



The Dilemma of Implementing the Public Service Agency (BLU) Policy in Islamic State Higher Education Institutions (PTKIN) in Aceh: Between Institutional Autonomy and Lecturer Welfare

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ABSTRACT

This study aims to analyze the paradox of institutional autonomy and internal conflicts of interest between university leaders and lecturers in the implementation of the Public Service Agency (BLU) system at Islamic State Higher Education Institutions (PTKIN) in Aceh. The novelty of this study lies in its examination of how financial autonomy under the BLU scheme simultaneously shapes institutional governance and generates internal social tensions within relatively small Islamic higher education institutions, an issue that has received limited scholarly attention. This research employed a descriptive qualitative design using a case-study orientation to explore the institutional and social dynamics of BLU implementation. Data were collected through semi-structured interviews, observations, documentation, and closed-ended questionnaires used as supporting instruments to strengthen data triangulation rather than for quantitative hypothesis testing. Data were analyzed using the interactive model of Miles and Huberman, consisting of data reduction, data display, and conclusion drawing, while the trustworthiness of the findings was ensured through source and technique triangulation. The findings indicate that BLU implementation in PTKINs in Aceh remains constrained by a high dependence on student tuition fees (UKT/SPP) and limited optimization of alternative institutional revenue sources. Furthermore, financial autonomy has contributed to differing perceptions of welfare and resource distribution between structural leaders and non-structural lecturers, creating internal conflicts of interest that influence institutional cohesion. This study contributes to the literature on higher education governance by demonstrating that the success of BLU implementation depends not only on financial autonomy but also on equitable governance and participatory institutional management. It concludes that the implementation of the BLU system in smaller PTKINs requires a contextual, transparent, and inclusive governance model to strengthen institutional sustainability while minimizing financial disparities and internal social conflict.

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INTRODUCTION

The institutional transformation of Islamic State Higher Education Institutions (PTKIN) in Indonesia over the last two decades has shown significant progress. The transition of State Islamic Colleges (STAIN) into State Islamic Institutes (IAIN), and subsequently into State Islamic Universities (UIN), represents part of the government's broader agenda to enhance the quality, competitiveness, and capacity of Islamic higher education in Indonesia. This transformation is not

only intended to expand academic disciplines and improve educational quality, but also aimed at strengthening institutional governance, institutional autonomy, and the capacity of higher education institutions to provide more effective and professional public services. In this context, the implementation of the Public Service Agency (BLU) financial management system has become one of the strategic targets continuously promoted by the government, particularly by the Ministry of Religious Affairs of the Republic of Indonesia (Novardy, 2025).

Normatively, BLU status is regarded as a form of institutional advancement because it provides universities with greater flexibility in financial management. Higher education institutions granted BLU status obtain broader authority in managing Non-Tax State Revenue (PNBP), including funds derived from student tuition fees, institutional partnerships, academic service activities, and various other productive programs (Zamiko & Zainuri, 2025). Through this flexibility, higher education institutions are expected to improve the quality of academic services, accelerate the development of facilities and infrastructure, strengthen institutional competitiveness, and reduce dependence on the central government budget. Therefore, in many higher education policies, BLU status is often positioned as an indicator of progress in the governance of public universities (Zaenuri, 2018).

However, the reality of BLU implementation within PTKINs does not always operate as ideally as envisioned in government policy frameworks. In various regions, particularly in PTKINs with relatively small student populations, the implementation of the BLU system has instead generated new and complex challenges. Higher education institutions with approximately five to six thousand students face financial limitations because their primary source of Non-Tax State Revenue (PNBP) relies heavily on student tuition fees (UKT/SPP). Under such conditions, institutional income is often disproportionate to the increasing operational costs of the university, including expenditures for academic activities, research, community service, infrastructure development, as well as performance allowances for lecturers and educational staff (Amriza Nitra Wardani, Sumadiyah T. Olfah, Kurniawan Santoso, 2025).

This condition has created a serious dilemma within the internal environment of the campus. On the one hand, the government, through the Ministry of Religious Affairs, encourages PTKINs that have attained UIN status to immediately transform into BLU institutions as part of the modernization of Islamic higher education governance. This encouragement is further reinforced by some university leaders who perceive BLU status as a symbol of institutional progress, organizational prestige, and administrative achievement in leadership. From the perspective of higher education bureaucracy, successfully obtaining BLU status is often understood as an indicator of managerial capability in leading institutions toward modern and autonomous governance (Challenges & Senjani, 2022).

However, on the other hand, considerable resistance has emerged from some lecturers, particularly those who do not hold structural positions or additional administrative responsibilities. For this group, the implementation of the BLU system in PTKINs in Aceh is perceived as potentially reducing lecturers' welfare due to the limited financial capacity of the institutions. Lecturers argue that before student enrollment reaches an ideal threshold, for example exceeding

ten thousand students, the implementation of BLU would place universities under financial strain in fulfilling various operational needs, including the payment of performance allowances. These concerns are not unfounded, as under the non-BLU system, lecturers' performance allowances tend to be relatively more stable because a substantial portion of the funding is still directly financed by the state through the central government budgeting mechanism (Novardy, 2025).

In contrast, when a university attains BLU status, a portion of the financial burden must be supported by the institution's internal financial capacity. In PTKINs with relatively small student populations, this condition often creates substantial financial pressure. As a consequence, regular lecturers who do not hold additional administrative positions feel that they are in the most vulnerable position regarding the potential decline in welfare. Meanwhile, lecturers with structural positions continue to receive relatively significant additional structural allowances through internal university policies, although the amount may not always be as high as it was prior to the implementation of BLU. This situation has subsequently generated perceptions of unequal interests among lecturer groups in responding to the implementation of the BLU system (Alifa & Sulaeman, 2023).

This phenomenon indicates the existence of a sharp contradiction of interests within the governance of Islamic state higher education institutions. University leaders tend to encourage the acceleration of BLU implementation because it is closely related to institutional agendas and administrative achievements, while many non-structural lecturers prefer delaying the implementation of BLU until the university's financial condition becomes truly stable and student enrollment is sufficient. In this context, BLU status is no longer merely understood as an administrative financial policy, but has evolved into a contested arena between institutional idealism and the realities of human resource welfare within the academic environment (Hasim, 2025).

The gap in interests becomes even more compelling when associated with the concept of institutional autonomy in higher education. Theoretically, the BLU policy is intended to create higher education institutions that are more autonomous, professional, innovative, and efficient in managing their resources (Alifa, Hasna Noor & Sulaeman, 2023). However, the concept of institutional autonomy appears to be more easily implemented in large universities with high student enrollment, extensive partnership networks, and strong capacities to generate substantial Non-Tax State Revenue (PNBP). In contrast, for PTKINs in Aceh that are located in regional or district areas, the implementation of the BLU system is often not supported by adequate institutional financial readiness. As a result, the expected autonomy may instead transform into financial pressure that can affect lecturers' welfare stability and the quality of academic services (Hasim, 2025).

Furthermore, this issue reflects a gap between national policy formulation and the local realities of higher education institutions. The BLU policy tends to be designed using a general administrative approach without fully considering the differences in capacity among universities. Large PTKINs located in major cities certainly possess financial capacities that differ significantly from PTKINs in regional areas of Aceh. Differences in student enrollment, community economic

support, access to industrial partnerships, and institutional development potential result in substantial disparities in the ability to generate Non-Tax State Revenue (PNBP). Nevertheless, in practice, the push toward BLU status is often treated as a uniform target that must be achieved by all PTKINs regardless of the objective readiness of each institution (Kasdi Tri Aryada, Mujib, Muhammad Toasin Asha, Aripin Manurung & Lestari, 2025).

From the perspective of higher education management, this condition demonstrates that policy implementation does not always operate linearly with its intended normative objectives. A policy that is conceptually regarded as progressive may generate new problems when implemented in institutions that do not yet possess adequate resource readiness (Bansu Irianto Ansari dan Burhanuddin AG, 2019). Therefore, the implementation of the BLU system in PTKINs in Aceh is not merely related to issues of financial administration, but also involves social, psychological, and welfare dimensions affecting the academic community. When lecturers perceive that their welfare is threatened by changes in the university's financial system, such conditions may influence work motivation, academic productivity, the quality of teaching and learning, and even the organizational stability of higher education institutions (Julianto, 2024).

Although previous studies on the implementation of the Public Service Agency (BLU) system have primarily examined financial governance, bureaucratic reform, institutional accountability, and organizational autonomy, limited attention has been given to how financial autonomy influences internal organizational dynamics, particularly the conflicting interests between university leaders and lecturers in financially constrained regional Islamic State Higher Education Institutions (PTKINs). Moreover, existing evidence is largely derived from larger public universities, leaving the unique challenges faced by PTKINs in Aceh insufficiently explored. Addressing this gap, this study examines BLU implementation as a governance paradox in which institutional autonomy simultaneously creates opportunities for organizational development while generating internal conflicts of interest. Specifically, the study aims to analyze how institutional financial capacity shapes stakeholder perceptions of welfare, resource distribution, and governance effectiveness in PTKINs in Aceh, thereby contributing to a more contextual understanding of higher education governance and informing more equitable and sustainable BLU implementation strategies.

METHOD

This study employed a qualitative descriptive case study to examine the implementation of the Public Service Agency (BLU) system in Islamic State Higher Education Institutions (PTKINs) in Aceh, focusing on the paradox of institutional autonomy and internal conflicts of interest between university leaders and lecturers. A qualitative approach was adopted to explore participants' experiences, perceptions, and interpretations of BLU implementation within its institutional context, while descriptive quantitative data obtained from closed-ended questionnaires were used as supporting evidence for methodological triangulation rather than hypothesis testing. The study was conducted at PTKINs in Aceh that had implemented or were preparing to implement the BLU system. Participants were selected through purposive sampling

based on their direct involvement in institutional governance and BLU implementation, consisting of university leaders (rectors, vice rectors, deans, and heads of administrative units), structural lecturers, and non-structural lecturers. A total of [insert number] participants were involved in the study, including [insert number] university leaders, [insert number] structural lecturers, and [insert number] non-structural lecturers. Data were collected through semi-structured interviews, closed-ended questionnaires, observations, and document analysis. The questionnaires were developed from the research objectives and relevant literature using Likert-scale statements to describe respondents' perceptions of institutional financial readiness, governance effectiveness, and lecturers' welfare, while interviews and observations were conducted to obtain in-depth contextual information.

The research instruments were developed through a comprehensive review of the literature on higher education governance, institutional autonomy, and BLU implementation, and were subsequently evaluated by experts in higher education management to ensure content validity and clarity. Qualitative data obtained from interviews, observations, and documents were analyzed using the interactive model of Miles and Huberman, consisting of data reduction, data display, and conclusion drawing. Meanwhile, questionnaire responses were analyzed using descriptive statistics, specifically frequencies and percentages, to summarize respondents' perceptions and support the qualitative findings through methodological triangulation. The credibility and trustworthiness of the findings were established through source triangulation, technique triangulation, and member checking by comparing information obtained from multiple sources, thereby ensuring consistency of interpretation and minimizing potential researcher bias throughout the research process.

FINDINGS AND DISCUSSION

Findings

The survey results indicate that institutional financial readiness remains a major challenge in implementing the Public Service Agency (BLU) system in Islamic State Higher Education Institutions (PTKINs) in Aceh. As shown in Figure X, most respondents strongly agreed that revenue from student tuition fees (UKT/SPP) is insufficient to meet institutional operational needs and that the current financial capacity of PTKINs remains inadequate to support effective BLU implementation. These findings suggest that the pursuit of institutional autonomy has not yet been matched by sustainable financial capacity, particularly in regional PTKINs with limited alternative sources of revenue. (Yusaini, n.d.).

The survey results further indicate that student enrollment is perceived as a critical factor influencing the successful implementation of the Public Service Agency (BLU) system in Islamic State Higher Education Institutions (PTKINs) in Aceh. As shown in Figure X, most respondents agreed that PTKINs with relatively small student populations face greater challenges in achieving the financial flexibility required under the BLU system. Respondents also perceived that the accelerated implementation of BLU has not fully considered the financial capacity and institutional readiness of regional PTKINs, resulting in disparities between larger universities and those

operating in resource-constrained areas. These findings suggest that institutional autonomy, when implemented without adequate financial preparedness, may place additional pressure on PTKINs with limited revenue-generating capacity.

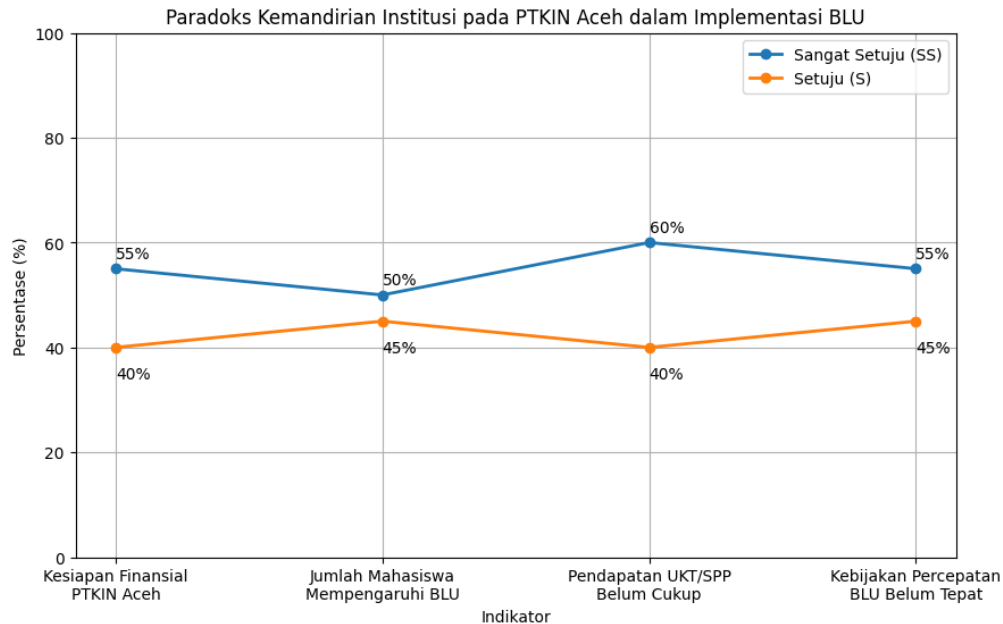


Figure 1. Graph of Lecturers' Assessment Results on the Paradox of Institutional Autonomy in PTKINs in Aceh

Furthermore, responses regarding the Internal Conflict of Interest between University Leaders and Non-Structural Lecturers within PTKINs in Aceh revealed a strong tendency toward the emergence of internal conflicts of interest in the implementation of the Public Service Agency (BLU) system. The majority of respondents expressed agreement with various statements related to disparities of interest between university leaders and non-structural lecturers. The percentages of respondents who selected “strongly agree” and “agree” dominated almost all indicators, particularly regarding the encouragement of BLU implementation as a form of institutional prestige, lecturers' concerns about declining welfare, and the perception that structural officials obtain greater benefits under the BLU system. These findings indicate that the implementation of BLU is not merely understood as an administrative policy, but also as a social phenomenon that affects internal relationships and perceptions of justice within the university environment (Yusaini, n.d.).

Furthermore, the levels of respondents' uncertainty and rejection were relatively low compared to the level of agreement expressed across each research indicator. This condition indicates the existence of a collective perception among the academic community that the implementation of the BLU system has the potential to create disparities in welfare and the distribution of interests within PTKINs in Aceh. The dominance of agreement responses on indicators concerning differences in interests between university leaders and ordinary lecturers

also reinforces the assumption that the transformation of financial governance through the BLU system may generate new forms of stratification within university organizations. Therefore, the survey results demonstrate that the implementation of BLU is not entirely perceived as a solution for enhancing institutional autonomy, but also as a policy that raises concerns regarding issues of justice and the welfare of non-structural lecturers. The results of the respondents' answers are presented in the following graph.

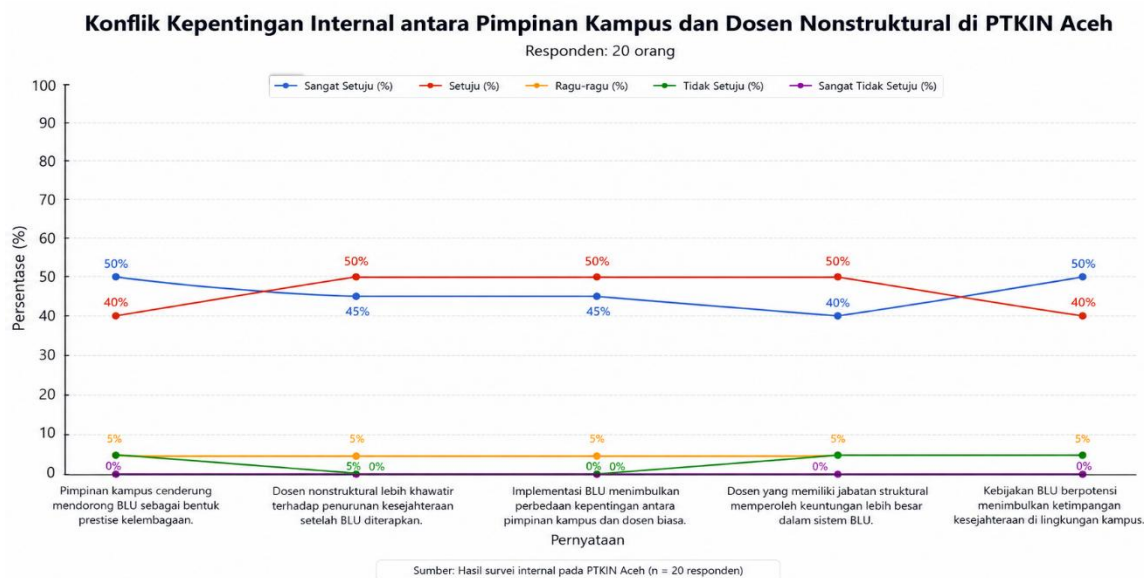


Figure 2. Graph of Lecturers' Assessment Results on Internal Conflicts of Interest between University Leaders and Non-Structural Lecturers within PTKINs in Aceh

Discussion

The Paradox of Institutional Autonomy in PTKINs in Aceh in the Implementation of the BLU System

The graph presented in Figure 1 concerning the paradox of institutional autonomy in PTKINs in Aceh in the implementation of the Public Service Agency (BLU) system shows that the majority of respondents provided positive assessments on various indicators reflecting the limited financial readiness of smaller higher education institutions in implementing the BLU system. The highest percentage appeared on the indicator stating that tuition fee revenues (UKT/SPP) are still insufficient to meet the operational needs of universities, followed by perceptions that the financial readiness of PTKINs in Aceh remains inadequate and that the policy of accelerating BLU implementation has not fully considered the objective conditions of regional higher education institutions. These findings indicate that the policy of institutional autonomy through the BLU system has not yet operated in full alignment with the actual capacity of PTKINs in Aceh, particularly in terms of financial resources and institutional support capacity. In this context, the implementation of BLU creates a paradoxical situation, namely the demand for

institutional autonomy amid conditions of continued financial dependence on students as the primary source of university income.

Theoretically, this condition can be explained through the Resource Dependency Theory developed by Jeffrey Pfeffer and Gerald R. Salancik. This theory explains that organizations cannot operate independently without stable external resource support. When an institution has a high dependence on a single source of revenue, the organization becomes vulnerable to changes in the external environment (Jeffrey Pfeffer dan Gerald R. Salancik, 1978). In the context of PTKINs in Aceh, dependence on student tuition fees (UKT/SPP) causes the financial stability of universities to be heavily influenced by the number of active students. The smaller the student population, the more limited the institution's capacity becomes in meeting operational needs, infrastructure development, and academic financing. Therefore, the demand for implementing the BLU system, which emphasizes financial flexibility and institutional autonomy, becomes difficult to realize optimally in higher education institutions that do not yet possess a strong economic revenue base (Amriza Nitra Wardani, Sumadiyah T. Olfah, Kurniawan Santoso, 2025).

The findings of this study also demonstrate that student enrollment constitutes an important factor in determining the success of BLU implementation within PTKINs. This indicates that the BLU-based financial management model is fundamentally easier to implement in higher education institutions with large student populations and more stable institutional revenue potential. From the perspective of the economics of education, students are not only regarded as learners, but also as part of the institutional revenue sources that sustain the continuity of educational services. Consequently, PTKINs in Aceh located in regional areas with limited community economic access face greater challenges compared to larger PTKINs situated in urban regions. This situation reflects the existence of structural inequalities in the implementation of BLU policies within Islamic higher education institutions (Nifia, 2025).

This perspective is consistent with the theory of New Public Management (NPM), which emphasizes the importance of efficiency, effectiveness, and market orientation in public sector governance. Within the NPM approach, higher education institutions are encouraged to develop the capacity to manage resources independently and professionally in a manner similar to modern business organizations. However, various criticisms of this approach argue that the application of market-based managerial principles in educational institutions often neglects disparities in organizational capacity. Simon Marginson explains that policies of autonomy and competition in higher education tend to benefit large institutions with strong resources, while smaller universities experience greater difficulty adapting to the demands of financial efficiency. In the context of PTKINs in Aceh, this situation is reflected in the high perception among respondents that BLU status is more easily implemented by universities with large student populations and stronger economic support (Edward et al., 2024).

The findings of this study are also closely related to various findings from national journal publications concerning the implementation of the BLU system in public higher education institutions in Indonesia. Several studies indicate that the financial flexibility promised by the BLU system has not fully contributed to improving the quality of educational services when institutions

do not possess alternative sources of revenue beyond student tuition fees. Other studies explain that some smaller universities have instead experienced budgetary pressures after obtaining BLU status due to increasing operational demands that are not accompanied by corresponding growth in institutional revenue. Such conditions force universities to implement internal efficiency measures that may potentially affect the quality of academic services and the welfare of educators. Therefore, the BLU policy, which was initially expected to serve as a solution for the modernization of higher education governance, may instead generate new problems when implemented in institutions that are not yet financially prepared (Supawanhar, Askani, 2024).

Furthermore, findings from international studies on higher education reform in various developing countries demonstrate similar tendencies. Studies on university autonomy policies in several Asian and African countries reveal that smaller higher education institutions tend to encounter difficulties in generating independent revenue due to limited access to industrial partnerships, weak institutional competitiveness, and low capacity for developing university business units. In many cases, universities located in peripheral regions are more dependent on government subsidies and student contributions compared to large universities in major cities. Therefore, the implementation of financially autonomous management models often produces new inequalities among higher education institutions. These findings indicate that smaller regional universities cannot be equated with larger institutions that possess more established economic capacities (Nifia, 2025).

On the other hand, respondents' perceptions that the policy of accelerating BLU implementation has not adequately considered the actual conditions of regional PTKINs indicate the existence of problems in the formulation of national higher education policies. Centralistic policies often employ a uniform approach toward all higher education institutions without taking variations in local capacity into account. From the perspective of public policy, this condition can be explained through the concept of policy mismatch, namely the incompatibility between policy design and the actual needs and conditions in the field. When policies are implemented without considering regional social and economic contexts, their implementation may become ineffective and even generate internal resistance. PTKINs in Aceh possess characteristics that differ from large universities in Java or metropolitan cities, both in terms of student enrollment, community economic conditions, and the capacity to establish institutional partnerships. Therefore, the implementation of the BLU system requires a more adaptive and locally responsive approach (Astuti, 2025).

The paradox of institutional autonomy emerging from the implementation of the BLU system is also closely related to the changing orientation of higher education in the era of globalization. Higher education institutions are no longer viewed merely as centers for the development of knowledge, but also as organizations expected to compete economically. This paradigm shift has increasingly directed universities toward management models based on productivity and efficiency. However, in the context of PTKINs in Aceh, such an orientation does not necessarily align with the social conditions of surrounding communities, which continue to face economic limitations. When universities are compelled to build financial autonomy through

increasing institutional revenue, the potential for rising educational costs for students also becomes greater. This condition may affect public access to education and widen social inequality in obtaining higher education services (Chafid Diyanto, 2021).

Furthermore, the implementation of the BLU system in PTKINs in Aceh also has implications for institutional sustainability in the future. The high dependence on student tuition fees (UKT/SPP) makes institutions vulnerable to fluctuations in student enrollment each year. If public interest in a particular university declines, the institution's financial condition will be directly affected. This situation differs from that of large PTKINs, which generally possess additional revenue sources through international partnerships, business units, research grants, and other professional services. Therefore, without a comprehensive strategy for strengthening institutional economic capacity, the implementation of the BLU system has the potential to widen disparities in capacity among PTKINs in Indonesia (Sari et al., 2019).

Another implication that deserves attention is the potential transformation of organizational culture within higher education institutions. The BLU system, which emphasizes efficiency and productivity, may encourage universities to become more oriented toward administrative and financial aspects rather than the strengthening of academic development. In the long term, this condition may alter the character of higher education from an academic institution centered on knowledge development into one that is excessively focused on market logic. If not balanced by policies that protect academic quality and the welfare of the academic community, institutional transformation through the BLU system may lead to a decline in the quality of social relations and academic culture within higher education institutions (Kasdi Tri Aryada, Mujib, Muhammad Toasin Asha, Aripin Manurung & Lestari, 2025).

Based on the overall findings, this study emphasizes that the implementation of the BLU system in PTKINs in Aceh continues to face fundamental challenges related to financial readiness, disparities in institutional capacity, and the incompatibility of policy design with local conditions. Therefore, the government needs to formulate a more contextual model of BLU implementation by considering institutional size, student enrollment, and regional economic capacity. In addition, affirmative policies for PTKINs in Aceh are necessary to ensure that the process of institutional transformation does not further widen disparities among higher education institutions. Strengthening educational subsidies, developing alternative sources of institutional revenue, and providing sustainable managerial assistance constitute important measures to ensure that the BLU policy genuinely promotes institutional autonomy without sacrificing educational access and institutional stability in the future (Kasdi Tri Aryada, Mujib, Muhammad Toasin Asha, Aripin Manurung & Lestari, 2025).

If institutional autonomy through the Public Service Agency (BLU) system is forcibly implemented in PTKINs in Aceh without adequate financial and institutional readiness, the primary risk that may arise is institutional financial instability. PTKINs in Aceh generally remain highly dependent on student tuition fees (UKT/SPP) as the main source of operational funding. When student enrollment is limited and the economic capacity of local communities remains weak, the demand for universities to finance their operations independently becomes a significant burden

for the institutions. This condition may lead to excessive efficiency policies, such as the reduction of academic activities, limited development of educational facilities, and declining support for research and community service programs (Azwari & Purwani, 2024). In the long term, this situation has the potential to reduce the quality of higher education services and weaken the competitiveness of PTKINs at the national level. In addition, the high dependence on student contributions may encourage universities to become more oriented toward revenue generation rather than the strengthening of academic quality and the advancement of scientific development (Effendy & Sunarsi, 2020).

Another potential risk is the emergence of social conflict and welfare inequality within the internal university environment. The implementation of the BLU system without a fair distribution mechanism may widen the gap of interests between structural leaders and non-structural lecturers. Ordinary lecturers may experience a decline in welfare due to changes in the allowance system, increasing administrative burdens, and institutional budget limitations. Meanwhile, structural officials who have access to policy management may be perceived as obtaining greater benefits under the BLU system (Samlan, 2022). This condition may affect academic solidarity, reduce lecturers' work motivation, and trigger distrust toward university leadership. From an institutional perspective, continuously developing internal conflicts will have an impact on the weakening of organizational culture and the effectiveness of higher education governance. Therefore, the implementation of the BLU system in PTKINs in Aceh needs to consider the actual readiness of institutions, regional social characteristics, and the protection of the welfare of the academic community so that the policy of institutional autonomy does not instead create new problems in the future.

Internal Conflicts of Interest between University Leaders and Non-Structural Lecturers.

Based on the graph concerning internal conflicts of interest between university leaders and non-structural lecturers within PTKINs in Aceh, it can be observed that the majority of respondents expressed strong agreement with various statements indicating the existence of social tensions in the implementation of the Public Service Agency (BLU) system. The high percentage of "strongly agree" and "agree" responses across almost all indicators demonstrates that the BLU policy is not merely understood as an administrative change in university financial governance, but is also perceived as a policy that affects the distribution of power, welfare, and social relations within higher education institutions. One of the indicators that received considerable attention was the perception that university leaders tend to promote BLU implementation as a form of institutional prestige. This finding indicates that BLU status is not only positioned as an instrument of flexible financial management, but also as a symbol of institutional achievement within the context of higher education competition.

From the perspective of organizational theory, this condition can be explained through the concept of managerialism that developed within the New Public Management (NPM) approach. This theory explains that public sector reforms often encourage educational institutions to adopt a managerial culture oriented toward efficiency, institutional image, and the achievement of

administrative indicators (Lane, 2000). In the context of higher education institutions, successfully obtaining BLU status is often regarded as a representation of modern governance and institutional progress. However, an excessively strong orientation toward administrative aspects may cause policies to lose sensitivity toward the internal social conditions of the university. The findings of this study reveal that part of the academic community perceives the implementation of the BLU system as being driven more by the symbolic interests of university leaders than by the actual needs of the institution. This perception indicates the existence of a gap of interests between policy-making groups and non-structural lecturers who directly experience the consequences of changes in financial governance (Barzelay, 2001).

The graph also shows that the majority of respondents believe that non-structural lecturers are more concerned about the decline in welfare following the implementation of the BLU system. This concern serves as an important indicator that changes in the university's financial system are perceived as having direct consequences for the economic stability of lecturers. In the social conflict theory proposed by Ralf Dahrendorf, changes in organizational structures often create groups that obtain greater advantages compared to others (Dahrendorf, 1959). When access to organizational resources is not distributed equitably, conflicts of interest emerge as a form of resistance toward power structures perceived as unjust. In the context of BLU implementation within PTKINs in Aceh, non-structural lecturers are viewed as occupying a more vulnerable position because they do not have direct access to decision-making processes or to the distribution of institutional benefits.

This finding is reinforced by other indicators showing that the implementation of the BLU system has generated differences of interest between university leaders and ordinary lecturers. The high level of respondent agreement on this indicator demonstrates that the transformation of governance through the BLU system has created a polarization of interests within the internal environment of higher education institutions. University leaders, as structural actors, tend to be more closely connected to policy-making processes, budget management, and various administrative activities related to BLU implementation. In contrast, non-structural lecturers are more often positioned as recipients of policy impacts without sufficient involvement in the decision-making formulation process. This condition has led to perceptions of unequal power relations within the university organization (Novardy, 2025).

From the perspective of modern organizational theory, this situation is closely related to the concept of organizational inequality, which explains that changes in institutional systems often produce an unequal distribution of benefits among organizational actors (Fensi, 2017). When institutional reforms provide greater advantages to structural groups, non-structural groups tend to experience marginalization within organizational processes. This is reflected in respondents' perceptions that lecturers holding structural positions obtain greater benefits under the BLU system. These findings indicate that access to bureaucratic positions becomes an important factor in obtaining economic and administrative advantages within BLU-based higher education institutions.

Empirically, the findings of this study are closely related to various national studies concerning the implementation of the BLU system in public higher education institutions in Indonesia. A number of studies indicate that governance changes based on the BLU system are often accompanied by shifts in the distribution of allowances, incentives, and access to institutional activities. Lecturers who possess closer connections to the university's bureaucratic structure tend to gain greater opportunities in various internal programs, whereas non-structural lecturers more frequently experience uncertainty regarding welfare and workload. Other studies on higher education reform in Indonesia have also found that university autonomy policies may widen the gap between higher education bureaucratic elites and ordinary academic staff when they are not accompanied by transparent and participatory distribution mechanisms (Khaidir, 2024).

In addition to national studies, international research findings also demonstrate similar tendencies. Studies on higher education reforms in the United Kingdom, Australia, and several Asian countries reveal that governance models based on efficiency and financial autonomy tend to strengthen the position of managerial elites within universities. Simon Marginson explains that the transformation of modern higher education has shifted the orientation of universities from academic communities toward corporate-like organizations that emphasize managerial logic. As a consequence, institutional leaders obtain greater authority in determining policy directions and managing institutional resources (Marginson, 2000). In many cases, non-structural lecturers feel increasingly excluded from decision-making processes, resulting in the emergence of distrust toward institutional policies.

This condition becomes even more evident in the indicator showing that the BLU policy has the potential to create welfare inequality within the university environment. This perception indicates that the implementation of the BLU system is not merely viewed as an administrative matter, but also as an issue of social justice within higher education organizations. In the organizational justice theory developed by Jerald Greenberg, individuals' perceptions of distributive justice strongly influence job satisfaction, organizational loyalty, and social relations within institutions. When lecturers perceive that the distribution of benefits within the BLU system is not conducted proportionally, dissatisfaction may emerge and subsequently affect overall organizational stability (Greenberg, 2011).

In the context of PTKINs in Aceh, the potential for welfare inequality becomes even more sensitive because the limited institutional resources narrow the scope for distributing institutional benefits. Unlike large universities that possess numerous alternative revenue sources, PTKINs in Aceh still rely heavily on student tuition fees (UKT/SPP) as the primary source of institutional financing. This condition causes the implementation of the BLU system to often be accompanied by internal efficiency policies that affect the limitation of allowances, reductions in funding for academic activities, and increasing administrative burdens on lecturers. Under such circumstances, structural groups with greater access to institutional management tend to be perceived as receiving more advantages than ordinary lecturers.

Furthermore, the findings of this study also indicate that the implementation of the BLU system has the potential to influence organizational culture within higher education institutions.

The shift in university orientation toward governance based on efficiency and productivity may transform academic relationships that were previously collegial into relationships that are more bureaucratic and competitive. In the perspective of the sociology of higher education, this transformation is known as the phenomenon of the corporatization of the university, namely the transformation of universities into organizations that adopt corporate logic in institutional governance. As a result, relationships among university actors are no longer entirely built upon academic solidarity, but increasingly influenced by structural positions, access to resources, and administrative interests (Slaughter, 1997).

The long-term implications of this condition require serious attention in the development of higher education policies in Indonesia. If internal conflicts of interest are not managed properly, the implementation of the BLU system may lead to a decline in lecturers' trust toward university leadership. In the long run, this situation has the potential to affect academic productivity, the quality of teaching and learning, and the organizational stability of higher education institutions. Lecturers who feel that they are not treated fairly tend to experience declining work motivation and reduced institutional engagement. Consequently, the primary objective of higher education reform to improve the quality of academic services may instead be hindered by internal organizational problems.

Furthermore, disparities of interest between university leaders and non-structural lecturers may also intensify social fragmentation within the university environment. When institutional policies are perceived as benefiting certain groups more than others, institutional solidarity will gradually weaken. In the context of PTKINs as educational institutions grounded in Islamic values, this condition becomes paradoxical because governance principles that should emphasize justice and togetherness instead have the potential to generate internal inequality. Therefore, the implementation of the BLU system requires an approach that is not solely oriented toward financial efficiency, but also takes into consideration organizational ethics and the welfare of the academic community (Nifia, 2025).

Based on the overall findings, this study emphasizes that the implementation of the BLU system in PTKINs in Aceh cannot be separated from the dynamics of power relations and the distribution of interests within the internal university environment. Financial governance reforms that are not accompanied by transparency, participation, and organizational justice have the potential to generate social conflicts that may affect institutional stability. Therefore, a more participatory model of BLU implementation is required by involving non-structural lecturers in policy-making processes. In addition, the government and university leaders need to establish a more proportional welfare distribution system so that the BLU policy does not merely become a symbol of institutional modernization, but is also capable of creating social justice and organizational harmony within Islamic higher education institutions (Peny Cahaya Azwari, 2024).

Internal conflicts of interest between university leaders and non-structural lecturers resulting from the implementation of the Public Service Agency (BLU) system have the potential to create serious consequences for the future stability of higher education institutions. When the BLU policy is perceived as benefiting structural groups more than ordinary lecturers, a decline in

trust toward the university governance system is likely to emerge. In higher education organizations, institutional trust constitutes an essential element in maintaining academic solidarity and the effectiveness of collective work. If non-structural lecturers feel that they are not provided with fair participation in policy-making processes, the relationship between university leaders and academic staff will become increasingly distant. Such conditions may generate passive resistance, weaken organizational loyalty, and reduce the spirit of collaboration in supporting university development programs. In the long term, continuously evolving internal conflicts may weaken academic culture and create an uncondusive working environment within higher education institutions.

In addition to affecting internal social relations, conflicts of interest also have the potential to influence the quality of the implementation of the tridharma of higher education. Non-structural lecturers who experience dissatisfaction with the BLU system tend to show declining motivation in carrying out responsibilities related to education, research, and community service. This situation may occur because lecturers become more preoccupied with issues of welfare and perceived injustice in policy distribution than with academic development. From the perspective of educational management, low levels of lecturers' job satisfaction are directly related to academic productivity and the quality of learning services. If such conditions persist over a long period, the implementation of the BLU system may instead become a factor that hinders the improvement of higher education quality. Universities may risk losing a healthy academic atmosphere because institutional orientation becomes increasingly dominated by administrative and financial interests rather than the strengthening of academic excellence and scientific development (Hasim, 2025).

On the other hand, internal conflicts of interest may also generate increasingly sharp structural inequalities within the university environment. Lecturers who have access to bureaucratic positions tend to be perceived as receiving greater advantages than non-structural lecturers, both in terms of access to information, facilities, and welfare distribution. If this condition is not managed in a transparent and participatory manner, social fragmentation within higher education organizations may emerge. In the long term, such fragmentation can affect institutional sustainability because universities may lose their internal cohesion as academic communities. Higher education institutions, which should function as spaces for the development of knowledge and collegial values, risk transforming into organizations characterized by bureaucratic competition and conflicting interests. Therefore, the implementation of the BLU system requires policies that not only emphasize efficiency in financial management, but also ensure organizational justice, protection of lecturers' welfare, and the strengthening of institutional communication so that governance transformation does not generate prolonged social conflicts in the future.

CONCLUSION

This study demonstrates that the implementation of the Public Service Agency (BLU) system in Islamic State Higher Education Institutions (PTKINs) in Aceh reflects a governance

paradox in which institutional autonomy is constrained by limited financial capacity and uneven institutional readiness. Rather than uniformly strengthening institutional performance, financial autonomy may generate disparities in welfare perceptions and conflicts of interest between university leaders and non-structural lecturers, particularly in PTKINs that remain highly dependent on student tuition fees. These findings extend the literature on higher education governance by showing that the effectiveness of institutional autonomy depends not only on financial flexibility but also on organizational justice and institutional capacity. Practically, the study suggests that BLU implementation should adopt a more contextual and differentiated governance approach, taking into account the financial readiness of individual PTKINs while promoting transparent, participatory, and equitable resource management to ensure sustainable institutional transformation

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