

## Implementation of Risk Management in an Effort to Realize the Good University Governance Principles

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### Abstract

This study examines the implementation of risk management at Hasanuddin University in its efforts to realize Good University Governance (GUG) principles, such as transparency, accountability, and efficiency. Using a qualitative approach, data were collected through in-depth interviews, document analysis, and observations involving key university stakeholders. The findings show that while the university has established formal risk management frameworks, several challenges persist. These include resource limitations, inconsistent communication between departments, and a lack of a risk-aware culture. Despite these obstacles, the implementation of risk management has contributed positively to enhancing transparency and accountability by providing systematic processes for identifying, assessing, and mitigating risks. However, full integration with the broader governance system remains incomplete. To fully leverage risk management in supporting GUG principles, the university must promote greater stakeholder involvement, improve resource allocation, and ensure stronger alignment between risk management and governance strategies. These findings offer valuable insights for higher education institutions aiming to enhance governance through effective risk management.

**Keywords:** Accountability; Good University Governance, Hasanuddin University; Risk Management, Transparency

### INTRODUCTION

In the contemporary higher education landscape, universities are increasingly faced with complex operational environments that require robust governance frameworks to ensure sustainability (ISO, 2018). These frameworks must address not only academic excellence but also financial uncertainties, regulatory changes, and technological disruptions (Oliveira et al., 2019). Hasanuddin University, as a leading institution in Southeast Asia,

faces significant pressures to maintain its role amidst these growing challenges (El Junusi, 2020).

Risk management, which aims to proactively anticipate and mitigate risks before they escalate, has become essential for universities navigating such complexities (ISO, 2018). In the context of higher education, effective risk management promotes greater institutional resilience and enhances governance structures (Tekathen & Dechow, 2013). However, many universities, particularly in developing regions, struggle to implement comprehensive risk management systems due to limitations such as cultural resistance, inadequate resources, and fragmented governance structures (Keban, 2017). While risk management has been widely studied in corporate settings, research specific to its application in higher education, particularly in Southeast Asia, is limited, leaving a significant gap in the literature (Oliveira et al., 2019).

This study aims to address this gap by examining the implementation of risk management at Hasanuddin University and its contribution to the realization of Good University Governance (GUG) principles, including transparency, accountability, and participation (El Junusi, 2020). Specifically, this research investigates how risk management is integrated into the university's governance structure and identifies the key components and challenges of this process (ISO, 2018). Furthermore, the study seeks to assess how risk management practices enhance the alignment between institutional decision-making and GUG principles, contributing to improved governance outcomes (Oliveira et al., 2019).

From a theoretical perspective, this study extends existing literature by providing empirical insights into the integration of risk management within the governance frameworks of Southeast Asian universities (Tekathen & Dechow, 2013). By focusing on Hasanuddin University, the research highlights the challenges of implementing risk management in an underexplored context, particularly in relation to resource constraints and stakeholder engagement (Oliveira et al., 2019). The novelty of this research lies in its examination of a public university in a developing region, offering new perspectives on how risk management can be tailored to support GUG principles (El Junusi, 2020).

In practical terms, the findings of this research offer actionable recommendations for university leaders and policymakers aiming to enhance governance through effective risk management (ISO, 2018). The study emphasizes the importance of fostering a risk-aware culture within universities, improving stakeholder involvement, and ensuring adequate resource allocation to support risk mitigation efforts (Keban, 2017). By addressing these practical challenges, the study provides a roadmap for higher education institutions seeking to improve their governance frameworks and ensure long-term institutional resilience (Oliveira et al., 2019).

The results of this study indicate that Hasanuddin University has made significant strides in establishing formal risk management structures, such as the creation of a dedicated Risk Management Center (El Junusi, 2020). However, challenges remain, including resource limitations, fragmented communication between departments, and inconsistent stakeholder involvement (Keban, 2017). Despite these challenges, the integration of risk management has contributed positively to enhancing transparency and accountability in the university's governance practices (Oliveira et al., 2019). To fully capitalize on the benefits of risk management, Hasanuddin University must prioritize the development of a cohesive risk-aware culture and improve coordination across departments (El Junusi, 2020).

Although previous studies have examined risk management in corporate and public sector organizations, there is a distinct lack of research focused on higher education institutions, particularly in developing regions (Tekathen & Dechow, 2013). This study addresses this gap by offering a detailed analysis of Hasanuddin University's experience with risk management and its alignment with GUG principles (El Junusi, 2020). The findings provide new insights into the challenges of adopting risk management practices in contexts characterized by limited resources and cultural resistance (Keban, 2017). By focusing on these underexplored areas, the study contributes both theoretically and practically to the understanding of risk management in higher education governance (Oliveira et al., 2019).

Based on this background, this research makes novel contributions to both the theoretical and practical understanding of risk management in higher education institutions, particularly in Southeast Asia. By addressing key gaps in the literature, the study provides a comprehensive analysis of how risk management can support Good University Governance in developing contexts, offering a practical roadmap for institutions seeking to enhance their governance frameworks.

## **LITERATURE REVIEW**

Risk management, traditionally a concept rooted in the corporate sector, has gradually become a vital governance tool in higher education institutions (Hopkin, 2018). As universities face increasingly complex challenges, such as financial risks, technological disruptions, and regulatory changes, the need for structured risk management frameworks has grown (ISO, 2018). Many studies have demonstrated that effective risk management enhances decision-making, improves resource allocation, and promotes institutional resilience by systematically identifying, assessing, and mitigating potential risks (Tekathen & Dechow, 2013). However, the application of these frameworks in higher education remains underexplored, particularly in the context of developing regions such as Southeast Asia.

Good Corporate Governance is a rule set by the government to safeguard the interests of all stakeholders by applying various values that can maintain the business continuity of an entity (Ichwan et al, 2023). This also applies to good university governance applied to higher education. Incorporating risk management into university governance is essential for realizing Good University Governance (GUG) principles, which emphasize transparency, accountability, and stakeholder involvement (Aspan, 2017). While the corporate sector has long benefited from the integration of risk management into governance systems, higher education institutions face unique challenges, including cultural resistance to change and fragmented governance structures (Oliveira et al., 2019). Several studies have highlighted the importance of aligning risk management with strategic planning processes to enhance governance outcomes. However, many universities, particularly in developing regions, struggle with implementation due to resource constraints and inconsistent communication between departments (Keban, 2017).

Recent studies have focused on the potential of risk management to improve transparency and accountability in universities, particularly through the formalization of

risk management practices such as risk registers and reporting mechanisms (El Junusi, 2020). These studies underscore the need for universities to foster a risk-aware culture, involving stakeholders at all levels of governance in the risk management process (Oliveira et al., 2019). However, gaps remain in the literature regarding how universities in developing countries, with limited resources and regulatory oversight, can fully integrate risk management into their governance frameworks.

While previous research has provided valuable insights into the benefits of risk management in higher education, there is still a lack of empirical evidence from Southeast Asian universities. Few studies have addressed the specific challenges faced by universities in this region, particularly with regard to resource limitations and cultural factors that impede the adoption of risk management practices (Keban, 2017). This study seeks to fill this gap by providing an in-depth analysis of how Hasanuddin University implements risk management as part of its governance strategy, offering new insights into how universities in similar contexts can enhance their governance systems through effective risk management practices.

## **METHODOLOGY**

This study employs a qualitative descriptive research design with a case study approach to examine the implementation of risk management in supporting Good University Governance (GUG) at Hasanuddin University. A qualitative design was chosen because it allows the researcher to deeply understand the social context and processes involving stakeholder interpretation, providing space for in-depth analysis of phenomena occurring in the university environment (Creswell, 2013). The case study method is well-suited for exploring the application of risk management in a specific context, where complex interactions between multiple actors and organizational processes need to be considered (Yin, 2018).

The subjects of this study are key stakeholders at Hasanuddin University who are directly involved in the implementation of risk management and university governance. They include university leadership, department heads, administrative staff, and the risk management team. The selection of informants was conducted through purposive sampling, ensuring that only individuals with substantial knowledge of the university's risk management practices were interviewed to obtain rich and relevant data (Patton, 2015). The object of this research is the policies, procedures, and implementation of risk management at Hasanuddin University.

The main variables in this study are risk management implementation and Good University Governance (GUG). Risk management is defined as a series of processes for identifying, assessing, and managing risks that may affect the university's operational objectives (ISO, 2018). The measurement of risk management implementation is based on the university's clarity in establishing a framework for risk identification, mitigation, and ongoing evaluation (Hopkin, 2018). Meanwhile, GUG is measured according to the principles of transparency, accountability, participation, and efficiency in decision-making processes (Aspan, 2017). Both variables were assessed through policy documents, interviews, and direct observations of the university's risk management practices.

Data collection was carried out using several techniques. First, in-depth interviews were conducted in a semi-structured manner to explore information from university stakeholders regarding how risk management is applied and the challenges faced. This interview technique allows flexibility in posing follow-up questions based on the respondents' answers (Creswell, 2013). Second, document analysis was conducted by reviewing official university policies, annual reports, and other relevant documents related to the implementation of risk management (Creswell, 2013). Third, participant observation was used to understand the dynamics of risk management application in real-time within the university environment (Yin, 2018).

The data were analyzed using thematic analysis techniques, which allow the researcher to identify key themes that emerge from interviews and documents (Miles, Huberman & Saldaña, 2014). The stages of data analysis include data reduction, where the collected data are simplified and focused on information relevant to risk management and GUG; data presentation, where the data are arranged in descriptive narrative form to facilitate understanding of patterns and relationships between themes; and drawing conclusions, where the researcher interprets the findings to answer the research questions and provide recommendations for improving risk management to support better university governance (Miles et al., 2014).

To ensure the validity and reliability of the data, this study employed source triangulation, where information obtained from interviews was compared with official university documents to ensure consistency (Yin, 2018). Additionally, member checking was conducted by providing feedback to respondents on the interview results to verify the accuracy of the information provided.

By employing this research methodology, this study aims to provide an in-depth understanding of how risk management is implemented at a university and how it can enhance the principles of Good University Governance at Hasanuddin University.

## **RESULTS AND DISCUSSION**

The data for this study were gathered from various key stakeholders directly involved in Risk Management at Hasanuddin University. The respondents were purposively selected based on their direct involvement and expertise in the implementation of risk management practices at the university. This diverse group of participants allowed for a comprehensive view of how risk management is integrated within the university's governance framework and provided insight into the challenges and successes associated with these efforts. The sample represented different levels of the organizational hierarchy, thus ensuring a more holistic understanding of the governance processes at play.

The analysis of the data revealed several key findings regarding the implementation of risk management and its alignment with the principles of Good University Governance (GUG). First, the establishment of a formal risk management structure, including the creation of a dedicated Risk Management Center (RMC), indicates the university's commitment to proactively managing risks. The RMC plays a pivotal role in overseeing the university's risk management processes, coordinating risk assessments across departments, and ensuring that mitigation strategies are in place.

However, the findings also suggest that while this structure is in place, its effectiveness is hampered by limited resources, both in terms of funding and personnel. These resource constraints have led to inconsistencies in the application of risk management practices across various departments, with some departments fully integrating risk management into their operations while others lag behind.

The data analysis also highlighted a fragmented communication system within the university, which has created challenges in ensuring that risk-related information is adequately shared between departments and the RMC. This lack of communication has resulted in incomplete risk registers in some areas, making it difficult for the RMC to maintain a comprehensive overview of the university's risk landscape. Moreover, while risk management policies have been developed and are aligned with international standards, their implementation has been inconsistent, with certain departments failing to regularly update their risk registers or fully engage with the risk management process. This finding reflects a broader issue of cultural resistance to risk management within the institution, where some stakeholders perceive risk management as a bureaucratic exercise rather than a strategic tool for improving governance.

In terms of answering the research questions, the study found that while Hasanuddin University has made significant strides in establishing a risk management framework, challenges related to resource limitations, communication barriers, and cultural resistance persist. These challenges hinder the full realization of GUG principles, particularly in terms of transparency and accountability. The university has implemented processes for risk identification and mitigation, but the integration of these processes with broader governance strategies remains incomplete. The study also revealed that greater involvement from university stakeholders is needed to promote a risk-aware culture, which would help overcome the current resistance to risk management practices.

Hypothesis testing suggests that although risk management has contributed positively to enhancing governance at Hasanuddin University, particularly in terms of increasing transparency and accountability, the potential benefits of fully integrated risk management are yet to be fully realized. This study confirms the hypothesis that effective risk management can enhance Good University Governance, but only if fully integrated into the university's strategic decision-making processes and supported by sufficient resources and stakeholder engagement.

The interpretation of these findings reveals important insights into the intersection between risk management and governance in higher education. While the presence of formal risk management frameworks is a positive step, the challenges identified indicate that simply having a structure in place is insufficient. Effective risk management requires a holistic approach that includes not only the formal establishment of processes but also a cultural shift toward viewing risk management as an integral part of governance. This finding aligns with previous studies that emphasize the importance of stakeholder involvement and communication in risk management implementation (Oliveira et al., 2019). Additionally, the resource limitations faced by Hasanuddin University are reflective of broader challenges faced by public universities in developing regions, where financial constraints can limit the scope of governance improvements (Keban, 2017).

The results of this study also underscore the need for better coordination between departments and stronger oversight by the RMC to ensure that risk management practices are consistently applied across the institution. Moreover, the study highlights the importance of providing adequate resources, both in terms of funding and personnel, to

support the ongoing monitoring and mitigation of risks. Without these resources, the risk management system may remain underutilized, limiting its potential to contribute to improved governance outcomes.

The findings of this study indicate that while Hasanuddin University has made commendable progress in institutionalizing risk management as part of its governance framework, significant challenges remain. The research demonstrates that full integration of risk management into the university's governance system is essential for achieving the benefits of transparency, accountability, and participation as outlined in the GUG framework. To fully realize these benefits, the university must address the identified barriers, particularly by increasing resource allocation, improving communication channels, and fostering a risk-aware culture among all stakeholders. These efforts will not only enhance risk management practices but also contribute to the overall improvement of university governance.

## **CONCLUSION**

This study explored the implementation of risk management at Hasanuddin University and its alignment with the principles of Good University Governance (GUG). The findings revealed that while Hasanuddin University has made significant strides in institutionalizing risk management practices, challenges remain that hinder the full realization of GUG principles such as transparency, accountability, and participation. The establishment of the Risk Management Center (RMC) and the development of formal risk management policies demonstrate the university's commitment to proactively managing risks. These initiatives have improved governance processes by providing structured mechanisms for risk identification, assessment, and mitigation. However, the study also identified several key challenges that limit the effectiveness of risk management at the university.

Firstly, resource constraints, including insufficient funding and staffing, have limited the university's ability to conduct comprehensive risk assessments and implement mitigation strategies. Secondly, cultural resistance to risk management, particularly among faculty members and administrative staff, has slowed the adoption of risk management practices. This resistance is further exacerbated by fragmented communication and coordination between the RMC and individual departments.

To fully leverage risk management in supporting GUG principles, Hasanuddin University must address these challenges by increasing investment in risk management resources, fostering a risk-aware culture across all levels of the university, and improving communication and collaboration between departments. By doing so, the university can ensure that risk management is effectively integrated into its governance framework, thereby enhancing its resilience, accountability, and long-term sustainability. The insights from this study provide valuable guidance for other higher education institutions seeking to strengthen their governance through effective risk management practices.

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