4.4. Identify Strategic Issues

The findings from the SWOT relationship study revealed several significant strategic challenges for UBB, as detailed below:

1) Financial Management

Before the shift to BLU, UBB had limited financial management freedom because it was classified as a Satker (work unit). The shift to BLU allows UBB to improve its financial flexibility by facilitating more independent administration of PNB (non-tax state revenue). However, the critical question is ensuring this liberty is aligned with accountability and openness in financial governance.

2) Infrastructure Development

Deficiencies in infrastructure, like laboratories and research facilities, considerably hinder UBB's efforts to improve academic quality. To improve the quality of teaching and research, UBB must emphasize infrastructure development. This can be achieved by leveraging local and worldwide industry collaborations and government funding resources.

3) Human Resources Development (HRD)

The shortage of highly competent teachers is a significant strategic issue. UBB should focus on human resource development to enhance academic competitiveness by instituting advanced study scholarship programs (S3), recruiting highly qualified professors, and providing ongoing teaching and administrative staff training.

4) Increasing Competitiveness

To improve its competitiveness nationally and internationally, UBB must focus on developing academic programs that meet the needs of local and global enterprises. Collaboration with global research institutions is crucial for augmenting research capability and academic publications, allowing UBB to compete with more established PTNs.

4.5. Strategy Formulation Based on Strategic Issues

Based on the strategic issues identified, the following are strategies that UBB can implement:

1) Enhancing academic and research quality

UBB can develop study programs more oriented towards job market needs, especially in leading sectors such as mining and maritime. In addition, developing research collaborations with international universities can help improve the quality of research and academic publications. Research capacity building can also be strengthened through collaboration with local industries that require innovation and applied research solutions.

2) Strengthening collaboration with industrial sectors and international institutions

Collaboration with local industries can provide UBB with dual benefits, including funding and opportunities for students to gain practical experience in the workplace. On the other hand, UBB should also expand international cooperation through student exchange programs, lecturers, and collaborative research. This will raise UBB's academic profile on a global scale.

3) Improve Efficient Financial Management

With BLU status, UBB can manage funds more flexibly, but it must maintain accountability by implementing a performance-based budget system. Efficient financial management will ensure that every allocation of funds is used to support the achievement of the university's strategic targets, especially in infrastructure development and improving academic quality.

4) Overcoming Government Policy Challenges and Competition with Other PTNs

To face the uncertainty of central government policies, UBB needs to adopt a risk management strategy involving diversifying private and international funding. In addition, a strong local reputation must be utilized to maintain the student market share so that UBB can continue to grow despite facing tight competition with other PTNs.

4.6. Implementation of New Public Management (NPM)

Implementing New Public Management (NPM) at UBB can strengthen the implementation of formulated strategies. NPM emphasizes efficiency, accountability, and results orientation in public sector management. The following are NPM steps that can be implemented in UBB:

1) Performance-Based Financial Management

With BLU status, UBB can implement performance-based budgeting, in which funds are used to achieve specific and measurable results. This will increase transparency and ensure that every resource is used to support achieving the university's strategic goals.

- 2) **Increased Operational Efficiency**
UBB must adopt a result-based management system to improve efficiency across academic and administrative units. Using integrated information technology can help accelerate decision-making and increase the effectiveness of academic and administrative services.
- 3) **Human Resource Development Through Performance Evaluation System**
The Key Performance Indicators (KPI)-based performance evaluation system enables UBB to measure the contribution of each lecturer and staff to achieving the university's strategic targets. With measurable indicators, UBB can identify areas that require improvement, reward lecturers and staff who demonstrate superior performance, and provide training or support for those who need performance improvement.
This performance evaluation also supports a merit-based incentive system, where active lecturers in research, scientific publications, or international collaboration can receive incentives, such as financial awards or support for career development. The implementation of performance-based management follows the principles of NPM, which emphasize achieving clear and measurable results.
- 4) **Increasing Competitiveness through Market-Oriented Academic Programs**
Within the New Public Management (NPM) framework, higher education institutions must be more oriented towards market and industry needs. To increase competitiveness, UBB can develop academic programs that align with local and global labor market demands. Study programs focusing on leading industries in the Bangka Belitung region, such as mining, maritime, and natural resources, must be prioritized.
In addition, expanding the cooperation network with foreign universities will help improve the quality of academic programs and research at UBB. This international cooperation can also provide opportunities for students and lecturers to engage in academic exchanges, which will increase the competitiveness of its graduates at the national and international levels.
- 5) **Information Technology as a Tool for Transparency and Efficiency**
Information technology is a critical component of UBB's NPM implementation. A technology-based academic management system enables student administration, finances, and other academic services to be more efficient and transparent. With technology integration, UBB can provide faster and more effective services and facilitate monitoring and evaluating each unit's performance.
Technology also enables UBB to give students and staff real-time access to academic and administrative information anytime and anywhere. The integrated information system also supports data-based performance monitoring and evaluation processes, enabling the university to make more informed and evidence-based decisions.

5. Discussion

5.1. Internal and External Factors Influencing the Change in Status of UBB to BLU

5.1.1. Internal Factors

In the context of internal factors, this study found three main elements that played a significant role in the UBB transition: social capital, institutional reputation, and commitment to sustainable development.

1) Social Capital as a Key Driver of Transformation

This study revealed that UBB's social capital, which includes close relationships with local government, alumni, and the community, is a major force in facilitating the transition to BLU. Field states that social capital in the context of higher education can strengthen relationships between stakeholders and support institutional change (Field, 2005). Social capital can be invested to achieve institutional benefits, facilitating the transition to a BLU model.

However, this study provides additional insights by showing that social capital helps gain internal support and offers external legitimacy, which is crucial for UBB during the transition process. Rinaldy and Chariri previously showed that reputation and social capital play an important role in strengthening the legitimacy of higher education institutions during structural transformation (Rinaldy & Chariri, 2009).

2) Reputation as a Strategic Resource

UBB's reputation as the only PTN in the Bangka Belitung Islands Province was also found to be an important internal factor. This study strengthens previous studies by Suchman, who emphasized that reputation is important in maintaining institutional legitimacy during the transformation process (Suchman, 1995). Barney and Clark also support this result, stating that reputation is a resource that cannot be imitated by other institutions and, therefore, provides a sustainable competitive advantage (Barney & Clark, 2007).

This study also provides new findings by showing that UBB's reputation helps mitigate risks associated with the uncertain transition to BLU. In this case, reputation not only plays a role in maintaining support from internal stakeholders but also serves as a guarantor for external stakeholders to continue supporting UBB during the transformation process.

3) Commitment to Sustainable Development as a Key Element of Strategic Vision

This study also found that UBB's commitment to sustainable development was a factor that supported the success of the transition. This is in line with research conducted by Sterling, which states that universities that integrate sustainability principles into their academic and research programs can better attract support from various stakeholders (Sterling, 2001).

However, the results of this study extend existing theories by showing that sustainable development at UBB is not only an academic component but also an important element of the university's transformation strategy. Leal Filho emphasizes the importance of the university's role in sustainable development (Leal Filho, 2015), and this study supports this argument by showing how UBB uses its sustainability vision to strengthen its relevance and legitimacy during the transition to BLU.

5.1.2. External Factors

External factors, such as financial flexibility and collaboration with industry, played an important role in supporting UBB's transition to BLU.

1) Financial Flexibility as a Strategic Opportunity

This study confirms that the financial flexibility obtained from BLU status provides UBB greater flexibility in managing non-tax state revenue (PNBP). This supports the results of previous research by Juliani, which showed that PTN with BLU status has a better ability to optimize their financial resources (Juliani, 2018).

However, this study provides additional contributions by emphasizing that such financial flexibility must be balanced with careful and accountable management, following agency

theory. In this context, UBB, as an agent, must meet the expectations of stakeholders (principals) by maintaining transparency and accountability in the use of PNPB funds. This finding supports Eisenhardt's claim in Agency Theory (Eisenhardt, 1989), which states that agent-principal relationships require transparent management to avoid conflicts of interest and increase trust.

2) Collaboration with Industry as a Driver of Academic Relevance

Collaboration with the industry was one of the external opportunities that could increase the relevance of UBB's academic and research programs. This aligns with research by Dyer and Singh, which shows that strategic partnerships between universities and industry can strengthen innovation capabilities and improve institutional competitiveness (Dyer & Singh, 1998).

This study also presents new findings by showing that the Kampus Merdeka program provides a framework that supports collaboration between UBB and industry, ultimately improving graduates' work readiness and strengthening the university's academic relevance. This finding is also supported by Altbach and Salmi's research, which states that university-industry collaboration plays an important role in increasing research productivity and innovation in higher education (Altbach & Salmi, 2011).

5.2. Strategic Issues in the UBB Status Change Process

UBB faced two main strategic issues during the transition process: limited infrastructure and human resources (HR) quality.

1) Infrastructure Limitations as a Barrier to Growth

This study revealed that limited infrastructure, especially laboratories and research facilities, is a significant obstacle for UBB in improving academic and research quality. This is consistent with previous research by Douglas et al., which showed that the quality of a university's physical facilities directly impacts research productivity (Douglas et al., 2006). However, this study also found that UBB can overcome these obstacles by utilizing the financial flexibility provided by BLU status to allocate PNPB funds to improve infrastructure strategically. This approach is in line with the Organizational Diagnosis Theory, which emphasizes the importance of diagnosing internal weaknesses of the organization to find the right solutions.

2) Human Resources Quality as the Main Challenge in Academic Development

The quality of human resources at UBB, especially in terms of the lack of highly qualified lecturers, was found to be a strategic issue that requires serious attention. This study supports the findings of Muslih et al., which stated that universities with highly qualified human resources are more successful in expanding international research networks and winning competitive research grants (Muslih et al., 2023).

However, this study also broadens the discourse by showing that UBB can leverage collaboration with industry and other universities to strengthen its human resource capacity through lecturer exchange programs and advanced training. This is in line with agency theory, where UBB, as an agent, can leverage external resources to fulfill the mandate given by stakeholders.

5.3. Management Strategies to Address Strategic Issues

1) Financial Management and Asset Optimization

This study emphasizes the importance of implementing performance-based financial management when transitioning from UBB to BLU. Following the principles of agency theory, where UBB, as an agent, has a great responsibility towards stakeholders (principal), transparent and accountable management is necessary. Burke supports this by stating that performance-based management increases resource use efficiency and minimizes the risk of misuse of public assets (J. C. Burke, 2005). In the context of UBB, implementing performance-based budgeting will allow for a more effective allocation of funds to support urgent infrastructure, especially for laboratories and research facilities.

In addition, this study also emphasizes the importance of optimizing UBB's assets to support long-term funding. UBB can use physical assets and campus facilities that are not fully utilized to create additional revenue sources, such as renting facilities to third parties. This approach aligns with the asset management theory proposed by Drucker, which emphasizes the importance of innovative asset use as part of an institution's efficiency and competitiveness improvement strategy (Drucker, 2012).

2) Human Resource Development (HRD)

This study also found that human resource development is a major challenge for UBB in this transition process. The results of the study support the findings of Muslih et al., who stated that high-quality human resources are one of the pillars of the success of higher education in improving the quality of research and education (Muslih et al., 2023). This study recommends that UBB implement a talent management strategy that focuses on recruiting highly qualified lecturers and developing the careers of existing lecturers and staff.

According to agency theory, UBB is an agent responsible for effectively managing human resources and providing adequate incentives to high-performing lecturers and staff. Eisenhardt showed that appropriate incentives can reduce agency conflict and improve agent performance in achieving institutional targets (Eisenhardt, 1989). Therefore, this study recommends that UBB introduce a performance-based incentive system to encourage academic and research quality improvements among lecturers.

Furthermore, the organizational diagnosis theory emphasizes the importance of diagnosing HR development needs periodically to ensure that the training and competency development programs provided are relevant to the institution's needs. This approach will help UBB improve the quality of lecturers and staff, ensuring they have the skills needed to support academic innovation and research.

3) Collaboration with Industry and Other Universities

Other universities are one strategy that can help UBB improve the quality of research and the relevance of academic programs. The study's results support the claims of Dyer and Singh, who showed that strategic partnerships allow universities to access external resources that are not owned internally, such as technology, research funds, and international academic networks (Dyer & Singh, 1998).

This study recommends that UBB be more proactive in establishing partnerships with the industrial sector, especially in the context of the Kampus Merdeka program, which allows students and lecturers to engage in applied research projects and internship programs. This will improve the employability of UBB graduates while strengthening the university's

academic relevance in the labor market. In organizational diagnosis theory, partnerships with industry can be considered part of a larger ecosystem. UBB can leverage external relationships to overcome internal limitations, such as a lack of infrastructure and human resources.

In addition, collaboration with other universities, both domestic and international, is also an important strategy to strengthen UBB's research capacity. Altbach and Salmi emphasized that universities with international research networks are more productive in producing innovations and impactful applied research (Altbach & Salmi, 2011). Therefore, this study recommends that UBB expand international cooperation through lecturer and student exchange programs and collaborative research projects.

5.4. Organizational Diagnosis for Improved Performance and Operational Efficiency

This study also emphasizes the importance of organizational diagnosis in improving UBB's operational performance and efficiency during the transition process. The organizational diagnosis theory provides a framework that allows UBB to analyze its internal strengths and weaknesses and formulate appropriate strategies to overcome existing challenges. In this context, UBB can use internal diagnostics to identify areas that need improvement, such as infrastructure management, human resource development, and financial management efficiency.

In addition, this diagnosis can also be used to evaluate the performance of units within UBB, ensuring that each unit contributes to the achievement of the university's overall vision and mission. Weisbord, in the organizational diagnostic model, states that a systematic analysis of structure, inter-unit relationships, and operational processes can help organizations improve work efficiency and effectiveness (Weisbord, 1976).

This study also recommends that UBB implement Enterprise Resource Planning (ERP) as part of a data-driven management strategy to improve accountability and transparency in university resource management. With the implementation of ERP, UBB can monitor each unit's performance in real-time, allowing for faster and more evidence-based decision-making.

6. Conclusion

This study aims to evaluate the feasibility and transition process of Bangka Belitung University (UBB) from the status of Work Unit (Satker) to Public Service Agency (BLU) and to analyze the impact of these changes on financial management, human resource development (HRD), and asset management. The study results indicate that UBB is eligible to switch to BLU status based on several strong internal factors, such as social capital, reputation, and commitment to sustainable development.

These internal factors support institutional transition and provide a solid foundation for encouraging more autonomous and flexible management in the financial sector. The social capital formed from close relations with the local government and communities and its reputation as the only state university in the Bangka Belitung Islands Province strengthens the university's legitimacy in this change. Commitment to sustainable development also ensures that UBB remains relevant in local and global development.

In addition, external opportunities, such as the flexibility of financial management provided by BLU status, enable UBB to manage Non-Tax State Revenue (PNBP) more effectively. This creates an opportunity for UBB to develop better infrastructure and improve the quality of research and education. National programs such as Kampus Merdeka also open up

opportunities for collaboration with industry and other universities that can increase UBB's competitiveness at the national and international levels.

However, this study also identified several challenges that need to be addressed immediately, especially related to limited infrastructure and human resource quality. Inadequate campus infrastructure and a limited number of highly qualified lecturers are the main obstacles to improving the quality of education and research at UBB. Appropriate management strategies are needed to address these challenges, focusing on improving human resource capacity and more transparent and accountable financial management.

The transition to BLU status is important because it encourages UBB to become more independent in financial and resource management while increasing academic and research competitiveness. With the right management strategy, UBB has great potential to develop into a leading research university and achieve its long-term vision as an international university by 2035.

This study has several limitations that need to be considered. First, the data used mostly comes from internal interviews and document analysis, so it does not cover many external perspectives from industry or central government, which could provide different perspectives on the transition process of UBB to BLU. Second, because this study was conducted in the early phase of the transition, the long-term impact of this institutional change cannot be fully measured, so the study results reflect the initial effects of the transition. Third, the research focus on UBB as a case study limits the findings' generalizability to other universities with different challenges and dynamics. Finally, although this study uses an in-depth qualitative approach, the lack of quantitative analysis limits the ability to numerically measure the impact of the transition on university financial performance and research productivity.

Further research is expected to complement the results of this study with several more comprehensive approaches. A longitudinal study that monitors the development of UBB after the transition to BLU will provide a clearer picture of the long-term impact of this change, especially in terms of financial and academic performance. In addition, comparative research between other universities that have transitioned to BLU can provide broader insights into the factors that support or hinder the success of the transition. Quantitative analysis of financial management efficiency is also important to provide a more measurable picture of how BLU affects university productivity. Furthermore, research on the influence of central and regional government policies on the BLU transition process will enrich the understanding of the role of regulation and government support in this institutional change. Finally, research on increasing international collaboration and global research development in universities with BLU status will provide important insights into how this status can be utilized to strengthen competitiveness at the global level.

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8. Declaration of Conflicting Interests

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