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ABSTRACT

The transformation of Indonesian State Universities (PTN) into State University Private-Legal-Entities (PTNBH) represents a fundamental shift toward hybrid governance models that balance institutional autonomy with public accountability. Despite implementation across 24 institutions, systematic research examining organizational readiness for this complex transformation has been notably absent. This study examines organizational readiness for PTNBH governance transformation using a newly developed framework and assesses the appropriateness of different governance paradigms for hybrid educational institutions. It employed a mixed-methods comparative case study design across five PTNBH (State University with legal Private Entity) representing different institutional types (comprehensive universities, technological institutes, specialized universities). Data collection involved 85 participants through the MPFAAC Readiness Scale (30 items across six dimensions), semi-structured interviews, document analysis, and institutional observations. The MPFAAC framework assesses Meaning, Positioning, Functioning, Authorizing, Actuating, and Controlling dimensions of organizational readiness. The study found that institutions demonstrated insufficient readiness for autonomous governance, while dimensional analysis revealed significant variations, with Positioning showing the highest readiness. Actuating and Controlling dimensions exhibited critical deficiencies. Technological institutes demonstrated significantly higher readiness than comprehensive universities. These findings show that New Public Service principles support New Public Management to advance educational governance, and imply that policymakers are encouraged to establish PTNBH excellence centers for better practice exchange and improved coordination between education and finance departments on tax complexity issues, in particular.

Contribution/Originality: This study introduces and validates the MPFAAC organizational readiness framework and a 30-item Readiness Scale for PTNBH transformation. Using mixed-method comparative cases across five PTNBH types, it provides the first systematic, dimension-level readiness evidence and identifies critical implementation and accountability gaps shaping hybrid university governance.

1. INTRODUCTION

Over the past thirty years, university governance has evolved significantly due to issues with money, demands to be responsible, and the necessity to perform well in the knowledge economy. Globally, universities have understood that they must redesign how they administer their institutions to become more self-sufficient without losing the public mandate. These changes have taken many forms, such as converting universities into businesses and

establishing independent schooling within European higher education systems. All these efforts aim to balance making markets more efficient with maintaining academic freedom and accessible education.

The decision made by Indonesia regarding this international trend can be seen as one of the most ambitious and complicated experiments in reforming higher education governance. A new hybrid model that blurs the traditional lines between public and private education was established when the Indonesian government decided to change a few State Universities into *State Universities with private legal entity* (PTNBH) status through Government Regulation Number 4 of 2014.

The transformation, which started as an experiment in 1996 and has since grown to include 24 institutions, is not just an organizational restructuring of the state's higher education administration. It is also a fundamental re-imagining of what the state was and what its relationship with society, market forces, and academic communities means. The PTNBH model is the result of Indonesia's unique constitutional and cultural system, specifically Article 31 of the 1945 Constitution. The constitution proclaims that all are entitled to education and that the government is to deliver it.

This constitutional requirement presents an extremely complicated conflict as universities are accorded the legal status of entities capable of becoming more market-driven while continuing to fulfill their duty of serving society. In contrast to other models of privatization in different countries, PTNBH institutions in Indonesia operate within a pseudo-status of a private legal entity, granting them operational freedom in financial management, human resources, and academic programming without compromising their national development objectives and educational opportunities for the poor who cannot afford to pay.

The implementation of transformation in 24 state universities has shown the existence of unprecedented challenges that go beyond the re-skilling of the administration to include the unavoidable inquiries regarding institutional identity, capability of governance, and readiness of the organization to change (Risanty & Kesuma, 2019). There are emerging signs that the operational pressures of semi-autonomous governance, such as complex financial management, strategic planning consistent with market pressures, performance-based accountability and cultural transformation between bureaucratic and entrepreneurial mindsets, are challenging universities. These are further complicated due to the differing kinds of institutions within the system of the PTNBH, with some being more comprehensive research universities with multi-disciplinary organizations, and others that are more focused technological institutes with a more restricted mission and stakeholder relationship.

The theoretical underpinnings of this shift are disputed, with some arguing over the appropriateness of New Public Management (NPM) principles of efficiency through markets and customer-first approaches to schooling institutions, and the appropriateness of the hybrid character institutions of the New Public Service (NPS) principles of democratic principles and engagement with citizens. The issue is not simply theoretical; The theoretical debate centres on market efficiency and customer-oriented approaches, whether they are suitable for universities, or whether the New Public Service (NPS) model, grounded in democratic values and citizen engagement, is more appropriate. It has significant implications for the ways that universities operate the governance, make strategic planning decisions, divide resources, and weigh the demands of various groups, such as the government, business, academic societies, and the broader public.

Although the policy has been put into place at nearly a quarter of Indonesia's state universities, there has been little to no systematic study in the literature on organizational readiness for such a change. Most existing studies have focused on policy analysis or financial implications without adequately addressing the practical organizational capabilities needed for successful implementation. This shortcoming is especially important considering the fast growth of the PTNBH model, as well as the intent of the government to implement this model in other institutions. Comprehending the elements that lead to effective change, knowing the key organizational competencies, and designing the right evaluation systems can help enhance the implementation results and prevent the high costs that come with managing a change in the organization.

The present research contributes to filling these gaps of knowledge by analysing organizational readiness in five PTNBH institutions representing various forms of institutions, geographical areas, and transformation periods. This study is the first systematic evaluation of institutional competencies of governance change in the Indonesian higher education setting through the creation and implementation of the MPFAAC framework (Meaning-Positioning-Functioning-Authorizing-Actuating-Controlling). The aims of the study include three important dimensions: the measurement of current levels of organizational preparedness concerning various institutional capabilities, the analysis of the variety of governance approaches, the determination of the most important success factors, and the measurement of the suitability of various governance paradigms to the given hybrid model.

The relevance of this study is not limited to Indonesia, but it carries repercussions to the wider academic debates on the issue of university autonomy, reform of the public sector, and the changing relationship between higher education and society at large. With the globe of universities struggling to meet similar challenges of becoming more efficient without losing their social responsibility to the community, the Indonesian example of PTNBH provides a useful learning resource on the challenges and opportunities of the hybrid governance models. The study's implications in practice include influencers of policies in Indonesia dealing with the PTNBH expansion, particularly institutional heads dealing with the change processes, and the global educational systems contemplating allied changes. This study also addresses critical theoretical issues regarding the contribution of organizational preparation to transformation within professional bureaucracies, as the old formal hierarchies co-exist with professional autonomy and academic freedom.

The sector of higher education is unique in terms of organizational change because of the multiplicity of its multiple and sometimes conflicting goals, the variety of stakeholders with different interests, and the culture of embeddedness of values that might be challenging to change in a market-based organization. The study advances the theory of organizational change and adds to the literature on higher education governance by formulating and testing an all-inclusive approach to measuring preparedness in this complex setting.

2. LITERATURE REVIEW

Higher education governance transformation is a key nexus point between the public administration theory, organization change management, and educational policy research (Bleiklie, 2014; Teichler, 2015). The literature review is a synthesis of relevant literature across various fields to provide the theoretical basis of understanding the role of organizational preparedness in the transformation of university governance. It discusses four areas that are interconnected: the development of global models of higher education governance, coexisting paradigms in the field of public administration that inform the governance strategies, theory models of evaluating organizational readiness to change, and the context of the Indonesian higher education reform (Huang, 2018). In the frame of this extensive analysis, the given study shows that there are important gaps in current knowledge and offers the theoretical reasoning behind the current method of evaluating the status of the implementation of private legal entities/PTNBH.

2.1. Higher Education Governance Transformation: Global Perspectives

2.1.1. The Worldwide Movement Toward University Autonomy

Over the last thirty to forty years, systems and structures of higher education across the world have experienced tremendous reforms and regulations. The various factors that have driven these transformations are globalisation, the growing economic significance of knowledge, the swift growth in information technology, and the decline in government funding (Krieger, 2024). All these forces have been mounting pressure on institutions of higher learning to change and transform (Gebremeskel & Feleke, 2016).

A combination of forces, such as fiscal limitations on government spending, institutional accountability and performance, increased competition in the higher education markets, and the recognition of the central role of universities in economic development based on knowledge, has driven the transformation (Atanaw, Estifanos, &

Negash, 2025). The movement gained momentum during the 1980s and 1990s as governments worldwide sought to reduce direct control over universities while maintaining influence through funding mechanisms, performance contracts, and regulatory frameworks.

The international experience demonstrates the dissimilarity in finding the balance between autonomy and accountability. The United Kingdom's Education Reform Act 1988 was a part of the process in divesting government control over university education, and implementing quality assurance and competition for funds (Shattock, 2012). This model also focused on market rivalry and performance indicators as NPM principles, where emphasis is placed on effectiveness and customer satisfaction. Similarly, the era of higher education reforms in Australia during the 1980s and 1990s saw universities being transformed into more businesslike entities with added financial independence as well as additional performance outcomes for accountability purposes (Marginson & Considine, 2000).

In the wider framework of the Bologna Process and the construction of the EHEA (European Higher Education Area), alternative ways towards autonomy have been followed. Both institutional autonomy (De Boer, Enders, & Schimank, 2007) and the stringency of quality-assurance systems and performance-based funding were the Dutch approach. The German Excellence Initiative as a paradigm shift in German university governance (Kehm & Pasternack, 2009).

Such reform efforts draw attention to the argument that successful implementation of autonomy should be sensitive to national institutional cultures and stakeholder demands. The Nordic nations have developed specific advanced systems of balancing autonomy and social accountability. The 2010 university reform in Finland gave complete legal autonomy to institutions without affecting its funding to the public and mission focus (Pinheiro, Geschwind, & Aarrevaara, 2014). The higher education administration in Sweden combines institutional autonomy and strong quality management and monitoring systems (Askling, 1997). According to these typical schemes, the successful application of autonomy requires close consideration of the governance systems, accountability, and stakeholder involvement procedures.

2.1.2. Challenges and Outcomes of Governance Transformation

The empirical studies by Sarrico et al. (2016) on the change of governance in institutions of higher learning show the results to be not very homogeneous and face significant barriers to implementation. Ferlie, Musselin, and Andresani (2008) noted that the attempts to transfer the experience of management practices in the sphere of the private sector to the academic environment usually ended in failure, which could be explained by the specificity of academic organizations, including professional independence, the culture of collegial decision-making, and a multiplicity of, sometimes, conflicting goals. Their discussion asserts that effective transformation requires strategies that are locally tailored to the situations of higher education and not the blind transfer of models of corporate governance.

There has been a long-lasting debate on whether to be efficient or fair in different national environments. Jongbloed (2003) concluded that market-oriented reforms have the propensity to improve institutional efficiency and may restrict opportunities of the marginalized groups and also cut support for courses that are not commercially appealing. The debate is particularly acute in developing countries, where universities are key to promoting social mobility and national development (Smolentseva, 2023).

The studies of organizational change in university contexts highlight the importance of the academic culture and professional identity in determining the results of change (Campbell & Carayannis, 2016). Välimaa, Hoffman, and Tienari (2014) discovered that successful governance reforms required detailed focus on academic values and faculty involvement and maintenance of central educational missions. Their comparative analysis in the European universities has shown that those institutions that were in a position to hold on to strong traditions of collegial self-rule were indeed the ones that were more successful in adjusting to autonomous systems without compromising on academic integrity.

The research on governance change has also been empirically focused on the significance of transformational leadership and change-management skills (Bebbington, 2021). Salazar-Rebaza, Zegarra-Alva, and Cordova-Buiza (2022) have opined that university leaders are supposed to develop hybrid capabilities that merge managerial prowess and academic credibility. The recent research by Abusmara and Triwiyanto (2023) supports the idea that the situation of effective leadership regarding governance transformation should be based on the ability to balance the interests of various stakeholders and continue working with the focus on the institutional mission and the main values.

2.2. Paradigms in Public Administration and Higher Education Governance

2.2.1. Old Public Administration (OPA): Foundations and Limitations

The traditional form of public administration, with its hierarchical bureaucracy, a rule-based decision-making process, and political-administrative distance, had a prevailing impact on the governance of higher education in much of the twentieth century (Lynn, 2006). According to this paradigm, universities were seen as sections of the government, with a small level of independence, with standardized processes, and controlled by direct ministerial directives. The OPA paradigm anticipated procedural correctness, equal treatment, and democratic accountability by the elected officials, instead of focusing on institutional efficiency or market responsiveness.

Weber (1947) states that the theoretical foundations of OPA, as the approaches to organization of university governance, were provided by the ideal-typical type of bureaucracy, in terms of professional expertise, rules, and strict hierarchy. Although the model has had its benefits, including predictability, fairness, and democratic control, it has had criticism of inflexibility, inefficiency, and very limited responsiveness to the changing social needs (Peters, 2001). When applied to the context of higher education, OPA governance is often associated with slow decision-making procedures, limited innovation, and an inability to respond to the swift academic and economic transformations.

There have been empirical studies on the implementation of OPA in higher education, which have had their strengths as well as weaknesses. According to Meier and O'Toole (2006), bureaucratic governance brings about stability and equitable distribution of resources, but it also limits the institutional capability of taking a strategic position and pursuing competitive advantage. Their results indicate that OPA models can prove to be effective when it comes to ensuring a minimum of educational access, but it does not seem to provide the ability to promote excellence and innovation among the most competitive academic environments.

The decline of OPA in higher education governance reflects broader critiques of traditional public administration, including concerns about efficiency, accountability, and adaptability (Barbier & Tenengeh, 2023; Dewi & Ratri, 2024). However, recent scholarship has recognized enduring value in OPA principles, particularly regarding democratic legitimacy, due process, and protection of public interest (Lynn, 2006). This recognition has informed efforts to develop hybrid governance models that combine bureaucratic accountability with managerial flexibility.

2.2.2. New Public Management (NPM) as Market Logic in Higher Education

New Public Management is a response to perceived failures of the traditional bureaucratic governance in the 1980s with its focus on the market mechanisms, performance measurement, and customer orientation (Bertram, 2000; Sahlin & Eriksson-Zetterquist, 2016). NPM principles were adopted in most higher education systems across the globe, especially in the Anglo-Saxon countries, as governments attempted to enhance efficiency and direct control of universities (Pollitt & Bouckaert, 2023).

The fundamental tenets of the New Public Management (NPM) for the example of higher education are competitive funds flow funding systems, performance accountability, customer service, and independent managerial discretion Ferlie et al. (2008). The reforms under these tended to inject competition in the market-like situation to the institutions, it subjected performance to numerical measure, and provided a higher degree of freedom to the management for allocative behaviour and for strategic decisions. The background assumption under these

interventions that prevailed assumed that the market pressure would yield the efficiency gain and responsiveness to the needs of employers and the students.

Empirical scholars' studies about the application of the NPM to the higher education arena established the presence of some outstanding advantages and serious limitations. Deem, Hillyard, and Reed (2007) established that the reforms resulting from the application of the NPM strengthened the financial management and the capacity for strategic planning within numerous universities, but at the same time, it provoked adverse effects such as overly administrative styles of governance, absence of collegial governance, and potential confrontation with academic value bases. The longitudinal study that they carried out established that effective uptake of the NPM needed an attentive adaptation to the academic contexts and not an outright implementation of the private-sector practices.

The critics of the New Public Management (NPM) among higher education institutions are convinced that the thinking of the markets is not feasible at all for the educational mission and prevailing academic ethos. Marginson and Considine (2000) continue to argue that turning students into customers will destroy the educational relationship and simplify complex learning processes into transactional commodities. In a mutually supportive critique, Slaughter and Leslie (1997) argue that NPM reforms bring about an academic capitalism that puts a premium on revenue-making at the expense of scholarly inquiry and social service missions.

Newer scholarship provides more subtle insights about the implementation of NPM in higher education. According to Ferlie et al. (2008), the more appropriate NPM solutions to apply in universities are those approaches that are soft in nature, i.e., those that emphasise performance enhancement and strategic management, as opposed to hard NPM solutions that emphasise market competition and privatisation. This distinction hints at the prospect of aligning the NPM principles within a higher education context and, thus, retaining the essential academic values.

2.2.3. New Public Service (NPS): Democratic Governance and Citizen Engagement

New Public Service emerged in the early 2000s as a third alternative to traditional bureaucracy as well as New Public Management with an emphasis on democratic principles, citizen participation, and public interest emphasis (Denhardt & Denhardt, 2003). NPS principles include serving citizens instead of customers, acting out of public interest instead of personal preference, focusing on citizenship and public service instead of entrepreneurship, and thinking strategically but acting democratically.

Higher Education (HE) strategies under the banner of the New Public-Sector (NPS) model are concerned with the potential for the university to foster a sense of democratic citizenry, social cohesion, and the common good, rather than an inward focus on economic objectives (Giroux, 2002). This is a conceptualization of higher education as a social good that fosters social development, cultural continuity, and democratic involvement, and not necessarily the generation of human capital or improved economic competitiveness.

The NPS values are in close connection with conventional academic values, which include academic freedom, collegial governance, and an uncompromising adherence to truth-seeking and social progress (Bok, 2003). Empirical research conducted by Marginson (2007) suggests that the NPS approaches could be more accommodating to the mission and cultures of university organisations than the New Public Management (NPM) models, specifically because they are more conscious of the unique nature of educational organisations and their multi-stakeholder relations.

Nevertheless, these initiatives are confronted with challenges to devise proper accountability mechanisms and strike a balance between democratic deliberation and institutional efficiency. The contemporary literature has discussed the potential application of the principles of NPS with selective NPM instruments to forge hybrid models of governance for the needs of the contemporary period with respect to higher education (Yembergenova, 2023). The plan proposes that strategic management and performance measurement instruments can be utilized to the advantage of the universities without changing the democratic means of ruling the universities and the necessity to benefit the humans.

3. THEORETICAL FOUNDATIONS

3.1. *Conceptual Development and Measurement*

Organizational change readiness has been proposed as an overarching determinant for the success of the transformation initiatives in a wide range of organizational settings. Weiner (2009) presented the most extensive conceptual framework, defining organizational readiness as "the extent to which organizational members are psychologically and behaviourally prepared to implement organizational change." The above definition includes both capability (group capacity to execute change) and motivation (group will to undertake change), acknowledging that successful transformation is both technically feasible with, and practically feasible due to, stakeholder support.

The concept is built further on the earlier work of organizational psychology and change management, for example, the field theory by Lewin (1947) and the eight-step change process by Kotter (1996). However, the problem of organizational readiness goes beyond the change readiness at the individual level to examine the organizational readiness at the group level and commitment to the change goals. Such division is imperative, particularly within a professional environment like universities, where the faculty's individualism should be balanced with institutional coordination and strategic direction.

The consequences for the measurement of organizational readiness have changed from mere attitude surveys to comprehensive tests taking account of various dimensions and the perspectives of stakeholders (Dewi & Ratri, 2024; McCormack, Propper, & Smith, 2014). Armenakis, Harris, and Mossholder (1993) came up with powerful models that analyze the concept of readiness in five aspects, namely: discrepancy (need to change), appropriateness (solution suitability), efficacy (implementation ability), principal support (leader commitment), and valence (personal gain). The frameworks have been tailored to a large range of organizational settings, such as medical systems, government bodies, and educational institutions (Sahlin & Eriksson-Zetterquist, 2016). Even more modern studies have indicated the relevance of situational factors in determining change preparedness (Austin & Jones, 2024). Holt, Armenakis, Field, and Harris (2007) have shown that organizational readiness is very different in various change initiatives, organizational cultures, and environmental situations. Their meta-analysis showed that readiness measures should consider certain change specificities and organizational situations and not use generic measures in different contexts.

3.2. *Readiness for Change in Higher Education Organizations*

Universities are unique in their organizational change based on certain characteristics, including professional autonomy, collegial traditions of governance, the existence of multiple, and sometimes conflicting, goals, and complex relationships among stakeholders (Birnbaum, 1988). These features suggest that the general change-management models that are developed in the context of corporate environments might not be particularly appropriate in the context of the higher-education environment unless they are significantly modified.

Studies of change readiness in Higher Education institutions show that academic culture and professional identity play a critical role. According to Eckel and Kezar (2003), effective transformation effort in higher education requires a thorough consideration of the faculty issues, protection of the academic freedom as well as compliance with the mission and values of the institution. Their research of 26 universities indicated that technical capacity was not enough to make a change successful; instead, cultural preparedness and stakeholder involvement were equally decisive.

Resistance to change is another issue that has been widely observed among faculty in different studies. Gumport (2000) was of the view that in the majority of cases, faculty scepticism towards administrative projects is often indicative of valid anxieties about academic freedom and institutional purpose and not just opposition to change. The implication of this discovery is that readiness tests should differentiate between productive scepticism that may strengthen change initiatives in an organization and destructive resistance that impedes the required adaptation.

The leadership issue in creating change preparedness has gained a lot of research focus in the field of higher education. Kezar (2001) identified transformational leadership as being especially important in creating preparedness

which focused more on building the vision, involvement of stakeholders, and alignment of the culture. However, university governance systems are too intricate, which requires that leadership be decentralized among various levels and constituencies, as opposed to the leader being at the top level of the hierarchy.

The modern literature has explored the intersection between the external forces and the internal preparedness of organizational change. Morphew and Eckel (2009) stated that universities facing strong environmental demands (including funding cutbacks, intensification of competition, and regulatory changes) were more inclined to become prepared to transform their governance; nevertheless, they were also more prone to implementing maladaptive solutions that could be explained by shortened deadlines and anxiety on the part of stakeholders.

3.3. Measuring Readiness in Complex Organizations

A multi-stakeholder organization like a university requires complex, multi-dimensional approaches that would measure heterogeneous views and various dimensions of organizational capability and commitment. Although useful, traditional survey-based methods might not be sufficient to model the subtle interactions among various levels of the organization and groups of stakeholders.

Combined quantitative assessment with qualitative investigation techniques (mixed-methods) has presented potential in a thorough level of readiness assessment. Rafferty, Jimmieson, and Armenakis (2013) have shown that the combination of standardized readiness scales, deep interviews, and observational information provided more precise and practical assessment data than the first two approaches. This observation is specifically relevant to the university setting, where formal survey responses might not be an accurate indicator of informal cultures and power dynamics.

Sector-specific preparedness frameworks have come into view, which has drawn academic interest as researchers find faults in the generic tools. Within the higher education sector, those structures have to fit the unique institutional attributes, among them academic freedom, collegial governance, and a complex set of performance aspects, namely teaching, research, and service. However, most of the existing frameworks are based on corporate designs instead of being developed specifically to fit in learning institutions.

The longitudinal research conducted on the issue of readiness has revealed the dynamic nature of organizational capacity and commitment. Shah (2009) noted that the willingness of universities to transform over time was quite different, depending on the change in leadership, external forces, and the first-time experience of implementation. Therefore, the findings suggest that assessments of readiness should be perceived as a cyclical, continuous process, and not as a one-dimensional, fixed evaluation.

3.4. The Indonesian Higher Education Context and PTNBH Development

3.4.1. Historical Evolution of Indonesian Higher Education Governance

The governance of higher education in Indonesia has been developing in a series of steps that capture the overall transformations in the political and economic life. The New Order period (1966-1998) was characterized by the very centralized control of universities, standardized curricula, centralized funding systems, and a lack of institutional autonomy (Welch, 2007). Such a system was concerned with both the growth of accessibility and the enhancement of national unity and, at the same time, limited innovation and responsiveness to regional demands.

The reform period of the post-1998 period brought significant changes in the management of higher education, reflecting the processes of democratization and decentralization of the country as a whole. These reforms also prepared the foundation on which more autonomous governance models, such as the PTNBH model, were developed. The public service agency (BLU) status that was introduced in 2005 was a transitional measure to university autonomy that granted financial flexibility to the institutions, but retained their public sector status (Kristiansen & Pratikno, 2006). The experience of introducing BLU provided a great insight into the process of independent fiscal management and accountability of performance, thus informing the development of PTNBH. Empirical studies of the

governance changes in the Indonesian higher education indicate that there is still a problem of limited managerial capacity, institutionalized bureaucratic cultures, and conflict between autonomy and accountability (Buchori & Malik, 2004). These results suggest that to implement the autonomous governance models effectively, it is necessary to pay close attention to the elements of capacity building and cultural change, and not focus on regulatory reform only.

3.4.2. The State University with Legal Private Entity Model: Design and Implementation

The State University, with a legal Private Entity structure, was put in place in Government Reg. No.4/ 2014 as the maximum level of institutional autonomy that Indonesian state universities can have. This rule produced a special hybrid system merging legal entity status and a continued public mission and biased government funding (Ministry of Education and Culture, 2014). The State University, with a legal Private Entity model, gives universities freedom in money management, human resources, academic programmes, and strategic planning whilst maintaining accountability to the delivery of any service to the people and achievement of the mission.

The regulatory framework provides that State University with legal Private Entity institutions have established determined governance structures, which include a Board of Trustees (MWA), an Academic Senate, and posts that the rector has well-defined responsibilities and powers. However, the regulation provides very little direction with regard to the implementation processes, internal governance structures, and performance measurement systems, thus giving a lot of freedom to individual institutions.

The results of empirical studies conducted on the twenty-four surviving institutions of the State University with legal Private Entity reveal strong heterogeneity of governance modalities, organizational structures and performance results. A preliminary stock of research suggests that the institutions that possessed solid existing managerial skills and a developed industrial network have been able to comply with autonomous governance requirements in a more convenient way (Darlis, Lubis, Farha, Laoli, & Lestari, 2023). However, no thorough systematic investigation into the patterns of implementation and determinant variables is provided. Fiscal implications of State University with legal Private Entity status have also deserved significant scholarly attention, particularly in terms of prerogatives of tuition-setting and revenue-diversification requirements.

3.4.3. Stakeholder Perspectives and Implementation Challenges

The attitudes of faculty members toward the change of State University to a legal Private Entity cast broader light onto the incompatibilities between academic culture and managerial change. Students' opinions about the use of the State University as a legal Private Entity are mostly based on the issues of tuition fees and accessibility. These issues have echoed similar arguments about the capabilities of higher education to promote social mobility and equity. Government perspectives on PTNBH implementation emphasize performance improvement and reduced fiscal burden while maintaining quality and accessibility. However, policy implementation has revealed tensions between autonomy rhetoric and continued ministerial oversight, suggesting incomplete commitment to genuine institutional independence (Rosyidah, 2022).

The stakeholder activities by industry in the institutions of PTNBH reflect a significant amount of variability both along sectoral and regional lines. According to Hasby, Akbar, and Permana (2024), technology and engineering-oriented institutions develop stronger industrial connections in comparison with comprehensive universities, which can be explained by sector-specific factors and the greater institutional ability to connect with the external environment.

4. THE MPFAAC FRAMEWORK

Table 1 presents a comprehensive framework for assessing an institution's transformation readiness and capabilities, especially in the context of governance and operational transitions such as becoming a State University with Legal Entity Status. It categorizes the transformation assessment into six critical components, each with distinct

definitions, key assessment areas, and sample indicators that institutions can use to evaluate their progress and preparedness.

Table 1. Meaning, positioning, functioning, authorizing, actuating, and controlling (MPFAAC) framework components and operational definitions.

Component	Definition	Key Assessment Areas	Sample Indicators
Meaning (M)	Institutional understanding of the transformation purpose and implications	• Vision clarity • Stakeholder alignment • Cultural readiness • Change rationale	• Shared understanding of PTNBH goals • Faculty/Staff commitment to transformation • Alignment with institutional mission • Acceptance of new governance model
Positioning (P)	Strategic positioning within the educational and market environment	• Market analysis • Competitive advantage • Stakeholder relationships • External environment	• Understanding of competitive landscape • Industry partnerships • Alumni networks • Government relations
Functioning (F)	Operational capabilities and institutional processes	• Administrative systems • Academic processes • Support services • Infrastructure	• Financial management systems • Academic quality assurance • Student services efficiency • IT infrastructure adequacy
Authorizing (A)	Formal and informal authority structures and decision-making processes	• Governance structures • Decision-making processes • Leadership capacity • Power distribution	• Board effectiveness • Senate functionality • Executive leadership competence • Delegation mechanisms
Actuating (AC)	Implementation capacity and change management capabilities	• Project management • Resource allocation • Timeline management • Communication systems	• Change management skills • Implementation planning • Resource mobilization • Progress monitoring
Controlling (C)	Monitoring, evaluation, and accountability mechanisms	• Performance measurement • Risk management • Quality assurance • Compliance systems	• KPI development and tracking • Internal audit capabilities • Risk assessment procedures • Regulatory compliance

Table 1 offers a structured and multidimensional framework for evaluating an institution's comprehensive readiness for transformation, particularly in adapting to more autonomous governance models like the State University with legal Private Entity. By dissecting the transformation process into six essential components — *Meaning, Positioning, Functioning, Authorizing, Actuating, and Controlling* — the framework ensures that institutions are not only strategically aligned but also operationally prepared for sustainable change.

The individual components concern issues of crucial aspects of transformation, including purpose conceptualization and strategic positioning definition for the development of a sound operation system, governance, implementation capacity, and accountability mechanisms. The key assessment areas and example indicators associated give a viable direction that institutions can use to review and improve their preparedness in these dimensions in a systematic way.

The framework highlights the fact that achievement of institutional change is holistic and requires synergistic commitment between strategic vision, operational capability, leadership, strength of execution, and relentless monitoring. The institutions that evaluate and develop all these elements adequately are in a better position to achieve transformational goals, ensure good governance, and survive sustainably in a competitive and dynamic educational environment.

5. METHODOLOGY OF STUDY

5.1. Research Design

This study is based on a mixed-methods comparative case study design, which incorporates a quantitative readiness measure with qualitative governance studies in five PTNBH institutions. The selection of institutions for this study was guided by a set of primary and secondary criteria to ensure diversity and representativeness. The key criteria included at least two years of PTNBH (State University with Legal Entity Status) functioning, geographical coverage which included Java, Sumatra, and Sulawesi, a heterogeneous combination of institutional typologies which consisted of comprehensive universities, technological institutes, and specialized institutions, and transition-timelines between 2012 and 2020. The secondary criteria highlighted the significance of data availability, institutional collaboration, the presence of all stakeholders at different levels of governance, and the stability of the institutions during the period of the study.

Based on these criteria, the final sample consisted of five institutions: two comprehensive universities (Universities A & B), two technological institutes (Institutes C & D), and one specialized university (University E). For the data collection, a total of 85 participants were engaged across these five institutions. The participants included 15 members of the Board of Trustees (MWA), 20 members of the Academic Senate (SAU), 25 executive leadership officials, 15 members of the Board of Professors (DGB), and 10 representatives from the Ministry. This diverse participant pool ensured a comprehensive perspective across multiple levels of governance and institutional leadership.

5.2. Scale Development Process

The MPFAAC Readiness Scale was developed through a systematic four-phase process following established psychometric principles (DeVellis, 2017). *Phase 1* involved an extensive literature review and expert consultation to generate an initial item pool of 60 potential indicators across the six dimensions. *Phase 2* employed a panel of 12 higher education governance experts to evaluate item relevance, clarity, and theoretical alignment, reducing the pool to 45 items. *Phase 3* conducted pilot testing with 150 university administrators across three institutions to assess item performance and factor structure. *Phase 4* finalized the 30-item instrument through statistical analysis and expert review, ensuring five high-quality items per dimension.

Table 2. MPFAAC readiness scale interpretation.

Score range	Readiness level	Interpretation	Recommended actions
4.5 – 5.0	Very high	The institution demonstrates exceptional readiness with strong capabilities across all dimensions	• Accelerated implementation • Peer mentoring role • Best practice documentation
3.5 – 4.4	High	The institution shows strong readiness with minor gaps requiring targeted support	• Standard implementation timeline • Focused capacity building • Regular monitoring
2.5 – 3.4	Moderate	The institution displays mixed readiness, requiring significant preparation and support	• Extended preparation period • Comprehensive capacity building • Intensive support mechanisms
1.5 – 2.4	Low	The institution shows limited readiness with major gaps across multiple dimensions	• Fundamental restructuring required • Extended preparation (2+ years) • External expertise engagement
1.0 – 1.4	Very low	The institution demonstrates insufficient readiness for governance transformation	• Transformation postponement • Basic capacity development • Prerequisite improvements

Table 2 presents the interpretation guide for the MPFAAC Readiness Scale by classifying institutional scores from 1.0 to 5.0 into five readiness levels: Very low (1.0–1.4), Low (1.5–2.4), Moderate (2.5–3.4), High (3.5–4.4), and

Very high (4.5–5.0). Each category defines the institution's overall capacity to undertake PTNBH governance transformation, ranging from insufficient readiness at the lowest level to exceptional preparedness at the highest. The table also links each readiness level to recommended actions, indicating that higher scores support faster implementation and peer-mentoring roles, while lower scores require extended preparation, fundamental restructuring, external expertise, or postponement until prerequisite capacities are established.

5.3. Scoring Procedures

The scoring procedures involve calculating readiness levels at both the dimension and overall levels. Each of the six dimensions is scored by averaging five assessment items, yielding a score between 1.0 and 5.0 per dimension. The overall readiness score is then computed as the average of these six dimensions' scores, also ranging from 1.0 to 5.0. This systematic approach enables clear, quantifiable assessments of institutional readiness for governance transformation.

Table 3. MPFAAC readiness scoring procedures and interpretive benchmarks.

Category	Description	Range/Benchmark
Individual dimension scores	Each dimension score is calculated as the sum of 5 items divided by 5	1.0 to 5.0 per dimension
Overall readiness score	Total readiness is the sum of all 6 dimensions' scores divided by 6	1.0 to 5.0 overall
Interpretive benchmarks	- 4.5 – 5.0: Very High Readiness (Exceptional preparation) - 3.5 – 4.4: High Readiness (Strong preparation with minor gaps) - 2.5 – 3.4: Moderate Readiness (Mixed preparation requiring support) - 1.5 – 2.4: Low Readiness (Limited preparation with major gaps)	As listed

Table 3 presents the scoring procedures and interpretive benchmarks used to calculate and evaluate MPFAAC readiness levels. It explains that each individual dimension score is derived by averaging five items, producing a value between 1.0 and 5.0 per dimension. The overall readiness score is calculated as the mean of the six dimension scores, also ranging from 1.0 to 5.0. The table further defines the interpretive benchmarks that categorize results into Very High, High, Moderate, and Low readiness levels, thereby providing a standardized framework for assessing institutional preparedness for governance transformation.

5.4. Psychometric Properties of the MPFAAC Scale

The MPFAAC Scale (Meaning, Positioning, Functioning, Authorizing, Actuating, Controlling) demonstrates strong psychometric properties, affirming its reliability and validity as a tool for assessing organizational readiness for governance transformation. Reliability is evidenced by high Cronbach's alpha values ranging from 0.85 to 0.94, indicating strong internal consistency across all dimensions. Additionally, test-retest reliability scores between 0.81 and 0.88 confirm the scale's stability over time.

Table 4. MPFAAC scale reliability and validity evidence.

Dimension	Cronbach's α	Test-retest reliability	Factor loading range	Content validity index (CVI)
Meaning	0.91	0.87	0.72 – 0.89	0.95
Positioning	0.89	0.84	0.68 – 0.86	0.92
Functioning	0.88	0.86	0.71 – 0.88	0.94
Authorizing	0.87	0.83	0.69 – 0.85	0.91
Actuating	0.86	0.82	0.67 – 0.84	0.90
Controlling	0.85	0.81	0.70 – 0.87	0.93
Overall Scale	0.94	0.88	0.67 – 0.89	0.92

The Table 4 summarizes the reliability and validity metrics for each dimension of the organizational readiness assessment tool. The content validity was established through an expert panel of 12 members, resulting in a Content Validity Index (CVI) exceeding 0.90 across all items, confirming the relevance and clarity of the measures. For construct validity, a confirmatory factor analysis (CFA) validated the intended six-factor structure, yielding strong fit indices ($CFI = 0.94$, $RMSEA = 0.06$), indicating a good model fit to the data. Convergent validity was demonstrated through significant positive correlations with established organizational assessment tools, with correlation coefficients ranging from 0.67 to 0.82, confirming that the dimensions align with related constructs. Lastly, discriminant validity was ensured by maintaining inter-dimension correlations below 0.85, confirming each dimension measures a distinct aspect of organizational readiness without excessive overlap.

5.5. Quality Assurance Procedures

There was close monitoring of response times to detect and highlight any expedited completions that would lead to the reduction of data reliability. Additionally, consistency checks were made to identify the presence of contradicting response patterns, which would give logical consistency across the dataset. A completeness validation protocol was imposed, requiring participants to respond to all items before submitting them. To contain redundancy, a distinct identifier scheme was introduced, practically ruling out duplication of records.

In terms of analysis protocols, missing data constituting less than 5% of responses was addressed using multiple imputation techniques to preserve the dataset's completeness. Outliers were identified through standardized z-score thresholds (± 3.0), ensuring that extreme values did not skew the analysis. Before the actual implementation of any parametric statistical procedures, normality tests were conducted to ensure that the data distributions met the necessary assumptions. Lastly, the adequate sample size was confirmed by power analysis, ensuring the research had high statistical power to draw strong conclusions.

Collectively, all these measures form a holistic, yet methodologically sound, tool for assessing organizational preparedness concerning the six dimensions of governance transformation that matter most. It is an analytical framework that, in addition to providing the means of institutional self-assessment, allows for comparative research across different universities, thereby increasing the findings' generalizability and reliability.

6. RESULT

6.1. Descriptive Statistics

The descriptive analysis presents organizational readiness scores across the six MPFAAC dimensions based on responses from 85 participants representing five PTNBH institutions. Data collection yielded a response rate of 94%, with representation across all targeted stakeholder groups, including senior administrators (29%), middle management (24%), faculty representatives (24%), professional staff (18%), and external stakeholders (5%). All institutions achieved the minimum threshold of 15 respondents, with individual institutional response rates ranging from 83% to 98%.

Table 5. MPFAAC readiness scores by dimension.

Dimension	Mean	SD	Range	Cronbach's α
Meaning	2.84	0.89	2.1 – 4.2	0.91
Positioning	3.20	0.73	2.4 – 4.1	0.89
Functioning	2.82	0.95	1.8 – 4.0	0.88
Authorizing	2.86	1.05	1.9 – 4.3	0.87
Actuating	2.42	1.18	1.2 – 4.1	0.86
Controlling	2.32	1.12	1.1 – 3.8	0.85

Note: Scale: 1=Very Low Readiness, 2=Low Readiness, 3=Moderate Readiness, 4=High Readiness, 5=Very High Readiness.

Table 5 presents the descriptive statistics of organizational readiness across the six MPFAAC dimensions, including mean scores, standard deviations, observed ranges, and reliability coefficients. The results indicate that Positioning records the highest mean score ($M = 3.20$), reflecting relatively stronger strategic awareness, while Controlling ($M = 2.32$) and Actuating ($M = 2.42$) show the lowest levels of readiness. All dimensions fall below the 3.5 threshold for high readiness, suggesting moderate to low preparedness overall. The standard deviations reveal noticeable variability across institutions, particularly in Actuating and Controlling, indicating uneven capacity development. Cronbach's alpha values ranging from 0.85 to 0.91 demonstrate strong internal consistency and confirm the reliability of the MPFAAC scale across all dimensions.

The results indicate that Positioning has the highest mean score, while **controlling** is the lowest. All dimensions demonstrate strong reliability, with Cronbach's alpha values between 0.85 and 0.91, confirming internal consistency across the scale. The overall pattern of readiness scores reveals significant variation both across dimensions and within institutional samples. Mean scores across all dimensions fell below the "high readiness" threshold of 3.5, indicating that PTNBH institutions generally demonstrate moderate to low levels of organizational readiness for autonomous governance. The standard deviations, ranging from 0.73 to 1.18, suggest considerable heterogeneity in readiness levels within the sample, reflecting differences in institutional characteristics, stakeholder perspectives, and transformation experiences.

The range values show that there are many variances in preparedness across institutions and within individual dimensions, with some institutions highly competent in certain aspects and others exhibiting alarming gaps in various domains. These results emphasize the intricacy of the organizational change process within higher education settings and the need to address institutional readiness profile-specific, differentiated support approaches. They also indicate that institutions possess sufficient knowledge of their environment and market position but struggle with managing and supervising the operations and functions necessary for independent governance.

6.2. Dimensional Analysis

To examine whether organizational readiness varied systematically across the six MPFAAC dimensions, this study conducted a repeated-measures one-way analysis of variance (ANOVA), treating dimensions as within-subjects factors. The omnibus ANOVA revealed statistically significant differences between MPFAAC dimensions ($F(5,420) = 12.47, p < .001, \eta^2 = .129$), indicating that readiness levels varied systematically rather than randomly across the six assessment domains. The effect size represents a large effect according to Cohen (1988) conventions, suggesting that dimensional differences account for approximately 13% of the total variance in readiness scores.

Table 6. ANOVA results for MPFAAC dimensional differences.

Source	df	SS	MS	F	p	η^2
Between dimensions	5	487.23	97.45	12.47	< 0.001***	0.129
Error	420	3285.67	7.82	-	-	-
Total	425	3772.90	-	-	-	-

Table 6 presents the results of the repeated-measures ANOVA examining differences across the six MPFAAC dimensions. The analysis shows a statistically significant overall difference among dimensions ($F(5, 420) = 12.47, p < 0.001$), indicating that readiness levels vary systematically rather than randomly across domains. The effect size ($\eta^2 = 0.129$) suggests a large effect, meaning approximately 13% of the variance in readiness scores is explained by dimensional differences. These findings confirm that organizational readiness is multidimensional, with some capabilities developing more strongly than others in PTNBH governance transformation.

The ANOVA results confirm that organizational readiness is not a unitary construct but comprises distinct capabilities that develop at different rates, with strategic positioning capabilities significantly outpacing implementation and accountability mechanisms across all institutional types.

Post-hoc comparisons using Tukey's Honestly Significant Difference (HSD) test revealed three distinct patterns of dimensional readiness. The *Positioning* dimension emerged as the clear strength across institutions, scoring significantly higher than all other dimensions ($M = 3.20$, $p < .01$ for all pairwise comparisons). This suggests PTNBH institutions have successfully developed strategic awareness of their market environment, competitive position, and stakeholder relationships, placing this dimension in the "moderate readiness" category while other dimensions remain closer to the "low readiness" threshold.

Table 7. Post-Hoc comparisons by dimension.

Dimension	M	SD	95% CI	Ranking
Positioning	3.20 ^a	0.73	[3.04, 3.36]	1 (Highest)
Authorizing	2.86 ^b	1.05	[2.63, 3.09]	2
Meaning	2.84 ^b	0.89	[2.65, 3.03]	3
Functioning	2.82 ^b	0.95	[2.61, 3.03]	4
Actuating	2.42 ^c	1.18	[2.16, 2.68]	5
Controlling	2.32 ^c	1.12	[2.07, 2.57]	6 (Lowest)

Note: Means with different superscripts differ significantly at $p < .05$ (Tukey HSD).

Table 7 presents the results of the Tukey HSD post-hoc comparisons across the six MPFAAC dimensions. The findings indicate that Positioning ($M = 3.20$) ranks significantly higher than all other dimensions, as shown by its distinct superscript (^a). Meaning, Functioning, and Authorizing share the same superscript (^b), suggesting no statistically significant differences among these three dimensions. In contrast, Actuating and Controlling (^c) score significantly lower than the others, with Controlling ranking as the weakest dimension. The confidence intervals further confirm the separation between higher strategic readiness and lower implementation and accountability capacities, reinforcing the multidimensional nature of organizational readiness.

In contrast, the *Actuating* and *Controlling* dimensions demonstrated significantly lower readiness levels compared to all other domains ($p < .05$ for all relevant comparisons). Actuating capabilities ($M = 2.42$) showed the most concerning deficiencies, with institutions struggling to translate strategic intentions into effective implementation processes. Similarly, *controlling* mechanisms ($M = 2.32$) revealed systematic weaknesses in monitoring, evaluation, and accountability systems essential for autonomous governance. The mean difference between Positioning and Actuating reached 0.78 points, representing nearly a full category difference on the readiness scale.

The middle tier of dimensions *Meaning*, *Functioning*, and *Authorizing* showed no statistically significant differences from each other ($p > .05$ for all pairwise comparisons), with means clustering around 2.84-2.86. This pattern suggests that institutions have developed relatively consistent but moderate capabilities in understanding transformation purposes, managing operational processes, and establishing authority structures, though they still face challenges in translating formal governance arrangements into effective organizational practice. These findings indicate that despite the fact that institutions have a clear picture of their strategic environments and the competitive environment, they lack the operational capacity needed to succeed in transformation implementation, especially in areas that require systematic change management and well-established accountability systems.

6.3. Institutional Type Comparison

This investigation used a comparative study to determine whether organizational readiness varied with respect to the institutional characteristics and mission orientation: in this case, the sample consisted of the three types of institutions included in this investigation: comprehensive universities, technological institutes, and specialized institutions. The analysis aimed at determining whether these categories had different patterns of readiness development, thus shedding light on the differences in organizational culture, stakeholder networks, and complexity of their operations. The identification of these heterogeneities is crucial in developing specific implementation strategies that would embrace institutional heterogeneity in the PTNBH model.

Table 8. Readiness scores by institution type.

Institution type	n	Overall Mean	SD	Range
Comprehensive Universities	2	2.65	0.88	1.8 – 4.0
Technological Institutes	2	3.24	0.76	2.1 – 4.3
Specialized University	1	2.89	1.25	1.1 – 4.1

Table 8 presents the comparison of overall organizational readiness scores across different institution types. The results indicate that Technological Institutes demonstrate the highest overall mean readiness ($M = 3.24$), approaching the moderate readiness threshold, with relatively low variability ($SD = 0.76$). In contrast, Comprehensive Universities show the lowest readiness level ($M = 2.65$), remaining within the low readiness category. The Specialized University records an intermediate mean score ($M = 2.89$) but with the highest variability ($SD = 1.25$), suggesting uneven capacity across governance dimensions. These findings highlight that institutional type influences readiness for PTNBH governance transformation, with more focused, industry-oriented institutions appearing better positioned for autonomous implementation.

The comparative analysis reveals substantial differences in organizational readiness across institution types, with technological institutes demonstrating significantly higher overall readiness ($M = 3.24$) compared to comprehensive universities ($M = 2.65$) and the specialized university ($M = 2.89$). The technological institutes achieved the only mean score approaching the "moderate readiness" threshold, while comprehensive universities remained in the "low readiness" category. The lower standard deviation for technological institutes ($SD = 0.76$) suggests more consistent readiness across different governance dimensions, whereas the specialized university showed the highest variability ($SD = 1.25$), indicating significant strengths in some areas but notable weaknesses in others. These findings suggest that institutional mission, size, and stakeholder relationships significantly influence readiness for governance transformation, with more focused, industry-oriented institutions better positioned for autonomous governance implementation.

7. DISCUSSIONS

7.1. Organizational Readiness Across Five PTNBH Institutions

A detailed assessment of organizational preparation among five PTNBH institutions reveals a concerning trend: the majority are insufficiently equipped for the transition to autonomous control. All of them fall short of the 3.5 criteria for high preparation, with average readiness ratings between 2.1 and 3.4 on a five-point scale. This indicates that the existing two-year transition period is inadequate for developing the intricate competencies required for effective governance transformation. These results call into question the current assumptions about PTNBH policy and suggest that the amount of change needed to go from a traditional bureaucratic model to semi-autonomous management has been greatly overestimated.

The dimensional analysis reveals particularly troubling deficiencies in the Actuating ($M = 2.42$) and Controlling ($M = 2.32$) dimensions, which represent the operational core of autonomous governance. These findings indicate that while institutions may understand the strategic rationale for transformation and have developed awareness of their competitive environment, they lack the fundamental capabilities for implementing change initiatives and maintaining accountability systems essential for public trust and regulatory compliance. The weakness in actuating capabilities suggests that institutions struggle with project management, resource allocation, and stakeholder communication during transformation processes. Similarly, the deficiencies in controlling mechanisms indicate inadequate development of performance measurement systems, internal audit functions, and risk management procedures that are critical for maintaining public accountability while exercising operational autonomy.

The relative strength of the Positioning dimension ($M = 3.20$) presents an interesting paradox in the readiness profile.

Institutions show moderate success in understanding their market environment and positioning with respect to competition, indicating that strategic awareness for transformation is more successfully tackled compared to

operational implementation. It is likely that in the policymaking agenda, the agenda regarding market competition and positioning is more prominent, while the mere operational aspect in building institutional capabilities is overlooked. There could also be an implication that strategic positioning only requires cognitive capabilities from these higher education entities, which they already have, while control-related capabilities in operational management warrant different expertise for which these institutions were never suited.

7.2. Institutional Type Effects and Implications

The presence of remarkable differences in readiness levels in distinct forms of institutions helps in understanding the manner in which organizational factors affect the capability for transformation in these institutions. The readiness levels in technology institutes were found to be considerably higher ($M = 3.24$) in comparison to comprehensive universities ($M = 2.65$), thereby emphasizing the significance of an institution's mission, its organizational factors, and stakeholder integration in bringing success during transformations in an institute or an organization.

The superior performance of technological institutes likely reflects several structural and cultural advantages that facilitate governance transformation (McCormack et al., 2014). Their existing industry partnerships provide established revenue diversification mechanisms and stakeholder relationships that support autonomous operation. The engineering culture prevalent in these institutions naturally embraces systematic approaches to problem-solving and performance measurement that align well with autonomous governance requirements. Additionally, the smaller size and more cohesive organizational structures of technological institutes may enable faster decision-making and more effective coordination during transformation processes compared to the complex, multi-disciplinary structures of comprehensive universities.

Universities as a holistic organization still faced unique challenges that could explain a relatively lower preparedness score. These issues include the complex coordination of heterogeneous academic departments with divergent institutional cultures and functioning needs, the challenge of the simultaneous, sometimes even conflicting, pursuits across various academic fields, and an increased likelihood of faculty resistance to market-oriented practices, especially in the humanities and social sciences, where market pressures are incompatible with institutionalized scholarly paradigms. In turn, these results suggest that a comprehensive university requires a custom implementation plan that would support its complexity as an organization and offer additional assistance to help navigate cultural transformation in the diverse academic community.

The specialized university in our sample demonstrated intermediate readiness levels but with high variability ($SD = 1.25$), indicating significant strengths in some governance dimensions but concerning weaknesses in others. This pattern suggests that specialized institutions may have clear market positioning and stakeholder relationships within their focus areas but lack the comprehensive governance capabilities necessary for autonomous operation. The high variability may also reflect the challenges of maintaining both specialized expertise and broad institutional management capabilities within resource-constrained environments.

7.3. Governance Paradigm Evaluation

The data supports the hypothesis that principles of New Public Service (NPS) are better applicable to the management of PTNBH compared to New Public Management (NPM) in a strong way. The long-standing gaps observed in implementation and control aspects across all institutional typologies indicate that purely market-based solutions are likely insufficient in addressing complex governance issues faced by hybrid educational organizations. The NPM bias towards customer service and market competition conflicts with the values of education and professional autonomy underpinning university missions, despite the existence of autonomous arrangements governing them.

The fact that institutions face the most challenges in actuating and controlling capabilities is consistent with ongoing critiques of NPM implementation in the educational context. Market-dominated forms of governance

habitually underestimate the importance of stakeholder consultation, democratic involvement, and strategies of accountability to the populace, which cannot be ignored in establishing legitimacy in institutions of learning. The citizen engagement-oriented nature of NPS and its emphasis on building public value may provide a more durable foundation on which institutional autonomy can be reconciled with the public accountability requirements of the PTNBH model.

The collaboration in principles of governance that are part of NPS closely align with the collaborative governance structures that are a mandatory requirement to have good university management, including academic senates, faculty involvement in strategic planning, and multi-stakeholder boards of trustees. The NPS approaches to democratic values can be useful in supporting the continuation of the traditions of academic freedom and collegial governance and assist institutions in building the strategic management capacities needed in competitive environments. This match-up implies that effective PTNBH implementation might need governance frameworks that focus on values of public service and stakeholder cooperation instead of raw-market efficiency.

The evidence however, also indicates that the selective implementation of NPM tools can be useful when used in a general NPS framework. Institutional effectiveness can be improved through strategic planning processes, performance measurement systems and customer service improvements without undermining core values of education. The solution seems to lie in the ability to apply these tools to a governance philosophy that would focus on the public interest and the democratic involvement instead of the market control and profit maximization.

8. CONCLUSION

The proposed research is the first systematic analysis of organizational preparedness for governance change within Indonesian higher education, specifically exploring the institutional transformation of state universities into the status of a Private-Legal-Entity (PTNBH) using the framework of MPFAAC. The investigation addresses relevant epistemic lapses regarding the organizational abilities necessary for the effective deployment of hybrid governance forms, which are essential to balance institutional independence with high standards of public accountability.

The empirical results show a widespread lack of organizational readiness in all assessed institutions, where the mean scores vary between 2.1 and 3.4 on a five-point scale of organizational readiness. A similar homogeneous trend of moderate to low preparedness emphasizes the need for a substantive recalibration of the existing policy presumption about the timelines of transformation and the inherent abilities of institutions. The dimensional analysis shows that readiness is not a unitary construct because it includes different capabilities that evolve at varied rates; strategic positioning is much faster than implementation and accountability mechanisms in all types of institutions.

The comparative analysis of the types of institutions examined offers important data on the role played by organizational features in the capacity to transform. The level of readiness is much higher with technological institutes compared to comprehensive universities, indicating that mission clarity, industry relationships, and organizational culture are critical factors contributing to governance transformation. The results question the implementation strategies that are one size fits all and favor differentiated strategies that recognize institutional diversity in the context of PTNBH.

A review of governance paradigms provides meaningful theoretical value to the body of literature on higher education governance and general state administration. The evidence shows an evident tendency towards New Public Service (NPS) principles and less New Public Management (NPM) approaches in hybrid institutions of learning, favoring democratic values, stakeholder participation, and a public-service orientation over market-competition incentives. This evidence contradicts current beliefs about reform in the public sector and demonstrates that the sector-specific model of governance is necessary to maintain educational values while simplifying operations. However, this analysis, limited by its emphasis on theoretical discourse with less attention to empirical case studies

or cross-national institutional comparisons, offers insight into the competing frameworks of NPM and NPS in higher education governance.

9. IMPLICATIONS AND RECOMMENDATIONS

The research seeks to address major gaps in the preparedness of PTNBH (State University with Legal Entity Status) across institutions, specifically in implementation and accountability. In this regard, the study supports extending the adaptation period to six years, with phases such as preparatory (years 1-2), implementation (years 3-4), and consolidation (years 5-6). This systematic schedule is hypothesized to enable institutions to build necessary capacities without sacrificing the quality of education and stakeholder trust.

There is an immediate need for harmonization in governance structures, whereby internal audit departments, risk management departments, and legal affairs departments need to be put in place if the institutions want to attain autonomy in its entirety. There is a need for a tailored approach considering the different levels of readiness for implementing autonomy in technology institutes compared to comprehensive universities, whereby technology institutes can advance with mutual mentoring, while comprehensive universities would require rigorous change management.

The MPFAAC framework serves as a diagnostic and strategic planning tool for institutional leaders to identify weaknesses and prioritize capacity building. Importantly, the findings underscore that technical fixes alone are inadequate; cultural change, stakeholder engagement, and comprehensive change management are critical for success. In theory, it advances the conversation about hybrid governance in higher education by integrating accountability, autonomy, and change management into one diagnostic tool. In practice, it provides leaders of institutions with a strategic instrument to identify capacity gaps and set priorities for reform efforts. The study also shows that merely making technical changes is insufficient; for real change to occur, cultural change, stakeholder involvement, and long-term learning are necessary.

Policy makers are exhorted to establish PTNBH excellence centres for better practice exchange and enhanced coordination between education and finance departments on tax complexity issues, in particular. In addition, financial motivators for higher education institutions with exemplary performance in handling autonomy versus accountability could also be helpful. After all, for a success story in governance transformation, there would need to be adaptations in culture and learning on an ongoing basis.

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Transparency: The authors state that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.

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