The Application of Good University Governance to Intellectual Capital on University Medan Area

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Abstract: The purpose of the study is to find out the effect of the application of the principle of Good University Governance to the realization of Intellectual Capital (IC) and its impact on the performance of institutions in the Universitas Medan area environment. The method used is explanatory research. This research sample is a permanent lecturer and kopertis lecturer who is on duty and an employee at UMA, Samples are drawn by purposive method. Research data includes primary data and secondary data. The data in this study was obtained by distributing questionnaires. The method of data analysis using SPSS From the distribution of 100 questionnaires that can be analysed as many as 75 questionnaires so that the response rate in this study is 75 %. In results show that the implementation of University Governance has a significant and significant effect on Human Capital and Relationship Capital. In application of University Governance has no effect on the Capital Structure and University Governance has an impact on the performance of institutions in each field in the Universitas Medan area.

1 INTRODUCTION

Intellectual capital is an important thing that must be managed by Higher Education, moreover Knowledge and Expertise as outputs and inputs at a university. The main output of PT is knowledge, and must be transferred in the results of research, publications, students, and for the benefit of the users. The intellectual capital approach is very important at universities, mainly due to the fact that "knowledge" is the main output and input for the University (Ramirez,Corcoles Y, 2013). According to (Elena, S, 2004)Management of intellectual capital is important at the university mainly due to the fact that the university's main goal is the production and dissemination of their knowledge and investments that are more important in research and human resources. Knowledge that must be transferred is the duty of the Higher Education so that educational goals can be achieved and competition between universities can be avoided by

making the right competitive strategy in the management of Higher Education. This is a difficult task for the university or PT in the creation of intellectual capital owned. Good management creates good results. One mechanism of higher education in dealing with such competition is by displaying excellence and resources possessed (Constantine, 2005).

Colleges here in after abbreviated as PTS is a university that was founded and / or held by the public (UU, 2012) to implement the Higher Education based mandate given academic Government Delegation e d an arbitrary Resource provided by the Foundation. In the implementation of quality education and Accountable management necessary governance arrangements (Governance) PTS good fit with the purpose of higher education. The term governance refers to the decision-making process in an institution where the institution develops policies and objectives to achieve them and monitors the achievement of organizational goals

(Carnegig D,Garry Jacquiline Tuck, 2010) states that governance is an organizational arrangement in allocating and regulating organizational resources. Good University Governance (GUG) reflects the success of the university that produces qualified graduates who are ready to compete in the world of work. D requires high work and discipline in educating, as well as teaching cultural values, ethics, community relations and quality educators.

Based on the above problems, the authors are interested in nailing research at the University Medan Area to see how the implementation of good governance is carried out by the Field University Medan Area with several strategies and policies that can create University goals. This research focuses on the application of good university governance to create Intellectual capital at the University Medan Area. Research purposes

1. To find out the application of Good University Governance has an effect on Human Capital
2. To find out the Good University Governance has an effect on the Capital Structure
3. To know Good University Governance is influential towards Relational Capital
4. How is the Impact of good University Governance Implementation on University Performance

2 THEORICAL FRAMEWORK

2.1 Intellectual Capital

Intellectual capital is the knowledge, experience, and capabilities of employees, as well as sources of knowledge stored in databases, systems, work flows, cultures, and management philosophies within the organization. In (European Commission, 2006) Intellectual capital (IC) The combination of intangible resources and activities "allows organizations to transform a bundle of material, financial and human resources in a system capable of creating stakeholder value" Intellectual capital has a significant interest in gaining competitive advantage and for an organization's capacity to create value (Stewart, T.A., 1997) (Sudarsanam S Sorwar, G, Marr,B, 2005) Sudarsanam et al., 2003) (Sudarsanam S Sorwar, G, Marr,B, 2005).

The university's strategic objectives are defined for each component of intellectual capital such as human, structural and relational components (Babayi,NF:Bohloli,z and Rahili,GH.R, 2012). (Leitner K, H, 2002) has developed a model of academic intellectual capital valuation based on a

systematic approach that relates to the three main components of intellectual capital.

2.2 Human Capital

Human Capital consists of knowledge, skills and abilities of employees. Forms of Human Capital combine the capabilities of Employees in organizations that help organizations solve business problems. Human capital is internal capital among individuals and organizations are unable to take over and own them. Intellectual capital is described for universities and higher education institutions. The university's strategic objectives are defined for each component of intellectual capital such as human, structural and relational components (Babayi,NF:Bohloli,z and Rahili,GH.R, 2012).

2.3 Capital Structure

Structural capital can be of any kind that exists in organizations and supports employees (human capital) in their work. Structural capital is under the organization ownership, even when employees leave the organization, it exists there (Lopez,D.C, 2008). Structural Capital relates to the ability of the organization to fulfil the organization's routine processes and structures that support employees' efforts to produce optimal intellectual performance and overall business performance, for example: the company's operational systems, manufacturing processes, organizational culture, management philosophy and all forms of intellectual property owned by the organization.

2.4 Relational Capital

Relational Capital is a market relationship, power relations and cooperation between companies, educational institutions and people, which comes from a strong sense of belonging and cooperative capacity to progress. There are studies that apply quantitative, empirical, and econometric techniques in an effort to verify the existence of relational capital and the importance of innovation activities in companies or organizations. Development of one goal requires cooperation with other parties that are mutually beneficial. Relational capital is more appropriately linked to the world of education compared to customer capital. Relationships in the world of education are not simply termed customer relations.

2.5 Principles of Good Corporate Governance

According to Artikel 3 of (regulation of the minister of state Per-1/MBU/2011, 2011):

1. Transparency (transparency), namely openness in carrying out the decision-making process and openness in disclosing material and relevant information about the company;
2. Accountability, namely clarity of function, implementation and Organ accountability so that company management is carried out effectivel
3. Responsibility, which is the suitability in the management of the company towards sound laws and regulations and corporate principles;
4. Independence (independence), which is a condition in which the company is managed professionally without conflict of interest and influence / pressure from any party that is not in accordance with the laws and regulations and healthy corporate principles;
5. Fairness, namely justice and equality in fulfilling the rights of Stakeholders (stakeholders) arising based on agreements and laws and regulations.

University Governance is in the form of behaviour, methods or methods used by an institution universities to utilize all the potential and elements that are owned optimally (Ministry of Education, 2004).

3 RESEARCH METHOD

This type of research is explanatory research with a survey method, the population in this study were all Permanent Lecturer lecturers, Non-Permanent Special Lecturer foundations and Lecturer Kopertis University Medan area andand permanent employees who are directly related to academics. And the sampling method is purpose sampling The type of research data is quantitative data, data sources are primary data and secondary data. Primary data is done by distributing questionnaires to respondents in this study. Secondary data, lecturers and permanent employees and the data on the activities undertaken to realize the impact Intellectual

capital as well as the form of management IC. questionnaire filled out using the Likest scale 1 to 5. Independent variable, we can view University Governance as the application of the basic principles of the concept of " Good Governance " in governance systems and processes in higher education institutions, through various adjustments made based on other values that must be upheld in the implementation of higher education in particular and education in general. Principles of University

Governance that are measured include: Principles of Transparent Personality, Principles of Accountability, Principles of Responsibility, Principles of Independence, Fairness Principles
Dependent variable is Human capital, indicators of human capital is learning and education, experience and expertise, innovation and creativity, Structure Capital Indicator of structure capital is a system and program, research and development, patent and Relational capital is indicators of relational capital are partnership strategies, licensing and cooperation agreements, student relations, alumni and graduate users, customer knowledge. Data Analysis uses SPSS as an analytical tool.

4 ANALYSIS

4.1 Research Respondents

The questionnaires were sent as many as 100 questionnaires where the respondents in this study were all permanent lecturers of the Permanent Lecturer foundation, Non-Permanent Special Lecturer and DPk lecturers as well as employees who served in the University Medan area with a work period of more than 1 year. The questionnaires that were worth the results of the analysis were 75 questionnaires where the on-rate responder in this study was 75 %. Respondents who participated in this study were respondents who participated in this study age; 40 years 40%, aged 31-40 years 37%,and <30 years old 23% and years of service; 5 years (52 %), 2 to 3 years 30% and less than 2 years 18%, and employee education S1(100%), for educated lecture S2 97%, S3 3%.

Data Testing
Instrument Test, the testing of the research instrument was conducted with conclusions, the questions in the University Governance indicator were 18 questions, after being tested the questions that did not meet the requirements were issued, namely X1.5, X1.2, X1.3, so the number of questions became 15 questions. For variable Y1, the number of questions is 13 questions, which do not meet the requirements of Y1.3, Y1.7, Y1.12 Y1.13, so the number of questions becomes 9 questions. For variable Y2, the question items requirements are 11, which do not meet the requirements of Y2.3 into 10 questions. The variable Y3 question 10 and those that do not meet the requirements are Y3.5 so that they become 9 items that are worth using. After being tested again the questions in the indicator as a whole are valid.

Classic Assumption Test

In the Normality Test shows the data tested normal distribution is shown in the Kolmogorov-Smirnov Test column for good governance governance (log_x) with a significance value of 0.473> 0.05, Intellectual capital (log_y) with a significant value of 0.438> 0.05.

4.2 HypothesisTesting

Coefficient of determination

Table 1: Determinan Coefisien HC

Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.328ᵃ	.108	.95	3.00095

a.Predictors: (Constant), X

Based on the table above, it can be seen that 32.8% of the relationship between *GUG* and *Human capital* , and GUG affecting Human Capital is 10.8% and the effect is influenced by other variables not discussed here.

Table 2: Determinan Coefisien SC

Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.061ᵃ	.004	-.010	3.44307

a.Predictors: (Constant), X

b.Dependent Variable: Y2

Based on the table above, it is 6.1% between GUG and capital structure. GUG affects 0.04% capital structure which means very little, and the rest is influenced by other variables not included in this study.

Table 3: Determinan coefisien RC

Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	.343ᵃ	.117	.105	3.00849

a.Predictors: (Constant), X

b.Dependent Variable: Y3

Based on the table above it is 34.3 %% of an GUG relationship with relation capital . GUG affects the relation capital of 11.7% and the rest is influenced by other variables not included in this study.

Hypothesis 1 University Governance influences Human Capital

Table 4: Coefficients HC

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std.Error	Beta	t	Sig.
1 (Constant)	37,047	6,510		5,690	.000
X	.249	.084	.328	2,967	.004

a.Dependent Variable: Y1

Based on table 4. The test results show the level of sig produced 0.004 <0.05 thus the hypothesis is accepted and University Governance has a positive effect on human capital. This indicates that University Governance has a positive effect or role in the formation of human capital consisting of learning and education, experience and expertise and innovation and the creativity of lecturers at University Medan Area. The better the implementation of the University Governance principles, the better quality human capital will be created. The better implementation of the university governance principle will create creativity and employee innovation, and also encourage more active leadership to carry out education and training for employees and lecturers in the University Medan Area environment.

Hypothesis 2 University Governance has an effect on Stucture Capital

Table 5: Coefficients SC

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std.Error	Beta	t	Sig.
1 (Constant)	46,949	7,470		6,285	.000
X	.051	.96	.061	.525	.601

a. Dependent Variable: Y2

Based on table 5 above sig 0.601> 0.05, it means that hypothesis 2 is rejected and concluded University Govenance has no effect on capital structure This indicates that the implementation of the university governance principle does not create university structure capital consisting of systems and programs, patents, and research activities and development carried out by the university. This means that even though university governance is implemented in this variable it does not make the capital structure increase.

Hypothesis 3 Effect of University Governance on Relational Capital

Table 6: Cofficients RC

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std.Error	Beta		
1 (Constant)	22,818	6,527		3,496	.001
X	.262	.084	.343	3.117	.003

a.Dependent Variable: Y3

Based on the results of table 6, it can be seen sig - 0.03 <0.05 means that hypothesis 3 is accepted that university governance has an effect on relational capital which consists of partnership strategies, licenses and cooperation agreements, student relations, alumni and graduate users, customer knowledge. This also indicates that the better the implementation of university governance at the University, the university will better understand customer knowledge, closer relationships with customers and further develop partnership strategies with related parties.

5 RESULTS

The results of the above can be seen that the aplication University Governance principles to Intellectual capital consisting of Human capital, Capital structure and Relationship capital can be seen that Variable Indicators Human capital and relationship capital are influenced by the application of University Governance while capital structure is not influenced by University Governance. The impact on performance in several institutions at Medan Area University further enhances the principles contained in University Governance in human capital and Relational Capital. Leaders and academics continuously improve technology in the field of knowledge transformation and development for students, lecturers and employees. As the implementation 1). More intensive conduct training and employee competency development, 2). Training and coaching for students who want to compete. 3). Providing training, workshops and improving competence of lecturers. 3). Conduct partnerships and collaborations with government and private agencies to create shared interests in the field of education and development. Achieving educational goals is a common goal, the University provides each forum for activities carried out. Some things can be seen clearly as the impact of work with 1). the more creative students take part in

entrepreneurial olympiade and competence in the scientific field of each study program 2). Student participation in the field of entrepreneurship can be relied upon by participating in the PKM offered by the Government. .3). Lecturers assigned to take part in training and skill development, and employees are given IT training for services. In the Capital Structure section, University Governance has not had much impact on capital structure, especially in the field of research, and community service and patent rights on products produced in Community Service still have not achieved the desired target. The actions taken by the University leadership continue to try to motivate and implementation several things 1). The Research and Community Service institutions intensively carry out training activities, workshops that can help lecturers in creating works. 2). Motivate lecturers to active in participating in research and service and publish every work created. 3). The leadership makes policies related to the activity in making scientific work.

6 CONCLUSION

1. University governance has a positive and significant effect on Human Capital, meaning that the application of university governance can increase human capital at the University of Medan area
2. University governance does not affect structure capital, meaning that university governance has not been able to create a capital structure at the university field area.
3. University governance has a positive and significant effect on relational capital, meaning university governance can improve relational capital at the field area university.

Suggestion for University governance has not been able to create a capital structure, In order to create a capital structure it is expected that the university can improve the capital structure measured by the system and program, research and development, patents through Research and community service institutions (LP2M) that have been built with activities and policies that will be applied to motivate researchers and lecturers.

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