



UT's Experience of Transforming Into Legal Entity (PTN BH); A Transformational Experience Studied Using The Four R's of Transformation Approach

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Abstract. Changes in the organizational environment are the main determinant of organizational transformation. The development of communication, information, and transportation technology has had a major influence on organizational transformation. Many organizations respond to environmental changes by transforming their organizations. Organizations that are unable to make changes will be left behind, become nonadaptive to change, and have difficulty responding to environmental demands, including stakeholder demands. This article will briefly present the experience of the UT transformation process into PTN BH (UT as a legal entity) using the Four R's of Transformation model from Goulliart and Kelly. This model has been used for a long time and is still quite relevant to use for analyzing or carrying out transformations. The four Rs are reframing, restructuring, revitalizing, and renewing. First, reframing is characterized by what it is and what it can achieve. Second, restructuring is an effort to adjust the body of the organization to be more fit and slim. Third, revitalization is an effort to increase growth by connecting the organization's body with the environment. And, fourth is improving human resource competencies to meet organizational needs. With these steps, so far, UT has laid the foundations for changing UT into a more autonomous organization with a corporate work culture. In the future, research is needed to uncover the process of UT's transformation into PTN BH to obtain a sharper and more in-depth analysis.

Keywords: Organizational transformation, Reframe, Restructure, Revitalize, Renew

1 Introduction

Environmental changes, both external and internal, have a significant impact on organizations. In a world that is constantly changing, organizations are required to adapt to maintain relevance and sustainability. The relationship between environmental change and organizational transformation can be understood through various aspects, including strategy, culture, and organizational structure.

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First, environmental change includes various factors such as technological changes, regulations, market trends, and consumer preferences. According to Kotler & Keller (2016), adaptation to new technology is one of the keys to remaining competitive in an increasingly dynamic market [1]. Second, government regulations and policies also play an important role in influencing organizations. In this case, organizations not only change their products and services but also make changes in their operations and human resource management (Deloitte, 2018) [2]. These changes are needed to meet regulatory demands and maintain the company's reputation in the eyes of the public.

In addition, environmental change also encourages organizations to innovate and change their business models. In recent years, many companies have adopted more sustainable and socially responsible business models. According to Geissdoerfer et al. (2018), transformation towards a circular economy is not only about product changes but also requires changes in culture and ways of thinking within the organization [3].

Furthermore, organizational culture can also be affected by environmental changes. A culture that is open to change and innovation will be more adaptable than a rigid culture. In this context, organizational leaders must be able to build a culture that supports transformation. According to Kotter (1996), good leadership can facilitate change by building a sense of urgency and promoting a clear vision [4]. However, the transformation process does not always run smoothly [4]. Many organizations face challenges in implementing change, often caused by resistance from within the organization itself. This shows that effective change management is essential to overcome obstacles and ensure the success of the transformation.

Overall, the relationship between environmental change and organizational transformation is mutually influential. Changes that occur in the external environment force organizations to adapt and transform to survive. Conversely, the success of transformation in an organization can make it more responsive to environmental changes in the future. Therefore, every organization needs to continue to monitor environmental changes and prepare the right transformation strategy to remain relevant and competitive.

In the context of legal entity higher education (perguruan tinggi badan hukum/PTN BH), Law Number (Undang-undang/UU) 12 of 2012 concerning Higher Education is a regulation that governs the implementation of higher education in Indonesia. This law is the legal basis for the management of higher education in Indonesia to improve the quality and accountability of education. Law No. 12 of 2012 is the basis for various government policies and programs to improve the quality and competitiveness of higher education in Indonesia. With this law, it is hoped that higher education in Indonesia can transform into institutions that are more professional, and innovative, and contribute positively to society and the nation [5].

The transformation of the legal entity of higher education (PTBH) in Indonesia is a significant strategic step in improving the quality of higher education, as well as adapting to global dynamics and community needs. PTBH is regulated in Law Number 12 of 2012 concerning Higher Education and is expected to increase autonomy and accountability in the management of higher education.

One important aspect of the transformation of PTBH is increasing autonomy. With legal entity status, higher education institutions are given freedom in managing

resources, both in terms of organization, finance, and academics. This autonomy allows universities to be more responsive to changes and needs in society.

Transformation and adaptation to changes in the global environment such as the Industrial Revolution 4.0 is also a demand for PTBH. Rapid changes in technology, information, and disciplines require universities to innovate in curriculum and learning strategies. This includes the integration of competency-based education, collaboration with industry, and improving the learning experience through Distance Education (PJJ). "Responsive curriculum transformation will help universities to be more relevant and adaptive to the demands of the times" (Daryanto, 2020) [6].

In this context, the transformation of legal entity higher education in Indonesia is not just a change in institutional status, but also a comprehensive effort to improve the quality and relevance of higher education. PTBH is expected to play a greater role in producing a generation that is ready to face global challenges, as well as provide positive contributions to society and the nation.

From the description above, it is clear that the transformation process of PTN BH is comprehensive, starting from the transformation in the philosophy of organizing higher education, changes in the strategy of managing higher education, changes in governance, and including changes in the position of the university towards the government.

The paper aims to explore UT's experience in transforming from PTN BLU to PTN BH using the organizational transformation framework of Francis J. Gouillart and James N. Kelly.

2 Method

The method used in this writing is to describe the experience of changing UT from PTN BLU to PTN BH. To enrich the data and analysis, several documents related to the transformation process are used, such as laws, data and analysis in self-evaluation, and several relevant PTN BH Chancellor Regulations. Qualitative and quantitative data will be used in the analysis.

2.1. Theories

Many experts offer theories or approaches to carry out organizational transformation, some of which are Kurt Lewin's Organizational Change Theory (1951), namely the three-stage change model: *unfreezing*, *changing*, and *refreezing*. The next theory is the Diffusion of Innovation Theory proposed by Everett Rogers (1962). This theory states that innovation in organizations can be adopted through a diffusion process that is influenced by various factors such as communication, innovation characteristics, and social groups. Meanwhile, Katz, D. & Kahn, R. L. (1978) in their book *The Social Psychology of Organizations* put forward the Open System Theory which explains that organizations are open systems that continue to interact with the external environment and these factors influence the transformation process within the organization.

Another theory is John Kotter's Organizational Transformation Theory (1996). John Kotter explains that eight steps are needed for effective transformation. These steps are creating urgency, forming a guiding team, developing a vision, communicating the vision, empowering action, generating short-term wins, consolidating gains, and making permanent changes [4]. In 1991, Barney put forward the theory of Resource-Based Strategy Theory (RBV). This theory emphasizes the importance of internal resources in the process of organizational transformation, where competitive advantage is obtained through the utilization of unique resources and capabilities.

The Four R's of Transformation, as articulated by Francis Gouillart and Joseph Kelly (1995), provide a framework for understanding and implementing organizational transformation. Each of the R's represents a key aspect of the transformation process that organizations need to address to be successful.

Reframing

Reframing is the process of changing the way of looking at or perceiving a given situation, so that new opportunities and alternatives may be seen that were previously unseen. This involves modifying the way of thinking and approaching problems and challenges in the organization.

Restructuring

Restructuring can be defined as the process of changing the form and structure of an organization to achieve higher efficiency, increase responsiveness, and support new strategies. This includes changes in hierarchy, responsibilities, and division of labor.

Revitalization

Revitalization is the process of restoring energy, creativity, and purpose to an organization that may have experienced a decline in morale, motivation, or performance. This involves updating the vision, mission, and strategy to recreate a sense of shared purpose and spirit within the organization.

Renewal

Renewal is a continuous process that involves adjusting the strategy, structure, and culture of an organization to remain relevant and competitive in the marketplace. It involves updating approaches, exploring new opportunities, and adapting to changes in the industry and customer needs.

3 Result and Discussion

This discussion will explore the experience of Universitas Terbuka in transforming from a public service institution (PTN BLU) to a State Legal Entity University (PTN BH) using the Four R's of Transformation approach. With this approach, the transformation process will be explained with the components of reframing, restructuring, revitalization, and renewal.

3.1 Reframing

In the context of PTN BH transformation, reframing is interpreted as a process of changing the perspective and paradigm in managing and developing higher education

institutions. Reframing is the process of changing perspectives and ways of thinking in responding to new challenges and opportunities. The reframing process can be interpreted as a process of directing stakeholders (lecturers, students, management, and government) to be able to redefine their perspective on UT's goals and strategies in a new way by viewing UT as an autonomous institution. These changes are:

UT as public service agency

All PTN BLU business processes are controlled by the Ministry except PTN BLU which are given flexibility in financial management.

UT has a vision, mission, goals and strategies

UT as legal entity

In PTN BH, PTN is given freedom or autonomy in academic and non-academic fields.

In principle, academic and non-academic provisions are decided jointly by the Board of Trustees, the Chancellor, and the Academic Senate.

In PTN BH, UT's Vision remains, while UT's mission, goals and strategies change.

Formulate the main values of organizational culture, superior quality, integrity, innovation, accessibility, relevance, and accountability (KIIARA).

The purpose of this change is so that UT can play a greater role in increasing the capacity of higher education while improving UT's reputation. UT's challenges and missions increase from only increasing capacity with PTN BH UT must improve academic quality.

Reframing is carried out through the process of compiling self-evaluations, conducting workshops, and discussions, and making changes to the vision, mission, goals, and strategies of the organization.

In carrying out reframing, at least three main things can be identified, namely:

Resistance to Change, there are some individuals or groups who feel uncomfortable with the new approach.

The development of KIIARA's organizational culture is not easy. Implementation of corporate culture values takes a long time and the involvement of many parties.

Limited resources. UT's resources, both financially and humanly, are obstacles to implementing reframing.

The reframing process in the transformation of PTN BH is crucial to creating sustainable change that is relevant to the demands of the times. By carrying out reframing, PTN BH can improve the quality of education, research, and community service and strengthen its role at the national and international levels.

3.2 Restructuring

Restructuring in the context of PTN BH is a fundamental process of change in an organization that includes modifications to structures, processes, and work methods to support the institution's strategic goals and improve academic and administrative performance.

The transformation into PTN BH, the restructuring process at UT involves changes in the organizational structure, systems, and internal processes to improve the efficiency, effectiveness, and responsiveness of educational institutions. PTN BH UT operates in an increasingly dynamic and competitive environment, so restructuring is important to

ensure sustainability and relevance. The following is an explanation of the restructuring process in the transformation of PTN BH:

Restructuring is carried out to increase efficiency, effectiveness, and economies of scale. It is hoped that with restructuring the quality of service will increase. UT's organizational structure is adjusted to the new vision and mission. UT's organizational structure is designed to support the implementation of the vision and mission that have been updated during the reframing process.

The Restructuring process is carried out with the following steps:

Conducting a study of changes in the strategic environment and including changes to the regulations governing PTN BH;

Analyzing the current organizational structure. The analysis was conducted by studying the existing structure compared to the vision, mission, goals, and strategies. This includes benchmarking several universities and studying documents from other distance-learning universities in the world;

After completing the analysis, the next step is to design a new structure. The guidelines used are the KIIARA work strategy and culture developed by UT. The new organization is designed to increase the use of information technology to increase the speed of data distribution, decision-making, and data sharing. The use of information technology encourages a reduction in the number of hierarchies and the formation of cross-functional teams.

The challenges in the restructuring process are relatively the same as the challenges in the reframing process, namely that there are:

Resistance to change from some members of the organization who may find it difficult to adapt to change.

Limited resources, both human resources and other organizational resources.

Changes in organizational culture require a long time and great effort. UT's organizational culture needs to be adjusted so that UT's human resources can support the achievement of UT's vision, mission, goals, and strategies.

The restructuring process in the transformation of PTN BH UT is an important step in creating a more responsive and productive organization in facing challenges in the ever-changing higher education environment. By designing and implementing a more efficient structure, PTN BH can better support its academic mission and provide better services to students and the community. A combination of good analysis, proper planning, and effective implementation will help achieve these goals.

3.3 Revitalization

Revitalization is the process of reviving the spirit and focus of an institution to achieve better goals. This includes changes in perspective and approach to the organization's vision and mission, as well as increasing the motivation and involvement of all stakeholders. Revitalization involves updating policies, processes, and organizational culture that support the development of quality higher education.

Revitalization generally aims to increase stakeholder involvement. In this context, the composition of the Board of Trustees and Senate reflects more parties involved in the formulation, implementation, supervision, and evaluation of the implementation of

academic and non-academic autonomy. Elements of students, lecturers, and staff are included in the membership of the MWA. They are actively involved in the planning and decision-making process.

The revitalization process is carried out by reformulating the evaluation and performance assessment instruments.

Conducting regular meetings with stakeholders

Conducting reformulation of UT's vision, mission, goals, and strategies.

Conducting academic renewal such as curriculum, learning materials, and exams to be more relevant to the needs of the community.

Providing training for lecturers and staff in innovative teaching, research, and management. This capacity development is important to meet higher education standards.

Improving the quality of service by ensuring that students receive effective, efficient, and affordable academic and non-academic services.

The challenges faced in the revitalization process are resistance to change, limited resources, and a high level of difficulty in changing organizational culture.

The revitalization process in the transformation of PTN BH has a very important role in maintaining relevance and improving the quality of education provided. By involving all stakeholders and focusing on innovation, PTN BH can overcome existing challenges and contribute more significantly to the development of society and the nation. Revitalization must be carried out with a planned approach and involve all levels within the organization to achieve these goals.

3.4 Renewal

Renewal is a comprehensive renewal process that covers various aspects of an organization, including structure, culture, and processes. In the context of PTN BH, renewal aims to revive the vision, mission, and goals of the institution and improve operational and academic effectiveness to meet the needs of society and the development of science.

Renewal is focused on recreating energy, enthusiasm, and innovation in the higher education environment so that PTN BH can continue to adapt to the challenges and changes faced in the world of education. Renewal is primarily intended to encourage innovation and improve UT's responsiveness to stakeholder demands.

The renewal process is carried out by:

Analyzing UT's strategic environment by involving stakeholders. UT conducts stakeholder dialogue activities to obtain input on their needs and the quality of UT's services at that time.

Reforming the vision, mission, goals, and strategies of the organization

Making changes in the academic field so that academic services can answer the needs of stakeholders.

Improving the development of the HR management system, improving qualifications and competencies, and balancing the number of HR with the workload of the unit.

Carrying out innovation in the information system.

The renewal process is a step that determines the sustainability, relevance, and improvement of the quality of higher education institutions. By renewing and refreshing various aspects of the organization, PTN BH can strengthen its position, improve performance, and better meet the needs of students and the community. The success of the renewal process is highly dependent on the active involvement of all stakeholders and a systematic and planned approach.

4 Conclusion

The transformation of UT from PTN BLU to PTN BH is to improve UT's ability to implement its vision, mission, goals, and strategies. As a state-owned university, UT has the task of providing public services in the field of education. With this task, UT needs to continuously transform. The analysis of the transformation process was carried out using The Four R's of Transformation Theory, as articulated by Francis Gouillart and Joseph Kelly (1995) with four important components, namely reframing, restructuring, revitalization, and renewal. The transformation process of UT from PTN BLU to PTN BH can be presented briefly as follows. The change process begins with conducting a strategic environmental study, then designing a change plan, conducting socialization with all stakeholders, preparing the resources needed for change, implementing change, controlling change, evaluating change, and making revisions if there are deviations.

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