

## University Governance and Organizational Commitment

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**Abstract:** This study aim is to analyze the role of university governance to organizational commitment. In this study, we employ corporate governance framework to analyze organizational behavior in universities. We conduct a survey which involves 120 respondents contains of dean, rector and vice rector and university academic board from 19 Muhammadiyah universities in Indonesia. The results show that university governance has positive effect on affective and continuance commitment in universities. However, university governance does not have significant effect to normative commitment. The implications of this study are there should be an increasing quality of working responsibility in Muhammadiyah universities and an awareness that research is a part of worship.

**Key words:** University governance, affective commitment, continuance commitment, normative commitment, organization

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### INTRODUCTION

This research tests the university governance influence that is proxied with the role and function and the governance mechanism toward organizational commitment in the Muhammadiyah University. Chan and Richardson (2012) state that the role of council in the university governance is very important simultaneously with the development and complexity of the university. The university governance in this research refers to the university leader, senate and academic board.

Individual's organizational commitment appears when the organization has obvious and good governance. An individual who knows roles and responsibilities works properly and suitable to the rules and regulations that are existing on the organization. Mowday *et al.* (1982) and Steers (1977) assume that organizational commitment indirectly deals with the intention to stay and survive in the organization beside the employee's ability, motivation and vision. Employees with good commitment to the organization provide motivations and efforts to reach objectives of the organization (Mowday *et al.*, 1982). On the contrary, ambiguity role among the employees decreases the employees' commitment.

The discussion about university governance exclusively refers to those who undergo the university governance including their functions, relationship between governance and management (more specifically the relationship between governance and executive

coordinating) and their responsibilities in determining university strategy (Shattock, 2002). The university council has responsibility to the development and implementation of mission and strategy and institution resources allocation.

Research in organizational commitment has been implemented in various different industries, organizations and states. The research on public sector have been carried by Addae *et al.* (2008) which the research investigated the relationship between role stressors and organizational commitment among public sector employment in St Lucia. The research discovered that role conflict and role ambiguity has negative relation toward effective and normative commitment but it has no relation with continuance commitment. There is negative connection between affective commitments, normative commitments, continuance commitments and employees' willingness to quit the job. On the other hand, Addae *et al.* (2008) research which exposes interrelation between role stressors and organizational commitments among the public sector organization in St. Lucia, this research utilizes variables that are related to role, function and mechanism of the university governance that are associated with organizational commitments in Muhammadiyah University. The reason of using Muhammadiyah University as the research object is; the governance stakeholders frequently work apart and less obedient to the best practices.

A research that is conducted in Pakistan by Chungtai and Zafar (2006) examines causes and consequences of the organizational commitment of lecturers in Pakistan. The result shows that personal characteristics, job satisfaction aspects and the two organizational equity aspects are simultaneously affecting the organizational commitments of the lecturers whereas the distributive equity and trust in the management are strongly correlated to the commitments. Another research carried by Shirbagi (2007) tests the relationship between organizational commitment of the faculty members and governance roles of the colleges in Iran and India. The statistical test result shows significant difference between the two samples related to overall organizational commitment and affective commitment in which the overall organizational commitment and one out of three kinds of commitment, affective commitment for example, in Punjab University is significantly better. In the meantime, there are no differences between Tabriz and Punjab University in terms of structures, human resources and leadership frame. Basically, a research of organizational commitment on the university once conducted in Indonesia. Haryanto in 2008 verified the influence of organizational culture and job satisfaction toward the organizational commitment of the lecturers in Muhammadiyah Sidoarjo University.

The result indicates that organizational culture has no influence on the organizational commitment of the lecturers in Muhammadiyah Sidoarjo University but job satisfactions give positive influence on the organizational commitment. University leader (rector, vice rector and dean) and Academic Board of Muhammadiyah University are used within the research because Muhammadiyah University leaders are the board structure.

**University governance:** Good governance' is defined as practical application of authority to manage many kind of state managements including politics, economics and administrations in all levels. There are three fundamental aspects in 'good governance':

- Economic governance (public welfare)
- Political governance (decision-making)
- Administrative governance (policy implementation)

'University governance' raises interesting issues respecting faculty members, administrators and councils. Different perspective between university stakeholders leads to disunity. Governance in a university is described as idea and value to make relationship patterns between controllers and regulators to result a precious, democratic and effective education that actually suitable to

'establishment of effective education' aspiration. An effective governance is surely influenced by University's human resource. They have to understand their positions and roles. Organizational governance inseparable with controllers and regulators. In this research, Muhammadiyah University has university council, rectorate, senate and board to be 'controllers and regulators'.

**University council:** In accordance to the corporation regulation, university council as an organizer of business charity, program and academic activity is responsible to:

- Maintain Muhammadiyah ideology
- Develop Al-Islam and Kemuhammadiyahahan
- Plan, organize, construct and supervise the governance of "Four Duties of University" (Caturdharma perguruan tinggi)
- Increase quality and quantity of university
- Develop quality and quantity of university
- Undergo research and department development of university
- Give suggestion to the corporation leader in stipulating policies

Consider the rapid development of Muhammadiyah Universities and the updated regulations in Muhammadiyah Central Leadership Guidance which firstly is focused only on educational manners, it's now also covers research and development. Therefore, the council which is known as 'University Council', in this recent time is changed to 'Education, Research and Development Council'. In addition, in order to interlace cooperation between Muhammadiyah universities, Muhammadiyah's University, Research and Development Center publishes Muhammadiyah Universities Newspaper in a simple and useful content for Muhammadiyah universities.

**Muhammadiyah University leader/rector:** Muhammadiyah University leader is the primary responsible person of the institution, it holds responsibility toward controls and general legitimation and it is also determining rules, norms and benchmarks of university's accomplishment based on Muhammadiyah University Council's decision (Qaidah PTM, clause no. 21).

Clause 26 describes that rector leads the accomplishment of education, research and charity for public, develops al-Islam and Muhammadiyahism, develops educational personnel, students, university/institution's administration personnel including its relation with the environment.

**Board of trustees:** Based on Muhammadiyah Central Board Guidliness No. 02/PED/I.0/B2012 about Muhammadiyah University, the functions of board of trustees are carrying out the task bellow:

- Give consideration and direction to the leader of Muhammadiyah University within its implementation
- Assist the leader of Muhammadiyah University in preparing annual budgetary plan
- Make reportation for the Muhammadiyah Central Board

In addition, the board of trustees holds authority to:

- Hire and dismiss lecturers and academic staffs organization in accordance to the Muhammadiyah University recommendation
- Implement guidance and supervision on the Muhammadiyah University

**Senate:** Based on the rules contained in Muhammadiyah University Qaidah 2006, clause 34 states that the senate of Muhammadiyah University consist of professors, university leaders, deans and faculty representatives. University senate/institute is presided by Rector who is accompanied by a secretary choosed among university/institute senate members. Senate consist of professors, university/institute leaders, deans, faculty representatives and other members are selected by the senate. In performing any kind of tasks, Muhammadiyah University deans are allowed to establish committees consisting muhammadiyah University senate members or the other members if it is necessarily to be added.

**Organizational commitment:** Robert and John in 2001 declare that organizational commitment is a trust level and individual's acceptance on the organization's goal and volition to remain in the organization. Organizational commitment emphasizes specifically on the continuant commitment factors which are recommending decision; whether to stay or quit of the organization. Reichers (1986) states that organizational commitment refers to the acceptance of organizational values and goals. The commitment level is defined as individual's willingness to dedicate him to the organizational values and goals. Steers (1977) develops antecedents of organizational commitment which consist of; personal characteristic, characteristic related to job and position and work experience.

Luthans (2011) defines organizational commitment as an attitude that shows employees loyalty to the organization and a sustainable process of the employees to express their attention to the organization then that kind of attitude leads to the welfare and success. According to Porter *et al.* (1974) organizational commitment can be divided to:

- A trust and acceptance on the organizational values and goals
- A desire to provide efforts totally for the company development
- A desire to remain as part of the organization

Allen and Meyer (1990) describe three dimensions of organizational commitment:

- Affective commitment shows the existence of emotional attachment among the members, member's identification and evolvment in the organization. It can be explained that organization member's willingness to remain in the organization is triggered by their own desire instead of economical reason. This kind of commitment is developed based on physiological considerations because it deals with the affection aspects
- Continuance commitment refers to the members who consider advantages and disadvantages and the willingness to research loyally is considered by economic reasons. The members who are traumatized by continuance commitment research still in the organization because they have no any other choices. The term of continuance commitment is referred as rational commitment because there are rational consideration of the advantages and disadvantages between to stay or quit job
- Normative commitment reflects the obligatory commitment to keep work in the organization. It represents those who have good normative attitude are recognizing that they have obligation to remain in the organization

**Muhammadiyah organizational commitment:** Muhammadiyah established since 1912. During the one century existence, Muhammadiyah had been endeavoring its long journey. The 100 year of age was a long reflection of this organization which now followed by million muslims in Indonesia. This enormous potency then should be maintained using professional management by sincere people and indeed this organization would be

strong if the Muhammadiyah successors be able to implement symbol “Dahlan to Dahlan”. A subject applies the same as an object or the other way around. Dahlan told himself that he must not be perished by the changing times.

Missionary endeavor that had been carried out by Ahmad Dahlan sustained his successor to make an organizational innovation. This organization gets chance to develop and progress just if it provides seriousness to uphold beginning commitment. The general attention and key purpose of the human resources organization unit is to find measurement to estimate employee’s commitment accurately and to develop programs and activities which can increase commitment to the organization. Moreover, a comprehensive study in psychology and management is the concept of organizational commitment roles. This construct is connected to the importance of working performance and circulation (Hom and Griffeth, 1995). When, the construct of organizational commitment is considered in management literature, it become important for the field of technology and its development. As the result the management side of this field begins to highlight the construct of organizational commitment.

The organizational commitment verily is very important to bring Muhammadiyah back as a missionary endeavor with its ‘fastabiqul khairat’ concept; competition in goodness. The initial commitment of Muhammadiyah was to enlighten society in the early 20th century. Undeniably, by enduring the initial commitment, Muhammadiyah which has been followed by million people is able to enlighten nation spirituality. Otherwise, if the initial commitment is betrayed by its activist never wish it can be shine bright nor it can enlighten people.

Muhammadiyah Higher Education; University, Institute, Colleges, Academy, polytechnic and diploma are academic institutions with commitment to prepare educated good moral human, adequate to handle many kinds of research and dedication intelligently and professionally, to prepare future leader nation and organization and to develop world civilization. To strengthen identity of Muhammadiyah universities to seeds Muhammadiyah cadres, it needs leaders, officials, members and educational staffs who know and understand Muhammadiyah ideology and have good commitment and loyalty for Muhammadiyah organization.

- H<sub>1a</sub>; the role and function of university governance have positive effect on affective commitment in Muhammadiyah University

- H<sub>1b</sub>; the role and function of the university governance have positive effect on normative commitment in the Muhammadiyah University
- H<sub>1c</sub>; the role and function of university governance have positive effect on continuance commitment in Muhammadiyah University
- H<sub>2a</sub>; university governance mechanism have positive effect on affective commitment in Muhammadiyah University
- H<sub>2b</sub>; university governance mechanism have positive effect on normative commitment in Muhammadiyah University
- H<sub>2c</sub>; university governance mechanism have positive effect on continuance commitment in Muhammadiyah University

## MATERIALS AND METHODS

**Research design:** This research uses quantitative approach and supported by survey method as the research design. The survey method is suitable with the purpose of the study to analyze the relationship between university governance constructs and some organizational commitment aspects. The purpose is a generalization of the relationship of these variables. Fink (1995) states that survey research design is the best approach to analyze the empirical phenomenon since the “interference” of researcher towards behavior of the research objects is fairly slight.

This study is classified as causal research (Sekaran, 1989). It analyzes relationship of university governance, proxied with governance structures which consist of governance roles and functions and governance mechanism with organizational commitment which consist of; affective, continue and normative commitment. Unit of analysis in this research are individuals which consist of rector, chief, secretary and supervisor, chief secretary and academic Senate and administrator and member of Muhammadiyah Higher Education Assembly.

**Population and sample:** Population of this study are rectors, vice rectors, dean and academic board of Muhammadiyah universities in Indonesia. These include >240 individual. We employ purposive sampling methods based on years of service of university leaders. We establish minimum 2 year of service of our respondents. Our sample consists of 120 respondents of university leader and academic board show in Table 1.

Table 1: Variables, measurement and indicator

Variables	Measurement	Indicator
Affective commitment	The affective commitment is measured with eight items of question adopted fom questionnaire which is developed by Allen and Meyer (1990). The eight items of questions are measured with five scale; very disagree disagree Neutral agree and very agree	Proud, happiness, institutional problems as personal problems, institution becomes part of family and whole heartedly means which is resulting people want to move to another institution because of emotional reason
Continuant commitment	The continuance commitment is measured with eight items of question adopted fom questionnaire which is developed by Allen and Meyer (1990). The eight items of questions are measured with five scale; very disagree disagree neutral agree and very agree	It makes concerns not get post elsewhere because, it will disrupt life and cause harm and big sacrifice in life. Therefore, working in an institution is about needs and desires
Normative commitment	The normative commitment is measured with eight items of question adopted fom questionnaire which is developed by Allen and Meyer (1990). The eight items of questions are measured with five scale; very disagree disagree neutral agree and very agree	It makes disloyalty, move from institution to somewhere else, despite it's ethically bad. Loyalty is a moral responsibility which teaches a wise behavior, loyalty
Role and function of the governance	It's a role and function of governance structure. The role and function are assesed with eighteen items of question developed by Center for Good Corporate Governance of Gajah Mada University in 2009. The eighteen items of questions are measured with five scale; very disagree disagree neutral agree and very agree	The indicator is attitude to the functions of governance which is related to transparency, accountability and independency in every subjects of research (respondent)
Governance mechanism	The governance structure obedience of the existing rules wether released by Muhammadiyah higher education council or by the government through ministry of education. This obedience are measured with five scale; very disagree disagree neutral agree and very agree	Responsibility; must comply with statutory regulations and fulfill its responsibility to the society

RESULTS AND DISCUSSION

**Validity and reliability of instruments:** Table 2 show results of validity and reliability tests of the instrument.

Construct validity of measurement in this study has fulfill minimum correlation with score above 0.5 while consistency internal has fulfill minimum score of cronbach alpha 0.6. The conclusion is there is strong validity and reliability measurement of this study.

**Estimation model:** This study employs path analysis to test our hypotheses. Figure 1 shows path analysis of this study.

Role and function of university governance has positive effect on affective and continuance commitment. Jones *et al.* (2004) find that role and function could help increase organizational commitment. Affective commitment related with emotional feelings attached in the organizational commitment. These emotional feelings occurs due to similarity of value between individual and organizations. Role and function of university governance construct contains of tranparency, accountability and independent values. University leaders and academic board has strong affective commintment since they have closely attached by UMS values. Most of these members of academic board and university leader has been member of Muhammadiyah, since they were in elementary school.

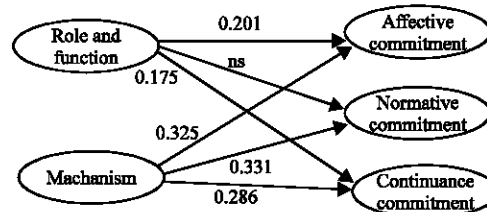


Fig. 1: University governance model estimation

They have been exposed by basic value of Muhammadiyah, they are creation of wealth, equal and prosperous society. Affective commitment of Muhammadiyah University leaders and academic board is the real form of those values.

Normative commitment does not affected by role and function of university governance due to university leaders and academic board tends to restrict their length of service in the organization. It shows that university leader and academic board has strength Muhammadiyah values of accountability, welfare and equity. Gonzalez and Guillen in 2008, suggest a wider ethic conceptualization for normative commitment. Their suggests the use of psychological framework to enrich the concept of normative commitment. Finding in this study about normative commitment could give suggestion on ethic concept. Ethic concept of Muhammadiyah University prevent university lecturers and academic board from conflict of interest.

Table 2: Result of validity and reliability

Indicators	Cronbach alpha	Factor loadings				
		1	2	3	4	5
<b>Affective commitment</b>	0.901102					
Proud to work in this institution		0.731				
Happy to end career in this institution		0.691				
Problems in this institution is my personal problems		0.771				
Strong connection with this institution		0.702				
This institution is my family		0.700				
Emotionally attached with this institution.		0.890				
This institution is very meaningful		0.793				
This institution as my personal ownership		0.849				
<b>Continuance commitment</b>	0.933079					
Fulfilling job requirement			0.677			
Low intention to leave this institution			0.645			
Things in my life will be agitated if I leave this institution			0.976			
Feeling loss if quitting from this institution			0.980			
Willingness and needs to stay in the institution			0.644			
Opportunity loss if quit from this institution			0.639			
Less opportunities from other institution			0.561			
To leave this institution needs a lot of sacrifice			0.989			
<b>Normative commitment</b>	0.952619					
It's usual to move to another institution (negative reverse)				0.895		
Loyalty to institution (negative reverse)				0.794		
It's unethical to leave this institution				0.859		
Working in this institution is a moral duty				0.910		
Offer from other institution is not a good reason to leave			0.831			
I've been thought to be loyal to this institution				0.790		
A job in this institution is the best for me				0.920		
To be loyal with this institution is a wise decision				0.927		
<b>Role and function</b>	0.851058				0.912	
There is a complete information about composition of academic board and lecturers provided by supervisors						
There is a regular meeting to discuss important issues in the institution conducted by university government					0.869	
There is a regular report to higher education council					0.849	
There is a regular performance report to higher education council					0.528	
There is a report about recruitment to stakeholders					0.876	
There is a publication of achievement and punishment to employees					0.890	
University officials have knowledge and understanding about organization's vision					0.760	
University officials use academic advise to make decision					0.732	
University leaders and academic board set up a master plan					0.879	
Academic board has a procedure to evaluate rector's policy					0.903	
There is approval of academic board membership from higher education council				0.863		
Employees have the right to choose members of academic board					0.923	
Academic board receive periodical report from rector					0.883	
There is a punishment for lecturers who run as political candidate by academic board					0.905	
Majority of academic board members are not lecturers or employees					0.898	
Members academic board must understand organization's mission					0.901	
There should not be conflict of interest in the membership of academic board				0.897		
There should not be economic interest in the membership of academic board				0.921		
<b>Mechanism</b>	0.980336					
Academic board membership should get approval from the university foundation						0.923
There is limitation of academic board length of services						0.642
Chief of academic board should not be member of university foundation						0.702
Academic board member should refers to foundation and government regulation in their policy making						0.904
Conflicts between rector and academic board should be resolved by government regulation						0.766

Tellefsen and Thomas (2005) find that organizational commitment affected by trust, cost performance, organizational dependence and continuity. Tetteh and Ofori (2010) reveal role and function of governance related with accountability and dependence. Those statements are consistent with findings in this study which conclude that university governance have positive effect to organizational commitment.

Governance mechanism have positive effect to organizational commitment related with their obedience to government and Muhammadiyah regulation. Ho Mok (2008) mentions there is a change perspective of university governance in Asia.

### CONCLUSION

In this study, governance mechanism in Muhammadiyah University has distinctive and uniqueness which determine from organization's value. Muhammadiyah value of strengthening innovation and prevent wasteful use of organization's resources. This could be a distinctive value of Muhammadiyah University governance.

### LIMITATIONS

The limitations and suggestions of this research are: This study is conducted at the time of university governance awareness has not been well understood by participants resulted governance program has not been implemented in Muhammadiyah University. Participants used in the study are those who have positions in the institution. The response rate obtained is not optimal. There needs to be another variable in the measurement of university governance.

### IMPLICATIONS

The implications of this research consists of theoretical implications and practical implications. Each of these implications are described as follows.

**Theoretical implications:** Theoretical implications that can be formulated is that the study managed to give an explanation. There is no influence between the roles and functions of governance and governance mechanism to the normative commitment. This proves that each dimension of organizational commitment is not always related to each other.

**Practical implications:** Berda according to research outcome, it can be formulated a practical implication

enhancement of organizational commitment on the governance participant in Muhammadiyah University can be done by means such as:

- Increase the working responsibility in organization
- Increase the awareness that working is part of worship
- Show that implementating university governance is a reflection of amal maruf

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