



**USAID** | **INDONESIA**  
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# HIGHER EDUCATION LEADERSHIP AND MANAGEMENT

**TRENDS AND OPPORTUNITIES IN QUALITY ASSURANCE AND  
COLLABORATION WITH EXTERNAL STAKEHOLDERS FOR  
INDONESIAN HIGHER EDUCATION INSTITUTIONS**

**DELIVERABLE 5**

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# HIGHER EDUCATION LEADERSHIP AND MANAGEMENT PROJECT

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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## HELM ACRONYMS AND GLOSSARY

ADB	Asian Development Bank
ANQAHE	Arab Network for Quality Assurance in Higher Education
APQN	Asia-Pacific Quality Network
AQAN	ASEAN Quality Assurance Network
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
AUN	ASEAN University Network
AUN-QA	ASEAN University Network on Quality Assurance
AusAID	Australian Agency for International Development
BAN-PT	National Accreditation Agency for Higher Education
BHT	Board for Higher Education
BINUS	Universitas Bina Nusantara
BLU	Semi-autonomous Higher Education Institution
BNI	Indonesian State Bank
BRI	People's Bank of Indonesia
BSNP	National Education Standards Agency
CHEA	Council for Higher Education Accreditation (US)
CIHE	Commission on Institutions of Higher Education
CQO	Chief Quality Officer
CSR	Corporate Social Responsibility
DAAD	German Academic Exchange Service
DIES	Dialogue on Innovative Higher Education Strategies
DIKTI	Directorate General of Higher Education (also: DGHE)
DLSA	Directorate of Learning and Student Affairs
EHEA	European Higher Education Area
ENQA	European Association of Quality Assurance
EQAS	External Quality Assurance System (also: SPME)
ESC	External Stakeholder Collaboration
EUA	European University Association
HEI	Higher Education Institution
HELM	Higher Education Leadership and Management
HE-QAS	Higher Education Quality Assurance System
HRK	German Rectors' Conference
IDEA	Office of Innovation and Development Alliances
IDR	Indonesian Rupiah
IQAF	Indonesian Quality Award Foundation
IQAS	Internal Quality Assurance System (also: SPMI)
ISO	International Organisation for Standardization
ITB	Institute of Technology in Bandung
KOPERTIS	Consortium of Private Higher Education Institutions
MBCfPE	Malcolm Baldrige Criteria for Performance Excellence
MenkoKesra	Coordinating Ministry for People's Welfare
MEXT	Ministry of Education, Culture, Sports, Science and Technology – Japan
MOA	Memorandum of Agreement

MOEC	Ministry of Education and Culture (also: DIKBUD, formerly MONE)
MONE	Ministry of National Education
MOU	Memorandum of Understanding
NEASC	New England Association of Schools and Colleges
NIAD-UE	National Institution for Academic Degrees and University Evaluation (Japan)
NUNI	Nationwide University Network
OECD	Organization for Economic Co-operation and Development
PDPT	National Higher Education Institution Data Base (also: HEI-DB)
PKBL	Partnership and Community Development Program
PLN	State Electricity Company
POLMED	Medan State Polytechnic
POLNES	Samarinda State Polytechnic
QA	Quality Assurance
QAA	Quality Assurance Agency for Higher Education (UK)
QAS-HEI	Quality Assurance System for Higher Education Institutions
QMU	Quality Management Unit
RIHED	Regional Institute of Higher Education and Development
S <sub>1</sub>	Undergraduate (Bachelor's) Degree
SEAMEO	Southeast Asian Ministers of Education Organization
UGM	Gadjah Mada University
UI	University of Indonesia
UK	United Kingdom
UMM	Muhammadiyah University, Malang
UNAIR	Airlangga University
UNHAS	Hasanuddin University
UNJ	State University of Jakarta
UNM	State University of Makassar
UNMUL	Mulawarman University
USAID	U.S. Agency for International Development
USINTEC	U.S.-Indonesia Teacher Education Consortium
USU	University of Northern Sumatra
UW	University of Wisconsin

## EXECUTIVE SUMMARY

The five-year USAID/Indonesia Higher Education Leadership and Management Project (HELM), contract AID-497-C-12-00001 works in close collaboration with the Directorate General of Higher Education (DIKTI) and Indonesian Higher Education Institution (HEI) partners and under guidance from USAID. HELM aims to support and sustain reforms in the Indonesian higher education sector which will result in, as stated by the sub IR “increased management capacity of Indonesian Higher Education Institutions (HEIs).” Through collaboration with DIKTI, HELM will target increased capacity in four core management areas:

1. General administration and leadership;
2. Financial management;
3. Quality assurances; and,
4. Collaboration with external stakeholders.

A key goal of the USAID/Indonesia Higher Education Leadership and Management (HELM) Project is to strengthen the leadership and management capacity of Indonesian HEIs. The project’s first phase seeks to “inform the [higher education] institutional implementation of the [DIKTI] strategic plan through a better understanding of challenges and constraints both at the national level and within the institutions in the areas of financial management, general administration and leadership, quality assurances, and collaboration with external stakeholders.”<sup>1</sup>

This HELM Project year-one deliverable (Deliverable 5) assesses quality assurance (QA) policies and approaches within HEIs and external to them, including HEI external stakeholder collaboration. The information for this report was collected through a collaborative assessment of diverse Indonesian HEIs, as well as an extensive review of current literature on quality assurance practices and collaboration with external parties in the region and across the globe.

### Research Methodology and Limitations

In May and June 2012, two teams of HELM consultants and staff conducted field work for this and other HELM program assessments. The field work involved site visits to 11 diverse HEIs (approved by DIKTI and USAID/Indonesia) in North Sumatra, South Sulawesi, East Kalimantan, East Java, Central Java, and Jakarta.<sup>2</sup> Through in-depth interviews and small group discussions with key officials in these HEIs and the review of key HEI documents (e.g., strategic plans, quality assurance system documentation), the teams assessed HEI leadership and management performance and capacity in four core areas: general administration and leadership, financial management, quality assurance, and collaboration with external stakeholders.

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<sup>1</sup> Chemonics International, “Higher Education Leadership and Management Year One Work Plan: 28 November 2011 – 28 November 2012. Draft,” Chemonics International, Jakarta, Indonesia, February 10, 2012, p. 6.

<sup>2</sup> The 11 HEIs visited by the HELM teams were Universitas Bina Nusantara (BINUS), Politeknik Negeri Medan (POLMED), Politeknik Negeri Samarinda (POLNES), Universitas Gadjah Mada (UGM), Universitas Hasanuddin (UNHAS), Universitas Indonesia (UI), Universitas Muhammadiyah Malang (UMM), Universitas Negeri Jakarta (UNJ), Universitas Negeri Makassar (UNM), Universitas Negeri Mulawarman (UNMUL), and Universitas Sumatera Utara (USU).

Information on internal HEI QA systems was primarily obtained or confirmed through interviews and group discussion sessions with administrative and teaching staff at the 11 HEIs profiled in Deliverable 4. The site visits to these HEIs lasted only a day or a day and a half, so were brief and were further constrained by conflicting HEI scheduled events. At several HEIs, key officials were unavailable to meet with the HELM teams due to prior commitments or last-minute conflicts. The HELM teams' meetings with representatives of current or potential external collaborators of these HEIs, which occurred during these same site visits, were characterized by the similar scheduling constraints.

## **HEI Quality Assurance and Accreditation in Southeast Asia**

in the past decade, as the value of internationally recognized quality assurance and accreditation spread throughout Asia, the ASEAN University Network (AUN) formed a compact in which, although each of the 10 ASEAN nations would have its own QA and accreditation standards, all ASEAN national standards would be transferable and compatible among the ASEAN countries. This compact is called the ASEAN University Network on Quality Assurance (AUN-QA).

AUN, through the AUN-QA, takes a holistic approach to HEI internal quality assurance through a framework that includes three dimensions: strategic (institutional level QA), systemic (internal QA systems, IQAS), and tactical (program level QA).<sup>3</sup> For AUN, HEI stakeholder requirements are the foundation for HEI internal quality assurance and for the HEI's mission, vision, goals, and objectives. They also are the starting point for institutional level QA, which achieves the HEI goals through teaching and student learning, research, and community service activities that, at the end of the process, meet stakeholder requirements. The IQAS, in turn, consists of all systems, resources, and information for improving the quality and standards of teaching and student learning, research, and community service.

The third dimension of HEI internal QA in the AUN-QA framework, namely, program level QA, focuses on study program-specific teaching and student learning. This dimension starts with expected student learning outcomes, and then examines the translation of these outcomes into the study program and how they can be achieved; the quality of the student learning inputs and processes; and the demonstrated outcomes of the learning process (including how they compare to the expected outcomes). Thus, student learning outcomes are the focus for the AUN-QA approach to program level QA, together with the extent to which the HEI stakeholders' requirements are fulfilled.

As active participants in AUN-QA and related ASEAN initiatives, DIKTI and BAN-PT are well-positioned to identify, adopt, and oversee implementation of promising Southeast Asia QA and accreditation policies and practices appropriate to Indonesian HEI, political, legal, social, economic, and other contexts.

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<sup>3</sup> AUN. *Guide to Actual Quality Assessment at Programme Level*. Bangkok, Thailand: AUN, 2011.

## Indonesian HEI Quality Assurance Systems

While each HEI is required to have an IQAS that ensures the HEI meets or exceeds the minimum national higher education standards, DIKTI allows each HEI to establish its IQAS in a way that reflects institutional vision, mission, historical background, organizational culture, resources, and program characteristics. For example, the IQAS can be organized and overseen through a special QA unit, an integrated QA management system, or QA teams or task forces. Also, even though all HEIs must have IQAS documentation that includes QA policies, QA manual, QA standards, and QA forms (including those used to plan, implement, and control standards), an HEI has flexibility relative to this documentation.

HEI QA systems vary in the extent to which they have been implemented throughout the institutions; an HEI, for example, may lack “buy-in” from some administrative or academic units even though it has the DIKTI-required IQAS documentation. The core national requirement, however, is that each HEI meet or exceed (qualitatively and/or quantitatively) the eight minimum and mandatory national higher education standards in order to ensure the high quality of Indonesian higher education. These include:

- content
- learning process
- graduates’ competencies
- educational assessment
- lecturers and education staff
- facilities and infrastructure
- management
- financing

The seven additional higher education standards addressed by DIKTI in these editions are:

- scientific research
- community service
- student affairs
- welfare
- academic environment
- information system
- collaboration

## Effective External Stakeholder Collaboration

There is significantly less research on effective collaboration among HEIs than on QA. However, effective stakeholder collaboration between an Indonesian HEI and a partner HEI in Indonesia or in another country should demonstrate practices and outcomes that enable the collaboration to meet its stated objectives and strengthen each HEI’s human and institutional capacity.

A 2011 USAID report on strengthening operational and strategic outcomes of partnerships between U.S., Asian and Middle Eastern (AME) HEIs identifies effective practices and outcomes that successful HEI-HEI partnerships should demonstrate. Following are several

practices and outcomes from this report (rephrased to reflect a focus on stakeholder collaboration) that are relevant for Indonesian HEI collaborations with partner HEIs in Indonesia or another country:<sup>4</sup>

- extensive and collaboration planning
- clear and consistent communication and coordination
- realistic plans for implementation, including identification of how activities will be carried out
- reflective and ongoing evaluation to assess goal fulfillment continually
- documentation of outcomes, including unanticipated outcomes

Effective collaborations between Indonesian HEIs and private sector firms involve different types of collaboration. Effective HEI-private sector firm collaborations are those that address jointly defined business and higher education objectives. While the collaborations should be co-designed and co-managed, they may not be equally funded; even if the firm provides most of the financial resources, however, the HEI should be expected to provide the time and expertise of its teaching staff and students and related support.

The USAID Office of Innovation and Development Alliances (IDEA) has outlined seven guiding principles that contribute to the long-term success of public-private alliances. The principles, which USAID has identified as being relevant for partnerships involving private sector firms, also have the potential to contribute to successful collaborations between Indonesian HEIs and private sector firms. These principles are as follows:<sup>5</sup>

- trust
- equity
- organizational and individual competencies
- inclusivity
- partnership alignment
- mutual benefit
- transparency

## **Current Trends in External Stakeholder Collaboration**

Indonesian HEIs vary from one institution to another in terms of their external stakeholder collaborations. For example, the most prestigious HELM-visited institutions (primarily Java-based) leverage their resources, prestige, and alumni networks to establish diverse collaborative activities with regional, national, and international stakeholders that include HEI academic exchanges, HEI and industry research collaborations, and community service relationships with local governments and other organizations. Other HEIs visited often have fewer collaborations and fewer (and more local) stakeholders than do the most prestigious HEIs. Moreover, what they describe as ESCs often are simply one-way relationships (e.g., relationships with banks, in which the HEIs are bank clients), involving neither “collaborations” nor “stakeholders.”

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<sup>4</sup> Aguirre Division, JBS International, Inc. *Best Practices for USAID International Higher Education Institutional Partnerships: Asia and Middle East Regions. Volume I.* Washington, DC: Asia and Middle East Bureau, USAID, August 2011, p. 49.

<sup>5</sup> <http://idea.usaid.gov/gp/guiding-alliance-principles>, accessed July 7, 2012.

## Findings and Conclusions

### HEI Internal Quality Assurance

- HEIs continue to experience significant internal quality assurance challenges associated with their implementation of the DIKTI directive that each HEI develop, implement, use, and continuously improve its internal quality assurance systems consistent with DIKTI's and the HEI's strategic plans and with the HEI's mission, vision, and programs. Although HEIs have generally committed themselves to develop and introduce the manuals, forms, reports, and other elements of an IQAS, the IQAS is often still not fully embedded in all HEI units and processes.
- The Indonesian government's multiple and overlapping HEI data collection systems and higher education quality standards may result in less-than-full HEI commitment to its IQAS. The existence and use of more than one set of higher education quality standards (e.g., BSNP's eight standards, BAN-PT's seven standards, and the proposed 11 standards in DIKTI's 2011 "Higher Education Internal Quality Assurance Indicators for Mapping Higher Education Quality – Review Draft") further weakens HEI commitment to the IQAS.
- Institutional leaders and managers at several HEIs visited by the HELM teams view the IQAS as unrelated to other HEI leadership and management activities. These HEI leaders view the IQAS as the end, not as a means to an end.
- In developing and implementing incentives that ensure that HEI internal QA systems provide the institutional and program quality outcomes required by stakeholders and society, DIKTI often is constrained by government financial policies and practices as well as by government regulations and laws. HEI policies and practices of the national ministries are not always well-coordinated, however, creating obstacles for greater HEI autonomy. Moreover, HEI autonomy cannot be implemented by ministerial decree or legislative acts; it should be viewed as a process, not as a single event, so that HEIs can progressively adapt and fulfill expectations of autonomy while balancing the long-term vision of greater autonomy for all HEIs with other government priorities (e.g., equity, access, accountability, quality). This requires that DIKTI be able to provide the government leadership needed to ensure HEI quality outcomes.

### HEI External Quality Assurance

- Although BAN-PT remains the key Indonesian HEI external quality assurance organization, it faces significant challenges in carrying out its required external quality assurance systems responsibilities. The scale and size of the Indonesian higher education sector make it very difficult for BAN-PT (and other DIKTI-recognized program accreditation organizations) to ensure the quality of each HEI and each study program. With about 20,000 HEI study programs and more than 3,000 HEIs, there is great

diversity (and disparity) of capacity and quality among Indonesian HEIs; this makes it difficult for DIKTI and other approved professional program accreditation groups to promulgate QA policies and approaches appropriate for all HEIs, whether large or small, or whether in rural provinces thousands of miles from Jakarta or in the greater Jakarta region.

- In spite of the fact that BAN-PT has been ISO 9000-certified, its internal quality assurance system is itself a significant issue, because the external higher education QA environment continues to change rapidly. BAN-PT, with limited staff (excluding assessors), needs to further develop its human and institutional capacity with respect to governance and leadership, financial management, human resources management, and information management. It also needs to improve staff capacity, capability, and work performance (e.g., through QA training for BAN-PT staff by AQAN) in order to improve the credibility, accountability, and integrity of its institutional and program accreditation.
- The current higher education institutional and program accreditation system, centered on BAN-PT, may be unworkable long term, and a new approach to accreditation may be needed. Under the current funding structure, BAN-PT is able to complete only a few thousand study program accreditations and several dozen institutional accreditations each year. This pace of accreditation falls far short of meeting HEI accreditation needs, since the number of HEI study programs requesting accreditation reviews continues to increase rapidly as well. A new approach to accreditation may need to be considered, e.g., accrediting an HEI when a certain percentage of its study programs are accredited, partnering with additional professional program accreditors, and/or partnering with regional program assessment groups such as the AUN-QA.

### **HEI External Stakeholders**

- A first step in establishing and expanding productive collaborations between Indonesian HEIs and external stakeholders is for the HEIs to identify opportunities, including research opportunities, that may be accessible to them.
- In creating successful collaborations, it is important for HEIs to understand the motivations underlying each potential collaborating organization's participation in a partnership.
- HEIs need to explore additional ways to identify and exploit opportunities for productive external stakeholder collaborations.
- Indonesian HEIs face particularly difficult challenges in collaborating with international partners due to lack of English language fluency of many teaching staff.

### **Recommendations**

Although the foregoing conclusions and findings indicate that Indonesian HEIs continue to face numerous quality assurance challenges, DIKTI and the HEIs themselves have the opportunity

and the potential to actively address many of these challenges. The following recommendations suggest a framework for HELM Project decisions about future activities that would complement and strengthen DIKTI and HEI QA initiatives.

1. **HEI Systems Thinking.** The Indonesian government and HEIs should rethink the ways in which HEIs seek to achieve continuous quality improvement and enhanced organizational performance. A systems approach, which is based on the strategic alignment of all key organizational elements and processes, may provide an opportunity for an HEI to address these challenges and changes while, at the same time, improving its quality and performance. Indeed, in HEIs “a systems perspective is essential for engaging [key processes and units on] the campus in setting goals, establishing priorities, allocating resources, identifying key performance indicators and driving improvements.”<sup>6</sup>
2. **Systems Approach to HEI QA.** The Indonesian government and HEIs should work together to strengthen HEI quality assurance, institutional leadership and management, and national competitiveness through the implementation of an effective systems approach to HEI quality assurance such as the Baldrige Education Criteria for Performance Excellence or the Indonesia Quality Award programs.
3. **Systems Approach to HEI External Stakeholder Collaboration.** To encourage HEIs to develop and implement a systems approach to external stakeholder collaborations, the Indonesian government could consider appropriate incentives and policies that take into account the diversity of Indonesian higher education while strengthening HEI quality assurance, institutional leadership and management, and national competitiveness. Two primary activities will contribute to this goal.
  - **Internal and External QA Systems that Focus on External Stakeholder Requirements and Student Learning Outcomes.** The AUN-QA takes a holistic, or systems, approach to HEI quality assurance that includes strategic, systemic, and tactical dimensions. The foundation of this approach and the starting point for its HEI QA assessments are its internal and external stakeholder requirements. HEI performance effectiveness is, in turn, determined by the extent to which the HEI fulfills these requirements through its teaching and student learning, research, and community service activities. Then, HEI study program-level QA in this framework is centered on expected student learning outcomes and the extent to which demonstrated outcomes achieve the expected outcomes.

The Baldrige Education Criteria for Performance Excellence extend the AUN-QA systems approach by focusing on HEI results that include not only student learning and process outcomes but also customer-focused (i.e., stakeholder-focused) outcomes, workforce-focused outcomes, leadership and governance outcomes, and budgetary, financial, and market outcomes. Thus, HEI internal and

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<sup>6</sup> Furst-Bowe, Julie, “Systems Thinking: Critical to Quality Improvement in Higher Education,” in *Quality Approaches in Higher Education*, Volume 2, Number 2 (2011), American Society for Quality, Milwaukee, WI, p. 2.

external QA systems need to be significantly transformed to focus on outcomes and stakeholder requirements before HEIs can begin to achieve the Baldrige Education Criteria. Alternatively, the government might stimulate this national transformation of HEIs through policies and practices (e.g., revised IQAS guidelines, revised HEI institutional and program standards) that move HEIs from input-focused, process-focused quality assurance systems to outcomes-focused, stakeholder-focused systems.

- **HEI External Stakeholder Collaboration Strategy to Strengthen the HEIs and Their Collaborations.** HEIs should develop a strategy for identifying collaboration opportunities with other HEIs, government agencies, and private sector firms, as well as dedicate or identify resources to implement the strategy. Such a strategy should take into account the comparative advantages of the HEI and its potential partner organizations in terms of areas of specialization or expertise, resource and internal capacity limitations, and related factors. The successful development and implementation of an HEI external stakeholder collaboration strategy also requires the ongoing engagement of both the HEI and its external partners.



## **INTRODUCTION: HELM PROGRAM OVERVIEW**

The five-year USAID/Indonesia Higher Education Leadership and Management Project (HELM), contract AID-497-C-12-00001, is a Cost Plus Fixed Fee contract awarded to Chemonics International Inc. on November 28, 2011 to be completed on November 30, 2016. Chemonics International Inc. is the prime contractor for HELM and will implement the project with the assistance of its sub-contract consortium partners: JBS International Inc., Aguirre Division, University of Kentucky, and the Indiana University Alliance. HELM works in close collaboration with the Directorate General of Higher Education (DIKTI) and Indonesian Higher Education Institution (HEI) partners and under guidance from USAID.

HELM aims to support and sustain reforms in the Indonesian higher education sector which will result in, as stated by the sub IR “increased management capacity of Indonesian Higher Education Institutions (HEI).” Through collaboration with DIKTI, HELM will target increased capacity in four core management areas:

1. General administration and leadership;
2. Financial management;
3. Quality assurances; and,
4. Collaboration with external stakeholders.

HELM is designed to promote the reform process within the Ministry of Education and Culture (MOEC) as the Higher Education (HE) system moves toward increased institutional autonomy. Implementation of the newly developed Strategic Plan for 2010-2014 is underway. A new law governing HE was recently signed in parliament and the mechanisms that will operationalize the new law are being developed. All agree that it is a time of change and opportunity within the HE sector in Indonesia.

HELM is committed to programming that responds to needs identified by DIKTI as well as informing and advancing the reform processes at the national level and among partner institutions. HELM goals will be achieved through a three-phase process:

1. The first phase consists of an intense, collaborative effort to assess the current context across the higher education sector, including challenges and constraints to the implementation of the DIKTI strategic plan and the new HE law. Integral to this is responding to needs identified by DIKTI as well as informing and advancing the successful design of the implementation phases of the project.
2. Implementation, the second phase of HELM, will focus efforts on improved implementation of reform efforts both within DIKTI and within partner HEIs.
3. The final phase is considered the institutionalization phase. Institutionalization will be a focus throughout the program but in the final program years an intensified effort will sustain best practices and improve channels for dissemination of reform efforts.

HELM phase one assessment activities are intended to better identify, define, and focus the program implementation that will form the foundation of the HELM project out-year activities, while simultaneously providing original research to inform DIKTI. As such, HELM will apply approaches and methodologies deemed as global best practices while remaining mindful of the unique character of the contextual specificity in Indonesia.

HELM will coordinate closely with other donors and implementers working in the HE sector, and strive to learn from their experiences and build upon the success of prior and existing projects. HELM will seek to complement existing work and create synergies with other programs working in the HE sector. Successes and lessons learned will be shared widely and will remain in the public domain in an effort to disseminate best practices for systemic improvements and to build support for reform within DIKTI, across the HE sector and a wider range of stakeholders.

The deliverables for the HELM program, as outlined in the contract, are organized under the following five key components:

- A. Provide analytical support for strategic planning and policy analysis at DIKTI;
- B. Design technical assistance approaches to achieve effective implementation of key reforms across system, coordinating with DIKTI and maximizing opportunities to internalize best practice within HE system;
- C. Provide technical assistance to increase management capacity and improve performance at HEI—and disseminate best practices;
- D. Strengthen graduate level programs in Higher Education Leadership and Management; and
- E. Support special initiatives by providing assistance to advance reforms and innovation within management of HEIs.

Much HELM's year one work is focused under Component A and will provide the analytical foundation to inform implementation in future HELM activities. The assessment described below is one among the group of HELM assessments.

### **Overview of Component A**

The purpose of Component A is to provide analytical support for strategic planning and policy analysis at DIKTI. Based on discussions with USAID, DIKTI, and the Coordinating Ministry for People's Welfare (MenkoKesra) several of the deliverables outlined under Component A were adapted to be more responsive to expressed needs and the current context.

The overall approach to development of the assessments includes:

- Close coordination counterparts within DIKTI and other Higher Education stakeholders including other donors, implementers and beneficiaries;
- Desk reviews of appropriate laws, regulations, available data, earlier studies, and other relevant documents to understand the DIKTI mission, the strategic vision for HE in Indonesia and set forth in the strategic plan, the new law, and other factors; and

- Prioritization of actionable points to inform the design and development of future HELM activities within the greater context of the new Higher Education law and other priority reforms identified by DIKTI.

## Overview of Deliverable 5

A key goal of the USAID/Indonesia Higher Education Leadership and Management (HELM) Project is to strengthen the leadership and management capacity of Indonesian higher education institutions (HEIs). The project’s first phase seeks to “inform the [higher education] institutional implementation of the [DIKTI] strategic plan through a better understanding of challenges and constraints both at the national level and within the institutions in the areas of financial management, general administration and leadership, quality assurances, and collaboration with external stakeholders.”<sup>7</sup>

This HELM Project year-one deliverable (Deliverable 5) assesses quality assurance (QA) policies and approaches within HEIs and external to them, including HEI external stakeholder collaboration. The information for this report was collected through a collaborative assessment of diverse Indonesian HEIs, as well as an extensive review of current literature on quality assurance practices and collaboration with external parties in the region and across the globe.

## RESEARCH METHODOLOGY

In May and June 2012, two teams of HELM consultants and staff conducted field work for this and other HELM program assessments. The field work involved site visits to 11 diverse HEIs (approved by DIKTI and USAID/Indonesia) in North Sumatra, South Sulawesi, East Kalimantan, East Java, Central Java, and Jakarta.<sup>8</sup> Through in-depth interviews and small group discussions with key officials in these HEIs and the review of key HEI documents (e.g., strategic plans, quality assurance system documentation), the teams assessed HEI leadership and management performance and capacity in four core areas: general administration and leadership, financial management, quality assurance, and collaboration with external stakeholders.<sup>9</sup>

This deliverable was informed by the HEI site visit data and insights with respect to HEI internal QA systems and HEI perceptions of their external stakeholder collaborations. It also examines HEI external QA systems as well as the perceptions of external stakeholders regarding HEI collaboration. This led the HELM teams to interview not only HEI officials but also officials in Indonesian government agencies responsible for higher education quality (DIKTI, BAN-PT, and

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<sup>7</sup> Chemonics International, “Higher Education Leadership and Management Year One Work Plan: 28 November 2011 – 28 November 2012. Draft,” Chemonics International, Jakarta, Indonesia, February 10, 2012, p. 6.

<sup>8</sup> The 11 HEIs visited by the HELM teams were Universitas Bina Nusantara (BINUS), Politeknik Negeri Medan (POLMED), Politeknik Negeri Samarinda (POLNES), Universitas Gadjah Mada (UGM), Universitas Hasanuddin (UNHAS), Universitas Indonesia (UI), Universitas Muhammadiyah Malang (UMM), Universitas Negeri Jakarta (UNJ), Universitas Negeri Makassar (UNM), Universitas Negeri Mulawarman (UNMUL), and Universitas Sumatera Utara (USU).

<sup>9</sup> For further details regarding these 11 HEI site visits, see: Chemonics International. “HELM Deliverable 4. Collaborative Assessment of 11 Higher Education Institutions in Indonesia. Draft,” July 31, 2012.

the National Education Standards Agency (BSNP)); international organizations that have provided support to strengthen Indonesian QA policies and approaches (the World Bank and AusAID); and HEI external stakeholders for which HEI quality is a high priority (e.g., employers of HEI graduates). Please see Appendix B for the full list of organizations consulted.

While the HELM Deliverable 4 assessment examines the team's HEI findings across all four core HELM areas, this deliverable focuses on the quality assurance and external stakeholder collaboration findings from these HEI site visits relative to existing QA policies and systems and to QA quality indicators mapped by DIKTI on the eight compulsory and three other DIKTI-recommended national higher education standards.

### **Limitations**

Information on internal HEI QA systems was primarily obtained or confirmed through interviews and group discussion sessions with administrative and teaching staff at the 11 HEIs profiled in Deliverable 4. The site visits to these HEIs lasted only a day or a day and a half, so were brief and were further constrained by conflicting HEI scheduled events. At several HEIs, key officials were unavailable to meet with the HELM teams due to prior commitments or last-minute conflicts. The HELM teams' meetings with representatives of current or potential external collaborators of these HEIs, which occurred during these same site visits, were characterized by the similar scheduling constraints.

### **Structure of Report**

Following an overview of selected QA and accreditation documentation, the report highlights selected Indonesian QA and accreditation policies and systems external to HEIs. The report then synthesizes and analyzes HEI internal QA systems and approaches relative to eight compulsory and three other DIKTI-recommended national higher education standards, after which it highlights HEI external stakeholder collaboration from the perspectives of both HEIs and these stakeholders. This assessment concludes with a discussion of quality assurance and external stakeholder collaboration challenges and opportunities to help inform and guide HELM Project decisions about future activities.

## **DOCUMENT REVIEW**

### **HEI Quality Assurance and Accreditation**

By the end of the 20<sup>th</sup> century, many governments were becoming aware that the credentials awarded by their HEIs were not always accepted as evidence by employers and society that HEI graduates had mastered the knowledge and skills suggested by their degrees. Thus, in the 1990s, these governments and their higher education leaders began to give increasing attention to the idea of quality assurance through accreditation, institutional effectiveness, and/or student outcomes analysis.

Until the 1990s, higher education institutional accreditation (when it existed) focused primarily on resources. HEIs and their stakeholders, including governments, generally assumed that if an

institution had adequate resources (including credentialed teaching staff, properly admitted students, appropriate curricula and information resources, and sufficient financial support), the quality of HEI study programs would be adequate. With a growing number of HEIs (both public and private) and study programs educating ever-increasing percentages of populations beyond the secondary level, however, there was growing pressure on governments to establish agencies to assess and certify the quality of HEIs and their programs of study. These agencies typically worked closely with, but were independent of, national governments as they began to look closely at the effectiveness and quality of higher education offered.

This section reviews selected documentation related to Indonesian HEI quality assurance, accreditation, and external stakeholder collaboration. Particular attention is given to QA developments in Southeast Asia of importance for Indonesian HEI QA and accreditation, as well as to “frameworks” for examining the primary types of HEI external stakeholder collaborations. **Appendix A** includes a more extensive list of selected reference documents related to the topics addressed in this assessment report.

## **U.S. and Europe**

Among the first accreditation agencies to shift their focus were those in the U.S. The standards of the 60 associations belonging to the Council for Higher Education Accreditation (CHEA), membership in which is considered a reliable indicator of quality, had always emphasized academic effectiveness, but revised their policies and standards to make this emphasis more explicit. These CHEA member associations include the six regional institutional accreditation bodies (responsible for more than 3,500 HEIs, including all public HEIs and the majority of degree-granting private HEIs) as well as 40 specialized professional program accreditation associations.

In the U.S., unlike in Indonesia, accredited HEIs are not given a ranking (or, letter score); rather, each U.S. HEI is measured against its own mission, role, and scope. Thus, from the standpoint of institutional accreditation, both Harvard University and Quinsigamond Community College are equally accredited by the New England Association of Schools and Colleges (NEASC); despite their substantial differences in mission, teaching staff, students, information resources, and curricula, both HEIs have been assessed by NEASC as meeting its quality standards (and thus those of CHEA and the U.S. Government).

In terms of U.S. study program accreditation, the situation with the 40 specialized professional program accreditation associations is somewhat different. Although many of the quality standards of a program accreditation group pertain to the specific mission of its particular program focus, specific requirements for each professional also appear in the group’s standards and guidelines. In addition, many of these specialized professional program accreditation associations require that the programs they accredit be offered by HEIs that they themselves have institutional accreditation.

Graduation from an accredited study program in the U.S. is often a prerequisite for licensing within a profession. Thus, licensing-related benchmarks are viewed as appropriate, since many specialized program accreditation associations focus on health professions (e.g., medicine, dentistry, pharmacy, nursing) or safety professions (e.g., engineering, construction, architecture).

Until the late 20<sup>th</sup> century, few national accreditation agencies other than CHEA in the U.S. were separate from their country's central ministry of department of education. One exception, though, is the U.K. Quality Assurance Agency for Higher Education (QAA), which audits both institutional quality and study program quality at the HEIs in England, Scotland, and Wales. The QAA follows procedures and policies similar to those in the U.S. (allowing for differences in U.S. and U.K. educational systems).

With the establishment within the European Union of the European Higher Education Area (EHEA), a blanket set of regulations has been promulgated for those nations that, while setting their own national standards for HEI accreditation and quality assurance, wish to participate in the transnational acceptance and recognition of credentials. In this way, the EHEA seeks to ensure more comparable, compatible, and coherent systems of higher education in Europe in line with the implementation of the Bologna Process.

### **Southeast Asia**

Similarly, in the past decade, as the value of internationally recognized quality assurance and accreditation spread throughout Asia, the ASEAN University Network (AUN) formed a compact in which, although each of the 10 ASEAN nations would have its own QA and accreditation standards, all ASEAN national standards would be transferable and compatible among the ASEAN countries. This compact is called the ASEAN University Network on Quality Assurance (AUN-QA).

Each of the 26 AUN HEIs is represented in the AUN-QA by its Chief Quality Officer (CQO); the CQOs coordinate activities that advance the harmonization of higher education standards and the continuous improvement of HEI quality in ASEAN. These 26 AUN HEIs include four Indonesian universities: two visited HEIs (UI and UGM), plus Institut Teknologi Bandung (ITB) and Universitas Airlangga (UNAIR).

AUN, through the AUN-QA, takes a holistic approach to HEI internal quality assurance through a framework that includes three dimensions: strategic (institutional level QA), systemic (IQAS), and tactical (program level QA).<sup>10</sup> For AUN, HEI stakeholder requirements are the foundation for HEI internal quality assurance and for the HEI's mission, vision, goals, and objectives. They also are the starting point for institutional level QA, which achieves the HEI goals through teaching and student learning, research, and community service activities that, at the end of the process, meet stakeholder requirements. The IQAS, in turn, consists of all systems, resources, and information for improving the quality and standards of teaching and student learning, research, and community service.

The third dimension of HEI internal QA in the AUN-QA framework, namely, program level QA, focuses on study program-specific teaching and student learning. This dimension starts with expected student learning outcomes, and then examines the translation of these outcomes into the study program and how they can be achieved; the quality of the student learning inputs and processes; and the demonstrated outcomes of the learning process (including how they compare

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<sup>10</sup> AUN. *Guide to Actual Quality Assessment at Programme Level*. Bangkok, Thailand: AUN, 2011.

to the expected outcomes). Thus, student learning outcomes are the focus for the AUN-QA approach to program level QA, together with the extent to which the HEI stakeholders' requirements are fulfilled.

Starting in December 2007, AUN-QA has carried out quality assessments of at least 25 undergraduate programs in seven AUN member universities. These seven universities include three Indonesian HEIs: UI, UGM, and ITB. AUN-QA assessors are trained representatives from other AUN HEIs.

Complementing the QA and accreditation efforts of the AUN and the AUN-QA is the ASEAN Quality Assurance Network (AQAN). The AQAN was established in 2008 at a meeting of the heads of the national QA agencies (and, when there were no formal QA agencies, by representatives of the ministries responsible for higher education QA) from the 10 ASEAN member countries, plus representatives of the Southeast Asian Ministers of Education Organization Regional Center for Higher Education and Development (SEAMEO RIHED). Its purposes are to share QA best practices, develop an ASEAN QA Framework, collaborate on capacity building, and facilitate recognition of qualifications and cross-border mobility. Representing Indonesia at this initial AQAN meeting were the BAN-PT Executive Secretary and the BAN-PT Chairman. BAN-PT continues to be the AQAN full member from Indonesia.

Annually the AQAN organizes or co-organizes meetings and training courses to strengthen ASEAN member countries' QA and accreditation policies and practices. In late June 2012, for example, the first meeting of the Task Force to Develop the ASEAN Quality Assurance Framework in Higher Education was held in Malaysia; a draft of this framework will be presented during the October 2012 AQAN Seminar and Roundtable Meeting. The AQAN also is assisting several European and Southeast Asia organizations in conducting a regional training workshop for QA and accreditation assessors in October 2012. This workshop, organized under the leadership of the German Academic Exchange Service (DAAD)'s Dialogue on Innovative Higher Education Strategies (DIES) Project, the German Rectors' Conference (HRK), and the University of Potsdam, together with the European Association for Quality Assurance in Higher Education (ENQA), AUN, and SEAMEO RIHED, is part of a multi-year project to develop QA capacity in the ASEAN region. Collaboration initiatives such as this are hastening the harmonization of the AUN-QA framework within and outside ASEAN.

As active participants in these and related ASEAN initiatives, DIKTI and BAN-PT are well-positioned to identify, adopt, and oversee implementation of promising Southeast Asia QA and accreditation policies and practices appropriate to Indonesian HEI, political, legal, social, economic, and other contexts. So, too, are the four Indonesian university members of AUN: UI, UGM, ITB, and UNAIR.

### **HEI External Stakeholder Collaboration**

In contrast to the availability of substantial and well-organized documentation on Indonesian, Southeast Asian, and other regions' HEI QA and accreditation policies and practices, HEI external stakeholder collaboration (ESC) documentation is less focused and less comprehensive. Reports and other documents about HEI ESC tend not to address general principles, policies, or practices associated with effective collaborations; rather, they focus on a specific HEI, type of

HEI stakeholder (e.g., industry), type of HEI collaboration (e.g., HEI-HEI academic exchanges), or type of management issue (e.g., lack of institutional commitment).

For the purposes of this paper, this selective documentation review limits itself to two of the most common types of Indonesian HEI external stakeholder collaborations – those with HEIs in Indonesia and in other countries and those with private sector firms. Moreover, this review focuses primarily on “frameworks” that might be used to plan these collaborations, assess collaboration progress in achieving its goals, and/or reporting on collaboration outcomes.

## **Indonesian HEI-Partner HEI Collaboration**

Effective stakeholder collaboration between an Indonesian HEI and a partner HEI in Indonesia or in another country should demonstrate practices and outcomes that enable the collaboration to meet its stated objectives and strengthen each HEI’s human and institutional capacity.

A 2011 USAID report on strengthening operational and strategic outcomes of partnerships between U.S., Asian, and Middle Eastern (AME) HEIs identifies effective practices and outcomes that successful HEI-HEI partnerships should demonstrate. Following are several practices and outcomes from this report (rephrased to reflect a focus on stakeholder collaboration) that are relevant for Indonesian HEI collaborations with partner HEIs in Indonesia or another country:<sup>11</sup>

- Planning should demonstrate:
  - Extensive Indonesian HEI and partner HEI collaboration in the design phase
  - Clear distinction between collaboration goals (fixed) and collaboration methods that can be amended for “mid-course corrections” to ensure required goal fulfillment.
  - Consideration of how to sustain and expand the HEI-HEI collaboration.
  - Realistic consideration of time factors to achieve collaboration goals and administrative tasks.
  
- Communication and coordination should demonstrate:
  - Prior agreement by each HEI on collaboration goals and objectives and full commitment by each HEI to the collaboration, including the support of the head of each HEI.
  - Procedures for the orientation of each HEI’s personnel to its partner HEI’s mission and culture (and, if an international partner HEI, to the partner country’s culture) to a depth that enables ease of communication on all collaboration activities.
  - Provision for collaboration linkages to each HEI’s key government agencies (e.g., ministry of education, national higher education quality assurance agency).

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<sup>11</sup> Aguirre Division, JBS International, Inc. *Best Practices for USAID International Higher Education Institutional Partnerships: Asia and Middle East Regions. Volume I.* Washington, DC: Asia and Middle East Bureaus, USAID, August 2011, p. 49.

- Provision of materials on how the HEIs' national higher education systems operate with respect to quality assurance, accreditation, and administrative operations.
- Implementation should demonstrate:
  - Means for identifying “champions” at each of the partner HEIs to support the operational needs of the collaboration.
  - Means for continuous routine communication among the HEI stakeholders to monitor collaboration administrative practices and support effective collaboration progress.
  - Means for low-cost communications among the partner HEIs using virtual networks, conference calls, webinars, and video conferencing.
  - Sensitivity to building a broad network of administrative support in each of the partner HEIs to accommodate possible changes in HEI leadership.
- Evaluation should demonstrate:
  - How routine and constant review of collaboration activities was maintained to ensure that goal fulfillment was being addressed in a consistent manner.
  - How a means for capturing measurable outcomes to support collaboration goal achievement was created and supported with collaboration activity narratives.
  - That each of the partner HEIs understands why on-going routine assessments and end-of-project summary evaluations are important.
  - How each of the partner HEIs has developed a common appreciation for quality assurance policies and practices.
- Outcomes should describe:
  - The level of achievement of each collaboration goal, with descriptive narratives of how success was made possible.
  - Examples of “spillover” effects of the collaboration to each of the partner HEIs.
  - The partnership practices that contribute to the sustainability of the collaboration.
  - The likelihood of continuing financial support for collaboration goals and activities from the HEIs, their governments, or other donor agencies.
  - Documentation of lessons learned and dissemination of collaboration publications.

The most successful Indonesian HEI-partner HEI collaborations usually are specified through MOUs or MOAs that are signed by the heads of the HEIs and that are reviewed and updated regularly.

While HEI-HEI collaborations often involve international institutions as stakeholders, not all Indonesian HEI internationalization activities involve non-Indonesian HEIs or collaboration with them. At the same time, an internationalized Indonesian HEI (or an HEI committed to strengthen its capacity for internationalized teaching, research, and/or community service) will attract as potential collaborating stakeholders a wider variety of diverse organizations.

## Indonesian HEI-Private Sector Firm Collaboration

Effective collaborations between Indonesian HEIs and private sector firms involve different types of collaboration. In one type of collaboration, a private sector firm funds research conducted by academic staff and/or students that benefits the firm while enhancing student learning and staff teaching, research, and publications. In another type, a firm may fund on-the-job training or scholarships for students who may later become employees of the firm.

Private sector firms can benefit directly or indirectly from their collaborations with HEIs. As noted above, these firms may gain goods or services, insights, or intellectual property from HEI research they support, or HEI students they help support may later be hired by them. Firms also may collaborate with HEIs as part of their commitment to corporate social responsibility (CSR), their desire to increase the visibility of their products or services in a geographic region, or their public relations plan.

Effective HEI-private sector firm collaborations are those that address jointly defined business and higher education objectives. While the collaborations should be co-designed and co-managed, they may not be equally funded; even if the firm provides most of the financial resources, however, the HEI should be expected to provide the time and expertise of its teaching staff and students and related support.

The USAID Office of Innovation and Development Alliances (IDEA) has outlined seven guiding principles that contribute to the long-term success of public-private alliances. The principles, which USAID has identified as being relevant for partnerships involving private sector firms, also have the potential to contribute to successful collaborations between Indonesian HEIs and private sector firms. These principles are as follows:<sup>12</sup>

- Trust enables organizations to work together despite their different interests, motivation, cultures, values, and infrastructures.
- Equity validates stakeholder contributions that are not measurable in terms of cash value or public profile.
- Collaborations need to identify and build a mix of organizational and individual competencies to achieve their goals.
- Inclusivity enables a collaboration “to process the views and needs of its stakeholders” and to take these views and needs into account at all stages of the collaboration.
- Collaborations need a partnership alignment that incorporates partners’ organizational goals and interests.
- Collaborations should be of mutual benefit to all stakeholders, working toward sustainability by ensuring specific benefits for each partner over and above the common benefits to all partners.
- Transparency, openness, and honesty are critically important in collaborations and pre-conditions of trust; information and communication should be accurate, timely, and

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<sup>12</sup> <http://idea.usaid.gov/gp/guiding-alliance-principles>, accessed July 7, 2012.

complete, and the reasons for any collaboration decision should be fully explained to all partners.

## **INDONESIAN HIGHER EDUCATION QA POLICIES AND SYSTEMS**

Indonesian higher education QA policies and systems seek to ensure that the quality of higher education institutions and study programs fulfills or exceeds the national standards of higher education.

### **Quality Assurance Policies**

Quality has been a priority of national higher education policy in Indonesia since at least the mid-1990s. DIKTI's 1995-2005 Higher Education Long Term Strategic Plan emphasized five elements of higher education development – quality, accreditation, accountability, autonomy, and evaluation – with continuous quality improvement at the center of each HEI's development. DIKTI's 2003-2010 Higher Education Long Term Strategy and its current 2010-2014 Strategic Plan have continued this emphasis on quality, while adding access, equity, autonomy, accountability, and affordability as priorities. Included in this emphasis on quality has been increased attention to effective external stakeholder collaboration.

For DIKTI, continuous quality improvement through self-assessment should be a primary concern of HEIs. HEI QA should be internally driven, be institutionalized within each HEI's operating procedures, and involve HEI external stakeholders. In addition, since higher education quality is a concern of all stakeholders, HEI quality improvement should seek to produce quality outputs and outcomes as part of public accountability.<sup>13</sup>

Indonesia's policies regarding higher education quality are articulated through government acts and regulations, as well as ministerial regulations and decrees; three of these are highlighted below.

Act No. 20 (2003), which replaced previous laws on the national education system, created a new accountability structure for monitoring higher education. While establishing the institutional autonomy of HEIs to manage their own institutions, the law affirmed government's authority to monitor the management of higher education, with transparency as a form of public accountability. Such government monitoring is to be implemented through study program and institutional review based on HEI self-assessment. The law also required accreditation of higher education programs and institutions, with only accredited programs and institutions being able to issue diplomas and certificates.

Two years later, Government Regulation No. 19 (2005) specified the eight (minimum) national standards of education relative to which education programs and units at all levels should be

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<sup>13</sup> Illah Sailah (DIKTI), "Quality Assurance System for Higher Education Institutions (QAS-HEI): In Practice," Presentation at Asia-Europe Meeting (ASEM) Conference on Quality Assurance and Recognition in Higher Education: Challenges and Prospects, Limassol, Cyprus, December 6-7, 2010.

evaluated. With respect to higher education, this regulation required each HEI to establish an Internal QA System (IQAS) to ensure that the institution and its programs would fulfill or exceed these national standards of education, with the expectation that HEIs would be internally driven to exceed these standards.

Government Regulation No. 17 (2010) reaffirmed the requirement that HEIs conduct internal QA for programs, while external QA for programs through program accreditation should be performed by the government (through the National Accreditation Agency for Higher Education – BAN-PT) and/or by government-authorized independent accreditation institutions established by civil society organizations.

These and other government acts, regulations, and decrees have produced higher education QA policies that seek to ensure Indonesian HEIs and their programs fulfill or exceed the national standards of education. These policies, in turn, have been implemented through the systems outlined below.

### **Quality Assurance Systems**

In 2003, as a complement to Act No. 20, the Ministry of National Education (MoNE) created the QA System for Higher Education Institutions (QAS-HEI), which included technical assistance and capacity building initiatives for the development of internal HEI QA systems and the evaluation of these systems. DIKTI has the responsibility for managing the QAS-HEI to foster continuous QA of HEIs.

The Indonesian QAS-HEI includes three linked systems:

- DIKTI’s National Higher Education Institution Data Base (PDPT, or HEI-DB);
- Each HEI’s Internal Quality Assurance System (IQAS); and
- Each HEI’s External Quality Assurance System (EQAS).

### **National Higher Education Institution Data Base (HEI-DB)**

DIKTI created the HEI-DB in 2006 to facilitate the government’s mandated responsibility to manage the implementation of national higher education standards and stimulate HEIs to commit to continuous QA. This data base is a national “data warehouse” that every semester collects, processes, stores, and analyzes HEI student, academic, financial, management, and other institutional data and information for making decisions related to higher education program development, planning, monitoring, evaluation, or other management needs.

To the extent possible, HEI data are sent online to the HEI-DB; additional unstructured data are also collected. Included among these data each semester are data on the management of academic activities (e.g., lecturer and course evaluations). Public HEIs submit their data directly to the HEI-DB, while private institutions send their data through their coordinating bodies for private HEIs (KOPERTIS).

In order to collect and provide the required institutional data and documents to the national HEI-DB, each HEI must have its own internal data base that is compatible with the national data base

and the national education standards. This HEI internal data base, which is the foundation for the HEI IQAS, consists of data and information relating to the attainment of the compulsory national standards, as well as data and information relating to activities that exceed these minimum standards in terms of quality and/or quantity. It also is the basis for HEI self-assessments required for external QA systems (e.g., BAN-PT accreditation). Not all HEIs have a fully realized internal data base and IQAS, however.

According to government regulations, the HEI-DB should be the collector and repository of HEI data that all DIKTI and MoEC units need and use to carry out their responsibilities. The HEI-DB is not fulfilling this role currently, however. Indeed, at least three HEI data collection systems exist, not only the HEI-DB but also the data systems used by BAN-PT and the DIKTI Directorate of Learning and Student Affairs (DLSA).

### **Internal Quality Assurance System (IQAS)**

Each HEI is required to have an Internal QA System (IQAS) that includes processes, data (including academic activities data), and activities implemented and managed by the HEI to ensure that it meets or exceeds the eight compulsory national higher education standards currently recognized by DIKTI and reflected in HEI-DB reporting requirements. These standards, which were specified as national standards for all levels of education in Act No. 20 (2003), address:

- content
- process
- competence of graduates
- educational staff
- resources and infrastructure
- management
- finance, and
- educational evaluation

An HEI is supposed to use the data and information in its internal data base to implement its IQAS by way of self-evaluation at two levels, namely,

- self-assessment concerning the attainment of the eight minimum national higher education standards in terms of both quality and quantity; and
- self-assessment concerning the degree to which the HEI has exceeded these eight minimum standards in terms of quality and/or quantity.

Since 2009, the Agency for National Standards of Education (BSNP), created in Government Regulation No. 19 (2005), has begun applying these eight standards to higher education. BSNP has recommended that MoNE (and now its successor, the Ministry of Education and Culture (MoEC)) formally expand the compulsory national higher education standards from eight to ten, adding research and community service. In the absence of such a Ministerial directive, DIKTI continues to view the eight standards as the mandatory national higher education standards, while also encouraging HEIs to exceed them (e.g., by including other standards (e.g., research, community service) voluntarily in its IQAS). Thus, through its IQAS an HEI is expected to meet the needs of its internal stakeholders (e.g., students, educational staff).

## External Quality Assurance System (EQAS)

An HEI's external QA system (EQAS) is based on the national education standards (or on standards that exceed the national standards, as determined by the HEI) and is intended to fulfill the needs of HEI external stakeholders (e.g., parents, employers of graduates, the general public, and government). An HEI's EQAS includes the required accreditation of the HEI and its programs by the National Accreditation Agency for Higher Education (BAN-PT) and/or by autonomous institutions that have been recognized by the Indonesian government. It may also include program evaluations and certifications by international organizations (e.g., ASEAN University Network (AUN), ISO, Malcolm Baldrige Education Sector).

MoEC Ministerial Decree #187 established the BAN-PT Board in 1994; that same year, Ministerial Decree #326 directed the Board to develop and implement an accreditation system for higher education programs, and the BAN-PT Secretariat began operations. In 1995, BAN-PT developed the accreditation system and instruments for undergraduate (S<sub>1</sub>) programs, and then initially implemented HEI program accreditation in 1996. In 1996, Ministerial Decree #121 created the Board for Higher Education (BHT).

In its higher education institutional and program accreditations, BAN-PT continues to use the seven higher education standards it has used since before BSNP became involved with higher education standards in 2009. The seven BAN-PT standards address:

- vision, mission, goals, objectives, and strategies;
- governance, leadership management system, and QA;
- students and graduates;
- human resources;
- curriculum, learning, and academic atmosphere;
- funding, resources and infrastructure, and information system; and
- research, service to society, and collaboration.

BAN-PT believes these seven standards address and exceed the quality elements addressed in the current DIKTI-recognized eight national higher education standards; thus, BAN-PT continues to use its seven standards until the government approves new national higher education standards. If an HEI or HEI program does not achieve these seven standards, then it is viewed as not achieving the eight minimum national higher education standards, either, and is labeled "unaccredited."

Also part of an HEI's EQAS are the government-authorized independent accreditation institutions established by civil society organizations in some professional education fields of study (e.g., accounting, dentistry, medicine, nursing, pharmacy, midwifery, psychology). In addition, the Ministry of Religious Affairs is responsible for the accreditation of study programs in the field of religion.

In order to enhance the quality of their study programs, some Indonesian HEIs also have invited regional or international quality assurance organizations to review their programs. For example, UI, UGM, and ITB (all of which are AUN member universities) have invited the AUN-QA to

assess selected programs previously accredited by BAN-PT to identify additional institutional actions they might take to further improve program quality. UI programs assessed by AUN-QA include Civil Engineering, Mechanical Engineering, Electrical Engineering, Metallurgy & Material Engineering, Chemistry, and Architecture; UGM's assessed programs include Medical Education, Chemistry, and Pharmaceutical Sciences; and ITB's assessed programs include Physics and Pharmacy. Representatives from other AUN universities have conducted these assessments; for example, assessors from AUN members in Thailand, Vietnam, Laos, Malaysia, Singapore, and the Philippines assessed four UI programs in 2010.

## **HEI INTERNAL QA SYSTEMS: SYNTHESIS AND ANALYSIS**

While each HEI is required to have an IQAS that ensures the HEI meets or exceeds the minimum national higher education standards, DIKTI allows each HEI to establish its IQAS in a way that reflects institutional vision, mission, historical background, organizational culture, resources, and program characteristics. For example, the IQAS can be organized and overseen through a special QA unit, an integrated QA management system, or QA teams or task forces. Also, even though all HEIs must have IQAS documentation that includes QA policies, QA manual, QA standards, and QA forms (including those used to plan, implement, and control standards), an HEI has flexibility relative to this documentation.

HEI QA systems vary in the extent to which they have been implemented throughout the institutions; an HEI, for example, may lack “buy-in” from some administrative or academic units even though it has the DIKTI-required IQAS documentation. The core national requirement, however, is that each HEI meet or exceed (qualitatively and/or quantitatively) the eight minimum and mandatory national higher education standards in order to ensure the high quality of Indonesian higher education.

### **HEI Quality Assurance Standards**

To reinforce this centrality of the standards and carry out the 2005 mandate that it help HEIs achieve quality assurance, in December 2008 DIKTI produced a 300-plus page higher education quality assurance “guidebook” to inspire “HEI managers in Indonesia to deal with the implementation of QAS-HEI in the framework of raising the quality standards of their institutions...”<sup>14</sup> This “guidebook” was important in stimulating each HEI to begin implementation of its IQAS, although implementation for many HEIs often continued to mean creating the required QA policies, manual, standards, and forms without fully implementing them.

In December 2010, based upon the recommendations of a DIKTI-appointed National Working Group, the current Director General of Higher Education published an update of the 2008 QA “guidebook” to help HEIs more fully implement their respective internal QA systems. This 2010 edition emphasized to HEIs that at least three kinds of HEI activities, alone and together, seek to ensure the quality of higher education: self-evaluation of study programs, IQAS, and EQAS. It also emphasized that full implementation of internal QA systems (including self-evaluation),

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<sup>14</sup> DIKTI. *The Quality Assurance System for Higher Education Institutions (QAS-HEI)*. Jakarta, Indonesia: Ministry of National Education, 2008, p. ii. [English translation by Frank Landsman, March 2009]

driven by an HEI's vision, mission, and strategic priorities, "triggers" HEI external QA systems (including accreditation).<sup>15</sup>

The 2010 and 2008 "guidebook" editions reaffirmed DIKTI's intention not to dictate an HEI's IQAS organizational structure and documentation. Furthermore, in both editions, DIKTI proposed "... *that in the future the existence of an HEI will not only depend on the government, but more specifically on the evaluation of stakeholders (students, parents, the world of employment, lecturers, supporting staff as well as other parties concerned) regarding the actual quality of an HEI.*"<sup>16</sup>

Since HEIs are charged with planning, applying, controlling, and developing or improving the quality standards of higher education, by far the largest portion of both the 2010 and the 2008 editions is a detailed discussion of the eight compulsory, minimum national standards, as well as seven additional standards that surpass the eight minimum standards and encourage an HEI, at its own initiative, to commit itself to a more comprehensive IQAS and a higher level of quality.

The eight compulsory, minimum national higher education standards addressed in these editions are:

- content
- learning process
- graduates' competencies
- educational assessment
- lecturers and education staff
- facilities and infrastructure
- management
- financing

The seven additional higher education standards addressed by DIKTI in these editions are:

- scientific research
- community service
- student affairs
- welfare
- academic environment
- information system
- collaboration

## **DIKTI Indicators of HEI Quality Assurance Standards**

During 2011, DIKTI, through its Directorate of Learning and Student Affairs, used BAN-PT, HEI-DB, ASEAN University Network (AUN), and other data from 78 accredited HEIs to

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<sup>15</sup> DIKTI. *Higher Education Quality Assurance System (HE-QAS)*. Jakarta, Indonesia: Ministry of National Education, December 2010. [English translation by Google Translate, May 2012]

<sup>16</sup> DIKTI. "Book II. The Internal Quality Assurance System (IQAS)," in *The Quality Assurance System for Higher Education Institutions (QAS-HEI)*. Jakarta, Indonesia: Ministry of National Education, 2008, p. II-2. [English translation by Frank Landsman, March 2009]

develop, in collaboration with selected Indonesian HEIs, a draft mapping framework for HEI quality. This DIKTI “quality mapping” framework, entitled “Higher Education Internal Quality Assurance Indicators for Mapping of Higher Education Quality – Review Draft”, built on the December 2010 QAS-HEI “guidebook” by identifying a total of 105 HEI internal QA indicators for 11 national standards – eight compulsory, minimum standards and three additional recommended standards discussed in the 2010 QAS-HEI “guidebook” – scientific research, community service, and collaboration. The framework, which also included sources of information available to HEIs to assess their quality relative to these indicators, was further reviewed by several Indonesian HEIs during the latter half of 2011.

It is possible DIKTI will use this “quality mapping” framework in the future to cluster or rank HEIs relative to their “quality profiles.” This could involve assigning each HEI a weight for each “element of quality,” or indicator, based on HEI IQAS and EQAS results, then using these weights plus additional considerations to produce an institutional “quality clustering” or “quality ranking” for the HEI for regional and international comparison purposes.

This section analyzes collectively the internal QA systems in the 11 Indonesian HEIs visited by the HELM teams relative to the aforementioned 11 higher education standards (eight compulsory, plus scientific research, community service, and collaboration) and their respective indicators, as presented in the 2011 draft DIKTI “quality mapping” framework.

### **Content Standard**

The 11 HEIs’ internal QA systems address the seven indicators associated with this compulsory standard, which in the Indonesian context primarily focuses on the curriculum. Each HEI reported that it has a strategic plan aligned with the DIKTI strategic plan and local community needs and that its IQAS includes vision and mission statements. These HEIs’ curricula reflect institutional vision and mission statements, and the regular curricula reviews involve internal stakeholders (e.g., students and academic staff) – although often not all significant external stakeholders. Academic staff in these HEIs conduct reviews of study program courses and their descriptions, syllabi, and examinations every semester.

To varying degrees, each HEI visited gives attention to the needs of external stakeholders (e.g., private sector employers of graduates) in reviewing its curricula. At the same time, the HEIs could strengthen the relevance and quality of their curricula by including in curricula reviews a wider range of external stakeholders (e.g., potential employers of graduates) and gaining a deeper understanding of external stakeholder needs. In addition, the HEIs might give greater attention to internationalizing their curricula if DIKTI addressed international content, classes, and joint degrees in its discussion regarding this standard in the “quality mapping” framework.

### **Learning Process Standard**

This compulsory standard includes 22 indicators in the DIKTI “quality mapping” framework. These indicators address the learning process in each study program and its continuous improvement, including the development and implementation of student-centered learning materials; lecturers’ expertise, teaching loads, and attendance; inclusion of “soft skills” in learning processes; students’ participation in lecturers’ research and community service

activities; academic mentoring and counseling; student admission rates, “time to degree,” GPA, drop-out rates and tracer studies; etc.

Each of the 11 HEIs is committed to improving its planning, implementation, and supervision of study program learning processes. These HEIs have processes and mechanisms for developing learning materials and for implementing academic programs in the context of *tri dharma*.

Given the brevity of the HEI site visits, the HELM teams were unable to examine learning materials. Anecdotal evidence suggests students are involved in lecturers’ research and community service activities, although such involvement is understandably greater in HEIs whose academic staff are already engaged in research and community service. “Time to degree” is a focus of several HEIs visited (e.g., BINUS, UMM), and, through improved mentoring of student final papers and other initiatives, the institutions appear to be successful in reducing the average “time to degree” for students. All HEIs reported they conduct tracer studies for some purpose (e.g., to improve courses, evaluate academic programs, or identify placement opportunities for graduates); however, none reported conducting any tracer studies of students who had dropped out.

### **Graduates’ Competencies Standard**

The seven DIKTI indicators associated with this compulsory standard focus on percentages of graduates who graduate on-time; open new businesses; and are employed within a specified period of time (e.g., six months). These indicators also address the percentages of graduates who are working in an area relating to their educational background; have received regional, national, or international awards; and have academic training that they and their employers rate highly.

The HELM teams were unable to obtain and review complete information about all these indicators during their HEI visits. For example, while several HEIs (e.g., POLMED, POLNES) provided percentages of graduates employed within six months (or other period) following completion of their study programs, the teams were unable to review HEI data on graduates’ new businesses. In addition, some indicators (e.g., international, national, and regional awards) might produce more useful information regarding HEI quality if the HEIs were asked to provide numbers rather than percentages.

While the tracer studies conducted by the 11 HEIs may help to locate alumni, alumni often fail to provide sufficient information through these studies about their entrepreneurial activities, awards, educational program relevance, and the like. Thus, these tracer studies generally do not address the indicators associated with this standard. HEI interviews and documents also were unclear how the HEIs involve internal and external stakeholders in setting, implementing, and evaluating this standard; what criteria the HEIs use to select external stakeholders to assess graduates’ competencies; and what the HEIs ask these stakeholders to assess.

### **Educational Assessment Standard**

This mandatory standard is associated with four indicators in the DIKTI mapping: the existence of a means to evaluate learning outcomes relative to graduates’ competencies; the quality of questions in mid-term and end-of-term course examinations, and their relation to learning

outcomes; the quality of the final paper examination; and the existence of guidance for improving examination scores.

This standard focuses on the evaluation of study results by the teaching staff and the academic units. Although each HEI establishes its evaluation system and assures this quality standard is met, the QAS-HEI “guidebook” states an HEI should use a student-centered learning approach to meet this standard.

Of the 11 HEIs, 9 responded in full or in part to HELM’s HEI self-assessment survey. All of these nine HEIs assessed themselves as “above average” or “average” on the following survey item: “Each educational unit regularly assesses the extent to which it achieves student learning outcomes, and provides evidence of planning for improvement based on analysis of these assessments.”

Educational assessment occurs in an HEI’s study programs, departments, and faculties. On the HELM HEI self-assessment survey, for example, all responding HEIs assessed themselves as “above average” or “average” with respect to placing primary responsibility for the content, quality, and effectiveness of the curriculum with its teaching staff. The HEI site visits confirmed that the specification, implementation, evaluation, and improvement of student learning outcomes, or student learning targets, are generally left to these academic units. Each study program’s QA team seeks to ensure that students evaluate teaching staff and courses every semester; student performance is monitored and reviewed each semester; curricula, courses, syllabi, and examinations are reviewed regularly; and students receive mentoring and counseling.

While student learning outcomes appear to have a prominent place in a few HEI internal QA systems (e.g., UI, UGM), in other HEIs visited this is less clear (e.g., the polytechnics and the state universities). For example, HEI site visit interviewees expressed such views as the following:

- the HEI does not collect data on student learning outcomes; when they exist, they are driven by accreditation requirements and grant competitions;
- the establishment or maintenance of student learning outcome expectations by the HEI is not an IQAS objective or responsibility; and
- the HEI uses target indicators in its IQAS, but not learning outcomes.

### **Lecturers and Education Staff Standard**

The 11 indicators associated with this mandatory quality standard emphasize numbers, percentages, and ratios to describe the quality of lecturers and other education staff. These indicators include lecturer/student ratios; percentages of lecturers by academic title, position, and degree; and numbers and qualifications of librarians, lab technicians, administrative education staff, and other support staff.

The 11 HEIs provided much of this information to the HELM teams during site visit interviews and/or in institutional documents. An important issue, though, is whether these types of numbers, percentages, and ratios are sufficient to provide an accurate and complete picture of the quality of lecturers and other education staff. For example, a lecturer’s additional degrees and

knowledge may not make him or her more effective in providing students with a high-quality learning experience. Yet there is an underlying assumption among the HEIs visited, perhaps reinforced by this standard's indicators, that subject matter mastery translates to an ability to teach effectively. To exceed this standard, the HEIs need to provide more training for teaching staff in using assessments for improving student learning outcomes.

## **Facilities and Infrastructure Standard**

During their HEI site visits, the HELM teams were unable to confirm information about the indicators for this standard, namely, work space per lecturer; classroom, lab, computer room, library, and other learning space per student; utilization rate of learning facilities; characteristics of information system and computer technology; availability of scientific and other reference materials; and availability of such support facilities as a sports area, students association room, prayer room, and the like.

At the same time, anecdotal information about facilities and infrastructure shared by the visited HEIs suggests both quality challenges and quality opportunities. One polytechnic, for example, reportedly lacks the resources and expertise for even a basic IT system and related software, with 80 percent of its data management done manually. Yet IT-based data management is critically needed if its IQAS is to be effective. Thus, it is hard to determine whether such an HEI meets this standard. On the other hand, the leading Indonesian research universities visited (e.g., UI, UGM) have been successful in obtaining significant levels of external (non-government) resources for facilities and infrastructure; as a result, these HEIs typically exceed this standard. Also, the HEIs responding to the HELM HEI self-assessment survey reported that they provide learning facilities and information resources that are appropriate to support their teaching, research, and service missions.

## **Management Standard**

This standard's 18 "quality indicators" address HEI leadership, general administration, functional and operational management, and governance, including the IQAS, administrative manuals, effectiveness of internal and external stakeholder feedback, planning processes, tracer studies, and academic policies.

A core area of HEI leadership and management capacity assessed by the HELM teams during their HEI site visits was general administration and leadership, including HEI selection and preparation of institutional and academic leaders, strategic planning and budgeting processes, governance, and academic program management. As reported in HELM Deliverable 4, though, even when HEIs meet this management standard, they continue to face significant management challenges, including:

- management training for academic staff appointed to HEI leadership positions is lacking;
- financial considerations drive academic planning and implementation, not the reverse;
- the multiplicity of HEI data bases makes it difficult for faculties and study programs to obtain consistent, basic student and other data for planning and quality assurance;

- opportunities for leaders and managers at lower institutional levels to participate effectively in HEI governance are lacking; and
- HEI resources, government approval processes, and the rapidly changing pace of information and teaching methodology inhibit academic program updating and expansion.<sup>17</sup>

Internal HEI monitoring of this standard's indicators is usually overseen by an independent internal audit or internal monitoring unit; this unit assists all parts of the HEI in carrying out their responsibilities in accord with the HEI vision, mission, and strategic plan and with government requirements. All 11 HEIs visited by HELM confirmed their internal audit unit's role in the IQAS and auditor training initiatives.

### **Financing Standard**

DIKTI has associated three indicators with this eighth compulsory standard: percentages of funding from each of tuition, grants, business units, academic cooperation, alumni, community, and other sources; proportion of investment and operational funding for each of teaching and research should exceed 30 percent; and existence of guidelines for financial accountability, in accord with government regulations.

Although all 11 HEIs visited already receive funding from non-government sources and are seeking to expand the sources from which they receive funds, significant HEI funding from multiple non-government sources is still a goal, not a reality, for the nine HEIs other than UI and UGM. One major concern of HEIs is their inability to set tuition at a level that covers a substantial portion of education costs; another is their inability to capitalize on cost recovery opportunities; and another is their inexperience in seeking HEI funds from non-government research grants, academic cooperation, and other non-traditional sources.

Information provided by the 11 HEIs to the HELM teams suggests that the HEIs meet the teaching funding indicator; however, the team's HEI interviews and document reviews could not confirm that 30 percent of HEI investment and operational funding is spent on research. On their HELM self-assessment surveys, the responding HEIs reported "above average" or higher scores on the item "Financial records are transparent and systematic, such that *accountability is guaranteed* (emphasis added)." However, the HEIs' self-assessment survey responses also indicate that their collaboration with external stakeholders (including local governments, businesses, and industry) could be significantly strengthened with respect to raising funds, advancing research objectives, and enhancing HEI access through scholarships and increased institutional capacity.

### **Scientific Research Standard**

For this non-compulsory, but recommended, standard, DIKTI proposed 12 process and outcome indicators in its 2011 draft "quality mapping" framework. These indicators address percentages (e.g., of lecturers who do research internationally and nationally; of lecturers who were invited

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<sup>17</sup> Chemonics International. "HELM Deliverable 4. Collaborative Assessment of 11 Higher Education Institutions in Indonesia. Draft," July 31, 2012.

speakers, presenters, and participants in international and national scientific meetings); ratios (e.g., book publications per lecturer; patents per lecturer; works of art/learning modules per lecturer); and numbers (e.g., international research citations; amount of research funding from international, national, or internal HEI funds; scientific events organized by study programs and laboratories).

The HEIs visited provided the HELM teams with requested indicator percentages, ratios, and numbers; and research unit heads in these HEIs noted the need for research quality assurance guidelines. While these indicators provide a profile of an HEI's level of research activity, however, they may not ensure the quality of this research or its impacts on teaching and community service. For example, only the leading research universities visited (i.e., UGM, UI) appear to be implementing a comprehensive QA system for research. While a few other HEIs (e.g., UNHAS) have partially implemented a QA system for research based on models from leading Indonesian research universities, even in these HEIs QA in research is not well-established and only a few lecturers have attended research training sessions.

The autonomous HEIs visited are actively addressing research in their internal QA systems. In other visited HEIs (e.g., the polytechnics), though, teaching staff reported that their HEIs do not give high priority to research except through the completion of advanced degrees. In these HEIs, the IQAS has neither established nor maintained research expectations in each study program; nor does the IQAS review research expectations of teaching staff to ensure these are aligned with community, employer, and national development needs.

Incentives in HEI human resources systems often serve as a disincentive for implementing effective QA standards in research. Although teaching staff in the visited HEIs must conduct research to meet promotion requirements, they usually lack time to conduct research, since spending time on research may prevent them from meeting teaching time requirements. Teaching staff also often lack the knowledge about what research is and how to conduct research. As a result, the HEIs have few incentives to increase institutional percentages, ratios, and numbers associated with this standard's indicators, given the national pressure to upgrade teaching staff qualifications in HEIs across Indonesia.

### **Community Service Standard**

For the (non-compulsory) standard on community service, DIKTI proposed four indicators in its 2011 draft "quality mapping" framework: percentage of lecturers who do community service; percentage of community service based on research; percentage of funds generated by the HEI for service to the international community; and percentage of awards received that relate to community service.

The visited HEIs regard community service, or public service, as a very important responsibility, and their community service activities reflect their respective institutional missions, development, and capabilities. Some HEI community service activities are coordinated through a centralized office, while others are managed by and through the faculties. These activities are linked to HEI external stakeholders and include such activities as the application of research results and student social action internships (KKN).

With the exception of a few HEIs (e.g., BINUS, UI, UGM), however, these HEIs have not yet developed and incorporated a community service component into their internal QA systems, since the weight given to community service in accreditation is minimal. While HEIs noted the relevance of their community service activities to external stakeholders, they rarely addressed other attributes discussed in the 2010 DIKTI HEI-QAS “guidebook” for assessing the quality of community service (e.g., efficiency, effectiveness, accountability). Also, the HELM teams received minimal information from the 11 HEIs relating HEI community service to this standard and its four indicators. Only a few of the HEIs (e.g., BINUS, UMM, UI) reported links between their community service activities and research awards or lecturer participation; more often the HEIs included information about student participation in these activities (e.g., UNM, POLMED).

### **Collaboration Standard**

For the third non-compulsory, but recommended, standard, DIKTI proposed eight indicators in its 2011 draft “quality mapping” framework. These indicators focus on HEI numbers, not percentages – numbers of MOUs (and numbers of active MOUs) of various types (e.g., with international and national HEIs, industry, and local and national governments); MOU collaboration activities; lecturers in international and national professional organizations; lecturers and students in *tri dharma* exchanges; access to international libraries; and foreign students. (Although this standard addresses intra-Indonesia collaboration as well as international collaboration, the indicators for this standard appear to place significantly greater emphasis on international collaboration. It is important to note, though, that while HEI external collaborations often involve international stakeholders, not all HEI internationalization activities involve external stakeholders or external stakeholder collaboration.)

The most prestigious HEIs visited reported having mutually beneficial external collaborations with Indonesian and international HEIs; community-based and regional non-profit organizations; and diverse local, national, and international business firms. The collaboration activities of these HEIs appear to meet or exceed all eight indicators of this collaboration standard; the activities also are enabling these HEIs both to improve their quality and to receive international recognition for their quality.

The other visited HEIs are also committed to increasing their external collaborations through MOUs and/or less formal agreements with Indonesian and international HEIs and with community organizations, employers, and business firms. Typically, though, these HEIs have fewer stakeholder collaborations; their collaborations do not address all eight of this standard’s indicators; and their collaborations are usually with community and Indonesian, not international, organizations and HEIs.

An HEI that meets or exceeds the collaboration standard should be able to demonstrate that, through mutually beneficial collaboration with external partners, its institutional quality is improved in a sustainable way and that its institutional indicators contribute to improvement. Only a few of the 11 HEIs (e.g., BINUS, UMM) reported that they incorporate in their internal QA systems the ability to demonstrate such continuous quality improvement; the other HEIs recognize its importance but at most have only begun to address this issue.

## HEI EXTERNAL STAKEHOLDER COLLABORATION

A “stakeholder” of an organization is defined as “a person, group, or organization that has a direct or indirect stake in an organization because it can affect or be affected by the organization’s actions, objectives, and policies.”<sup>18</sup> Thus, an HEI’s external stakeholder collaborations (ESCs) include its cooperative activities with parties external to the HEI that have direct or indirect stakes in the HEI because they can affect or be affected by the institution’s actions, objectives, and/or policies.

Indonesian HEIs vary from one institution to another in terms of their external stakeholder collaborations. For example, the most prestigious HELM-visited institutions (primarily Java-based) leverage their resources, prestige, and alumni networks to establish diverse collaborative activities with regional, national, and international stakeholders that include HEI academic exchanges, HEI and industry research collaborations, and community service relationships with local governments and other organizations. Other HEIs visited often have fewer collaborations and fewer (and more local) stakeholders than do the most prestigious HEIs. Moreover, what they describe as ESCs often are simply one-way relationships (e.g., relationships with banks, in which the HEIs are bank clients), involving neither “collaborations” nor “stakeholders.”<sup>19</sup>

This section examines the visited HEIs’ reported external stakeholder collaborations with respect to types of external stakeholders and types of collaborations. Included in this examination are perspectives gained by the HELM teams through interviews and small group discussions with officials both in these HEIs and in the stakeholder organizations with which these HEIs conduct cooperative activities.

### Types of External Stakeholders and Collaboration

Each HEI visited by HELM seeks organizational partners with which it can plan, implement, and manage cooperative activities that strengthen the quality of its teaching, research, and community service while also addressing other DIKTI Strategic Plan priorities (e.g., increased access, equity, and relevance). Partners of these HEIs include local, national, and international HEIs; district, provincial, and national government units; multinational corporations; financial institutions; small business firms; and other types of organizations.

### HEIs

Partnerships with other HEIs typically focus on one or more of the following activities: student exchange, post-graduate study, research, lecturer exchange, or comparative study. The most prestigious HEIs visited (e.g., UGM, UI) have established active academic partnerships with research universities in the U.S., Australia, and other countries, both regionally and internationally. These international partner HEIs are stakeholders in that both they and their Indonesian partner HEIs benefit from the student and teaching staff exchanges, joint research and

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<sup>18</sup> <http://www.businessdictionary.com/definition/stakeholder.html>; accessed 5 July 2012

<sup>19</sup> Chemonics International. “HELM Deliverable 4. Collaborative Assessment of 11 Higher Education Institutions in Indonesia. Draft,” July 31, 2012.

publications, and international alumni and financial support networks that are part of such stakeholder collaborations.

Other HEIs visited have established HEI collaborations that involve multiple HEIs. For example, BINUS, UNM, UNHAS, USU, and 17 other universities have created the Nationwide University Network in Indonesia (NUNI); this network's activities include collaboration on student mobility, faculty exchanges, and joint research that benefits all NUNI HEIs. Two other HEIs visited (UNJ and UNM) are active collaborators with other Indonesian teacher training universities and with leading U.S. teacher training universities through the U.S.-Indonesia Teacher Education Consortium (USINTEC) and its double master's degree programs. A number of HEIs also have participated in established international scholarship exchange networks with a global rather than regional reach (e.g. the European Commission's Erasmus Mundus program).

Most institutions visited have focused their international academic partnership efforts on Australia, Japan, China, India, Malaysia, Thailand, and the Middle East. USU and UNM cited partnerships with Japanese institutions that included joint research and led to improvements in laboratories, as well as improved expertise among participating lecturers. POLMED established a dual degree program with the National Institutes of Technology in India, for example. UNMUL established a forestry partnership with Chulalongkorn University in Thailand, leveraging the best resources of the two institutions. UNHAS has taken advantage of its expertise in biodiversity and marine resource management to participate in the Asia Pacific Biodiversity Network. In addition, UNJ reported that it has partnerships in Malaysia, Morocco and Egypt, in addition to its partnerships in Australia, China, Japan, and the United States.

### **Private Sector Firms**

Each of the HEIs visited cited collaborations with private sector firms, as well as a desire for more extensive partnerships with these types of organizations. Partnerships with private sector firms took four primary guises: vendor, donor, end-user of HEI "products" (employers), and industrial research partners.

For example, each of the HEIs reported one or more financial services partners, including BNI, BRI, Bank Sumut, Bank Mandiri, and Bank Kaltim, which provide banking and credit services to staff and students, disburse salaries for the university lecturers and staff, collect tuition fees from students, and manage government scholarships for the HEI. These are primarily vendor relationships that have little or no academic value.

The vast majority of collaborations with private sector firms, however, serve as a source of revenue for the HEI. The HEIs visited generally focus their collaboration efforts on large national or international firms that they perceive to have large resources that could be leveraged by the HEIs. Among the firms these HEIs reported approaching are Pertamina, Exxon, Chevron, Total, Coca Cola, Microsoft, Caterpillar, Trakindo, Pupuk Kaltim, Kaltim Prima Coal, Chemoil, Perusahaan Listrik Negara, and/or other large mining, plantation, and natural gas companies.

To some extent, all 11 HEIs seek to develop relationships to facilitate donations of money or equipment, scholarships, research, student internships, or early recruitment opportunities for

students. Although they have often pursued largely one-way relationships that benefit the HEI without taking into account what the private sector partner might gain from the collaboration, some HEIs are building more symbiotic relationships. For example, BNI has a wider collaboration with UNHAS that entails graduate research scholarships (IDR 20-30 million per student), connecting potential donors (its customers) with the university, donating bicycles, and the BNI Corner in the Economics Faculty, which comprises a small library and a stock market simulation program. UI and several other universities have also established entrepreneurship collaborative program builds capacity of students and sponsoring financial institutions alike.

As the HEIs seek partnerships with private sector firms to ensure that their graduates are employed after completing their studies, the collaborations change and have a greater influence on the academics of the institutions. Beyond their vendor relationships, for example, BNI, Bank Sumut, and Bank Mandiri have early recruitment programs with some of their partner HEIs that provide scholarships to promising students in their last year or semester and possible employment with the bank upon completion of their degrees. These employment agreements typically come with a minimum contract (three years) to ensure that the institution recaptures the investment it made in the students' education. Similarly, POLMED students have benefitted from scholarships offered by companies such as PLN, Pertamina, and Coca-Cola, which translate into job openings for graduates.

The polytechnics are particularly focused on ensuring that their graduates have the skills that private sector firms are seeking, and are much more open to input from the private sector on curricula and course content. For example, POLNES has sought and received support for curriculum development and for machine maintenance, especially from Caterpillar and Trakindo but also the wider oil and gas industry. It also has collaborations with construction consulting companies (e.g., Waskita Karya and Adhi Karya), as well as the Ministry of Public Works and Transportation and local plantation offices.

From the perspective of the private sector partners, these polytechnic collaborations focus on employment of HEI graduates, meet their corporate social responsibility (CSR) commitments, and are a good way to ensure that they keep internal training costs low. Trakindo, for example, determined that it needed more than basic high school level skills from its workforce, and it developed relationships with several polytechnics that are central for heavy equipment industries (e.g., mining, logging). Trakindo, through Mitratama, its CSR arm, has been involved in developing curriculum, training teachers, and assisting with hands-on technical training. The job training is conducted at a Trakindo site to ensure that quality standards are met. DIKTI was receptive and easier to work with than the Directorate of Technical and Vocational Education, which made working with the polytechnics a highly attractive option. Similarly, Bank Sumut has conducted training and seminars in the fields of banking and entrepreneurship for POLMED.

In addition to working directly with private sector firms, some HEIs work with associations of these firms. For example, POLNES collaborates with the Indonesia Electrical Engineering Contractor Association and the Electrical Engineering Professional Association to ensure that its electrical engineering program conforms to the prevailing professional standards or requirements.

The industrial research partnerships appear to be those that best exemplify how successful collaborations can mutually strengthen the partners. For example, UGM has well-established procedures for building research collaborations with private industry that are responsive to industry requirements and can be initiated either by the university (“seed-based” approach) or private sector actors (“need-based” approach). One of USU’s most successful collaborations is a joint research project with a Japanese industry on biogas development, which has been conducted over a relatively short period, but is relevant for local farmers. UNHAS has made good use of its unique location to specialize in tropical forestry and tropical diseases. Both Novartis and Lippo Group have provided support for drug discovery and tropical disease research at UNHAS. UGM’s geothermal research industry unit has partnered with Pertamina and the engineering faculties with positive results.

UNM also has a partnership with Pertamina’s Program Kemitraan dan Bina Lingkungan (PKBL), which is a partnership program in the sectors of health, education, religious infrastructure and society. Pertamina asked UNM to map the community needs in Kabupaten Jeneponto that can be met by PKBL initiatives. Once the needs have been identified, Pertamina will design a community development program with UNM as the implementing partner. Pertamina views this activity, and the others it hopes to initiate with UNM or other HEI partners, as an important element of its CSR program.

Pertamina’s goal is to fund projects that will make a real difference on the ground for communities, and it views HEIs as one partner to achieve that goal. The PKBL representative interviewed identified two other major initiatives he would like to see with universities: improving entrepreneurship education within the HEIs and expanding support for seaweed entrepreneurs through a cooperative it recently established. Both of these projects would take advantage of the HEIs’ intellectual capital and enable the HEIs’ information and resource base to contribute to a more effective and productive local economy.

## **Government Agencies**

Another set of important partners for Indonesian HEIs is government agencies. The HEIs visited cited a number of projects in collaboration with local and regional government agencies, and government was the biggest partner for most HEIs. For example, the state universities work extensively with district and provincial education offices to ensure that primary and secondary teachers have been appropriately certified and retrained as needed. Many of these universities work with district education offices to place their students for practice teaching in elementary schools.

These relationships are very productive for the provincial and district education offices, according to officials from these offices interviewed during the UNM site visit. The district education officer interviewed noted that the most important HEI contribution other than teacher certification is preparing new teachers and providing training for teachers on research when it is needed. At the provincial education office level, the interviewee particularly appreciated the opportunity to collaborate with HEIs in designing the teacher training programs; to train teacher trainers who work to reinforce skills teachers need in the classroom; and to train teachers on conducting research and reporting its results. The collaborations with the provincial education office in Makassar also have benefits for the local universities, as the office provides

scholarships to students (between 200 and 400 per year) and scholarships for lecturers (total number per HEI was not available).

HEIs collaborate with many local and regional government agencies in other areas as well, including agriculture, fishing, forestry, biodiversity, waste management, vocational training, and entrepreneurship. For example, USU has worked on projects in agriculture and animal husbandry as well as forestry management. Local governments in South Sulawesi and other provinces tap UNHAS' expertise on marine resources. UMM's Directorate of Research and Community Development has an established study team for each of 12 regional governments, and conducts research on local planning and development needs initiated either internally by faculty members or by local government bodies. POLNES works with vocational training centers (Balai Latihan Kerja) to expand their offerings. In addition to its teacher training efforts, UNM has established cooperation with the local government on performances and exhibitions, building on the university's Art, Design and Visual Arts Faculty.

There appears to be significant prestige associated with collaboration with national ministries, and it is therefore a goal for many HEIs to engage in such partnerships. The country's most prestigious HEIs routinely collaborate with a wide variety of ministries, but other HEIs have more limited opportunities to do so. USU, for example, has collaborated with Ministry of Youth and Sport officials to conduct training for community development motivators and with the Ministry of Agriculture to conduct entrepreneurship training for farmers. UNHAS has an ongoing collaboration with the Ministry of Industry to increase community activity in homemade handicrafts and other small-scale industry. The university's role is to supervise the handicraft producers, provide quality control, and help market their goods. Both universities hope to expand collaboration with ministries in the future.

## **FINDINGS AND CONCLUSIONS**

This section identifies and discusses conclusions and findings in three areas: HEI internal quality assurance, HEI external quality assurance, and HEI external stakeholders.

### **HEI Internal Quality Assurance**

***1. HEIs continue to experience significant internal quality assurance challenges associated with their implementation of the DIKTI directive that each HEI develop, implement, use, and continuously improve its IQAS consistent with DIKTI's and the HEI's strategic plans and with the HEI's mission, vision, and programs.***

MOEC and DIKTI are commended for requiring each HEI to implement this IQAS directive. However, although HEIs have generally committed themselves to develop and introduce the manuals, forms, reports, and other elements of an IQAS, the IQAS is often still not fully embedded in all HEI units and processes.

There is deep resistance to change in Indonesian HEIs. Persuading an HEI not only to put an IQAS in place but also to ensure the IQAS is enthusiastically accepted and used to improve

quality throughout the institution is very difficult. This is not simply a matter of having an HEI's leadership team endorse the implementation of an IQAS; rather, it is necessary to change an HEI's academic and administrative culture and values, which is far harder.

***2. The Indonesian government's multiple and overlapping HEI data collection systems and higher education quality standards may result in less-than-full HEI commitment to its IQAS.***

DIKTI and other government agencies and offices require HEIs to use different IQAS-related data collection systems, with different data collection instruments and system characteristics. This at times makes it difficult to verify HEI-reported data or to determine which HEI data are most accurate. It also leads to HEI uncertainty about how (and whether) the government uses the IQAS data that HEIs report, as well as perhaps lessen HEI commitment to the IQAS. The existence and use of more than one set of higher education quality standards (e.g., BSNP's eight standards, BAN-PT's seven standards, and the proposed 11 standards in DIKTI's 2011 "Higher Education Internal Quality Assurance Indicators for Mapping Higher Education Quality – Review Draft") further weakens HEI commitment to the IQAS.

***3. Institutional leaders and managers at several HEIs visited by the HELM teams view the IQAS as unrelated to other HEI leadership and management activities.***

The AUN-QA's integrated three-dimensional QA context for the IQAS, discussed earlier in this report, is neither well-understood nor used by many Indonesian HEI leaders. These HEI leaders view the IQAS as the end, not as a means to an end. In particular, they often fail to recognize the centrality of the HEI's stakeholders in the HEI QA framework. At the strategic (institutional) QA level of the AUN-QA approach, the requirements and needs of the HEI's stakeholders are the starting point and form the basis for the HEI's mission, vision, goals, and objectives, which shape its IQAS policies, processes, resources, and activities. The IQAS, in turn, provides the foundation for program-level (tactical) QA, which focuses on the ways in which learning outcomes expected by the HEI are addressed through teaching, research, and community service. The goal of this program-level QA is to achieve learning outcomes that indeed fulfill stakeholder requirements and needs and contribute to the continuous improvement of the entire HEI QA framework.

***4. In developing and implementing incentives that ensure that HEI internal QA systems provide the institutional and program quality outcomes required by stakeholders and society, DIKTI often is constrained by government financial policies and practices as well as by government regulations and laws.***

While HEI autonomy remains a long-term government objective, HEIs need coherent national policies if they are to achieve "organizational autonomy," "financial autonomy," "staffing autonomy," or "academic autonomy" – or a combination of these dimensions of autonomy. HEI policies and practices of the national ministries are not always well-coordinated, however, thus creating obstacles for greater HEI autonomy. Moreover, HEI autonomy cannot be implemented by ministerial decree or legislative acts; it should be viewed as a process, not as a single event, so that HEIs can progressively adapt and fulfill expectations of autonomy while balancing the long-term vision of greater autonomy for all HEIs with other government priorities (e.g., equity,

access, accountability, quality). This requires that DIKTI be able to provide the government leadership needed to ensure HEI quality outcomes.

## **HEI External Quality Assurance**

### ***1. Although BAN-PT remains the key Indonesian HEI external quality assurance organization, it faces significant challenges in carrying out its required EQAS responsibilities.***

An HEI's EQAS primarily includes the required accreditation of the HEI and its study programs by BAN-PT and/or by autonomous institutions recognized by the Indonesian government. While some HEIs also have sought reviews of the quality of their study programs by regional (e.g., ASEAN University Network) or international organizations, based on HEI self-assessment checklists developed by such organizations, or by other organizations (e.g., through ISO certification of programs), BAN-PT remains the primary institutional and program accrediting organization for Indonesian higher education.

Yet the scale and size of the Indonesian higher education sector make it very difficult for BAN-PT (and other DIKTI-recognized program accreditation organizations) to ensure the quality of each HEI and each study program. With about 20,000 HEI study programs and more than 3,000 HEIs, there is great diversity (and disparity) of capacity and quality among Indonesian HEIs; this makes it difficult for DIKTI and other approved professional program accreditation groups to promulgate QA policies and approaches appropriate for all HEIs, whether large or small, or whether in rural provinces thousands of miles from Jakarta or in the greater Jakarta region.

### ***2. In spite of the fact that BAN-PT has been ISO 9000-certified, its IQAS is itself a significant issue, because the external higher education QA environment continues to change rapidly.***

BAN-PT, with limited staff (excluding assessors), needs to further develop its human and institutional capacity with respect to governance and leadership, financial management, human resources management, and information management. It also needs to improve staff capacity, capability, and work performance (e.g., through QA training for BAN-PT staff by AQAN) in order to improve the credibility, accountability, and integrity of its institutional and program accreditation.

### ***3. The current higher education institutional and program accreditation system, centered on BAN-PT, may be unworkable long term, and a new approach to accreditation may be needed.***

BAN-PT relies on DIKTI and MOEC for funding to carry out its institutional and program accreditations. This funding, while significant, enables BAN-PT to complete only a few thousand study program accreditations and several dozen institutional accreditations each year. This pace of accreditation falls far short of meeting HEI accreditation needs, since the number of HEI study programs requesting accreditation reviews continues to increase rapidly as well. In addition, limited resources result in fewer accreditation assessors being trained than are needed.

Thus it is highly unlikely, given limited resources and the large numbers of HEI programs and institutions, that BAN-PT and the currently approved professional program accreditation organizations will be able to achieve government higher education accreditation targets. In a

sense, the current program and institutional accreditation system may be unworkable; a new approach to accreditation may need to be considered, e.g., accrediting an HEI when a certain percentage of its study programs are accredited, partnering with additional professional program accreditors, and/or partnering with regional program assessment groups such as the AUN-QA.

## **HEI External Stakeholders**

***1. A first step in establishing and expanding productive collaborations between Indonesian HEIs and external stakeholders is for the HEIs to identify opportunities, including research opportunities, that may be accessible to them.***

Many of the lecturers interviewed during the HEI site visits noted that they very much need and want joint research opportunities, especially with international partners. In reality, though, they have limited means of finding out about research funding sources or potential research partners.

***2. In creating successful collaborations, it is important for HEIs to understand the motivations underlying each potential collaborating organization's participation in a partnership.***

The senior leadership and teaching staff at the 11 HEIs identified several common motivating factors for collaborating with external organizations, including increased income, opportunities to pursue their academic interests, prestige associated with collaborations, accreditation (which is based in part on the number of HEI external collaboration activities), improved teaching methods, access to new technology and equipment, and maintaining up-to-date curricula. The motivations of potential external partners vary widely, however, and each new collaboration may require the HEI to analyze what benefits the external partner seeks and may get from the collaboration.

***3. HEIs need to explore additional ways to identify and exploit opportunities for productive external stakeholder collaborations.***

Some HEI interviewees indicated that the process for establishing external stakeholder collaborations was clear and well known across their institutions. Others, however, noted that most teaching staff at their HEIs had very little idea how to initiate such collaborative relationships. Even in HEIs where the process is well understood, interviewees often reported that the initiation of external stakeholder collaboration is limited to the external organization or the HEI vice rector for cooperation. Interviewees also reported that, even when their HEIs have established a large number of memoranda of understanding with external stakeholders, many of these memoranda are often not particularly active.

Ensuring that external stakeholder collaborations are as productive as possible is an ongoing challenge that HEIs face. As HEIs seek to expand their collaboration with external stakeholders, they often give inadequate attention to the importance of balancing time spent by HEI staff on collaborations with time spent on their teaching and other duties. Many collaborative activities do not permit the HEIs to recapture the overhead costs they incur from participating in them. For example, lecturers may seek to enhance their own reputation or enrich themselves personally through HEI external collaborations (e.g., externally funded research conducted at the HEI),

rather than to ensure that a portion of the external funding supports the HEI that provides them with the infrastructure to pursue their personal interests.

#### ***4. Indonesian HEIs face particularly difficult challenges in collaborating with international partners.***

A substantial problem that many HEIs face, especially in international HEI partnerships, is the lack of teaching staff English language fluency. For example, exchange programs with these international partners frequently require a minimum TOEFL score of 550 to participate, and many Indonesian HEI lecturers find that to be an insurmountable barrier.

## **RECOMMENDATIONS**

Although the foregoing conclusions and findings indicate that Indonesian HEIs continue to face numerous quality assurance challenges, DIKTI and the HEIs themselves have the opportunity and the potential to actively address many of these challenges.

The following recommendations suggest a framework for HELM Project decisions about future activities that would complement and strengthen DIKTI and HEI QA initiatives.

### **HEI Systems Thinking**

#### ***1. The Indonesian government and HEIs should rethink the ways in which HEIs seek to achieve continuous quality improvement and enhanced organizational performance.***

The HEI quality assurance-related conclusions and findings outlined above increase the urgency for Indonesian HEIs to improve significantly their quality and performance, as do the dramatic HEI and societal changes occurring in Indonesia.

A systems approach, which is based on the strategic alignment of all key organizational elements and processes, may provide an opportunity for an HEI to address these challenges and changes while, at the same time, improving its quality and performance. Indeed, in HEIs “a systems perspective is essential for engaging [key processes and units on] the campus in setting goals, establishing priorities, allocating resources, identifying key performance indicators and driving improvements.”<sup>20</sup>

Yet implementing systems approaches in HEIs is itself a significant challenge, given traditional HEI leadership and governance practices, organizational structures, financial issues, and other institutional characteristics as well as external policies and practices of government agencies. HEI internal stakeholders may have different, often conflicting, priorities, while HEI external stakeholders may fail to view improvement in HEI quality and improvement as a shared responsibility.

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<sup>20</sup> Furst-Bowe, Julie, “Systems Thinking: Critical to Quality Improvement in Higher Education,” in *Quality Approaches in Higher Education*, Volume 2, Number 2 (2011), American Society for Quality, Milwaukee, WI, p. 2.

Even with these challenges, however, Indonesia has an opportunity to more effectively achieve HEI continuous quality improvement and enhanced performance by encouraging HEIs, through incentives and/or policies, to begin to think more systemically relative to quality assurance.

## **Systems Approach to HEI Quality Assurance**

***1. The Indonesian government and HEIs should work together to strengthen HEI quality assurance, institutional leadership and management, and national competitiveness through the implementation of an effective systems approach to HEI quality assurance such as the Baldrige Education Criteria for Performance Excellence.***

One particularly effective model that uses systems thinking to improve U.S. organizations' national competitiveness and performance effectiveness is the Baldrige Performance Excellence Program and its Malcolm Baldrige National Quality Awards. This program, administered by the National Institute of Standards and Technology (NIST), U.S. Department of Commerce, with the assistance of the American Society for Quality (ASQ), annually recognizes exceptional performance practices in business, education, health care, and non-profit organizations.

In 1999, a few U.S. HEIs began using the new Baldrige Education Criteria for Performance Excellence to improve overall organizational quality and performance and to produce ever-improving outcomes for students and other stakeholders. The framework for the seven-category Education Criteria consists of a "leadership triad" (which includes three categories – Leadership, Strategic Planning, and Customer Focus); a "results triad" (which includes three categories – Workforce Focus, Operations Focus, and Results); and the "system foundation" (which includes one category – Measurement, Analysis, and Knowledge Management). Everything in the framework points to "Results," defined to be "a composite of student learning and process outcomes, customer-focused outcomes, workforce-focused outcomes, leadership and governance outcomes, and budgetary, financial, and market outcomes."<sup>21</sup> Thus, the primacy of outcomes in this systems framework is unequivocal.

In 2001, the University of Wisconsin – Stout (UW-Stout) was the first HEI (and one of the few HEIs ever) to receive the Malcolm Baldrige National Quality Award. As a small "polytechnic university," with fewer than 10,000 students in career-focused undergraduate and graduate programs, UW-Stout demonstrated that an HEI need not be internationally ranked or a prestigious research university to receive the Baldrige National Quality Award.

Rather, what UW-Stout's award demonstrates is that more than 10 years ago it made a total institutional commitment to a systems perspective, including a focus on strategic directions, visionary leadership, and learning-centered education. Equally important and impressive has been UW-Stout's continuing commitment to the Baldrige Education Criteria, and in 2011 the institution was cited as a "national and international role model for quality in higher

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<sup>21</sup> Baldrige Performance Excellence Program. *2011-2012 Education Criteria for Performance Excellence*. Gaithersburg, MD: National Institute of Standards and Technology (NIST), 2011, p. 1.

education.”<sup>22</sup> Through its Baldrige systems approach, it has achieved long-term progress in priority areas, including quality improvement, increased access, improved equity and diversity, effective community engagement, increased job placement, and greater employer satisfaction.

## **Indonesian Quality Awards**<sup>23</sup>

More than 70 countries, including several in Asia, have adopted the Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) to assess the performance of organizations. As in the U.S., these criteria constitute a framework used to diagnose the performance of an organization, with feedback on the results of the assessment then used to improve performance.

One of these countries is Indonesia, where the Indonesia Quality Award Foundation (IQAF) created and administers Indonesia Quality Award programs to encourage organizational performance excellence and global competitiveness. Starting with a program for state-owned enterprises in 2005, the Foundation also manages three other programs – for HEIs, health organizations, and government/non-profit groups. Its programs are supported by government ministries, business groups, HEIs, and other organizations.

As of May 2012, the performance of only one university – BINUS – had been assessed relative to the Baldrige Education Criteria. In November 2011, BINUS was recognized as having achieved the sixth band (Early Improvement) of the eight bands in the Education Criteria scoring system (the first, or top, band is World Class Leader); its score was in the range 376-475 out of 1,000 maximum total points. [The highest Baldrige Award level achieved by Indonesian organizations has been Emerging Industry Leader (fourth band: 576-675 points); in 2012, 10 state-owned enterprises achieved this level.]

On May 1, 2012, the DIKTI Secretary told the IQAF Board that the Baldrige Performance Excellence Program has been proven worldwide to be effective and that DIKTI is ready to cooperate with and support future IQAF higher education activities. Since then, the IQAF has actively begun to increase HEI participation in applying the Baldrige Education Criteria. For example, the IQAF has created a task force to explore ways in which BAN-PT requirements and ISO 9000-9004 certification might be integrated with the Baldrige Education Criteria. This potential integration also was the focus of an IQAF higher education workshop on June 14 in which three HELM-visited universities (UI, UGM, and BINUS) were among the participating HEIs. These collaborative steps by DIKTI and the IQAF are very promising and present excellent opportunities for strengthening HEI internal and external quality assurance.

## **Systems Approach to HEI External Stakeholder Collaboration**

***1. The Indonesian government should encourage HEIs to implement internal and external quality assurance systems that focus on external stakeholder requirements and student***

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<sup>22</sup> Furst-Bowe, Julie, “Systems Thinking: Critical to Quality Improvement in Higher Education,” in *Quality Approaches in Higher Education*, Volume 2, Number 2 (2011), American Society for Quality, Milwaukee, WI, p. 3.

<sup>23</sup> Indonesian Quality Award Foundation. [www.indonesianqualityaward.org](http://www.indonesianqualityaward.org); accessed July 10, 2012.

*learning outcomes; and use a strategic approach to external stakeholder collaborations to strengthen both the HEIs and their collaborations.*

## **HEI Outcomes and Stakeholder Requirements**

As discussed earlier in this report, the AUN-QA takes a holistic, or systems, approach to HEI quality assurance that includes strategic, systemic, and tactical dimensions. The foundation of this AUN-QA systems approach and the starting point for its HEI QA assessments are its internal and external stakeholder requirements. HEI performance effectiveness is, in turn, determined by the extent to which the HEI fulfills these requirements through its teaching and student learning, research, and community service activities.

Moreover, HEI study program-level (i.e., tactical) QA in the AUN-QA framework is centered on expected student learning outcomes and the extent to which demonstrated outcomes achieve the expected outcomes. Thus, the AUN-QA systems approach has both stakeholder requirements and student learning outcomes at its core.

The Baldrige Education Criteria for Performance Excellence extend the AUN-QA systems approach by focusing on HEI results that include not only student learning and process outcomes but also customer-focused (i.e., stakeholder-focused) outcomes, workforce-focused outcomes, leadership and governance outcomes, and budgetary, financial, and market outcomes. Thus, HEI internal and external QA systems need to be significantly transformed to focus on outcomes and stakeholder requirements before HEIs can begin to achieve the Baldrige Education Criteria.

At the same time, it appears Indonesia now has the opportunity to make a long-term commitment to outcomes-based, stakeholder-focused continuous quality improvement and performance effectiveness – and to HEI achievement of the Baldrige Education Criteria. Different strategies and actions might be taken to achieve such (long-term) HEI transformations. One approach would be for the government to endorse (e.g., through the next DIKTI Strategic Plan) and support a multi-year process through which selected (or all) public HEIs (and perhaps some private HEIs) are encouraged to achieve increasingly higher Baldrige Education Criteria “bands” (i.e., scores). As HEIs began to focus on these criteria, they would necessarily need to focus their quality assurance systems on stakeholder requirements and mission-appropriate outcomes.

Alternatively, the government might stimulate this national transformation of HEIs through policies and practices (e.g., revised IQAS guidelines, revised HEI institutional and program standards) that move HEIs from input-focused, process-focused quality assurance systems to outcomes-focused, stakeholder-focused systems. Such a shift would, indirectly, also begin to move HEIs into increasing conformity with the Baldrige Education Criteria.

## **HEI External Stakeholder Collaboration Strategy**

In spite of the challenges HEIs face in expanding their external stakeholder collaborations, a systems approach to such collaborations suggests a number of opportunities for an HEI both to make existing partnerships more productive and to strengthen itself through a strategic expansion of its external collaborations.

A critically important element of such a systems approach is an HEI's strategic alignment of key organizational elements and processes relating to its external stakeholder collaborations to ensure that these collaborations, individually and collectively, enhance HEI performance and outcomes. This requires that an HEI develop a strategy for identifying collaboration opportunities with other HEIs, government agencies, and private sector firms, as well as dedicate or identify resources to implement the strategy. Such a strategy should take into account the comparative advantages of the HEI and its potential partner organizations in terms of areas of specialization or expertise, resource and internal capacity limitations, and related factors. In addition, the development of the strategy should involve relevant HEI internal stakeholders.

Also critically important in a systems approach is the implementation of an HEI's external stakeholder collaboration strategy. In implementing its strategy, for example, an HEI should ensure that its internal QA policies and practices enable it to recover the costs associated with current and potential external collaborations without inhibiting the partnerships or creating disincentives for HEI teaching staff to engage in these collaborations. An HEI also should provide workshops for its teaching staff not only on the implications of the strategy for internal policies and practices but also on the benefits of different types of collaboration to the HEI and on HEI procedures for initiating and sustaining effective external collaborations. For example, USU recently conducted such a workshop, which its teaching staff found very helpful.

The successful development and implementation of an HEI external stakeholder collaboration strategy also requires the ongoing engagement of both the HEI and its external partners. For example, the HEI and each external partner should ensure that each memorandum of understanding is followed by a tactical document that outlines, in specific terms, the goals of the partnership, how the goals will be achieved, the activities to be undertaken, the parties responsible for activities and their costs, etc. This requires that each HEI continue to monitor its collaboration agreements to ensure that they are active and productive for the HEI, as well as to have institutional procedures in place for regular review of all collaboration agreements.

To encourage HEIs to develop and implement a systems approach to external stakeholder collaborations, the Indonesian government could consider appropriate incentives and policies that take into account the diversity of Indonesian higher education while strengthening HEI quality assurance, institutional leadership and management, and national competitiveness.

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## **ANNEX B. LIST OF ORGANIZATIONS CONSULTED**

### **Government of Indonesia**

Directorate General of Higher Education (DIKTI), Ministry of Education and Culture  
National Accreditation Agency for Higher Education (BAN-PT)  
National Education Standards Agency (BSNP)  
District Education Office, Kota Makassar  
Provincial Education Office, South Sulawesi Province

### **Higher Education Institutions**

Bina Nusantara University (BINUS)  
Gadjah Mada University (UGM)  
Hasanuddin University (UNHAS)  
Medan State Polytechnic (POLMED)  
Muhammadiyah University, Malang (UMM)  
Mulawarman University (UNMUL)  
Samarinda State Polytechnic (POLNES)  
State University of Jakarta (UNJ)  
State University of Makassar (UNM)  
University of Indonesia (UI)  
University of Northern Sumatra (USU)

### **International Organizations**

Australian Agency for International Development (AusAID)  
Council for Higher Education Accreditation (CHEA), U.S.  
Philippine Accrediting Association of Schools, Colleges and Universities  
World Bank

### **Private Sector Organizations**

Al Hidayah Foundation  
Bank Mandiri, Makassar  
Bank Negara Indonesia, Makassar  
Bank Negara Indonesia, Samarinda  
Bank Rakyat Indonesia, Medan  
Bank Sumut, Medan  
Perusahaan Listrik Negara (PLN)  
PT Coca Cola  
Trakindo