The Handling of Conflict in Financing Islamic Higher Education in Indonesia

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ARTICLE INFO	ABSTRACT
	This study delves into the persistent conflicts within the financial management of higher education in Indonesia, spotlighting the disparities in budget allocation needs and interests and issues of unjust distribution and fund misappropriation. The primary objective is to explore leadership strategies that can effectively resolve these conflicts, ensuring precise and efficient financial management. Utilizing a qualitative-phenomenological approach through case studies, the research focuses on financing challenges at state Islamic universities with BLU status. Data collection methods included interviews, observations, and documentary analysis, with analysis following Miles and Huberman's framework of data reduction, display, and conclusion drawing. The findings underscore the critical role of strategic conflict resolution in mitigating negative impacts on higher education development. Effective conflict management, as evidenced by this study, hinges on a leader's ability to maintain a constructive perspective, recognize the potential advantages of conflicts, and implement decisive actions. By refining goals, enhancing communication, and improving procedural mechanisms, conflicts can be transformed into beneficial elements of organizational dynamics.

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1. INTRODUCTION

Financing is vital for higher education institutions, which depend on effectively managing assets such as knowledge, faculty, support staff, students, infrastructure, academic programs, and information systems. These assets, crucial for operational success, must be aligned with the university's core missions of education, research, and community service, as mandated by the Indonesian educational regulations (UU No. 20/2003 Article 20 Clause 2; PP No. 60/1999 Article 3 Clause 1; PP No. 60/1999 Article 113). However, the implementation of these missions often encounters challenges including quality of education, resource limitations, reduced research activities, suboptimal community engagement, high educational costs, inequitable access, imbalanced priorities, technological and innovative hurdles, faculty welfare, and curriculum-job market discrepancies. Addressing these issues necessitates a collaborative approach involving universities, government,

industry, and the community to enhance the quality and sustainability of higher education. Conversely, universities lacking adequate funding are hindered in advancing their educational, research, and community service objectives (Abbas, 2008).

The development of the allocation and ratio of education budgets in Indonesia has indeed shown an increase from year to year, as seen in nominal terms, in line with the mandate of the law to maintain a 20 percent portion of the national budget (Yazid, Suara Karya, June 8, 2012). However, the issue of government responsibility in higher education provision can be understood explicitly that government financing is still relatively low, even though the 20% education budget allocation from the national budget has been realized (PPA Kemenag, 2011).

The low education budget, mainly relying on government financing (92.35%), results in a very low unit cost of education (Fattah, 2006: 80). The unit cost of education refers to the amount of expenses incurred in providing educational services to one participant, such as one student, within a certain period. This includes costs such as teacher salaries, administrative expenses, educational facilities, learning materials, and various other expenditures related to providing educational services. In the context of the previous text, a "very low unit cost of education" indicates that the expenses incurred in providing educational services to each participant are minimal, possibly due to insufficient funding from certain sources such as the education budget. Consequently, universities must seek alternative sources of funding outside of the allocated budget to meet their financial needs. State Islamic Universities (PTKIN) in Indonesia face several challenges in meeting their financial needs, such as: Government Funding Limitations: Limited government funding affects the operational costs of PTKIN, including faculty salaries, facility maintenance, and equipment purchases, High Expenditures: Operational expenses of PTKIN, including faculty salaries, facility maintenance, and equipment purchases, contribute to financial challenges, Lack of Alternative Funding Sources: PTKAIN often lack alternative funding sources such as grants from foundations, alumni donations, or partnerships with the private sector.

To address these financial constraints, PTKIN can take several steps, including: Increasing Efficiency in Expenditure: PTKIN can optimize spending by streamlining administrative processes and adopting cost-saving measures, Increasing Efficiency in Expenditure: PTKIN can optimize spending by streamlining administrative processes and adopting cost-saving measures, Diversifying Income Sources: Seeking additional revenue streams through external programs such as professional training, research partnerships with industries, or consultancy services can help SIUs generate additional income, Enhancing Collaboration with External Parties: Collaborating with external organizations, industries, and government agencies can provide funding opportunities and support for various initiatives, and Alumni Fund Development: Establishing alumni fundraising programs and networks can help PTKIN secure financial support from former students and strengthen alumni engagement. By implementing these strategies, PTKIN can mitigate the impact of financial constraints and enhance the quality of education and institutional development (Rahayu, 2019; Suhdi dan Wardhani, 2020).

At present, the phenomenon of issues in universities occurs in almost every aspect, including human resources, physical resources, information resources, and financial resources. These resources are interrelated and mutually influenced. In organizing education in universities, the leadership, lecturers, administrative staff, and even students often become subjects that frequently generate conflicts. This is because, in terms of developing the quality of human resources, universities have not been able to optimize their resource development programs due to limited budget funds. Similarly, efforts to procure and manage physical resources and information resources, such as providing teaching media, constructing lecture buildings, and acquiring ICT, are also constraints that affect the achievement of the university's development direction due to the constraint of budget funds or the non-allocation of certain priority programs for the development of physical and information resources. This implies that obstacles in developing resources, whether human, physical, information, or financial, in universities are fundamentally related to the issue of insufficient budget funds and inadequate allocation of the allocated funds.

One significant issue in the financing management at PTKIN concerns student tuition fees, particularly the implementation of the Single Tuition Fee (UKT). Conflict arises due to students' dissatisfaction with institutional policies, which they perceive as burdensome. Consequently, students demand that the university administration provide relief by reducing the UKT. Although efforts at mediation between the university administration and the students have been made, the outcomes have not met the students' expectations. This unresolved situation has intensified the conflict, leading to further contradictions and unrest among the students.

The issue of education financing in universities is multidimensional, influencing the emergence of conflicts in higher education financing. The conflicts that arise are influenced by several factors with complex relationship patterns, requiring integrated policies and approaches for resolution. The complexity of issues in the aspect of university financing is also marked by disputes and varied relationships among the academic community of the university. Additionally, the allocation of education budget funds is not proportional, does not adhere to the rules of the game, unclear fund distribution, ineffective and inefficient use of funds, and low productivity of the respective university as a consequence of the emerging financing conflicts.

Universities are inseparable from substantial financial support to facilitate the implementation and achievement of the goals outlined in the strategic plans of higher education institutions and constitutional aspirations. Issues related to the acquisition and use of education budget funds become crucial matters; therefore, financing in universities will always be a subject of debate, often leading to conflicts.

Preliminary studies conducted at several universities in Indonesia suggest that symptoms leading to conflicts in the management of financing can be identified, even though they are local in nature and may not be clearly and openly publicized. There is a tendency to cover up such issues, but indications point towards underlying conflicts in the financial management of these institutions. Three basic assumptions guide the identification of conflicts within an organization: first, individuals have differing or conflicting interests; second, certain groups possess more power than others; and third, the pursuit of interests and the use of power are legitimized by an ideological system of ideas and values (Dinesh Kumar, 2019).

Conflicts typically arise from several main causes, including the goals to be achieved, the allocation of shared resources, decisions made, and the behavior of involved parties (Hakiki, 2022; Myers, 1982; Kreps, 1986; Stewart, 1993). While routine cost management usually does not trigger significant conflicts due to its clear purposes, issues often emerge in the management of development costs. Differences in needs, interests, perspectives, and understanding of priority scales for fund allocation targets often lead to conflicts at both the university/institute level and within existing work units.

Those conflicts indicate that the existing financing system requires a comprehensive study at both the macro and micro levels to ensure higher education remains clear and adheres to principles of equity and equality. It is crucial to avoid being trapped in an education system that is solely 'market-oriented,' which tends to provide quality education opportunities only for the upper-class society.

In general, conflicts are often perceived negatively. However, given their inevitability, it is more productive to focus on strategies for facing and managing them effectively. Recognizing the positive aspects of conflicts can uncover opportunities for deriving benefits from them. Leaders should manage conflicts using appropriate strategies to turn potential disruptions into constructive outcomes (Hasanah, 2020).

This research aims to explore how leadership can effectively manage conflicts in the financing of Islamic higher education to ensure accurate and efficient financial management. The research questions guiding this study are: What are the types of conflicts in financing management at Islamic Higher Education Institutions (PTKIN)? How do financing conflicts arise, and what are their root causes? How do leaders address the impact of insufficient budget funds and manage the resulting conflicts?

Given these considerations, it is essential for leaders in higher education to possess skills and abilities in conflict management. Effective conflict resolution is crucial to achieving the university's

developmental goals, particularly in the critical area of financing. Therefore, this research on 'The Handling of Conflict in Financing Islamic Higher Education in Indonesia' is both important and timely, warranting in-depth investigation to enhance leadership strategies in this sector.

2.   METHODS

This research is a type of qualitative-phenomenological study using a case study method (Bogdan & Biklen, 2006; Bill Gilham, 2000). As Bogdan and Biklen express, "A case study is a detailed examination of one setting or one single subject, or one single depository of documents, or one particular event" (Bogdan & Biklen, 2006: 58), which means that case study can be a research method chosen and used to thoroughly examine a condition or event that occurs within an organization. The use of qualitative-phenomenological research with a case study approach in this study is chosen to understand individuals' subjective experiences within complex cultural and social contexts and to gain profound insights, which are highly suitable for investigating phenomena related to conflicts arising in the management of financing in State Islamic Universities (PTKIN) and the solutions implemented to resolve these conflicts.

The PTKIN campuses in Indonesia were chosen to participate in this research. There are several criteria that made PTKIN (Islamic Higher Education Institutions) in Indonesia chosen as the subject of this research. Firstly, PTKIN that have been transformed into UIN (State Islamic University) and have BLU (Public Service Agency) status in Indonesia, all of which are affiliated under the Ministry of Religious Affairs. Secondly, the guidelines (Juknis) in financial management at UIN are entirely the same and relatively similar in the issues encountered during their implementation. Thirdly, the implementation of service tariffs in the form of UKT (Single Tuition Fee) for students at UIN that have BLU status.

The primary data sources for this study in several PTKINs being researched include Deans, Vice Deans I (Academic Affairs), Vice Deans II (Finance), Vice Deans III (Student Affairs), and Heads of Departments/Program Chairs. This implies that obtaining informants with different perspectives is an additional experience for enrichment and enhancing the quality of the gathered information.

The research instruments used to gather data are observation, documentary study, and interviews. The validation of research findings is done by testing the validity of the data through several criteria, namely credibility, transferability, dependability, and confirmability. Triangulation techniques are used especially for the credibility of research results. The application of Triangulation Technique to validate data/information from this research involved crosschecking interview data among informants/participants of the study. Data triangulation was also carried out by crosschecking interview data with observation data and document analysis results.

3. FINDINGS AND DISCUSSION

3.1. Findings

From the discussion on the issues of financing higher education in PTKIN and several phenomena related to the management of financing found in PTKIN, which tend to ignite conflicts, the research findings are presented as referred to by the research questions.

State Islamic Higher Education Institutions (PTKIN) under the auspices of the Ministry of Religious Affairs are institutionally under the Ministry of Religious Affairs, but their national development direction refers to the Strategic Plan (Renstra) of the Ministry of Education and Culture, while their financial governance is subject to the regulations of the Ministry of Finance. These PTKINs currently utilize the Public Service Agency (BLU) financial management system, transitioning from the previous Non-Tax State Revenue (PNBP DIPA) system.

As stated in PP number 23 of 2005 Pasal 1 regarding the Financial Management of Public Service Agencies, it is defined that a Public Service Agency is "...an institution within the Government

established to provide services to the public in the form of providing goods and/or services that are sold without prioritizing profit-seeking and in carrying out its activities based on the principles of efficiency and productivity". Meanwhile, the term Financial Management Pattern of Public Service Agencies (PPK-BLU) itself refers to:

> *"…...is a financial management pattern that provides flexibility in the form of freedom to apply healthy business practices to improve services to the public in order to advance general welfare and enhance quality of life, as regulated in this Government Regulation (PP 23/2005) as a control of the provisions of state financial management in general" (Article 2). The content of Article 2 of PP 23/2005 simultaneously constitutes the purpose of establishing BLU as a financial management system."*

Universities that implement financial management based on the BLU concept are not required to deposit all campus revenues into the state treasury, but may be managed independently by the respective universities, provided they are ready and willing to undergo audits. The website Kemenkeu released a list of statistical data for campus or units of State Islamic Religious Higher Education Institutions (PTKIN) affiliated with the Ministry of Religious Affairs that have BLU status, totaling 20 universities.

Table 1. PTKIN affiliated with BLU Status

No	PTKIN	Kode BLU	Nomor Penetapan
1.	UIN Alauddin Makassar	307314	KMK 330/KMK.05/2008
2.	UIN Mataram	307843	KMK 84/KMK.05/2011
3.	UIN Imam Bonjol Padang	424050	KMK No.386/KMK.05/2015
4.	UIN Sunan Gunung Djati Bandung	423523	KMK No 251/KMK.05/2008
5.	UIN Syarif Hidayatullah Jakarta	423501	KMK 42/KMK.05/2008
6.	UIN Sultan Maulana Hasanuddin Banten	423548	KMK No 67/KMK.05/2010
7.	UIN Walisongo Semarang	423611	KMK No 68/KMK.05/2009
8.	UIN Sunan Kalijaga Yogyakarta	423755	KMK 301/KMK.05/2007
9.	UIN Sunan Ampel Surabaya	423770	KMK 511/KMK.05/2009
10.	UIN Maulana Malik Ibrahim Malang	423812	KMK 68/KMK.05/2008
11.	UIN Ar Raniry Darussalam Banda Aceh	423925	KMK 293/KMK.05/2011
12.	UIN Sumatera Utara	424007	KMK 76/KMK.05/2009
13.	UIN Sultan Syarif Kasim Riau	424157	KMK 77/KMK.05/2009
14.	UIN Sulthan Thaha Saifuddin Jambi	424188	KMK 429/KMK.05/2009
15.	UIN Raden Fatah Palembang	424208	KMK 401/KMK.05/2010
16.	UIN Raden Inten Lampung	424260	KMK 277/KMK.05/2010
17.	UIN Sjech M. Djamil Djambek Bukittinggi (dulu IAIN Bukittinggi)	424075	KMK 775/KMK.05/2018
18.	UIN Sayyid Ali Rahmatullah Tulungagung	423792	KMK 96/KMK.05/2020
19.	UIN Kiai Haji Achmad Siddiq Jember	423786	KMK 319/KMK.05/2021
20.	IAIN Syekh Nurjati Cirebon	423532	KMK 252/KMK.05/2022

Source: https://djpb.kemenkeu.go.id/direktorat/ppkblu/id/ (2024)

3.1.1. Funding Sources of State Islamic Higher Education Institutions (PTKIN)

The funding sources of State Islamic Higher Education Institutions (PTKIN) come from several areas, namely: 1) Central Government, funding from the State Budget (APBN - Anggaran Pendapatan Belanja Negara); 2) North Sumatra Provincial Government (Pemprovsu), funding from the Regional Budget (APBD - Anggaran Pendapatan Belanja Daerah); 3) Students. Funds come from tuition fees, student practical work fees, self-funding, entrance examination fees, graduation fees, final examination

fees, and Community Service Program (KKN) fees; 4) Collaborations. Funds come from various institutions/agencies that collaborate with PTKIN, especially in providing study aid funds and scholarships, both in the form of merit-based scholarships and scholarships for financially disadvantaged families.

The amount of tuition fees (SPP), operational fees (DPP), and entrance examination fees charged to students and prospective students at State Islamic Higher Education Institutions (PTKIN) is determined based on the Ministry of Finance Regulation for each UIN/IAIN Satker regarding Tariffs for Non-Tax State Revenue from the Provision of Educational Services at State Islamic Higher Education Institutions under the Ministry of Religious Affairs as stipulated in the Minister of Finance Regulations, namely: PMK Number 11/PMK.05/2012 (UIN SGD Bandung), PMK Number 16/PMK.05/2012 (IAIN Sultan Maulana Hasanuddin Banten), PMK Number 111/PMK.05/2015 (IAIN Raden Intan Lampung), PMK Number 38/PMK.05/2012 (IAIN Mataram), PMK Number 77/PMK.05/2015 (IAIN Walisongo Semarang), PMK Number 179/PMK.05/2014 (IAIN Sulthan Thaha Saifuddin Jambi), PMK Number 83/PMK.05/2013 (UIN Sumatera Utara), PMK Number 155/PMK.05/2020 (IAIN Bukittinggi), and PMK Number 183/PMK.05/2011 (UIN Maulana Malik Ibrahim Malang), as well as based on the Minister of Religious Affairs Decree number 8 of 2023 concerning tuition fee/single tuition fee (UKT) tariffs at State Islamic Higher Education Institutions for the academic year 2023-2024.

3.1.2. Routine Costs and Development Costs

Before the implementation of BLU, both Rupiah Murni (RM) and Non-Tax State Revenue (PNBP) funds could be simultaneously used for development activities. With the effective implementation of BLU as the financial management system in PTKIN, funds for routine purposes such as salaries of lecturers and employees, as well as educational and teaching facilities, can now only be sourced from the RM DIPA (Rupiah Murni Appropriation). Consequently, RM can no longer be used for development activities. PNBP DIPA funds, which are sourced from student tuition fees and practical work fees, remain available for development activities, but their allocation reduces the amount of funds each work unit receives, particularly impacting development programs within PTKIN BLU units. This highlights the differences between General Revenue Management (PNBP Umum) and Public Service Agency Management (BLU).
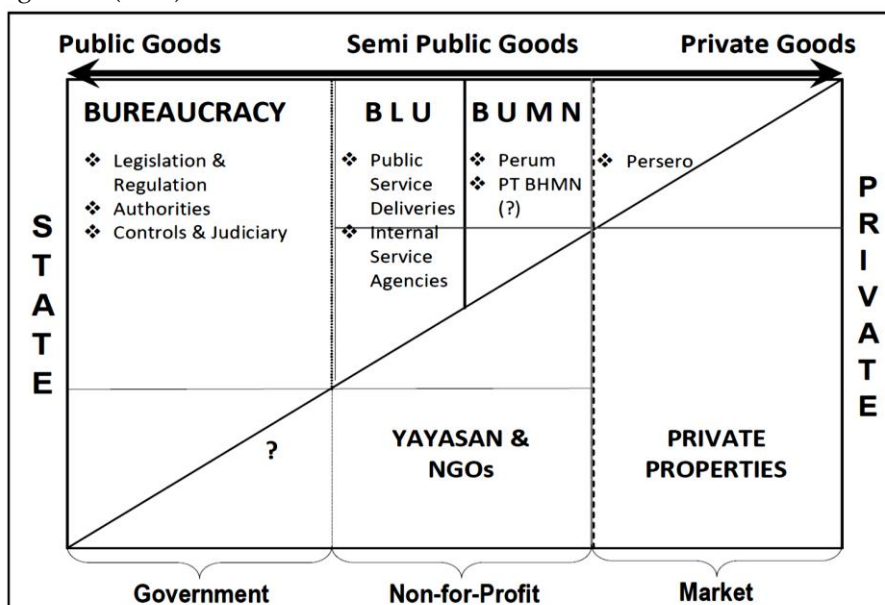

Figure 1. Comparison Chart of General Revenue Management (PNBP Umum) & Public Service Agency (BLU)

3.1.3. Types of Conflicts in Financial Management

Based on data collection and processing in the field through documentation studies, observations, and interviews, several types of conflicts in financial management can be identified in PTKIN, which will be presented as follows. There are several types of conflicts that can be identified in financial management at PTKIN. The researcher found that conflicts occurring in financial management at PTKIN include several types, namely structural conflicts, conflicts of interest, and conflicts of information/data.

Structural Conflicts

In the management of financing at PTKIN, several forms of structural conflict arise. Firstly, there is a dilemma for leadership in implementing development programs, particularly physical building construction. Due to time constraints, construction funds are often disbursed late in the fiscal year, for example in November. If leaders wait for these funds, construction may not be completed on time, prompting them to use contractor funds, which violates rules and creates conflict with auditors. This results in structural conflict as auditors assume improper relationships with contractors when projects proceed without official fund disbursement.

Secondly, differences in opinion and understanding between the rectorate, general bureau, and working units (faculties) about the leading sector of activities cause conflicts. Unclear job descriptions and cost management issues exacerbate these disagreements. Additionally, conflicts arise from the distribution of student tuition fee funds, with faculties receiving 15% of the total fees. Faculties with fewer students feel inadequately funded despite subsidies, as the institute controls development funds. This discrepancy often leads to unmet needs and conflicts with the institute. Lastly, reporting conflicts occur when disbursed funds are reduced by a 15% tax, yet full reporting of the original amount is required, causing issues with internal auditors monitoring activity implementation.

Conflicts of Interest

Although the conflicts found generally cannot be easily observed, there are indicators that suggest there are conflicts in the management of higher education financing based on key indicators, including: (1) lack of transparency in providing information about activities or projects by one party/group to another party/group, (2) exclusion from a large-scale activity/project even though someone or a certain party has the competence for the activity, (3) control over a number of fund allocations with unclear and unfair allocations, and other indicators.

For conflicts of interest, there are several forms that can be identified, including:

a. *Differences in priority scale between the academic and non-academic parties (budget planners)*

A routine occurrence is the differences of opinions between the academic staff and the financial planners at PTKIN regarding the determination of priority programs. Along with this, the working units are not satisfied with the budget decisions made, particularly regarding the acquisition of outcomes from budget meetings in the form of Operational Activity Guidelines (POK) that must be implemented. The financial planners themselves perceive that the working units do not understand that funds are limited, or what is considered important by one institute is not included by the working units, and vice versa. Furthermore, concerning the planning of annual work programs, findings from interviews with several respondents indicate that the results of PTKIN's work meetings (raker) seem predetermined, referred to by respondents as "micromanagement" meetings. This is because when the raker activities, which should discuss and debate work programs, actually the main activities are not conducted, and the meetings are filled with lectures on BLU matters until they conclude. This creates a negative precedent, leading to complaints from several leadership units during these raker activities. However, the Operational Activity Guidelines that must be followed by the working units are

determined based on the formulation and decisions made by the planning department and the rectorate.

b. *Priority towards procurement of goods versus human resources development program*

It is found that procurement programs on campus are the most favored programs. These programs often take priority over human resource development programs. Several human resource development programs receive significantly less funding compared to procurement programs or physical development. For human resource development needs, the absence of funds or very limited funds is often cited as the main and classic reason, while for procurement programs, there always seems to be funding available.

As stated by the informant, this occurs because if funds are allocated for human resource development to enhance academic quality, certain parties will not benefit. It would be different if the budget were allocated for procurement programs, where certain parties would receive a clear percentage for it. This does not mean that procurement for physical development is unimportant; indeed, physical development is a crucial requirement to support the process of improving human resource quality. However, if the procurement goals are not aligned and do not consider balance based on priority scale, it will inevitably lead to conflict.

However, when the researcher cross-checked with other informants directly involved in financial matters, they stated that currently at PTKIN campuses, there is a tendency towards the need for facilities and physical buildings, although human resource development is important, it is not yet the main priority. For example, student demonstrations on several occasions tend to highlight issues related to the lack of facilities, essentially questioning the allocation and transparency of PTKIN leaders in budget utilization for physical facilities. Student demonstrations have never questioned whether the lecturers are teaching well, whether they hold a professorial degree, or whether their research results are good, or any other issues related to improving the quality of lecturers.

c. *Discriminatory treatment in the competition for research grant acquisition*

Discriminatory treatment in the competition for research grants for faculty members has also shown unevenness in opportunities and closes the chance to obtain these research funds. Although classic reasons such as the notion that faculty members who consistently secure research grant funding are those who know the strategies to win or have their research proposals accepted, it cannot be denied that this open competition, where research funds are managed entirely by the Research Institute (Lemlit), tends to favor individuals based on factors like proximity, belonging to the same group or bloc, having similar organizational backgrounds, or even because Lemlit staff members feel they are the most competent to conduct research. Often, the research proposals that succeed are of low quality and hastily put together.

Based on the statement of one respondent, even the implementation and completion of research projects are often done mainly behind desks without the need to go to the field, resulting in biased and non-beneficial research outcomes. However, there are still researchers who genuinely conduct thorough research, but their percentage is very small. The majority are solely focused on securing research funds. It is known that for PTKIN, individual researchers receive research funding of Rp10 million, while group researchers receive Rp20 million.

d. *There are suspicions of misuse of project funds*

There are allegations of fund leakage during the implementation of projects on campus, suspicion of budget leakage in the procurement of goods and services which has led to conflicts, especially among certain reported parties. Allegations of budget leakage in projects include: fictitious projects; building maintenance projects (fence painting); campus bus procurement; renovation of bathrooms in each faculty; alleged misuse of student funds, but the realization is never seen; student dormitory issues,

which are Ministry of Housing projects; and other forms of budget leakage in higher education institutions. However, so far, the continuation of these cases has been temporarily halted – if not considered dismissed – because in the examination process by the Corruption Eradication Team (Tim Tipikor), no new evidence supporting the truth of the reported budget misuse allegations that could incriminate the parties involved was found. The cessation of these cases is evidenced by the issuance of a Termination of Investigation Order (SP3) against several relevant individuals.

Conflicts of Information/Data

It is understood that the transition to the BLU financial management system implies that all funds obtained from BLU activities or business ventures enter through one gateway, and their disbursement also needs to go through the same gateway, namely the BLU cash account. Further regarding financing management under the BLU system, conflicts are also identified regarding differences in perspectives and understanding of the BLU concept among campus leaders. Some understand that with the PK-BLU, all potentials within the higher education institution can be commercialized, allowing for various academic and non-academic business ventures. However, some leaders believe that not all types of products should be commercialized, considering that these products, whether goods or services, should be closely related to the functions of the university's Tri Dharma, meaning that BLU commercialized products should not deviate from the fields of education and teaching, research, and community service. It is clear that there are differences in understanding the BLU concept even among top-level leaders. This discrepancy is feared to have repercussions on the synchronization of future development directions at the university/institute-faculty-program levels.

Furthermore, other conflicts regarding differences in information and data can be identified as follows:
1. Differences in data due to variations in technical criteria for facilities and infrastructure.
2. Difficulty in accessing data by users. Often, due to certain considerations and bureaucratic processes, users face challenges in accessing data. This contradicts the spirit of good governance.
3. Many data management activities are not well institutionalized. Within the organizational units, data and information management activities often overlap with other tasks.

3.1.4. The Leadership's View on Conflict in Financial Management at PTKIN

So far, the leadership of PTKIN considers conflict to be something common and natural within every organization, whether large or small; conflicts will always exist. This means that every institution cannot avoid conflicts; it's about how to manage them so that they do not damage the organization but rather, if possible, make it dynamic. Therefore, if disagreements arise regarding programs and budget allocation, the leadership will direct the faculties. Then, during meetings where they debate, their budget allocations will be shown to them so that everyone knows about the available funds. This way, the conflicts that arise will become dynamic. Some informants also express that conflicts should be avoided as much as possible because disagreements, disputes, and hostilities are fundamentally not allowed in religious teachings. Engaging in hostility will only lead to greater harm than benefit.

3.1.5. Factors Causing Conflict in Financial Management at PTKIN

In general, there are several factors causing financial management conflicts at PTKIN, including:

Licensed Human Resources Factor

The need for human resources with licenses. A financial manager must have a license. For procurement and purchasing of goods using state funds, it is not allowed for just anyone to handle it. It has to be individuals who have been trained, tested, and passed the exam, and then have a license to perform that task. Licensed individuals are in short supply at PTKIN. Some employees have taken the

licensing exam, but failed, with only a few passing. So theoretically, faculties are allowed to independently procure their own goods, purchase stationery, and conduct any faculty activities, provided that the faculty has the aforementioned licensed employees, which PTKIN currently lacks in adequate numbers. Because of this, all procurement is centralized in the Rectorate Office. However, due to the limited number of licensed employees, it is not feasible to place them in faculties. As a result, these licensed employees are "piled up" in the Rectorate Office, and because they are overloaded with tasks, delays occur.

Financial Governance Transition

The transition of financial governance from the Non-Tax State Revenue (PNBP) system to the BLU presents its own difficulties. The leadership's readiness to implement this system, differing perspectives and understandings of its business concepts, procedural ambiguities, and management inconsistencies make the system appear rigid and overly bureaucratic. Additionally, the absence of accountants as a primary requirement to manage the BLU accounting system further reduces its efficiency and effectiveness.

Unclear direction of PTKIN development

Many faculty leaders are still unaware of the direction of PTKIN's development. The university's strategic plan also appears to have not been disseminated and socialized to the work units, resulting in faculties developing programs that may not support the university's goals, leading to unclear and uncertain targets. Consequently, the lack of synchronization in setting priorities from the direction of PTKIN's development each year will always be a complex task, as the desired objectives are not supported by the level of development programs in the work units.

d. Management of data and information that is not well-organized

Management of data and information that is not well-organized is caused by several factors:
1) Standard operating procedures or formalization of data and information management activities have not been implemented rigorously;
2) There is no general standard regarding the classification of data and information based on their level of use, whether for operational, management, or top leadership purposes, and their use areas in accordance with the functions entrusted by the Ministry of Religious Affairs;
3) Data collection activities in work units have not been carried out correctly and seriously according to established scientific methods, resulting in suboptimal outcomes, tendency towards wastefulness, and even unusable results.

3.1.6. The root causes that have the potential to trigger conflicts in financial management at PTKIN

The root causes that have the potential to trigger conflicts in financial management at PTKIN are as follows:

Difference in Perspectives

There is a difference in perspectives between academic and bureaucratic individuals, which affects the prioritization of programs to support the institution's development direction. Planning at PTKIN is predominantly done by bureaucrats, often excluding input from faculty members who understand the prioritized needs at the departmental level.

Centralized Funding

The centralization of all faculty activities to the Office restricts the ability of faculties to make significant improvisations or developments independently. This centralized approach inhibits rapid development as anticipated and lacks support from the universities/institution.

Allocation of 15% to Faculties

Limited funds for some faculties under the BLU system are influenced by student enrollment numbers. However, the real issue lies in the allocation of 15% of the total student tuition fees (SPP) to the respective faculties. Moreover, faculties are reliant on the Office for the development of facilities. Additionally, the new policy dictates that RM funds can only be used for routine activities, while PNBP funds from student tuition fees must be used for developmental activities. The 15% return to each faculty from student tuition fees poses significant challenges, especially for faculties with minimal student enrollments, despite the provision for cross-subsidy where surplus faculties assist deficit faculties. Currently, only the Faculty of Education is considered surplus in terms of student enrollment.

Misunderstanding of BLU Concept

Perception that the main revenue source is from student tuition fees: Thus far, financial management under the BLU system at PTKIN is perceived to rely primarily on student tuition fees. Consequently, the emphasis is often on increasing student enrollments. However, the fundamental purpose of the BLU system is to enable institutions to leverage their potential, diversify their products, and establish various ventures or businesses to generate revenue beyond student tuition fees, a notion that has not been widely acknowledged.

Central-level Challenges

Ambiguity in implementing multi-DIPA at the Ministry of Religious Affairs: Nationally, there are often differing interpretations and perceptions of the Detailed Plan of Activities (DIPA). Harmonization efforts to align perceptions regarding fund disbursement mechanisms are typically conducted three months after the multi-DIPA implementation (in March). Additionally, there is a shortage of human resources with the skills to manage performance-based budgets and a lack of appropriate nomenclature for PTKIN units, as there are no administrative personnel categories based on PTKIN regulations.

3.1.7. The Impact of Conflict in Financial Management at PTKIN

Some informants argue that financial conflicts at PTKIN stem from centralized management, where finances, student affairs, and academics are controlled by the Bureau, limiting work units' ability to develop quickly. Under the BLU system, income is heavily dependent on student fees, and development activities use PNBP funds, creating pressure on work units to increase student quotas to meet their needs. Additionally, faculty leaders face issues with the Planning Bureau's procurement programs, as they often receive items that do not align with their urgent priorities, preventing them from addressing immediate needs effectively.

3.1.8. Leadership Strategies for Handling Conflict in Financial Management at PTKIN

The strategy employed by leaders to manage financial conflicts involves addressing existing issues through effective communication (Naufal et al., 2022). Leaders should not hesitate to visit the Planning Department, despite the organizational hierarchy suggesting that it should be the other way around. This approach is supported by interview responses indicating that proactive communication by leaders can help resolve conflicts.

"My basic response might be communication. I am not hesitant to go down to the Planning Department, even though from the perspective of hierarchy, they should come to me. Besides going up to the office, I stop by there, and we communicate about it. But we cannot completely do it, especially when it comes to numbers; if the money is not there, we cannot say anything. We have to be willing to choose which plans become a reality and which ones do not. In my experience, if we want to communicate intensively, address differences, meet, call them here, occasionally I go down there, we can also resolve it. The main thing is communication; we agree on what is best from what we have." (interview)

The issue of prioritization and budget allocation is communicated but not always comprehensively. Leaders need to make clear decisions on which program plans to prioritize. Intensive communication is crucial to resolving issues, particularly those related to differing priorities in budget allocation. Leaders manage conflicts by ensuring that program administration involves both the rectory and faculties. For example, a committee for a rectory-led program might include members from various faculties, fostering collaboration. Some activities, once managed by the rectory, are now delegated to faculties to better address specific departmental needs, such as the compilation and printing of Student Practicum Books.

Differences in managing Public Service Agency (BLU) funds require consistent policies and clear solutions to achieve organizational synergy. Comprehensive socialization is necessary for all financial managers at PTKIN due to varying opinions on the performance-based budgeting system. Additionally, there is an urgent need to expedite the recruitment and training of personnel for the State Property Management Accounting Information System (SIMAK BMN) and the Agency Accounting System (SAI) to ensure efficient operation. Addressing budget misuse allegations involves efforts from the Follow-Up Coordinator (KTL) at the university level, who works to resolve issues promptly and prevent them from escalating into legal matters. Regular meetings with KTLs from other units under the Ministry of Religion help in processing findings and making necessary improvements.

3.1.9. Case of Conflict in Financing Management at PTKIN

Conflicts in financial management at PTKIN often arise between the academic sector and the Financial Planning sector. Academic leaders, including the Rector, Vice Rectors, Deans, and lecturers, prioritize academic needs such as publishing journals, which may not be valued equally by the Planning Department. The Planning Department, staffed with individuals from management, economics, or planning backgrounds, may see the costs of academic activities as excessive and not understand their importance, leading to recurring conflicts. To resolve this, academic personnel need to communicate the significance of their priorities to the Planning Department.

Another conflict exists between the Rectorate and smaller units, such as faculties, over who should manage the budget. Disagreements stem from unclear job descriptions and financial management issues. For instance, the Planning Department processes and formulates the final documents for budget allocation programs, sometimes altering or excluding programs deemed important by the academic units. Leaders need to engage in intensive communication with the Planning Department to negotiate and prioritize the most important programs within the available budget, thus resolving these conflicts.

From these financial management conflicts at PTKIN, three key issues emerge: differing priorities in budget planning between the Planning Department and academic units, uneven and unfair distribution of funds, and misuse of budget funds. To address these conflicts, a fundamental strategy is needed to create an open, accountable, proportional, fair, and needs-based financial management system. This approach aims to prevent conflicts and ensure effective university development supported by established financing.

3.2. Discussion

When analyzing the strategies implemented by the leaders at PTKIN to address conflicts arising in financing management, several approaches are evident. Firstly, they employ communication methods similar to the compromising approach in the Thomas-Kilmann conflict resolution model (Burgess, 1997), where leaders aim to find a middle ground. Secondly, efforts are made to distribute income sources fairly through various activities, leaning towards a collaborating approach, wherein leaders strive to find solutions that satisfy both parties' interests (Burgess, 1997). Additionally, there is a focus on socializing changes in the BLU governance system and fostering synergy regarding common perspectives, steps, and strategies for institutional performance improvement (Naufal et al., 2022).

The types of conflicts found at PTKIN are as follows: first, conflicts that occur between the leadership level and external campus parties, in this case, the BPK (Supreme Audit Agency) audit team, especially regarding budget accountability; second, differences in leading sector issues and who has the right to manage funds for an activity, which often leads to conflicts; third, the institute's policy on the rule of returning student tuition fee funds to each faculty, which amounts to 15% of the total faculty revenue sourced from its students, and even after receiving subsidies, the amount remains insufficient, especially felt by faculties with a minimal number of students; fourth, differences of opinion on priority scales between the academic campus parties, namely the leadership elements of the rectorate and faculty leadership, with the Budget Planning section in the Rectorate Bureau of PTKIN in determining the Operational Activity Guidelines (POK).

When legal issues arise, the strategy involves entrusting financial management to third parties, such as the Supreme Audit Board (BPK), which is authorized to address budget misuse by examining and holding accountable the involved parties as part of conflict resolution efforts (Syamsibar, 2021). Leaders play a crucial role in managing conflicts and must possess various competencies to ensure efficient and effective resolution (Sholeh, 2023). Razik and Swanson (1995) underscore the importance of leadership abilities in minimizing or eliminating the negative impacts of conflicts, thereby enhancing university development (Fauzi, 2023). Effective leaders should possess competencies including decision-making skills (Razik & Swanson, 1995), conflict resolution abilities (Abbas, 2008), communication-building skills (Razik & Swanson, 1995; Shajahan, 2004; Abbas, 2008), and relationship-building skills (Abbas, 2008) (Joshua Fisher et al., 2019).

To establish the appropriate and effective strategy, it is necessary to first determine several alternative strategies for addressing conflicts in higher education financing management. The following are some alternative strategies: 1) Restructuring the financial management pattern of autonomous higher education institutions (HEIs), 2) Training HEI leaders, especially those inexperienced in budgeting and management, 3) Planning based on need assessments of academic units and programs, 4) Providing physical facilities for organized and standardized financial data management, 5) Recruiting high-quality financial human resources, 6) Educating the public to share responsibility in funding education, 7) Optimizing the role and function of monitoring and evaluation through Internal Quality Assurance (IQA), 8) Empowering entrepreneurial potential among academic communities for mutual prosperity, 9) Ensuring the objectivity of HEI's Follow-Up Coordinators (KTL) in addressing findings related to individuals implicated in corruption, and 10) Implementing consistent and sustainable reward and punishment culture.

Therefore, from the research findings, it can be analyzed that the factors causing conflicts in financial management at PTKIN can generally be categorized into two factors: first, individual characteristic factors, namely the insufficient number of licensed human resources resulting in differences in prioritization of needs; second, situational factors related to the transition issues of financial governance, unclear or improperly socialized development direction of PTKIN, and an unorganized financial data management system.

The root sources of conflicts in financial management at PTKIN are: 1) differences in perspectives in determining Operational Activity Guidelines (POK); 2) centralistic funds; 3) the return fund portion being only 15% of the total Non-Tax Revenue (PNBP) of the faculty; and 4) misunderstanding about

the BLU (Public Service Agency) concept, especially the assumption that the main source of income is from student tuition fees.

Overall, conflicts arising from funding limitations have both positive and negative impacts. The negative impact of conflicts in financial management at PTKIN includes the creation of negative attitudes and behaviors that decrease work motivation, institutional commitment, job satisfaction, trust, and sabotage for these limited resources. Meanwhile, the positive impact resulting from this situation is that limited funding conditions can stimulate critical thinking and creativity, especially in the efficient and optimal distribution of these limited funds.

4. CONCLUSION

The financing management conflicts in PTKIN arise from various issues, including fund misallocation, conflicting needs and interests, budget misuse, leadership disputes, transparency deficits, and unequal budget distribution. To address these conflicts, PTKIN leaders must implement proactive conflict management strategies, such as conducting regular financial audits, establishing clear budget allocation rules, enhancing financial transparency, and striving for a management system that is open, accountable, fair, equitable, and needs-based. Effective conflict resolution should involve communicative negotiation, aiming for compromise and win-win outcomes that ensure equitable resource distribution within the institution. In cases of legal concerns, engaging third-party auditors for objective assessment and accountability enforcement is advisable. Despite these strategies, the research acknowledges limitations, such as potential resistance to transparency initiatives and the complexity of aligning diverse interests. Future research should explore more detailed case studies and develop tailored conflict resolution frameworks to further improve financial management in educational institutions.

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