

CHAPTER I

INTRODUCTION

1.1 Study Background

Entering higher institution in Indonesia recently become a trend. This can be indicated from the increasing number of graduates, especially for bachelor degree. There are several types of higher education institution in Indonesia and, the most common is the university. After graduating from high school, most of Indonesian students are trying hard to enter the university to get their bachelor degree or at least the diploma. This condition can be proven from the increasing number of universities. *Badan Pusat Statistik* (2015) mentioned that by in 2015 the number of universities in Indonesia were only 63, meanwhile in the year of 2017, there were 492 universities. This condition showed that the Indonesian people are aware about the important of education.

Education is one of the most important aspect in life. All individuals starting from children to the oldest are hoping to be able to receive the best education in their life. Better education is assumed to give better quality of knowledge, which means in order to receive better knowledge, individuals must strive for better education. The familiarity to continue the study of Indonesian citizen to higher education, led the competition among individuals to enter the higher educational institution. One of the most common reasons why Indonesian choose to continue their study in higher educational institutions because individuals are seeking for better education with hope that it can provide better process which produce better output.

However, the competition among individuals in striving better education are becoming higher and higher annually, which happen in all over the world, including Indonesia. In Indonesia, pursuing university is becoming a crucial part of education. Since then, the establishment of new universities in Indonesia are increasing rapidly. According to the data of *Badan Pusat Statistik* (2017) the number of universities are increasing in 2015 of 3.246 institutions to 3.276 institutions in 2017. This condition is a result of the increasing number of new students entering the university. One of the challenges for the university is the increasing number of new students entering the university, which that means new majors and programs need to be opened to attract students. It is proven by data of *Badan Pusat Statistik* (2015) which mentioned that in 2015 there were 11,818 but for the year of 2017, it increased to 12,576. One of the examples of the development is the establishment of 'International Program' in certain university. The improvement of the quality of education through accreditation in local or international level were also done massively by universities in Indonesia. According to Altbach & Knight, (2007) the establishment of international program is a result of the internalization of education due to globalization. For private universities this international program is established for the purpose of earning profit in the international market by establishing new institutions as well as doing partnership with other educational institutions in other countries. The internationalized education institutions provided several activities such as the study abroad programs, cross culture environment, international accreditation and English language classes.

Universitas Islam Indonesia is one of the private universities in Indonesia which offers the International Program for undergraduate students since 1999. *Universitas Islam Indonesia* (UII) is listed as one of the best private university in the category of non-vocational institution by the Ministry of Research, Technology and Higher Education. Furthermore, according to Syafruddin (2018), UII ranks 41th from 3,062 universities which have well performance of management based on the research of the Ministry of Research, Technology and Higher Education. Currently the International Program of UII is held in three faculties of UII. The faculties are Faculty of Law, Faculty of Industrial Engineering and Faculty of Economics. The Faculty of Economics consists of Accounting, Management and Economics Study Program.

From 2014 to 2017, the number of students in Accounting Department International Program, Faculty of Economics (IP FE) UII were decreasing. In 2014, there were 46 students who were enrolled in this program. However, in 2015 there were only 27 students and it kept decreasing in 2016, which were only consisted of 17 students. This condition may be caused by the degradation of the quality of education. Beside that, some of students in Accounting Department of IP FE also complaint about the increasing amount of the tuition fee. Starting 2016, the tuition fee of Accounting Department IPFE UII increased twice from the previous year (2015). The 2015 student's were charged Rp8.000.000, - per year for the tuition fee. Meanwhile, for 2016 students' and the following year were charged Rp16.000.000 per year for the tuition fee. From this condition, Accounting Department of IP FE UII should have already increased their education quality.

From the condition of the decreasing number of students in Accounting Department of IP FE UII, this research is trying to measure the education performance using the balanced scorecard. The balanced scorecard was introduced by Kaplan & Norton in 1992 as a measurement tool to assist the problem of measuring business performance. Although universities are a non-profit organization which provide intangible products (education), the balanced scorecard can still be implemented with aspects such as faculty or students number, demographic, faculty teaching load, or physical resources and others (Hladchenko, 2015). There are four perspectives of the balanced scorecard namely financial, internal business process, learning and growth and customer perspectives (Kaplan, 2010). Thus, the components of balanced scorecard can be implemented as indicators which allow the development of universities and its allocation of resources.

1.2 Research question

The research questions of this study are as follows:

1. How does the education performance of Accounting Department International Program Faculty of Economics *Universitas Islam Indonesia* perform according to balanced scorecard?
2. Does the education performance of Accounting Department International Program Faculty of Economics *Universitas Islam Indonesia* achieve its quality goals?
3. Does the education performance of Accounting Department International Program Faculty of Economics *Universitas Islam Indonesia* satisfy all of the stakeholders?

1.3 Research objectives

The purposes of this study are:

1. To measure the education performance of Accounting Department International Program Faculty of Economics Universitas Islam Indonesia by using balanced scorecard.
2. To investigate whether the education performance of Accounting Department International Program Faculty of Economics Universitas Islam Indonesia in achieving quality goals.
3. To investigate the education performance of Accounting Department International Program Faculty of Economics Universitas Islam Indonesia in satisfying their stakeholder.

1.4 Research contributions

The contributions of this research are:

1. This research can measure the current education performance of International Program Universitas Islam Indonesia as an information for the institution.
2. This research can measure the current education performance of International Program Universitas Islam Indonesia as a reference for evaluation.
3. This research can provide comprehensive understanding of the implementation of balanced scorecard in higher educational institutions.
4. This research can be used for other researcher as a reference for future studies.