GOOD SCHOOL GOVERNANCE: CONFLICTS OF INTEREST OF PRIVATE SCHOOL ORGANIZERS AND MANAGERS

Zulkifli[1], Albert Effendi Pohan[2], Alpino Susanto[3], Dahrul Aman Harahap[4,] Tubagus Pamungkas [5]

[1-5] Master of Education Management Study Program, Postgraduate
Program, University of the Riau Islands, Indonesia
Correspondence author:zulkiflit00@gmail.com

ABSTRACT

This study aims to conduct a literature review on good school governance and conflicts of interest in the organization and management of private schools and to gain an understanding of the handling and control of conflicts of interest. The implementation of Good School Governance in private schools refers to a school-based management model that has a high level of risk of conflicts of interest between the foundation administrators as the organizers and the internal academic community of the school as the operational managers. The foundation administrators as the principals have full and unlimited power, and unknowingly intervene in the technical process of managing school academics. The intervention of the foundation administrators in the technical management of school academic operations can provide an atmosphere of academic services that is less conducive and a social environment that is less supportive of education. The best practice of Good School Governance is reflected in the separation of the administrators and administrators of the foundation, and the management of the education system is carried out in a transparent, accountable, responsible, independent, fair, and participatory manner, as well as the importance of the foundation administrators handing over to more independent professionals in running school management. For the implementation of good school governance, it is necessary to formulate a policy framework and implement the policy framework. The authority to organize and manage schools based on mutual trust and cooperation among administrators is more important than the form and structure for participation in matters related to the routine management of the school.
Keywords: Good School Governance; Conflict of Interest

Introduction

Education as the main foundation in the formation of human personality plays a very important role in forming individual character. Individual characters characterized by talent, interest and high intelligence can make innovations in science in improving the progress of the nation. Primary and secondary education are one of the levels of education that have a strategic role in developing intelligence and empowering the Indonesian nation sustainably. Measurement of the achievement of management and implementation of primary and secondary education is determined by the quality of academic achievement of graduates and absorption in the workforce for vocational school graduates. However, ineffective school management in implementing governance can result in a decline in the performance of teachers and education personnel, as well as a decline in the achievement of student academic achievement which can ultimately reduce the quality of school education.

The implementation of best practice governance can provide a conducive atmosphere and condition of academic services and a school social environment that supports the achievement of improved teacher performance, student academic achievement and education quality. The implementation of effective governance to support the improvement of school education quality is realized in a control system model or better known as Good School Governance (GSG), which is a derivative of the concept of Good Governance. Good school governance is understood as the structure, system, and process used by academic organs to provide added value continuously in the long term.

Good School Governance is a tool that supports the formation of an educational institution with effective governance. Shattock (2016) explains that governance is a form of written provisions through the process of relationships between parties involved in the implementation and management of

academics. The treatment of governance as a correct development is formulated through school organs and other stakeholders. School governance refers to decisions and actions taken related to educational activities undertaken by students (Morgan, 2017). Better governance has the potential to significantly improve the quality of education offered in public schools, expand their growth, and improve their financial stability.

The implementation of private schools in Indonesia is legally stipulated in the legal entity of the foundation. Law of the Republic of Indonesia Number 16 of 2001 concerning foundations, both explicitly and implicitly mentions the principles of corporate governance. In addition, Regulation of the Minister of Education, Culture, Research and Technology Number 47 of 2023, states that school management is based on the concept of School-Based Management (SBM). School-based management can be interpreted as a management model that provides greater autonomy and independence to schools, encourages participatory decision-making that directly involves all school residents, employees, parents of students, and the community to improve school quality based on national education policies in planning, implementing and supervising education. Furthermore, the National Accreditation Board for Schools/Madrasahs (BAN-SM) stipulates that governance is one of the components assessed in school accreditation.

Private schools that are under the auspices of a foundation and led directly by the foundation's management in their operations are at risk of experiencing conflicts of interest in school planning, implementation and supervision. The principal as the foundation's manager who acts as the owner, feels entitled to interfere in operational matters, including issues of regulating the teacher selection process, and the learning technique process (Suryarama, 2019). This is not in accordance with the measurement of corporate governance scores developed by Standard & Poor, the substance of the structure and influence of ownership which states that there must be a separation between the founder or owner and the manager, so that there is clarity in management (Indrajit and Pranoto, 2016). Good school governance is also reflected in the separation of academic managers and principals as foundation managers as owners.

Government Regulation Number 19 of 2005 explains that in meeting national education standards, the management of the education system is carried out independently, efficiently, effectively, and accountably, as well as Law Number 16 of 2001 which states the prohibition of concurrent members of the Foundation's advisors, administrators, and supervisors as managers. The separation between owners and managers is in line with the Agency Theory which emphasizes the importance of corporate owners handing over to professionals who understand more about running daily businesses (Sutedi, 2016).

To realize good school governance based on service, the leaders of the organizers and school managers must be able to implement best practice good governance independence, participation, rule of law, transparency, independence, responsiveness, consensus orientation, and equality (Remaja, 2017). The dual function of the administrators as managers of school operations can result in the principles of transparency, accountability, responsibility, independence, justice, and participation not being able to be implemented by managers in operations optimally, which then has an impact on violations of the principle of equality, so that the academic climate becomes less healthy.

Good School Governance

Governance is literally interpreted as management (Indrajit and Pranoto, 2016). Governance is seen as the implementation of authority in the economic, political and administrative fields to take care of calculations at all levels in the mechanisms and processes of the organization, where groups of individuals exercise their legal rights, fulfill their obligations and mediate differences (Jindai, 2014). Governance is essentially related to effective leadership in the mechanism to create applicable processes, systems and controls and appropriate behavior to ensure sustainability in an organization such as a school (FEDSAS, 2015).

Organisation For Economic Co-Operation and Development (OECD, 2014) defines governance as a process and procedure that serves as a guideline and instrument for controlling an organization in achieving its goals, with the principle of managing and achieving maximum organizational performance

success, which should implement indicators of transparency, efficiency, rule of law, equality or fairness, and accountability. Edward (2016) shares the same view as the OECD, governance is how an organization directs and uses structures and processes to achieve its goals. This understanding is reinforced by the opinion of Sutedi (2018), who states that good corporate governance is understood as a system that regulates and controls corporations to create added value for all stakeholders.

In relation to governance in the field of education, Shattock (2016) states that governance is a form of written provisions through a process of relationships between managers. Governance is seen as part of a legalization in an institution, not who regulates who from top to bottom. The basic thing that is of concern in formulating governance is the existence of a clear and good relationship process between organizational organs. The model of governance of primary and secondary education in Indonesia refers to the Regulation of the Minister of Education, Culture, Research and Technology Number 47 of 2023, which is based on the concept of School-Based Management (SBM). School-based management includes management in planning, implementing and supervising education activities, and educational supervision activities aim to ensure that the implementation of education runs transparently, accountably and continuously improves the quality process. School governance is based on decisions and actions taken related to student education (Morgan, 2017). Better governance has the potential to significantly improve the quality of education offered in public schools, expand their growth, and improve their financial stability (FEDSAS, 2015).

OECD (2013) put forward the principles in measuring the implementation of good school governance, including; transparency, accountability, responsibility, independence, fairness, and participation. Transparency in good governance means that information must be freely available and directly accessible to citizens (Vyas-Doorgapersad & Aktan, 2017). Transparency indicators relate to the assessment of how far citizens are fully aware and knowledgeable about decisions, policies and activities (Khodary, 2016). Transparency is used as the foundation of good governance, which means that every implementation of activities and decision-making and information related to the organization must be disseminated to every user (Dayanandan, 2013). Larasati, et al., (2018) stated the criteria in determining the implementation of transparency in an activity, namely 1) implementation of the socialization of the strategic plan formulation to all stakeholders; 2) openness in financial management; and 3) policies are communicated to stakeholders

Accountability is the obligation of management officials to explain decisions and actions to stakeholders (Vyas-Doorgapersad & Aktan, 2017). Decisions and actions that need to be explained to stakeholders include clarity of function, structure, system, and accountability of organizational organs (Kusmayadi, et al., 2015). Criteria for assessing the implementation of accountability in good schools, namely 1) schools have a clear organizational structure and job descriptions from each structural official, academic senate members, teachers and education personnel that are in line with the vision and strategic plan; 2) A strong internal control system in school management; 3) Evaluation in the form of performance reviews (Larasati, et al., 2018).

Independence has the meaning of freedom from pressure from any party in decision making (Setyani, 2018). Independence) is a condition where an organization is managed professionally without conflict of interest and influence/pressure from management (Kusmayadi, et al., 2015). The application of the principle of independent independence, among others, can be seen from; 1) school decision making by managers is carried out separately from the organizers or owners of private schools, so that they are free from conflicts of interest; 2) There is no domination by any party; 3) The implementation of tasks and functions in schools is free from all influence and pressure from any party (Larasati, et al., 2018).

Good school governance requires fair and equal treatment in fulfilling stakeholder rights that arise based on agreements and applicable laws and regulations (Kusmayadi, et al., 2015). Equality in the process of daily interaction between school residents in school leaders, students and teachers can be implemented in the form of school policies that do not discriminate between people in the school, and are even encouraged to continue to have better performance. Indicators of justice include; 1) the application of equal and fair treatment to interested parties; 2) providing equal opportunities in a career

for teachers and education personnel to obtain promotions and awards that are appropriate and commensurate with performance; 3) providing services without distinguishing race, religion, status, and gender (Kembaren, 2013).

Good school management basically requires the participation of all school residents and other stakeholders. Participation means the active involvement of all stakeholders in the decision-making process (Vyas-Doorgapersad & Aktan, 2017). Participation describes the diverse opinions and perceptions of stakeholders in providing more informative, responsive, representative and consensual results, (Khodary, 2016). Participation is the level of citizen involvement in government (Ekundayo, 2017). The principles of active school participation include;
1) participation that refers to the involvement of all stakeholders in decision-making, 2) the interests of stakeholders and others can be accommodated in the preparation of school policies (Slamet, 2015).

Conflict of Interest

Conflict of interest is a situation where a state administrator who obtains authority and power based on statutory regulations has or is suspected of having a personal interest in every use of the authority he has so that it can affect the quality and performance that should be (Corruption Eradication Commission (2016). Conflict, in the perception of society, contains the meaning, first as taboo, second as something frightening, third as something that must be avoided, and fourth as something that must be prevented (Yulianto & Muchamal, 2015).

Engkoswara and Komariah (2016) define conflict as an action that mutually influences antagonistic opposition between two or more parties with different views and thoughts. In a conflict of views or different thoughts, the parties show and defend the values that they consider most correct, and force other parties to acknowledge these values, either subtly or rudely (Arwildayanto, 2018). The Organisation for Economic Co-operation and Development (OECD, 2005) defines conflict of interest as a conflict between a person's assignment to a public office and their interests as an individual, where individual interests can influence performance and responsibility in assignments or public offices incorrectly.

Based on the opinions of these experts, it can be concluded that there are 3 (three) prerequisites for a conflict of interest, namely; 1) there is an actor (government or private party), b). the existence of authority or authority that is owned, and c). the existence of a decision or action taken. In relation to the conflict of interest must be attached to the actor, then of course it directly refers to personal competence and integrity. Donald (2018) states that a conflict of interest can be defined as a situation where individuals personally or personally have enough interest to give rise to influence in control to achieve their goals/careers as employees, staff, government officials or professionals.

Methodology

This research uses a literature review approach. Literature review is a study used to collect information and data with the help of various kinds of materials in libraries such as documents, books, magazines, historical stories, and others (Mardalis, 2019). Literature reviews can also be carried out by studying various reference books and previous relevant research results, which are useful for obtaining a theoretical basis regarding the problem to be researched (Sarwono, 2016).

Discussion

Good school governance is defined as a form of structure, system, and process that exists in school organs in order to provide added value in a sustainable long-term manner. The success of implementing good school governance is influenced by the application of the principle of transparency to all stakeholders effectively, strong independence and cannot be intervened vertically and horizontally by anyone, participatory principles that involve all stakeholders in making fair and acceptable policies.

The implementation of good school governance is guided by good corporate governance based on agency theory. Agency theory was first put forward by Jensen and Meckling who considered the need for governance to minimize differences in interests between owners (principals) and management

(agents). At the same time, stakeholders are increasingly demanding greater transparency and accountability in school management as a result of school autonomy, and the fact that schools are part of the public interest (Suci et.al, 2020).

The implementation of schools, as stipulated in the Regulation of the Minister of Education, Culture, Research and Technology Number 47 of 2023, is based on the concept of School-Based Management, which includes management in planning, implementing and supervising education activities. This is in line with Law Number 20 of 2003 which emphasizes that the management of educational units is carried out based on minimum service standards with the principle of school-based management. School-based management can be interpreted as a management model that provides greater autonomy and independence to schools, encourages participatory decision-making that directly involves all school residents, employees, parents of students, and the community to improve school quality based on national education policies.

Differences of interest in organizing and managing schools that occur in private schools operationally can occur in planning activities, implementing the learning process, and evaluating learning. The principal as the administrator of the foundation and concurrently serving as the principal can result in the implementation of the principles of transparency, accountability, responsibility, independence, justice, and participation not running in accordance with best practice. Furthermore, the school climate can become unconducive, which can lead to prolonged internal conflict.

Implementation of the transparency principle that does not run according to best practice can result in freely and directly available information not being effectively accessed by stakeholders. Transparency includes comprehensive school planning activities, learning processes and learning evaluations. Transparency in the principle of governance relates to the assessment of how far stakeholders are fully aware and knowledgeable about decisions, policies and activities made by school leaders (Khodary, 2016). Transparency is one of the pillars of good governance which has meaning for every activity, decision, and other related information from the organization must be disseminated to every user (Dayanandan, 2017).

The success of the implementation of transparency accepted by all parties must be supported by accountability which is the obligation of the management officials as accountability to stakeholders. The responsibility of education managers is closely related to the implementation of tasks or performance during the process of organizing education. The implementation of accountable schools, without intervention from the organizers or the foundation management, can create harmonious relationships between various stakeholders. The implementation of the principle of accountability in schools characterized by good school governance is reflected in the development of a strong control system, and the existence of transparency in receiving input and involving various components in managing schools and participation aimed at building a conducive atmosphere in serving stakeholders with easy, cheap and fast procedures. Surya Dharma (2010) expressed the trust of stakeholders and increased school performance as the goals of implementing accountability in schools.

The principle of accountability that is not in accordance with best practice can cause a conflict of interest in school management led by the foundation's management is the implementation of responsibility towards the community as other stakeholders and the environment in planning school activities. Accountability is the school's ability to manage the extent to which the provision of services has been carried out in accordance with the rules that apply, which include criteria for compliance with applicable laws and regulations regarding the organization of schools; compliance with laws and regulations made; implementation of responsibility towards the community and the environment so that business continuity can be maintained in the long term (Larasati, et al., 2018).

Independence is related to objectivity and freedom from pressure from any party in decision-making (Setyani, 2018). The dual function of the foundation management as a leader in the operational management of the school can indirectly affect the planning activities, implementation of the learning process and evaluation of learning that is not professional and free from intervention. This allows for conflicts of interest and pressure from the top management of the management of the foundation with officials in school organs who cannot make decisions in the learning process and evaluation

independently and responsibly. The principle of independence requires the organization to act freely and independently according to the main functions and duties of each individual without pressure (Sitepu, 2016).

Justice in the implementation of good school governance-based management is interpreted as the right to obtain equal opportunities in all matters related to education. Justice for all stakeholders who are interested in the management of education is justice in expressing opinions, justice to be able to participate according to their abilities and expertise. The organizers or administrators of the foundation are expected not to intervene to limit school stakeholders from acting according to the system and procedures for the progress and improvement of school performance. Balanced and unpressured justice can make all parties feel satisfied and thus will encourage high work enthusiasm in realizing quality education.

Policy and decision making involving the participation of all stakeholders related to school management can reduce conflicts of interest and instead create a conducive school environment. Participation means the active involvement of all affected and interested parties in the planning process, implementation of learning and evaluation of learning in decision making (Vyas-Doorgapersad & Aktan, 2017). Participation describes the diverse opinions of stakeholders and provides more informative, responsive, representative and consensual results, and facilitates reciprocal communication to stakeholders (Khodary, 2016).

Conflicts of interest of foundation administrators as organizers and managers of school operations need to be codified in the form of policies as guidelines in organizing and managing. OECD (2015) formulated two stages of general approaches in handling conflicts of interest, namely; 1). Preparation of a policy framework; and 2). Implementation of the policy framework. Preparation of a policy framework includes activities in identifying effective conflict of interest situations, and activities to ensure systems and procedures for identifying, managing, and resolving conflict of interest situations.

The Corruption Eradication Commission (2016) explains that in preparing a policy framework for handling conflicts of interest, it is necessary to pay attention to interrelated main aspects, including: a). Codified understanding of conflicts of interest that have the potential to endanger the integrity of institutions and individuals; b). Strong and firm approval and personality of leaders in implementing conflict of interest policies; c). Adequate transparency of information related to handling conflicts of interest; d). Involvement of related parties in handling conflicts of interest; and e). Monitoring and evaluation of conflict of interest handling policies.

Implementation of the policy framework includes the following criteria; a) Commitment from leaders; b). Cooperation with all individuals in the organization created through the development of awareness, anticipation and prevention, with convincing systems and procedures; and c). Ensuring the enforcement of conflict of interest policies, with systems and procedures that contain the types of violations and their sanctions in accordance with the approved conflict of interest policy.

Closing

The implementation of Good School Governance refers to the School-Based Management (SBM) model for planning activities, learning processes, and learning evaluations in private schools that have a high level of risk of conflict of interest between the foundation management as the organizer and the internal academic community of the school as the operational manager. The foundation management as the principal feels that they have full power without limits, and indirectly and unknowingly intervene in the technical process of school management. The intervention of the foundation management in the technical management of school academic operations can provide an atmosphere and condition of academic services that are less conducive and a social environment that does not support the education process, which in the end can hinder the achievement of an optimal school strategic process.

The best practice of Good School Governance is reflected in the separation of the organizer and the owner, and the management of the education system is carried out in a transparent, accountable, responsible, independent, fair, and participatory manner, as well as the importance of the principal handing over to more independent professionals in running the management of the school. For the

implementation of Good School Governance that is transparent, accountable, responsible, independent, fair, and participatory, it is necessary to formulate a policy framework, identify situations of conflict of interest, strategies for handling conflicts of interest, and prepare a series of actions to handle conflicts of interest. The legitimacy of the organization and management of schools based on mutual trust and cooperation among administrators is more important, compared to the form and structure for participation in matters related to the management of school routines.

Reference

Arwildayanto (2018). Persepsi Tentang Manajemen Konflik dan Kredibilitas Kepala Sekolah Serta Kontribusinya Terhadap Budaya Kerja Guru Sekolah Umum Negeri di Kabupaten Tanah Datar. Jurnal Edukasi, Vol.3, No.3

Dayanandan (2017). *Good Governance Practice for Better Performance of Community Organizations - Myths and Realities*. Journal of Power, Politics & Governance, Vol. 1 No. 1

Donald Mac, C., Donald Mc, M, Norman, W (2018). "*Charitable conflicts of interest*" Journal of Business Ethics 39(1-2): 67-74

Edwards.M, 2016. *University Governance: A Mapping and Some Issues, Life Long Learning Network National Conference*

Ekundayo. (2017). *Good Governance Theory and the Quest for Good Governance in Nigeria* . International Journal of Humanities and Social Science, Volume 7 No. 5

Engkoswara, Komariah (2016). Adminsitrasi Pendidikan. Bandung: Alfabeta

FEDSAS. (2015). *Governance in Public Schools: A Guide To The Application Of The King Principles In Public Schools*. The Institute of Directors in Southern Africa

Indrajit E, Pranoto R D (2016). Manajemen Universitas Modern. Yogyakarta: CV. Andi Offset

Kembaren, B.S. (2013). Pengaruh penerapan Good Governance dalam Pelayanan Pajak terhadap Kepatuhan Wajib Pajak Pada Kantor Pelayanan Pajak Pratama Cakung Dua. FISIP Universitas Indonesia

Khodary, Y. (2016). *Public Participation in Public Policy: Case Studies on Egypt's Right to Information Draft Law and National Plan*. Inter. J. Polit. Sci. Develop., Vol. 4, No. 1

Kusmayadi, D., Rusdiana, D., & Badruzaman, J. (2015). Pemodelan Tata Kelola Sekolah Yang Baik Pasca Rintisan Sekolah Bertaraf Internasional (RSBI) di Kota Tasikmalaya. Sustainable Competitive Advantage (SCA), 5(1).

Jindai, Neena. (2014). *Good Governance: Needs And Challenges*. International Journal of Scientific & Engineering Research, Volume 5, Issue 5, ISSN 2229- 5518.

Komisi Pemberantasan Korupsi (2016). Panduan Penanganan Konflik Kepentingan Bagi Penyelenggara Negara. Jakarta: KPK.

Larasati, R., Asnawi, M., Hafizrianda, Y. (2018). Analisis penerapan Good University Governance Pada Perguruan Tinggi di Kota Jayapura. Journal Of Applied Managerial Accounting| Vol. 2, No.2, Page 176-197| ISSN: 2548- 9917.

Mardalis (2019). Metode Penelitian: Suatu Pendekatan Proposal. Jakarta: Bumi Aksara

Morgan. 2017. Psikologi Pendidikan, UNY pers, Jogjakarta

OECD (2014). *Principles of Corporate Governance* . Paris: OECD Publication Service.

-------- (2015). *Managing Conflict of Interest in the Public Sector* : A Toolkit. Paris: OECD Publishing

Peraturan Menteri Pendidikan, Kebudayaan, Riset dan Teknologi Nomor 47 tahun 2023, tentang *Standar* pengelolaanpada Pendidikan Anak Usia Dini, Jenjang Pendidikan Dasar, dan Jenjang Pendidikan Menengah

Remaja I GD (2017). Penerapan Good Governance Dalam Tata Kelola Penyelnggaraan dan Pengelolaan Perguruan Tinggi Swasta Yang Berbasis Pelayanan. Prosiding Seminar, Revitalisasi Tata Kelola Universitas (P.27-40).

Setiyani (2018). Implementasi Prinsip Good Corporate Governance Pada Perbankan Syari'ah Di Indonesia. Economica, Volume II / Edisi 2

Shattock.M (2016). *Managing Good Governance in Higher Education* . Glasgow: Open University Press

Slamet. (2015). Penilaian Good University Governance pada Perguruan Tinggi Negeri Badan Layanan Umum. Universitas Islam Negeri Maulana Malik Ibrahim Malang.

Sarwono. J (2016). Metode penelitian Kuantitatif & Kualitatif.Jakarta: Graha Ilmu

Sitepu, J. A. M. (2016). Penerapan Prinsip-Prinsip Good Corporate Governance Pada PT. Bulan Terang Utama. Agora, 4(1), 192-198.

Suci A, Maryanti L, Van FC, Yandra A (2020). Dilema Ex-Officio Terkait Pencegahan Korupsi Dan Penjaminan Mutu Di Universitas Swasta. Jurnal Penjaminan Mutu., Vol 6. No. 1.

Sutedi A (2018). *Good Corporate Governance.*Jakarta: Sinar Grafika

Suryarama (2019). Peran Yayasan Dalam Pengelolaan Bidang Pendidikan Pada Perguruan Tinggi Swasta . Jurnal Organisasi dan Manajemen, Volume 5, Nomor 1, 55-62

Undang-undang Republik Indonesia Nomor 20 Tahun 2003 tentang Pendidikan Nasional No.20

Undang-undang Republik Indonesia Nomor 16 Tahun 2001 tentang Yayasan

Vyas-Doorgapersad, S., & Aktan, C. C. (2017). *Progression from ideal state to good governance: an introductory overview.* International Journal Of Business And Management Studies*, Vol 9, No 1, ISSN: 1309-8047

Yulianto, Muchamal (2015). Urgensi Manajmen Konflik ditengan perubahan. Jurnal Publica FISIPI. *UMM,* Edisi V.

.