

## **Toward World Class University: How Universitas Terbuka (UT) Managing Organizational Change to Increase Accessibility, Quality, and Continuous Improvement**

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### **Abstract**

*Indonesia has about 230 millions inhabitants which live in more than 17.000 islands which covers 1.9 million km<sup>2</sup> and 230 local dialects used by the people. UT has 37 regional offices throughout the country. To achieve its vision, UT has implemented strategy into two stages. At the initiation stage, UT reviewed its value, basic philosophy and strategy as a distance education institution, and then shared them to all of the university's staff. Total Quality Management and good governance has been implemented as management instruments. Commitment of all leader and staff to work is enhanced. At the implementation stage, UT has employed the strategy of outsourcing and contracting out system to carry out some of its missions, trained staff to be multi-skilled and ready for multi-tasking jobs, revised UT's organizational structure as a distance learning institutions, enhanced relation with stakeholders, provided working infrastructure and facilities, organized workload by using functional structure and teamwork, and managed funding transparently and consistently. With 1.828 staff, UT has serving 165.222 students in 2001-2009, and with increasing number of students in 2009-2010, 1.825 staff served 465,685 students. The effectiveness of UT's management as a distance education institution has been proven by receiving 36 ISO certificate in the area of Administrative Academic Services. In 2010, UT also received an admission as world-class university from International Council for Distance Education in the area of service management. Methodology used in this articles is analyzing ten Rector Reports (2001 – 2010) and other relevant secondary data.*

*Key words: strategy, management, quality*

### **A. Introduction**

Indonesia is the biggest archipelago country in the world which consist of 17.508 big and small islands. Among the big islands are Sumatra, Java, Celebes, Borneo and Papua which are divided into 32 provinces in total and 530 regencies. Indonesia has 1.922.570 km<sup>2</sup> mainland and 3.257.483 km<sup>2</sup> waters. Hundreds of tribes with their own language and culture live together as a nation. According to National Census 2010, Indonesia has about 234 million inhabitants. These factors lead to a complexity in managing Indonesia.<sup>1</sup> <sup>i</sup> Level of income per capita reached U.S. \$ 1,812. About 60% of Indonesia's population lives in Java, the rest scattered in other islands. Most of Indonesia's population lives in rural areas and majority of them worked as farmers, fishermen and small traders. Residents who live in urban areas generally work as professionals, traders, industrial workers, and service sectors.

With the largest population and the Central Government, the island of Java, developed into a center of economic growth in Indonesia. Capital flows, transportation, communication, and education is also based in Java. Gradually shift the regional autonomy policy and social economic activities outside the island of Java. In general, gross enrollment rate of higher education in Indonesia reached 14.67%<sup>ii</sup>.

### **The Establishment of Universitas Terbuka/UT (The Indonesian Open University)**

One solution to improve the welfare of the people of Indonesia is to increase the number of residents who graduated college. However, universities face is insufficient to accommodate the upper levels of secondary school graduates who want to continue on to college. In the 1980's, there's more than 1.3 million students who graduated high school upper level, but the capacity of colleges to-face only 400,000 people, so that there are 700,000 high school graduates who can not level up at the college to continue face-to-school advance<sup>iii</sup>. In addition to the problem of providing opportunities for high school graduates to enter college, the Government of Indonesia also wants an increase in teacher competence through in-service education and residents are already working.

To achieve this purpose, Indonesian Governments held a study to establish a university that has the ability to conduct mass education and are able to provide services to residents who are already working. Finally the Government decided to establish a university with a long-distance mode.

**UT Facts table on the Year 2006-2010<sup>iv</sup>**

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	2006	2007	2008	2009	2010
student registration number	311,570	437,247	452,061	481,301	465,685
Number employees	1.922	1.862	1860	1.828	1.828
number of courses	32	32	32	31	32
number of test centers	592	626	680	696	742

On September 4, 1984, by Presidential Decree No. 41 of 1984 the Government of Indonesia formally established Universitas Terbuka/UT (the Indonesian Open University). Its main mandate is providing access for high school graduates to enter university and serve workforce to enhance their qualification. When it was founded, UT had about 50,000 students throughout the country. UT consists of the headquarters in Jakarta and 37 regional offices. Established regional offices in each provincial capital, large cities that have state universities, and other cities decided by the Rector.

UT was founded as a university designed incomplete meaning not all of the needs met by the UT. In the provision of human resources such as authors of teaching materials, item test writers, tutors, and exam supervisors, are mostly those coming from outside the UT. In the early stages of establishment UT, UT top managers are from other universities. They are a local college lecturer or teacher in an area where activities are being implemented. But gradually, their numbers reduced. To distribute teaching materials and other materials throughout Indonesia, UT has collaboration with the post office and shipping company. Tutorials and exam locations as well as practice courses, carried out in collaboration with schools, colleges, and local government. Thus UT is a university in the form of network operations with UT officials as network controllers. UT operational network controllers in regional offices conducted by UPBJJ.

By 2010, the number of UT students reach 465,685 people registered by the number of employees as many as 1828 people. In 2001 the number of new UT students reach 165,222 people by the number of employees 1833 people<sup>y</sup>.

### **Efforts to Achieve Quality**

To implement these two institutional mandate UT continually changing organization. In the early stages of the UT changes directed to conduct an internal consolidation to restructure the organization, including strengthening the organizational culture UT as a distance higher education . In 1998, UT set a vision for an excellent distance higher education institution and set UT's strategic plan.

## Shared

## Vision

Along with changes in leadership at UT, in 2001 the vision that has been set to be revisited. The review is done by revaluing the external situation, especially education policy in Indonesia and the internal condition of UT. Reassessment of the internal situation made by the leadership to communicate with employees at various levels to listen to the aspirations of the employees and leadership at the unit level. Aspirations of employees at various levels are then analyzed and combined with the results of external analysis. The results of internal and external analysis provides a basis for revisiting the vision and the formulation of strategies have been formulated previously.

Important issue at the time, UT employees and officials of Ministry of Education have no a unified view about UT. UT is still perceived as conventional/face to face higher education institution. In fact, UT business process are not the same as the nature of face to face university<sup>vi</sup>. The difference of the perspective led to the difficulties in implementing the Ministry's policy regarding UT. Internally, some staff still believes that the UT should also be managed like conventional/face to face higher education institution. These differences have an impact on the effectiveness of policies and implementation. This year is the year to rediscover the identity of UT (reinventing) as distance higher education institution.

UT philosophy as distance higher education institution presented and discussed to all employees (shared vision). The purpose of this activity is to build a common vision for all UT employees. Perception about the vision of UT also made to the external stakeholders on various occasions. External stakeholders need to know and have the correct perspective on UT's vision to bring the policies which will not harm UT. The similarity of worldview of stakeholders about UT as distance higher education institution facilitate in formulating and implementing policies.

Management instruments applied to fix the UT is total quality management (TQM) and good corporate governance (GCG). TQM instruments are applied to fix the system and working procedures including the determination of quality objectives. While GCG widely applied in areas of policy, finance, human resources and infrastructure.

Implementation of the principles of TQM was originally done by adopting quality assurance frameworks from the Asian Association of Open University at 2001. Based on the framework, UT develop quality assurance documents that match the needs of UT. UT targets in quality assurance objectives are formulated and set together in the National Working Meeting. UT quality assurance document and then used as the basis for development planning activities of UT. Implementation of quality assurance at UT performed starting from the development process through the certification program.

In 2002, UT developed the QA Policy Manuals on areas of policy and planning,

human resource recruitment and development, management and administration, learners, program design and development, course design and development, learning supports, assessment of student learning, and media for learning. Policy manuals are the basis for the development and implementation of QA Systems at UT<sup>vii</sup>.

The implementation of GCG was done as an effort to establish a corporate culture oriented to the principles of accountability, transparency, participation, law-abiding, effectiveness, and efficiency. These principles are used in every process management at UT as in determining policy, planning, implementation, monitoring, and evaluation activities.

### **Implementation Strategy**

After the vision, mission and strategy are established, the next step is implementation. The implementation stage is done by adopting the principles of public management such as reinventing government, participative management, financial deconsentration, and learning organization.

The concept of reinventing government is used primarily to rediscover the meaning of distance higher education institution. Implementation is done by performing a theoretical study of distance higher education that is fundamentally different to face-to-face education. Of the 10 principles of reinventing government, PRINCIPLE 1 most widely used is steering rather than rowing. This principle is implemented by shifting jobs to support work out (contracting out). UT only carry out essential work as distance higher education institution, support work such as printing and sending teaching materials handed over to the other party.

Participative management is applied in the field of decision-making and implementation activities. All decisions taken by involving all parties concerned by the decision. In the implementation of activities, the concept of participative management carried out by involving as many people in their activities at UT. Team work team was formed with the goal to cut the bureaucracy and to create a prospective leaders at UT. The activities carried out within work teams. Work teams are organized with a matrix organizational structure.

In the field of financial planning and financial principles deconsentration enforced. Financial deconsentration held in conjunction with the implementation of the principle of participative management. Policies generated by the principle of planning upward, meaning that the proposed policy proposals from existing units in the UT unit. Proposed units generated through the discussion in each unit with reference to the general policy given by the leadership of UT.

Another important principle that was adopted at UT is a learning organization. UT encourages every employee to become a master over his job. Lessons on the

level of individuals, groups, and organizations are encouraged and facilitated. The goal is that every employee has a personal capacity who are able to see UT as a whole.

In addition to establishing the principles and concepts of management are used, the UT also set a priority area that needs improvement to achieve the Vision UT. These areas are human resource, remuneration systems, organizational structures, quality assurance systems, infrastructure, and revitalize relationships with stakeholders.

Strategy in the field of human resources (HR) is placing the right human resources in strategic positions and increase the competence of the employees to have a multiskilled so doing multitasking jobs. Training, internships, assignments, coaching, and supervision are widely used to enhance the ability of staff to be able to carry out continuous improvement. Human Resource Development Center produces employees to have high ability in carrying out the work, thus increasing the workload of employees.

To maintain the motivation for employees to keep working with high motivation, UT improvement remuneration system. Remuneration system which was originally based solely on the government payroll system and administration fees, enhanced by taking into account the performance of employees and products.

UT increased workload due to the increasing number of students and quality demands. Increasing workload demands on the improvement of coordination mechanisms. Therefore then make changes to the organizational structure of the UT. Organizational structure which was originally the same as the organizational structure of conventional face to face transformed into a suitable organizational structure for UT as distance higher education institution. Systems and procedures tailored to the development of quality assurance system at UT. Each implementation of the standards established work procedures and objectives to be achieved. Standards and targets are monitored, measured, and evaluated periodically. Between the years 2006-2009 UT implementing ISO 9001:2000 Quality Management System in providing such Services Teaching Material, Distance Learning Services, Academic Development Services, Academic Administration, Promotion and Cooperation.

### **Infrastructure.**

Strategy of improving quality and increasing workload requires the provision of infrastructure in sufficient quantity and adequate quality. Provision of infrastructure including provision of buildings and equipment as well as communications and information technology. Strategy of improving product quality, learning, and management must be supported by a high-powered ICT both in terms of processing and data transfer. ICT implementation is intended to enhance the ability of UT in data processing, storing, use, reproduce, and

transmit data to the party requires. In addition, the use of ICT will improve the accountability and transparency of management UT. ICT is able to cut time, cost, and number of employees needed in the completion of each work process.

**Revitalization of the relationship with stakeholders.** UT strategic environmental changes affect strategic partners. To that end, UT consistently maintain relationships with strategic partners. Any change in policy at UT will be delivered to partners, otherwise any change in policy at UT partners will communicate with partners. Thus the strategic network which has been built will be maintained in a consistent and sustainable.

UT synergize management capabilities of existing forces at UT to be a solid team learning, able to turn UT into learning organization (LO). LO generated by the synergy between leadership and strong systems. Systems, leadership culture, work culture, and assets, whether tangible or intangible, and stakeholder support for the government is UT's capital base to achieve its future. UT changed internally, externally as well as UT's strategic environment will also change. Work culture, collegial leadership, and organizations that have strong expected to flexibly support the adaptation process to colleges → UT's world-class high<sup>viii</sup>.

UT steps taken to improve the quality to achieve the vision showed significant results. Until the end of 2009 UT has won 40 of ISO for student services at 37 UPBJJ, development of teaching materials, teaching materials services, campaign management and cooperation, academic and administrative services. In 2005, UT obtain international certificates of quality and accreditation in higher education distance given by the International Council for Distance Education (ICDE), based in Oslo, Sweden. In 2010, conducted a reassessment by ICDE and the result is UT still gaining recognition as a distance education provider of high international quality<sup>ix</sup>.

When viewed from the indicators of management effectiveness and efficiency of the UT, UT indicates that management has reached a level of efficiency and effectiveness are high. In 2001 the number of new UT students reach 165,222 people by the number of employees 1833 people<sup>x</sup>, meaning that in 2001 every employee UT serves an average of 90 students. In 2010, the number of registered UT students reach 465,685 people by the number of employees as many as 1828 people<sup>xi</sup>. In 2010, UT system's ability to provide services has increased very rapidly. In 2010, each employee on average to serve 255 students. This means that the UT system has increased capacity to serve more than 100% with excellent quality. This is evidenced by the achievement of ISO standards and opinions of the ICDE.

## Conclusion

Indonesia consist of 17,212 islands with a high level of population diversity.

Universitas Terbuka was established in 1984. The purpose of establishment is to provide higher education for teachers and people who want to continue their education in college. UT was designed as a company facility and some of its human resource must cooperate with other institutions. The number of UT students at the beginning of 50,000 people was founded, in 2010 the number of students has reached 465,685.

UT ongoing development process in line with the changing strategic environment. Strategies pursued in achieving the vision of UT is to review the nature of UT as distance higher education institution, establish management instruments, and establish implementation strategies. Principles of TQM and GCG defined as the value that should animate every activity UT. The implementation stage is done by adopting the principles of public management such as reinventing government, participative management, financial deconsentration, and learning organization. Priority areas that need to be addressed to achieve the Vision UT are human resource, remuneration systems, organizational structures, quality assurance systems, infrastructure, and revitalize relationships with stakeholders.

UT organizational change strategy can be perceived as a success. Until the end of 2009, UT has won 40 of ISO for student services at 36 UPBJJ, and 4 of ISO at the UT Center. In 2005, UT obtain international certificates of quality and accreditation in higher education distance given by the International Council for Distance Education (ICDE), based in Oslo, Sweden. In 2010, UT obtain the opinion of ICDE as a distance education provider of high international quality.

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<sup>i</sup> Data about Indonesia downloaded from [http://www.e-dukasi.net/mapok/mp\\_full.php?id=216](http://www.e-dukasi.net/mapok/mp_full.php?id=216)) and <http://www.depdagri.go.id/basis-data/2010/01/28/daftar-provinsi> downloaded August 15<sup>th</sup> 2010

<sup>ii</sup> Statistic Beureu Centre (Biro Pusat Statistik), [http://www.bps.go.id/tab\\_sub/view.php?tabel=1&daftar=1&id\\_subyek=28&notab=1](http://www.bps.go.id/tab_sub/view.php?tabel=1&daftar=1&id_subyek=28&notab=1), downloaded August 5<sup>th</sup> 2010.

<sup>iii</sup> Setijadi at Asnah Said, The Development of Universitas Terbuka, Book I, Universitas Terbuka, Publisher, 2007.

<sup>iv</sup> Business Strategic Planning of Universitas Terbuka, Year 2010, Unpublished

<sup>v</sup> Universitas Terbuka (The Indonesian Open University) Rector Annual Report, Year 2001, Unpublished.

<sup>vi</sup> Universitas Terbuka, Memorandum of The End of Universitas Terbuka Rector Duty Year of 2001 – 2008, unpublished, 2009.

<sup>vii</sup> Belawati, T. & Zuhairi, A. (2007). The practice of quality assurance system in open and distance learning: A case study at Universitas Terbuka. *International Review of Research in Open and Distance Learning (IRRODL)*, 8(1). Available at URL <http://www.irrodl.org/index.php/irrodl/article/view/340/782>

<sup>viii</sup> Universitas Terbuka, Memorandum of The End of Universitas Terbuka Rector Duty Year of 2001 – 2008, unpublished, 2009

<sup>ix</sup> Business Strategic Planning of Universitas Terbuka, Year 2010, Unpublished



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