
The Importance of System Transition in The Transfer of State Assets Management to Public Institutions: Analysis at The State Islamic University - Public Service Agency in Indonesia

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ABSTRACT : State Higher Education Institutions in Indonesia have experienced a paradigm shift in their management, one of which is the State Islamic University. More than half of State Islamic Universities have Public Service Agency status. They focus on teaching, research, and community service as their primary business and must manage assets professionally and with economic value as potential income. This study seeks to uncover and assess asset management and management transformation of UINs with BLU status. This study uses a qualitative research paradigm with a multi-site approach. This research used in-depth interviews conducted naturally with key informants at three state Islamic universities in Indonesia that have had BLU status for more than ten years. These three universities are considered to have experience in managing assets and carrying out transformation. Data analysis approaches are Domain and Content Analysis. The research data is presented in four domains: cash management, tangible asset management, intangible asset management, and endowment fund management. Research data found that UINs with BLU status still manage assets in a normative and conservative manner. This finding is because UIN, which has BLU status, has yet to transform its university management fully. This study shows that there are demands for UIN with BLU status to transform from a government institution into an "agencification" and semi-autonomous system in line with the delegation of management of state assets from the central government.

KEYWORDS: asset, state higher education, public services agency, transformation, management

INTRODUCTION

The State Islamic Universities (called UIN) that have received the Public Services Agency status do not only focus on teaching, research, and community service but are also required to manage assets economically as a potential source of income. The Public Services Agency in Indonesia is called "Badan Layanan Umum or BLU." This asset management can support UIN's operational financing sources besides student tuition fees. According to Harvard University, the contribution of student tuition fees to total income is only 22%, and the rest is obtained from managing assets and collaboration (Harvard University, 2019). As the BLU policy was published, the government has delegated state assets to be managed economically and allowed to manage businesses (Finance Ministry, 2020). The BLU policy is based on the premise that university funding from the government is no longer sufficient (Komonen et al., 2012), the number of students is decreasing, there is a tendency to increase the proportion of research activities, government grants are decreasing, and maintenance costs are increasing (Rymarzak & Trojanowski, 2015). Implicitly, the impact of this delegation is that UIN, as a public institution, is required to move from pure bureaucracy to entrepreneurial bureaucracy. The delegation of authority in managing state assets is expected to improve the quality of education services.

The term Asset management (AM) is synonymous with wealth management (WM) (AssetMetrix, 2022). Profitable financial institutions adopt wealth management, banks, and insurance agencies (Harris, 2009; Lin et al., 2021a; Ouyang & Wang, 2022; Sun, 2021). WM has been applied by non-profit institutions, such as universities (Rymarzak & Trojanowski, 2015). "WM is an investment advisory service that combines other financial services to address the needs of affluent clients. The advisor gleans information about the client's needs and specific situation through a consultative process and then tailors a personalized strategy that uses a range of financial products and services" (Ganti, 2020). AM places emphasis on non-financial assets. It is a systematic way to develop, operate, maintain, improve, and dispose of tangible and intangible assets (Wikipedia.org, 2022) to enable institutions to provide the right asset solutions. There are several conditions to get the right solution, including life cycle costs, procurement options, terms and conditions, project constraints, recycling opportunities, revenue budgeting, and opportunities for added value (Barrett & Baldry, 2003 in Dachyar & Perkasa, 2018). Thus, AM can be stated not only as being bound by aspects of

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tangible assets and intangible aspects but also as including assets in financial form.

From the perspective of accounting science, assets are equated with wealth that has economic value (Munawir, 2014). The criteria for assets vary from perspective; for example, assets are grouped into tangible and intangible assets (iCrowdNewswire, 2021; Murphy, 2021; Sugiama, 2013). University assets are classified into current, fixed, intangible, and intellectual property (ITB, 2015). From a legal perspective, assets include movable assets (covering assets, assets, and assets) and immovable (land and buildings) owned by corporations/business entities/public institutions/individuals (Robertson et al., 2019; Siregar, 2002). From a technical perspective, asset content includes objects (properties), attributes of legal entities (owners), and values (Amadi-Echendu et al., 2010). Referring to Azhari (2018), Finance Ministry (2020), and (Ibnu, 2021) added that cash is also part of assets. Likewise, endowment funds are potential assets in strengthening and maintaining the sustainability of university financing (Brown et al., 2010; Indrajit & Djokopranoto, 2011; Mulvey & Holen, 2016). Thus, tangible assets, intangible assets, cash, and endowment funds can be used economically to support the financing of the university.

However, some studies on AM still need solutions. For example, the study by Wang (2022) states that AM in universities still has serious problems that need to be resolved immediately, including no clarity on AM's goals, lack of AM systems, information blockages, blind spots in intangible asset management, and lack of systems. Effective asset evaluation. The study by Cangoz and Secunho (2021) also states that there are areas for improvement in cash management in the government sector, especially in investing in cash balances. Many countries maintain liquidity in banks for nothing. Likewise, the study by Tirayoh et al. (2021) explained that AM in the public sector still has problems, namely being bound by regulations. Some of these studies point to weaknesses in AM in the public sector. Some universities have been successful in AM; for example, at Harvard University, it is reported that AM and partnerships contribute 78% to university revenues (Harvard University, 2019). Many universities worldwide successfully manage their endowment funds (see Kowarski, 2020; SBFMA, 2022; UiTM, 2022; UKM, 2022). Thus, AM is determined by management goals and commitment, especially in university.

Previous studies on asset management are more likely to be examined from a different perspective. Several studies have examined assets from the perspective of money belonging to individuals or organizations managed by financial institutions through investment instruments (Barrone et al., 2014; Harris, 2009; Lin et al., 2021b, 2021a; Lye, 2011; Ouyang & Wang, 2022; Sciascia et al., 2014; Wu et al., 2010). Another study examines the perspective of physical assets. This study tends to discuss asset acquisition, asset value or asset depreciation, asset maintenance, and asset disposal and emphasizes the importance of the asset life cycle (Dachyar & Perkasa, 2018; Komonen et al., 2012; Pekei et al., 2014; Syafar et al., 2017; Wang, 2022), or what is called engineering asset management (Amadi-Echendu et al., 2010). There are also studies on assets from the perspective of intangible intellectual capital (human resources) (Nunes-Silva et al., 2019) and intangible assets from the perspective of business performance (Chareonsuk & Chansa-ngavej, 2010). Several of these studies show that the study of managing assets is still in different perspectives and has yet to be studied comprehensively. Referring to Amadi-Echendu et al. (2010) stated that asset management has a broad scope, including general management, operations and production, finance, and human resources (intellectual capital).

This study seeks to uncover and assess asset management and management transformation of UINs with BLU status. This research argues that UINs with BLU status in Indonesia must manage assets with economic value as prospective income for teaching, research, and community service. Second, UIN with BLU status is no longer only a government entity; it has evolved into a semi-autonomous institution (agencification) in management. Over the last decade, Indonesian governmental institutions have transitioned from centralization and consolidation to structural decentralization and (semi-)autonomy, including policy design, implementation, and evaluation decisions. UIN, now with BLU status, must revamp its business strategy because the "agencification" and autonomy processes, as well as the management model, have shifted from rationally accepting the money to exploring its budgeting.

RESEARCH METHOD

This study uses a qualitative research paradigm because the data analysis unit is qualitative. This study was conducted at three state Islamic universities in Indonesia, which had the status of BLU for more than ten years because the three universities are considered to have experience managing their assets. This study uses a multi-site approach. Audet & D'Amboise (2001), Jenkins et al. (2018), and Hasiara (2018) explain that multiple sites are exploratory studies of a problem with precise boundaries, have in-depth data collection, and include multiple sources. This study uses in-depth interviews with a structural approach as a technique for collecting data. Interviews were conducted naturally and did not use strict procedures. This method was intended to build a friendly atmosphere between the authors and the key informants. Key informants include BLU leaders (rectors), financial management officials, heads of finance bureaus, heads of finance, and heads of Management and Business Development. The interview approach uses the judgment sampling method. This method is also used to obtain data validity. During the interview, reflection activities were conducted continuously. All the information was recorded and transcribed.

Data analysis approaches are Domain and Content Analysis. Both of these approaches are commonly used to analyze qualitative data. Domain analysis is a domain engineering process. This process is used to identify general characteristics in certain

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domains (Lisboa et al., 2010). Domain analysis is essential to obtain the domain of all data in general (Rahardjo, 2010). The domain is determined according to the asset category, while data reduction is carried out. This data reduction is intended to identify raw data (transcripted interview results) into relevant domains.

Furthermore, content analysis is carried out based on the domain map. Content analysis is intended to understand the meaning of the core message in each domain. Content analysis is a systematic and objective method to make valid conclusions from verbal and visual data. Content analysis concerns meaning, intention, consequence, and context, which aims to improve the quality of conclusions by relating the contexts in the domain (Downe & Rn, 1992; Liamputtong, 2013).

FINDINGS AND DISCUSSION

The data and findings from this study are presented in four domains: cash management, tangible asset management, intangible asset management, and endowment fund management.

The domain of Cash management

Based on the content analysis of the research data evidence, there are three clusters of research findings. First, the "university does not yet have units and staff professional in managing cash" cluster. This cluster is evidenced by research data which states that:

"Cash management is still integrated with the financial unit" (KI.7>±50 years).

"Yes, the cash manager in the finance department. We still do not have special personnel. We coordinate with the division head, sub-section head, vice chancellor 2, and our expenditure treasurer" (KI.6>±49 years).

"We do not have a special team that manages cash professionally. Still attached to the Finance department" (KI.7>±50 years).

Second, the "university does not yet have policies, systems, and governance in cash management" cluster. This finding is proven by the research data as follows.

"There is no policy from the leadership regarding cash management. There is no special agency for idle cash management" (KI.5>±43 years).

"We do not yet have guidelines that regulate cash and are attached to the finance department" (KI.12>±48 years).

"We do not yet have standard guidelines regarding cash management. However, there is already a leadership policy regarding idle cash, namely through collaboration with several partner banks." (KI.15>±50 years).

"The Financial Management Development of the BLU does not yet have an ideal formulation for optimal cash utilization. In principle, the utilization of idle cash is good if we have BLU piloting that can be charged to carry out idle cash management for the ideal concept" (KI.14>±40 years).

The third is the "university manages cash conservatively and normatively" cluster. This cluster of findings is based on research data evidence from the following informants:

"We already have a policy on cash management, for example, how much is the minimum operational fund and the rest is invested in time deposits" (KI.15>±50 years).

"Regarding idle cash, we started with cash planning for one year and broke it down into quarters. We minimize cash in the treasurer (demand account) by paying attention to cash needs in a certain period" (KI.16>±49 years).

"Regarding the use of idle cash, the Vice Chancellor II's policy is that idle cash must be invested in cooperation with banks" (KI.3>±49 years).

"We do not dare to manage idle cash if it has to be invested because it is very complicated and risky, even though the regulations have allowed it" (KI.7>±50 years).

"We have not invested in idle cash, although the BLU directorate has suggested investing in the form of deposits, between one to three months." (KI.16>±49 years).

"We have invested idle cash into bank deposits of "Bank Tabungan Syariah," "Bank Negara Indonesia," and "Bank Rakyat Indonesia." However, we do not dare to use idle cash for business" (KI.2>±53 years).

"We have invested a minimum amount of idle cash, for example, one billion or two billion into various banks. With consideration to make it easier to withdraw" (KI.16>±49 years).

Based on these findings, although some UINs with BLU status have managed their cash in a normative and conservative manner, it is still found that UINs with BLU status have not managed their cash professionally and optimally. Not optimal cash management is shown cash balance (idle cash) is not invested. Thus, the cash balance does not contribute to the university's income.

The domain of tangible asset management

The findings and results of research on tangible asset management are grouped into four clusters. The first cluster is the Business Development Center (BDC), a manager of tangible assets and business at UIN with BLU status. This finding is based on data from interviews, observations, and the identification of documents.

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"The university already has a unit that specifically manages assets. They have fulfilled their function. For example, there are marketing media in the form of pamphlets, brochures, and others" (O.07.09.20121&24.09.2021).

"The BDC functions as a Technical Implementing Unit whose task is to utilize and optimize tangible assets, especially those unemployed, and to run a goods/services business" (Doc. PMA number 46 of 2017).

"The BDC is still limited to managing tangible and business assets. Ideally, intangible assets should also be managed effectively and managed by P2B" (KI.2>+53 years).

"The BDC manages tangible assets, and the faculty manage intangible assets (such as certification) with a share of 6% to the university account" (KI.3>+49 years).

"The BDC only manages tangible assets, such as land/buildings (cash offices, ATMs, flats, and student shops). The BDC also rents convention halls for wedding seminars, sports (futsal and tennis)" (KI.10>+39 years).

The second cluster, UIN with BLU status, needs more human resources to manage assets/business and professionalism. This finding is based on content analysis and the following data.

"The BDC managers are people who do not care and do not understand business. We have conveyed it to the Rector" (KI.4>+63 years).

"The BDC managers should be professionals. Many assets that have not been able to develop. It needs good management" (KI.4>+63 years).

"The asset manager mindset is civil servants. He is not focused and thinking about business. The BDC managers need to be highly committed, focused, and more professional" (KI.7>+50 years).

"We still need to have human resources experts managing assets at BLU. There must be a leader who is willing to take risks. Such losses must be protected by regulations and risk management (KI.14>+40 years).

"The BDC manager is a lecturer and is assisted by administrative staff" (Obs.07.09.20121&24.09.2021).

"In the future, BLU must have a separate structure from the university structure. I am more inclined to the idea of being professional in managing BLU. So, it can be more progressive, professional, developing, and effective" (KI.3>+49 years).

"We are still doing what is often suggested by the regulator and just applying the applicable regulations" (KI.4>+63 years).

The third cluster, UIN with BLU status, still needs a system and governance to manage tangible assets and business. These findings are based on interview data and analyzed using the content analysis approach.

"There is no systematic arrangement regarding cooperation in managing assets" (KI.7>+50 years).

"We have informed the BLU directorate about the importance of the asset management system. BLU is flexible, but regulations are less supportive. We are afraid that it will become a problem in the future, and I am not willing if it turns out to be a problem" (KI.1>+50 years).

The fourth cluster, UIN with BLU status, manages tangible assets through an operational and management cooperation system. This cluster is based on the following research data.

"The BDC is responsible for renting assets, such as land, vacant buildings, halls, conference halls, sports venues, and others. The BDC is also responsible for maximizing income from asset rental" (KI.10>+39 years).

"Before the pandemic, idle assets were used by cooperatives and outsiders. The result reached 11 billion in revenue, but during the pandemic, it was managed by the Business Development Centre self" (KI.3>+49 years).

"We have the 'Green SA' building in a self-managed way. I have done management cooperation, but it could have gone better. There is operational cooperation with the bank of "Bank Tabungan Negara" in utilizing tangible assets" (KI.4>+63 years).

"During the current pandemic, some assets are leased to the Health Office as a means of treating (isolation) Covid-19 patients." (KI.15>+50 years).

An important finding in managing tangible assets is that the BDC still has a very limited role in managing wealth/assets:

1. This limitation is caused by the need for more competent and professional human resources to manage assets and business.
2. The BDC manager is a lecturer with civil servant status. He needs a business mindset and knowledge of AM.
3. The operation of the Business Development Center needs to be supported by a good system and governance.

Thus, even though it has been managed economically through operational or management cooperation, the management of tangible assets could be more optimal and professional.

The domain of intangible asset management

Based on the content analysis of research data, important findings in the intangible asset management domain are grouped into three clusters. First, the "UIN with BLU status cluster has not managed intangible assets as a potential source of income." This finding is based on facts from interviews with the following key informants.

"We have not thought about the use of intangible assets. However, we have already had a discussion. Actually, in cyberspace, we can find space. Yes, we admit that we have not paid attention to or thought about how to manage intangible assets. However, we already have a discourse" (KI.15>+50 years).

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"We already have a picture (of the utilization of intangible assets), but no decision has been made" (KI.10>±39 years).

Second, the "UIN with BLU status cluster manages intangible assets but not by design." This finding is based on facts from interviews with the following key informants.

"Universities have managed intangible assets, and the idea emerged from the need for professional certificates for alumni. Professional certificates are part of the requirements in accreditation standards. Students also often need another diploma when applying for jobs" (KI.11>±33 years).

"At the university, we have managed intangible assets through Quality Assurance training. We have a lot of intangible assets, such as lecturers' expertise in providing training. There are also Post-docs from other universities. We can get up to 50 million per person for the post-doc process from Germany, Pakistan, and other countries doing research" (KI.2>±53 years).

"We have done it, but it is not going well. We have conveyed it to the rector (KI.4>±63 years).

Third, the cluster "UIN with BLU status does not have a special work unit to manage intangible assets and does not yet have professional staff." This finding is based on the understanding of the following key informant information.

"In 2018-2019, we utilized intangible assets, such as Professional Certification Institutes, halal products, and other important things. Although it is not ideal in practice, as expected, it has not been systematically organized" (KI.7>±50 years).

"Many of us have used intangible assets to generate income through training, such as tax training conducted by the Faculty of Economics and Islamic Business. However, during this pandemic, training was not carried out" (KI.9>±50 years).

"The BDC does not manage intangible asset management Because according to the National Agency for Professional Certification, it is not allowed, because it is not only a matter of income" (KI.11>±33 years).

"The BDC does not manage intangible assets. This intangible asset has potential economic value. In the future, we will develop it for other academic activities. We believe that intangible assets are promising" (KI.6>±55 years).

"Some of the income from intangible assets goes to The BDC accounts. However, not all faculties deposit their income to The Business Development Center. This condition depends on the awareness of each individual. For now, it is through The BDC, and in the future, we will deposit it directly into the university's account" (KI.12>±35 years).

"Professional Certification Institutions at the university have a Sharia Faculty. However, revenue management is managed by The Business Development Center. Technically and administratively in the Sharia Faculty" (KI.3>±49 years).

"Regarding intangible assets, at our university, each institution manages intangible assets (services, experts, and others). Ideally, The BDC manages intangible assets. The BDC managed Umrah and Hajj guidance some time ago but was temporarily suspended due to the pandemic" (KI.2>±53 years).

"We have several activities related to utilizing intangible assets, such as professional teacher training conducted by the Education Faculty. The Sharia Faculty also manages judge training activities" (KI.9>±50 years).

An important finding in this domain is that some UINs with BLU status have managed sectoral intangible assets, not by design. However, most UINs with BLU status have yet to manage intangible assets economically and professionally. This finding is based on evidence that UIN with BLU status does not yet have a particular institution authorized to manage intangible assets, and it is not yet thought that intangible assets can be used as a potential source of income. In general, this finding is because the mindset of government institutions is different from that of pure corporations.

The domain of endowment fund management

There are two clusters of findings in the endowment fund management domain; the first cluster of findings is that UIN with BLU status has managed endowment funds.

"Our university already has an endowment fund management institution whose idea was initiated by 'Prof. Yudian' (when he was rector). This idea is based on the need for institutions that can accept and manage waqf. At the same time, there is a philanthropic program by the Zakat Management Unit of the National Zakat Agency and the Waqf Agency" (KI.13>±36 years).

"The main idea of managing an endowment fund is to alleviate poverty and build the ummah, nation, and state by providing adequate funding sources. Endowment funds are provided to build the community, especially students, which are urgent and socially obligatory" (KI.2>±53 years).

"The relationship between BLU and endowment funds strengthens university funding with the BLU mandate. In addition, endowment funds can provide scholarships to students. On the other hand, BLU aims to build independence and dedication" (KI.13>±36 years).

"The source of the endowment is mostly from cash waqf from Sunan Kalijaga University staff and partly from donors outside the university" (KI.2>±53 years).

"The composition of the endowment fund is 70% managed by the Sunan Kalijaga Waqf Foundation, and 30% is deposited to the provincial National Zakat Agency" (KI.2>±53 years).

Second, the cluster is that most UINs with BLU status still need to know how to manage endowment funds.

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"The initiative to manage waqf has not become a concern because we have not yet compiled the technical regulations, so waqf for institutional development has not been managed properly" (KI.15>±50 years).

"As far as I know, the leader never conveyed the idea of waqf. State universities usually wait for directions from the technical ministry. If the ministry never discusses it, we do not work on it" (KI.5>±43 years).

"Managing BLU is already difficult. Moreover, managing endowment funds will be even more difficult (KI.1>±50 years).

The main finding in this domain is that most BLU leaders do not need the thought to manage an endowment. BLU leaders do not dare to take risks because the government has yet to issue regulations specifically regarding the management of endowment funds.

DISCUSSION

UIN with BLU status is a state university that has received a delegation to manage state assets. Unfortunately, they have yet to manage it optimally and professionally. The lack of optimal professionalism in managing state assets is evidenced by the weakness in managing cash and tangible assets. They need ideas or thoughts to manage intangible assets and endowment funds. However, both types of assets are potential sources of income. The absence of professional staff causes weak cash management and is not supported by adequate systems and governance. So far, they have focused more on managing idle tangible assets, even though their contribution to revenue is still low. BDC must have a strategic role as an institution that is responsible for managing university assets. The institution is still technical and limited to leasing idle assets through operational and management cooperation. Thus, this study shows that UIN with BLU status still needs to be stronger and more optimal in managing government-legislated assets.

Assets managed economically and professionally can increase sources of income for education financing. Harvard University, for example, is the biggest source of income from philanthropic activities (Harvard University, 2021; Ris, 2017). In the state of Michigan, the largest income comes from endowment fund management (Fitzgerald, 2020); this type of asset is a potential asset source of university income (Fitzgerald, 2020; Hamdan et al., 2019; Indrajit & Djokopranoto, 2011). Likewise, intangible assets are a potential source of university income (Chareonsuk & Chansa-ngavej, 2010; Lev, 2008; Revellino & Mouritsen, 2009). Chareonsuk and Chansa-ngavej (2010) study shows that intangible assets have a significant relationship to performance. Cash is also a potential source of income if managed effectively (Mawarni & Suprihanto, 2018; Sangadji & Suprihanto, 2008; Suhanda & Saleh, 2012). Therefore, UIN, with BLU's status as a (semi-autonomous, independent, and flexible institution in managing finances, is required to optimize its sources of income through professional asset management.

A narrow view causes the weaknesses above because the delegation of managing assets is considered a new burden. Before becoming BLU, state universities, all sources of education funding were the government's responsibility. The system and mindset of a bureaucrat have been formed for centuries. The characteristics of bureaucrats are the existence of a hierarchy and very strict regulation-based (Gajduschek, 2003), so it does not encourage entrepreneurial behavior - which is oriented towards innovation, implementation, and growth behavior (Moore, 1986). This condition impacts weak management as a source of university income. The government delegates manage state assets as a consequence of the issuance of the BLU policy. Unfortunately, this policy must be followed by a transformation of mindset, system, culture, and work procedures. They still act as a government agency and must act as an agency. Agency theory explains that universities as government agencies have weaknesses, namely university leaders and staff have narrow views and low motivation, opportunistic behavior occurs as a cause of poor university performance, and universities never question the legitimacy and sensitivity of government goals (Kivisto, 2008). Meanwhile, agencification theory explains that public institutions have (semi-)autonomous rights and separation of structures between regulatory functions (Verhoest, 2018). Thus, UIN with BLU status is required to carry out systems and governance transformations and transform the mindset from a pure bureaucrat to an entrepreneur bureaucrat.

The findings of this study reinforce the study of Wang (2022) states that universities still have serious problems managing their assets, and covert opportunism has emerged. Kivisto (2008) states that the relationship between the government and universities is asymmetric, and there are conflicting goals, especially the issue of education funding. Therefore, agencification is important for the government (Waluyo, 2018). Agencification is the transfer of duties and responsibilities of the central government to public institutions (Egeberg & Trondal, 2010) by granting semi-autonomous authority in management (Verhoest, 2017) in order to improve the quality of its services (Riyanto & Utomo, 2012). Cingolani and Fazekas (2020) argue that agencification can increase income by an average of 2.8%. Komonen et al. (2012) also argue that universities must have a 'corporate' paradigm with an integrated business cycle approach. He also reminded us that a mindset transformation must accompany the transformation from the government agency to agencification. The most successful asset management is in the corporate sector (Lye, 2011; Perry & Weltewitz, 2015; Wu et al., 2010). Thus, this study reminds UIN with BLU status to transform from a government agency to an agency in line with the government's delegation of managing state assets.

This study's results show a demand for public universities that have received the BLU mandate to transform from a government agency into an agencification. This transformation aims to change university public management from pure to entrepreneurial bureaucracy. Figure 1 shows the components that must be transformed.

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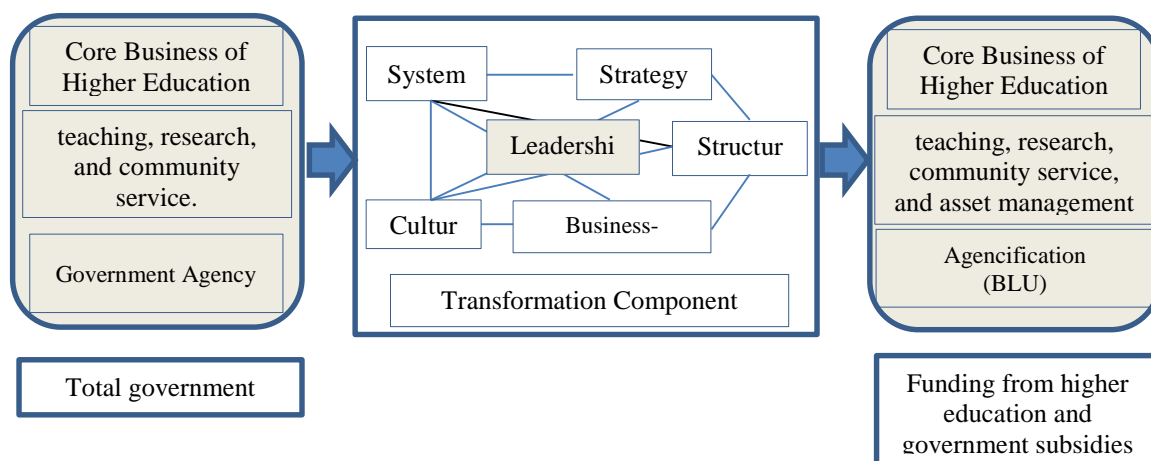


Figure 1: Transformasi Government Agency to Agencification

The transformation process has six main components: system, strategy, structure, culture, business process, and leadership. The leadership aspect is the main and most important component of transformation. In carrying out the transformation, the six components must be holistic because the transformation is not only on the institutional aspect but also the mindset transformation of all university stakeholders. From the core business aspect, there are differences between state universities before and after they are designated as BLUs. Before BLU, the university's core business was teaching, research, and community service; however, the core business after BLU was teaching, research, community service, and managing assets. *Asset management* is an institution that explores sources of income apart from student tuition fees.

CONCLUSION

Based on several findings in this study show that the government failed to delegate authority in managing state assets to state universities with BLU status. This failure statement is based on analysis. Transformation assistance to state universities did not accompany the government delegating authority to manage assets. The assistance provided by the government (Ministry of Finance) needs to be more comprehensive. It is still limited to accompanying the procedures and procedures for leasing physical assets that are currently idle. UIN with BLU status, when getting delegates to manage assets, systems, structures, strategies, leadership, culture, and mindsets, is still in the government agency paradigm. They need more time to make transitions or transformations, and their knowledge could be improved when assigned to become BLU. At the same time, they are forced to implement regulations that apply to BLU.

On the other hand, state universities' mindset, system, structure, culture, and leadership have been formed for centuries as government agencies. Therefore, the government must encourage and assist in the transformation process and vice versa. UIN, with BLU status, is also willing to transform from a government agency to an agency.

This study provides the government (relevant ministries) and state universities with an understanding of and awareness of BLU. More than policies and regulations are needed to make a university a (semi-)autonomous institution, independent, and capable of managing assets as a source of income. However, they also need assistance in the transition process or transforming towards independence and (semi-)autonomy with a clear concept of transformation. At the same time, the university must also have the motivation to make complete changes, be it systems, structures, culture, strategies, business processes, or mindsets. The transformation of leadership from the government agency paradigm into an agencification is no less important. Academically, this study is expected to add to state universities' asset management knowledge. The state university's status change from a government agency to agencification must be followed by the transformation in systems, structures, culture, strategy, business processes, and leadership. Lastly, this study has shown that the government still needs to accompany the management of assets to state universities as a source of income.

This study is still limited to several state universities under the auspices of the Ministry of Religion. Incidentally, most university leadership and management have a paradigm as a government agency. They need to gain more knowledge and skills in managing assets as a potential source of income. Therefore, other studies are needed to complement and refine the findings of this study. In particular, asset management practices at state universities and other public institutions have received BLU mandates. Thus, further research needs to be conducted more comprehensively by involving the universities and related ministries.

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