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Analysis of The Implementation of The Good University Governance Model on The Performance of Higher Education Service Agency General (BLU) Based on COSO Theory

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ABSTRACT
This study aims to determine the effect of the implementation of Good University Governance on organizational performance and the effect of the implementation of Good University Governance on organizational performance moderated by COSO theory. The research time was conducted from February to November 2024. The population in this study was PTN-BLU in North Sumatra and its surroundings based on the researcher's ability to conduct field surveys. The samples entered and used in this study were several PTN-BLU that were willing to be research objects in the regions of North Sumatra, West Sumatra, Aceh, Riau, and Bengkulu. The sampling technique for this study was simple random sampling, which considered the resources and willingness of prospective respondents. Respondents in this study came from 8 PTN-BLU, namely from Medan State University, North Sumatra State Islamic University, Medan State Polytechnic, Medan Health Polytechnic, Teuku Umar University, Bengkalis State Polytechnic, Bengkulu University, and Padang State Polytechnic. Respondents' positions in PTN-BLU are SPI Team, Employees and Lecturers. This study uses path analysis with PLS as a data processing tool. The results of this study show that the Implementation of Good University Governance affects Organizational Performance in PTN-BLU and COSO Theory can moderate the Implementation of Good University Governance which affects Organizational Performance in PTN-BLU.

Keywords : Good University Governance, Organizational Performance, COSO theory

INTRODUCTION

The scrutiny of higher education management, particularly in State Universities (PTN) in Indonesia, has intensified in recent years following several high-profile corruption cases. Two notable cases highlight the severity of this issue. In 2022, the Rector of the University of Lampung was designated as a suspect by the Corruption Eradication Commission (KPK) in a bribery case involving independent student admissions. Similarly, the Rector of Udayana University faced corruption charges related to the Institution Development Contribution (SPI) for new students, resulting in state losses of approximately IDR 443.9 billion [1].

These cases underscore the critical importance of examining administrative practices within public higher education institutions, particularly those operating under the Public Service Agency (BLU) status. The involvement of stakeholders and meeting their needs has become increasingly crucial for university management. This significance stems from the vital role state universities play in producing future leaders across various fields. Furthermore, the higher education environment represents a socially responsive and critical group in addressing surrounding issues [2].

Recent literature emphasizes that universities must implement improvements to ensure organizational sustainability through strategic planning in management, teaching, research, and community service. Universities are expected to contribute to national political development through political science, governance, business, and public environment studies [3]. The concept of Good University Governance (GUG) has emerged as a potential solution for current higher education management challenges. GUG, adapted from corporate governance principles, represents a crucial element in university bureaucratic reform [4].

Studies indicate that GUG aims to elevate universities to world-class status, enhance competitiveness, improve learning quality, and achieve targeted performance metrics [5]. However, current challenges persist, including rigid bureaucracy, non-visionary strategic units, mismanagement of non-tax state revenue (PNBP), wasteful project spending, and unsatisfactory services. This research aims to examine the implementation of good governance principles in BLU-status universities and evaluate how GUG implementation contributes to improving various aspects of university performance, including educational service quality, budget efficiency, transparency, and public accountability [6].

The significance of this study lies in its examination of whether governance policies and principles have been optimally implemented in supporting BLU university management, and to what extent GUG implementation contributes to performance improvement in BLU-status universities. This research is particularly relevant given the current challenges in higher education governance and the need for effective management systems that ensure both academic excellence and institutional integrity.

METHODS

This section describes the quantitative method with data collection through surveys and statistical analysis techniques. The underlying perspective for selecting this method is to obtain objective and measurable data to examine the relationships between the variables under study. To obtain data for this research, the author conducted research at State University Legal Entity (BLU) Universities in Sumatra, Indonesia from February to November 2024. The selection of the sample area was based on the researcher's ability to conduct field surveys. The samples used were several State University Legal Entity (BLU) Universities that were willing to be the object of research.

Data Collection

Explain the data collection methods, i.e. surveys, observations or archive, accompanied by details of the use of such methods. This section also describes the population, sampling and sample selection methods. The data collection technique used in this research was primary data. Primary data is research data obtained directly from the original source (not through intermediary media). The data collection technique in this research was conducted by creating a list of questions/statements in the form of a questionnaire to be filled out by each respondent, and then the questionnaire was collected either directly or according to the agreed-upon time between the researcher and respondents. Data collection in this research was carried out in two ways:

a) Library Research
The researcher obtained data related to the problem being studied through books, journals, theses, the internet, and other tools related to the research title.

b) Field Research
In this research, the subjects were Leaders, Employees, and the academic community. Primary data was obtained using a structured questionnaire to gather information from the

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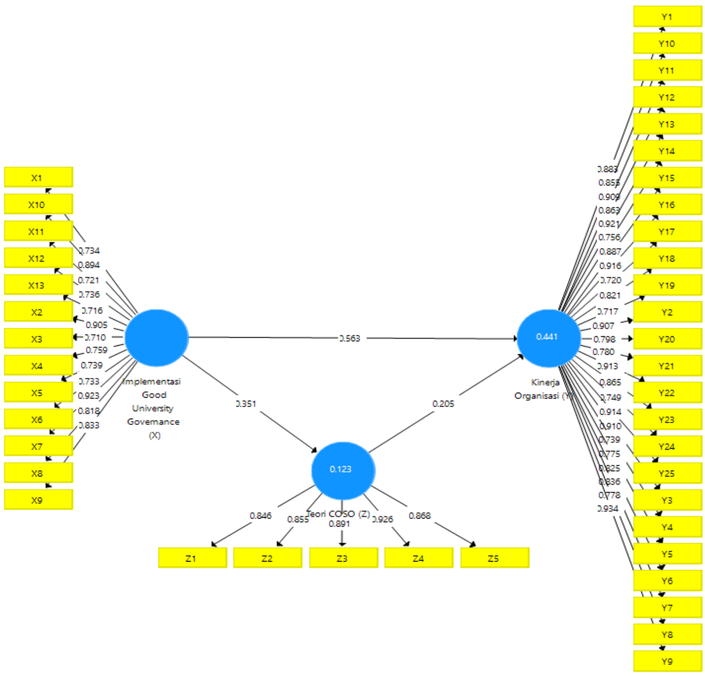
managers of State University Legal Entities (PTN BLU). The data source in this research was the score of each variable indicator obtained from the questionnaires distributed to respondents working at the university.

The data analysis technique used in this research was Path Analysis. The researcher used path analysis to determine the causal relationships and to explain the direct or indirect influence between exogenous and endogenous variables. In this research, the author aimed to analyze and ensure whether there was an influence of the Implementation of Good University Governance and the Implementation of the COSO theory on the performance of State University Legal Entities (PTN BLU).

RESULTS AND DISCUSSION

Results



Convergen Validity

Convergent validity, or convergence validity, is intended to assess the accuracy level of an item or a set of items. In this test, Factor Loading (FL) is utilized as a parameter, with the criterion that if the FL value > 0.6, the item is deemed valid. Presented below are the results of the convergence validity test.

Table 1.Test Results of Factor Loading (FL)

The Variables	Manifest Variable	Factor Loading	Indikator	Conclusion
Good University Governance (X)	X --> 1	0.734	≥ 0,60	**Valid**
	X --> 2	0.905	≥ 0,60	**Valid**
	X --> 3	0.710	≥ 0,60	**Valid**
	X --> 4	0.759	≥ 0,60	**Valid**
	X --> 5	0.739	≥ 0,60	**Valid**

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	X --> 6	0.733	≥ 0,60	**Valid**
	X --> 7	0.923	≥ 0,60	**Valid**
	X --> 8	0.818	≥ 0,60	**Valid**
	X --> 9	0.833	≥ 0,60	**Valid**
	X --> 10	0.894	≥ 0,60	**Valid**
	X --> 11	0.721	≥ 0,60	**Valid**
	X --> 12	0.736	≥ 0,60	**Valid**
	X --> 13	0.716	≥ 0,60	**Valid**
Organizational Performance (Y)	Y1	0.883	≥ 0,60	**Valid**
	Y2	0.907	≥ 0,60	**Valid**
	Y3	0.910	≥ 0,60	**Valid**
	Y4	0.739	≥ 0,60	**Valid**
	Y5	0.775	≥ 0,60	**Valid**
	Y6	0.825	≥ 0,60	**Valid**
	Y7	0.836	≥ 0,60	**Valid**
	Y8	0.778	≥ 0,60	**Valid**
	Y9	0.934	≥ 0,60	**Valid**
	Y10	0.855	≥ 0,60	**Valid**
	Y11	0.909	≥ 0,60	**Valid**
	Y12	0.863	≥ 0,60	**Valid**
	Y13	0.921	≥ 0,60	**Valid**
	Y14	0.756	≥ 0,60	**Valid**
	Y15	0.887	≥ 0,60	**Valid**
	Y16	0.916	≥ 0,60	**Valid**
	Y17	0.720	≥ 0,60	**Valid**
	Y18	0.821	≥ 0,60	**Valid**
	Y19	0.717	≥ 0,60	**Valid**
	Y20	0.798	≥ 0,60	**Valid**
	Y21	0.780	≥ 0,60	**Valid**
	Y22	0.913	≥ 0,60	**Valid**
	Y23	0.865	≥ 0,60	**Valid**
	Y24	0.749	≥ 0,60	**Valid**
	Y25	0.914	≥ 0,60	**Valid**
COSO Theory (Z)	Z1	0.846	≥ 0,60	**Valid**
	Z2	0.855	≥ 0,60	**Valid**
	Z3	0.891	≥ 0,60	**Valid**
	Z4	0.926	≥ 0,60	**Valid**
	Z5	0.868	≥ 0,60	**Valid**

The table above explains that the question items for the variables good university governance (X), organizational performance (Y), and COSO Theory (Z) have factor loading values above 0.6. Therefore, it can be concluded that all indicators of the good university governance (X), organizational performance (Y), and COSO Theory (Z) variables in this study are considered valid. The next test is convergent validity, which states that indicators and question items are deemed valid if the AVE value is above 0.5. The evaluation results of AVE can be seen in the table below.

Table 2. Test Result of AVE

Variable	AVE Score	Indicator	Conclusion
Good University Governance (X)	0.624	≥ 0,50	Valid
Organizational Performance(Y)	0.708	≥ 0,50	Valid
Coso Teory (Z)	0,770	≥ 0,50	Valid

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According to the AVE test in table 2, the conclusion can be drawn that the convergent validity test is deemed valid. This is attributable to all variables exhibiting AVE values exceeding 0.5.

Reliability

The Reliability Test is essential to ascertain whether each item in the questionnaire satisfies credibility criteria. This research utilizes two methods in reliability testing: Cronbach's alpha to determine the lower threshold of an item's reliability and composite reliability to assess the true reliability value of a construct. An item is deemed reliable if both the Cronbach's alpha and composite reliability indicators surpass 0.60. The evaluations of Cronbach's alpha and composite reliability are presented in the table below:

Table 3. Conbach's Alpha

Variable	Cronbach's Alpha	Indicator	Conclusion
Implementasi Good University Governance (X)	0.949	≥ 0,60	Reliabel
Organizational Performance(Y)	0.982	≥ 0,60	Reliabel
COSO Teory (Z)	0.925	≥ 0,60	Reliabel

The table provided (Table 3) illustrates that all variables in this study have values exceeding 0.60. Therefore, it can be inferred that based on the composite reliability assessment indicators, all indicators in this research have met the criteria. The reliability test in this study, utilizing the Cronbach's alpha and composite reliability indicators, meets the criteria or requirements.

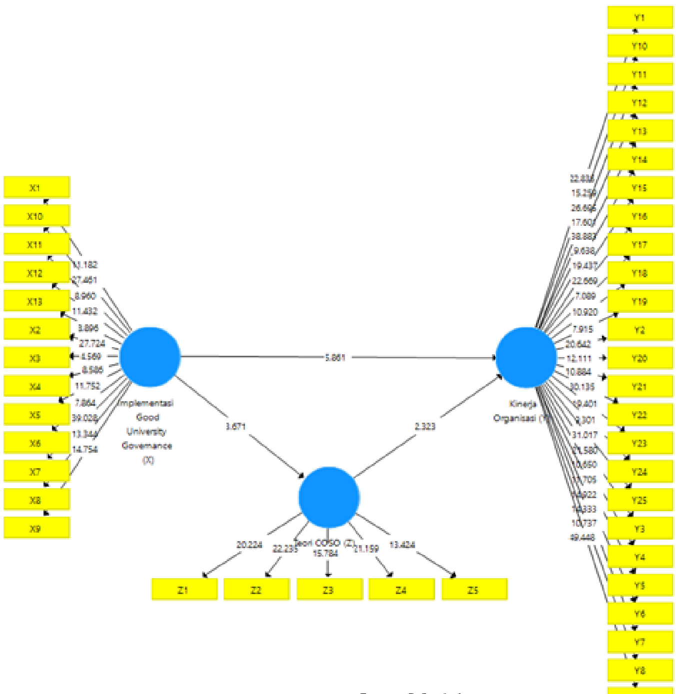

Figure 2. Inner Model

Based on the image above, the results of the analysis can be known in the form of the following table:

Table 4. The inner model results

Variabel	Path Coefficient	T Statistics	P-Value	Result
Implementation of Good University Governance (X) -> Organizational Performance (Y)	0.563	5.861	**0.000**	**The hypothesis is accepted.**
Implementation of Good University Governance (X) -> COSO Theory (Z)	0.351	3.671	**0.000**	**The hypothesis is accepted.**
COSO Theory (Z) -> Organizational Performance (Y)	0.205	2.323	**0.010**	**The hypothesis is accepted.**
Implementation of Good University Governance (X) -> COSO Theory (Z) -> Organizational Performance (Y)	0.072	1.966	**0.025**	**The hypothesis is accepted.**

Based on the table above, the results of hypothesis testing in this study are as follows:

1. The Implementation of Good University Governance (X) has an influence on Organizational Performance (Y). This can be seen from the T Statistic value of 5.861 > 1.672 (t-table) and the P Value of 0.000 < 0.05 (significant level), thus it can be concluded that the implementation of good university governance has a direct impact on organizational performance. Additionally, the Path Coefficient/Original Sample of 0.563 indicates the extent of the influence of implementing good university governance on organizational performance, which is 56.3%.
2. The Implementation of Good University Governance (X) has an influence on the COSO Theory (Z). This is evident from the T Statistic value of 3.671 > 1.672 (t-table) and the P Value of 0.000 < 0.05 (significant level), leading to the conclusion that the implementation of good university governance directly affects the COSO theory. Furthermore, the Path Coefficient/Original Sample of 0.351 illustrates the extent of the influence of implementing good university governance on the COSO theory, which is 35.1%.
3. The COSO Theory (Z) has an influence on Organizational Performance (Y). This is indicated by the T Statistic value of 2.323 > 1.672 (t-table) and the P Value of 0.010 < 0.05 (significant level), leading to the conclusion that the COSO theory has a direct impact on organizational performance. Additionally, the Path Coefficient/Original Sample of 0.205 shows the extent of the influence of the COSO theory on organizational performance, which is 20.5%.
4. The Implementation of Good University Governance (X) has an influence on Organizational Performance (Y) through the COSO Theory (Z). This can be observed from the T Statistic value of 1.966 > 1.672 (t-table) and the P Value of 0.025 < 0.05 (significant level), leading

to the conclusion that the implementation of good university governance affects organizational performance through the COSO theory. Moreover, the Path Coefficient/Original Sample of 0.072 depicts the extent of the influence of implementing good university governance on organizational performance through the COSO theory, which is 7.2%.

The analysis results demonstrate that Good University Governance (GUG) implementation has a significant positive influence on organizational performance in Public Service Agency (BLU) universities. The statistical analysis reveals an Original Sample (O) value of 0.563, with T-Statistics of 5.861 and P-Value of 0.000. Since the P-Value is less than 0.05, this indicates a statistically significant relationship at the 5% significance level. This positive correlation suggests that better implementation of GUG principles leads to improved organizational performance.

These findings align with previous research by Hidayat and Rahmatika (2022), who found that GUG positively affects university performance through key aspects such as transparency, accountability, and stakeholder participation. The current study's empirical evidence further strengthens this understanding, demonstrating that good governance practices are crucial for both operational and strategic success in higher education institutions. The significant positive relationship (O = 0.563) indicates that implementing GUG principles can enhance educational service quality, management effectiveness, and strategic goal achievement in BLU universities[3].

Further analysis examining the moderating effect of COSO theory on the relationship between GUG implementation and organizational performance yielded interesting results. The interaction between COSO theory as moderator (Z) and GUG (X) showed an Original Sample (O) of 0.072, T-Statistics of 1.996, and P-Value of 0.025. While this indicates statistical significance ($P < 0.05$), the relatively small Original Sample value suggests a weak moderating effect. This finding diverges from previous research expectations, possibly due to variations in organizational characteristics and implementation contexts within BLU universities.

The disparity between these results and previous studies may be attributed to several factors, including the varying degrees of implementation of transparency, accountability, and participation principles within the COSO framework. This suggests that while GUG principles are fundamental for organizational performance, their effectiveness may be influenced by institutional-specific factors and implementation consistency. The findings emphasize the importance of comprehensive integration of COSO framework aspects and sustained commitment from all organizational levels to ensure successful GUG implementation.

These results provide valuable insights for university decision-makers, highlighting the need to consider additional supporting factors beyond basic GUG principles when aiming to improve organizational performance. The study's empirical evidence suggests that while GUG implementation significantly influences organizational performance, its interaction with COSO theory requires careful consideration of institutional context and implementation consistency. This understanding is crucial for developing effective strategies to enhance university performance through governance improvements.

CONCLUSION

Based on hypothesis testing and research findings, two key conclusions can be drawn.

First, Good University Governance (GUG) implementation has a significant influence on organizational performance in Public Service Agency Universities (PTN BLU). Second, COSO theory effectively moderates the relationship between GUG implementation and organizational performance in PTN BLU. This research contributes substantially to higher education management by emphasizing the critical role of good governance and solid internal control in achieving optimal performance. The empirical findings provide a strong foundation for university policymakers to continuously develop and implement good governance practices. The study demonstrates that integrating internal control frameworks like COSO with GUG principles can enhance organizational performance significantly.

For future research, it is recommended to explore additional moderating variables that might influence the relationship between GUG and organizational performance. The study's novelty lies in its examination of COSO theory's moderating effect in the higher education context, particularly within PTN BLU institutions. While the research provides valuable insights, further investigation into specific implementation challenges and success factors across different university contexts would be beneficial for developing more comprehensive governance frameworks..

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