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# Transforming Indonesia's Centralized Education System to School-Based Management

As school systems around the world seek to improve their outcomes and practices, much attention has been focused on school management and governance, among many other important aspects of providing education. In 2003, the Indonesian government—at that time, one of the most centralized nations in the world—began to decentralize the governance of its primary and secondary education system as part of broader changes designed to improve education by shifting responsibilities to district and local control. Under the new system, schools were given authority to manage their operations independently according to student needs and were asked to engage the local community to improve the quality of education. This decentralized form of school management, often called school-based management (SBM), required a major shift in thinking and substantial improvement in the capacity of principals, teachers, and the community to provide leadership, develop alternatives to meet local educational needs, and engage parents and the community in school governance.

Eight years after Indonesia implemented SBM, the World Bank asked RAND to conduct the first nationwide comprehensive assessment of SBM implementation and to provide recommendations to improve it where needed. The RAND researchers examined the following:

- current status of the implementation
- factors associated with successful SBM
- effects of SBM on student achievement.

To do so, the researchers surveyed principals, teachers, school committee members, and parents, as well as heads of school districts, education boards, and district supervisors. They also conducted focus groups with teachers, parents, school committee members, and individuals from the School Operational Funding program, which

## Abstract

In 2003, Indonesia, which had a highly centralized education system, transitioned to a system of school-based management (SBM), giving substantially greater authority to schools, parents, and local communities. RAND researchers examined the status of the implementation, factors associated with successful SBM practices, and the effects on student achievement eight years after its inception. They found that the implementation so far has produced mixed success and provide recommendations to strengthen the nation's SBM practices.

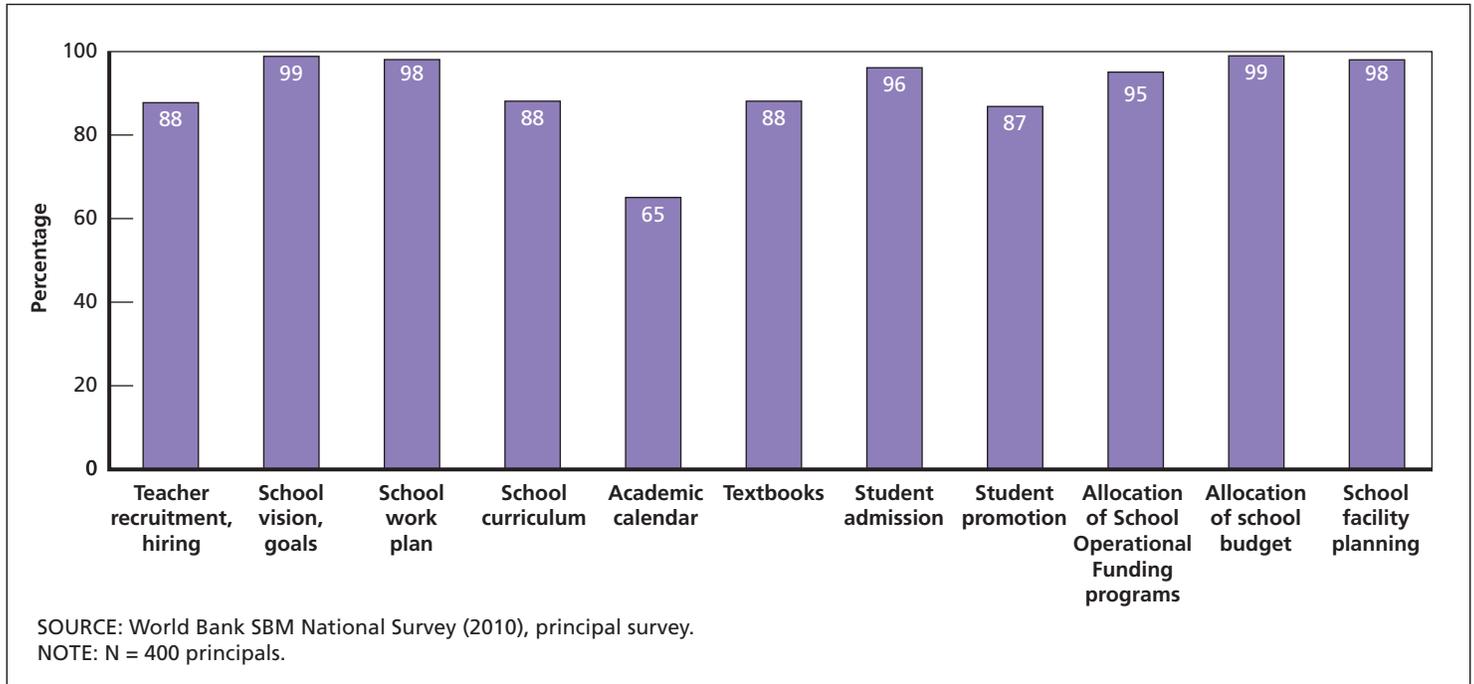
disbursed grant funds to schools. They found that Indonesia's SBM implementation has had limited success so far. Their findings led them to provide recommendations to further improve SBM in Indonesia. Their recommendations may also inform policymakers seeking to implement SBM elsewhere.

## Schools Are Not Yet Taking Full Advantage of SBM

Although most principals reported that they had the autonomy to make final school decisions, they also reported that they did not take advantage of it by making significant programmatic and instructional changes. Principals perceived that their schools had authority over operational, budgetary, programmatic, and instructional decisions consistent with the intent of the decentralization as shown in the figure.

However, principals and teachers were still reluctant to make independent decisions and typically sought the approval of the district supervisor or other district staff member before making

Percentage of Principals Reporting That They Had Decisionmaking Authority, by Type of Decision, 2010



significant changes. Principals' reluctance to assume decisionmaking authority was confirmed by districts' continued high level of influence. Further evidence of their reluctance to act independently was the uniformity of principals' stated goals and their methods to improve student performance. Indeed, most principals reported that they had not made significant changes as a result of SBM.

### Parental and Community Involvement Is Yet to Be Achieved

Although most principals consulted with teachers, district staff, and other school principals before making decisions, community and parent participation in school decisionmaking was very limited. Members of school committees, which were designed to facilitate parent and community involvement in education, rarely participated in school affairs. Commonly, the committee chair was simply asked to sign off, as required by governmental guidelines, on decisions already made—which they usually did without asking questions. According to the principal survey data, the school committee participated in decisions in 44 percent of schools; however, focus group data suggest that amount may be overestimated. Principals mainly viewed the school committee as an intermediary between the schools and parents, and school committee members expressed attitudes of noninterference with school matters and deference to school staff. Parents similarly expressed deference to school staff, and most principals and teachers reported feeling little or no pressure from parents to

improve school performance. As a result, parents and community members are not participating as fully as envisioned.

### Districts Continue to Influence School Decisionmaking

Despite the policy change toward local autonomy, districts continued to strongly influence school policies and practices. Principals reported that they rarely made decisions without seeking district approval, in part out of fear of making a mistake or appearing authoritarian. Those surveyed indicated that district influence was equal to or greater than that of teachers in all areas—averaging 3.2 to 3.6 on a scale of 4—except in classroom instructional practices. Principals reported meeting frequently with district staff, which indicates the district's continued prominent role in school decisionmaking.

### Schools Did Not Have Sufficient Capacity to Implement SBM

The researchers found that principals, teachers, and school committee members lacked the understanding and skills needed to fully implement SBM. For example, they understood the theory behind SBM and its purpose but not the responsibilities and actions required of them to carry it out. A majority of principals said that they were not well prepared to provide effective leadership and perform activities such as formulating a vision for school staff, developing a plan for academic improvement, or making curriculum decisions. In addition, a majority of teachers reported that they were not

well prepared to use various instructional methods and thus were unprepared to try alternatives to existing instructional practices.

### **A Few Factors Were Associated with More Successful SBM Implementation**

The research team found only a few characteristics to be associated with measures of successful SBM implementation. Principals with higher levels of education tended to exert more influence on school operations and allocate a higher share of discretionary funds to instruction. Similarly, principals who were more prepared—measured through principals' self-reports of preparedness to provide effective leadership, plan for academic improvement, and supervise and evaluate teachers, among other things—tended to exert greater influence on school operations and see higher student achievement in their schools.

Similarly, teachers who received more training and who participated in teacher working group meetings tended to exert more influence on instruction and school operations.

### **The Extent of SBM Implementation Was Not Associated with Student Achievement**

None of the SBM-implementation-related measures, such as principal's influence, school autonomy, and parental involvement, nor the share of budget spent on instruction were associated with student achievement. It may be that the implementation of SBM so far has not yet resulted in significant enough changes in school practices to produce measurable improvements.

### **Recommendations to Improve the Implementation and Outcomes**

The research team provided the following recommendations, which were based on their findings and SBM best practices.

**Increase the capacity of school committees, principals, and teachers to carry out SBM.** The following steps could strengthen stakeholders' ability to participate in school operations.

- Make it easier for school committee members to participate in school affairs by scheduling meetings at convenient times and providing committee members with a stipend to cover their transportation and other costs.
- Educate school committee members by providing ongoing training about the goals of SBM, the committee's role, and how to fulfill their responsibilities.
- Increase the authority of the school committee, possibly by linking it and the school with the local governing

body (the village council) or by giving it authority over the hiring and firing of principals or teachers.

- Improve principal and teacher capacity to implement SBM. This could be done by providing leadership training to principals and training in effective SBM practices to both teachers and principals. Other steps might include revising the Ministry of Education guidelines to make clearer that authority has shifted from the districts to the schools and giving principals the authority to hire and fire teachers.

**Improve schools' ability to make operational and instructional changes.** These actions could strengthen schools' ability to make programmatic, curriculum, and instructional changes that would affect student learning directly.

- Assess the need for professional development in academic content, teaching methods, and thematic approaches to teaching, and use the results to set training priorities.
- Expand access to teaching aids, including maps, scales, visual aids, and science and mathematics kits.
- Address financial resource disparities in schools by first collecting data on the capabilities of districts and provinces to fund education.

**Develop district capacity to support SBM.** The following steps would help to transform the role of districts to that of enablers of change so the districts can effectively support school stakeholders in building their own capacity to implement SBM.

- Expand district capacity to provide ongoing technical assistance and staff development to principals, teachers, and school committee members.
- Redefine district supervisors' functions to focus on monitoring SBM implementation and improvements and providing technical assistance and mentoring.

### **Next Steps to Strengthen SBM**

Developing local and school capacity and transforming the role of districts will require both time and additional resources. Considering the limited resources available, policymakers should first carefully set priorities for which recommendations to implement and in what order, and, second, pilot test the selected measures incrementally with a limited number of districts and schools at a time to learn about implementation challenges and ascertain effectiveness. Such an approach would be beneficial for any education system seeking to transition to SBM. ■

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This research brief describes work done by RAND Education documented in *Implementation of School-Based Management in Indonesia*, by Georges Vernez, Rita Karam, Jeffrey H. Marshall, MG-1129-WB (available at <http://www.rand.org/pubs/monographs/MG1229.html>) 2012, 242 pp. \$25.00, ISBN: 978-0-8330-7618-2. This research brief was written by Jennifer Li. The RAND Corporation is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. **RAND**® is a registered trademark.

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