

## CONFLICT STRUCTURATION IN AUDIT FINDINGS NEGOTIATION: A CASE STUDY OF A PRIVATE UNIVERSITY REACCREDITATION IN NORTH JAKARTA

Carmel Meiden<sup>1)</sup>, Yosef Dema<sup>2)</sup>, Tita Djuitaningsih<sup>3)</sup>

<sup>1)</sup>Akuntansi, Institut Bisnis dan Informatika Kwik Kian Gie

<sup>2)</sup>Manajemen, STIE Tunas Nusantara

<sup>3)</sup>Akuntansi, Universitas Bakrie

[carmel.meiden@kwikkiangie.ac.id](mailto:carmel.meiden@kwikkiangie.ac.id)<sup>1)</sup>, [yosef61309@gmail.com](mailto:yosef61309@gmail.com)<sup>2)</sup>, [djuitaningsih@gmail.com](mailto:djuitaningsih@gmail.com)<sup>3)</sup>

### Abstrak

*This research examines the structuration of conflicts during the negotiation of audit findings within the context of private university reaccreditation. The study focuses on identifying the key factors that initiate and escalate conflicts, as well as the strategies employed by auditors and university officials to manage and resolve these conflicts. It also explores the influence of power dynamics, communication, and economic constraints on the negotiation process. The research utilizes qualitative methods, including observations of auditor-auditee interactions and document analysis, to investigate the complexities of audit negotiations. The study is anchored in Giddens' Structuration Theory, which provides a framework for understanding how institutional structures and individual actions shape the conflict dynamics. The findings reveal significant power imbalances between auditors and auditees, communication challenges, and economic constraints that contribute to the structuration of conflicts. The study also highlights how procedural rigidity and the struggle to align local practices with international standards exacerbate these conflicts, ultimately impacting the outcomes of the reaccreditation process. The research underscores the need for improved decision-making processes, genuine compliance practices, better resource management, and effective communication to enhance the reaccreditation process. These findings offer valuable insights for policy development and institutional governance in the higher education sector.*

**Keywords:** Conflict Structuration, Audit Negotiations, Private University Reaccreditation, Power Dynamics, Giddens' Structuration Theory

### INTRODUCTION

The negotiation of audit findings during the reaccreditation process in private universities presents a significant and often underexplored area of organizational conflict. This phenomenon is crucial as it reveals the underlying power dynamics and structuration of conflicts between auditors and university officials. Notably, these negotiations can significantly influence the outcomes of reaccreditation, impacting the university's reputation and operational standing. Understanding these dynamics is essential, as the reaccreditation outcomes can affect not only the institution's compliance with educational standards but also its strategic direction and stakeholder confidence (Kumar et al., 2021).

Recent studies have shown that the structuration of conflicts in audit negotiations can lead to either constructive dialogue or entrenched adversarial positions, depending on how the conflicts are managed (Smith & Lewis, 2011; Siamak et al., 2022). Power imbalances can exacerbate tensions, while effective communication strategies can mitigate conflicts (Smith & Lewis, 2011; Siamak et al., 2022). Extensive research has examined power dynamics and conflict management in audit negotiations, highlighting the influence of power imbalances and the role of communication (McTavish, 2018; Bergner et al., 2015). Additionally, substantial literature addresses the broader implications of reaccreditation on

university governance and strategy (Kumar et al., 2021; Myburgh & Calitz, 2022). However, there remains a gap in understanding the specific structuration of conflicts in private university reaccreditation, particularly how these conflicts are initiated, escalated, and resolved, as well as the role of individual actors' perceptions and interactions (Knapp, 1985; Beattie et al, 2004). This paper aims to fill these gaps by providing an in-depth analysis of conflict structuration in audit findings negotiation within private university reaccreditation.

The primary objective of this research is to analyze the structuration of conflicts during the negotiation of audit findings in the context of private university reaccreditation. This study aims to identify the key factors that initiate and escalate conflicts, as well as the strategies employed by both auditors and university officials to manage and resolve these conflicts (Siamak et al., 2022; Knapp, 1985). By examining the interactions and power dynamics between these actors, this research seeks to provide a comprehensive understanding of how conflicts are structured and their impact on the reaccreditation outcomes (Smith & Lewis, 2011). Additionally, this study aims to contribute to the existing literature by highlighting the specific challenges and dynamics unique to private universities, which have been largely overlooked in previous research (Kumar et al., 2021; Beattie et al, 2004).

The rationale for this research article stems from the critical need to understand the complex dynamics of conflict structuration during audit findings negotiation, particularly in the context of private university reaccreditation. Given the unique governance structures and financial pressures faced by private institutions, the way conflicts are structured and resolved can have profound implications for their

reaccreditation outcomes and overall institutional effectiveness (Kumar et al., 2021; Myburgh & Calitz, 2022). By exploring these dynamics, this research aims to provide valuable insights that can enhance conflict management practices and contribute to more effective audit negotiations. Moreover, understanding the structuration of conflicts in this specific context can offer broader implications for improving governance and accountability in educational institutions (Bergner et al., 2015; Beattie et al, 2004). Thus, this article not only fills a significant gap in the literature but also provides practical recommendations for stakeholders involved in the reaccreditation process.

## **LITERATURE REVIEW**

### **Conflict Structuration**

Conflict structuration refers to the process by which conflicts are shaped and evolve within specific social, institutional, and power structures (Mergalyas et al., 2023; Costa et a., 2019; Elliott, 2020; Malterud & Nicotera, 2020; Kmin, 2022). Drawing from Giddens' Structuration Theory, which posits that social systems are produced and reproduced through the interplay of agency and structure, conflict structuration involves the dynamic interaction between individual actions and the overarching rules and resources that govern institutional settings (Giddens, 1984). Conflicts are not merely isolated events but are embedded within and shaped by the existing power hierarchies, communication practices, economic constraints, and procedural norms of an institution. This perspective emphasizes that the way conflicts are managed or resolved is heavily influenced by these structural factors, which in turn are reinforced or altered through the conflict process itself. Thus, understanding conflict structuration requires a nuanced analysis of both the agency of the individuals involved and the structural conditions that frame

their interactions (Farrall, 2021; McGarry, 2016; Nicotera, 2015; Poole & Van de Ven, 1989).

Conflict structuration can be categorized into several interrelated dimensions that reflect the different ways conflicts manifest and evolve within institutional contexts. First, power dynamics play a crucial role in shaping conflicts, as the distribution of authority and control within an organization influences how conflicts are initiated, escalated, or resolved (Giddens, 1984). Second, communication patterns are central to conflict structuration, as the methods and effectiveness of communication between parties can either mitigate or exacerbate tensions (Poole & DeSanctis, 1990). Third, economic constraints often underlie conflicts, particularly in resource-limited settings where financial limitations force difficult trade-offs, leading to disagreements (Van de Ven & Poole, 1995). Finally, procedural norms or the rigid application of rules and standards can structure conflicts by limiting flexibility in negotiation and resolution processes. These categories highlight that conflicts are not just isolated incidents but are systematically influenced by the broader structural factors that govern organizational life. Understanding these categories is essential for analysing how conflicts are shaped and how they might be effectively managed within institutional frameworks.

### **Audit Negotiations**

Audit negotiations refer to the dynamic process of dialogue and bargaining that occurs between auditors and auditees during the audit process (Hatfield et al., 2022; Blaufus et al., 2022; . This process involves the exchange of information, clarification of findings, and discussions about compliance with standards and regulations. Audit negotiations are conceptualized as a structured interaction

where both parties—auditors aiming to ensure accuracy and adherence to regulatory frameworks, and auditees seeking to present their practices in the most favorable light—engage in a complex interplay of power, communication, and mutual influence (Bunget & Sumănu, 2022; Gibbins, Salterio, & Webb, 2001). The negotiation process often reflects underlying power dynamics, with auditors generally holding the upper hand due to their role in determining outcomes that can significantly impact the auditee's reputation and operations (DeZoort & Salterio, 2001). Communication during audit negotiations is crucial, as it can either facilitate mutual understanding and agreement or lead to conflict and impasse. The effectiveness of these negotiations depends on the auditee's ability to provide evidence, justify their practices, and engage in constructive dialogue, while auditors must balance their regulatory responsibilities with the practical realities faced by the auditee (Randle, 2022; Salterio, 1998). Thus, audit negotiations are a critical component of the audit process, influencing the final audit report and the subsequent actions taken by the audited entity.

Audit negotiations can be categorized based on the nature of issues, negotiation styles, and desired outcomes. Issues can involve factual disputes over data accuracy, interpretative disagreements on accounting standards, or procedural matters related to audit methods (Gibbins, McCracken, & Salterio, 2010). Negotiation styles range from collaborative, which fosters open communication and mutual resolutions, to adversarial, characterized by rigid positions and heightened tension (Beattie, Fearnley, & Hines, 2012). Outcomes of audit negotiations may include resolving discrepancies, ensuring compliance, or documenting disagreements when consensus is unattainable (McCracken,

Gibbins, & Salterio, 2008). These categorizations help clarify the dynamics of audit negotiations and inform effective management strategies.

### **Private University Reaccreditation**

Private university reaccreditation is a periodic evaluation process in which a private higher education institution renews its accreditation status to ensure it meets the standards set by accrediting bodies. This comprehensive review covers academic programs, faculty qualifications, governance, financial stability, and infrastructure (Shin & Harman, 2009). Reaccreditation is crucial for maintaining legitimacy, public trust, and access to government funding and student enrolment. The process requires detailed documentation, including self-study reports and financial audits, along with site visits by external reviewers who assess operations and engage with university stakeholders (Brittingham, 2009). Given the competitive nature of higher education, the stakes are high, prompting strategic planning and organizational changes to align with evolving accreditation standards. Private university reaccreditation encompasses several key dimensions, including academic quality assessment, governance review, financial stability, infrastructure, and student outcomes. These categories collectively ensure that universities meet comprehensive standards, with academic quality focusing on curriculum and faculty, governance on leadership effectiveness, financial stability on fiscal health, infrastructure on physical resources, and student outcomes on metrics like graduation and employment rates (Brittingham, 2009; Eaton, 2011). This multifaceted approach ensures accountability and continuous improvement, aligning institutions with national and international benchmarks (Harvey, 2004).

### **METHODS**

This study employs a qualitative research design to explore the structuration of conflicts in audit findings negotiation during private university reaccreditation. A qualitative approach is particularly suitable for this research as it allows for an in-depth understanding of complex social processes and interactions (Creswell, 2013). The study utilizes a case study methodology, focusing on a single private university undergoing reaccreditation, which provides a rich, contextualized understanding of the negotiation dynamics (Yin, 2018). By using a case study approach, the research aims to capture the nuances of conflict structuration and the interplay between agency and structure in this specific context.

Data for this study are collected using a combination of semi-structured interviews and document analysis. Semi-structured interviews are conducted with key stakeholders involved in the reaccreditation process, including auditors, university officials, and faculty members. This method allows for flexibility in exploring participants' perspectives and experiences while ensuring that all relevant topics are covered (Kvale & Brinkmann, 2009). Document analysis involves reviewing relevant documents such as audit reports, reaccreditation guidelines, and internal university communications. This method provides additional context and corroborates the findings from the interviews (Bowen, 2009).

Participants are selected based on their involvement in the reaccreditation process and their role in the audit findings negotiation. Purposeful sampling is used to identify individuals who can provide detailed and diverse perspectives on the conflict structuration during the negotiations (Patton, 2002). The selection criteria include auditors from the

accrediting body, university administrators responsible for accreditation, and faculty members who interact with both auditors and administrators. This diverse participant pool ensures a comprehensive understanding of the negotiation dynamics from multiple viewpoints.

Data analysis follows a thematic analysis approach, which involves identifying, analyzing, and reporting patterns within the data (Braun & Clarke, 2006). The interviews are transcribed verbatim, and the transcripts, along with the documents, are coded using a combination of inductive and deductive coding techniques. Inductive coding allows for the emergence of themes directly from the data, while deductive coding is guided by the theoretical framework of structuration theory (Fereday & Muir-Cochrane, 2006). The coded data are then organized into themes that reflect the key aspects of conflict structuration in the audit findings negotiation. The findings are interpreted in light of the research questions and the theoretical framework, providing a detailed understanding of the conflict dynamics in this specific context.

## **RESULT**

### **Key Factors Initiating and Escalating Conflicts during the Negotiation of Audit Findings**

The negotiation of audit findings within the context of private university reaccreditation is often fraught with conflicts, which are initiated and escalated by several key factors. Observations of the interactions between auditors and auditees revealed that power dynamics play a critical role in the early stages of conflict. Auditors, empowered by their role in determining reaccreditation outcomes, often adopt a position of authority, which can lead to a defensive stance from university officials (Observation, June 2024). This power imbalance was particularly evident during discussions about unlicensed software,

where the auditees felt pressured to justify their non-compliance due to limited resources, despite their attempts to explain financial constraints (Document Analysis, July 2024). The lack of flexibility in the auditors' approach further escalated tensions, as auditees perceived the auditors' demands as rigid and insensitive to the institutional context.

Another significant factor contributing to conflict initiation is miscommunication or ineffective communication strategies. The document analysis revealed that many of the written responses from the auditees focused more on defending previous actions rather than proposing solutions or acknowledging shortcomings (Document Analysis, July 2024). This defensive communication style often led to misunderstandings and further escalated the conflict during face-to-face interactions. For example, in the case of the delayed Turnitin subscription, the auditees struggled to convey the complexities of their internal decision-making processes, which resulted in the auditors perceiving the delay as a lack of commitment to academic integrity (Observation, June 2024). Such miscommunications not only initiated conflicts but also intensified existing disagreements, making it difficult to reach a consensus.

Economic constraints also emerged as a critical factor that both initiated and exacerbated conflicts. The university's financial limitations were frequently cited during negotiations, particularly in relation to the procurement of essential resources like licensed software and updated research facilities (Document Analysis, July 2024). These constraints were not always fully understood or accepted by the auditors, who were primarily focused on compliance with international standards. The auditees' attempts to explain their budgetary challenges were often met with skepticism,



leading to frustration and a breakdown in negotiations (Observation, June 2024). This misalignment between the auditors' expectations and the university's financial realities was a recurring source of conflict. Finally, the rigidity of procedural norms was identified as a key factor in escalating conflicts during the negotiation process. The auditors' strict adherence to established protocols, without consideration for the specific challenges faced by the institution, often led to a lack of flexibility in addressing issues as they arose. For instance, during the evaluation of evidence for international collaborations, the auditors insisted on strict adherence to the criteria, despite the auditees' explanations regarding the logistical difficulties of meeting such standards in the current economic climate (Observation, June 2024). This procedural rigidity often escalated conflicts, as auditees felt that their unique circumstances were not being adequately considered.

In summary, the findings highlight that conflicts during the negotiation of audit findings are primarily initiated and escalated by power dynamics, ineffective communication strategies, economic constraints, and procedural rigidity. These factors not only create an environment ripe for conflict but also complicate the resolution process, ultimately impacting the outcomes of the reaccreditation process.

### **Influence of Power Dynamics on the Structuration of Conflicts during Audit Negotiations**

Power dynamics between auditors and university officials significantly shape the structuration of conflicts during audit negotiations. The observations of interactions between these parties consistently demonstrated that the auditors' authoritative position, derived from their control over the reaccreditation outcome, placed university officials in a subordinate

role. This imbalance of power often led to a hierarchical negotiation environment, where the auditees felt compelled to comply with the auditors' demands, even when these demands conflicted with the university's capabilities or strategic priorities (Observation, June 2024).

For instance, during negotiations concerning the renewal of software licenses, university officials repeatedly expressed their inability to meet the auditors' expectations due to budgetary constraints. However, the auditors maintained a firm stance, emphasizing compliance with international standards without accommodating the financial realities of the institution (Document Analysis, July 2024). This unyielding approach by the auditors not only escalated tensions but also reinforced the power disparity, as the auditees felt their concerns were being dismissed rather than addressed. Moreover, the power dynamics were further exacerbated by the auditors' control over the interpretation of audit standards and their application. The document analysis revealed that auditors often used their authoritative position to assert their interpretations of compliance requirements, which the university officials were reluctant to challenge openly (Document Analysis, July 2024). This reluctance was particularly evident in cases where the interpretation of academic standards was subject to debate. For example, the auditors' rigid interpretation of faculty qualification standards led to conflicts when university officials argued that their faculty, despite lacking certain formal qualifications, possessed equivalent experience and expertise (Observation, June 2024). The auditees' hesitancy to contest these interpretations reflected the underlying power dynamics, where the fear of negative repercussions from the auditors influenced their approach to the negotiations.

These power dynamics not only initiated conflicts but also structured how these conflicts unfolded. The auditors' dominant position often dictated the pace and direction of the negotiations, leaving little room for collaborative problem-solving. As a result, conflicts tended to be more adversarial, with the auditees focusing on justifying their actions within the narrow constraints set by the auditors, rather than engaging in a constructive dialogue aimed at finding mutually acceptable solutions (Observation, June 2024). This dynamic was further corroborated by the document analysis, which showed that written communications from the university officials were frequently defensive in tone, emphasizing compliance with specific directives rather than proposing innovative or context-sensitive solutions (Document Analysis, July 2024).

In conclusion, the power dynamics between auditors and university officials play a crucial role in the structuration of conflicts during audit negotiations. The authoritative position of the auditors often leads to a hierarchical and adversarial negotiation process, where the auditees' capacity to influence outcomes is limited. This imbalance not only initiates conflicts but also shapes their progression, often resulting in a rigid and defensive negotiation atmosphere that hinders effective conflict resolution.

### **Strategies for Managing and Resolving Conflicts during the Reaccreditation Process**

During the reaccreditation process, both auditors and university officials employed various strategies to manage and resolve conflicts that arose during the negotiation of audit findings. These strategies were observed to be shaped by the power dynamics, institutional constraints, and the specific nature of the issues under review.

One of the primary strategies used by university officials was the provision of detailed documentation to support their positions. Document analysis revealed that university officials often prepared extensive reports and evidence to substantiate their compliance with accreditation standards, particularly in areas where there was potential for disagreement, such as faculty qualifications or research outputs (Document Analysis, July 2024). This strategy was aimed at preemptively addressing auditors' concerns and reducing the likelihood of conflicts escalating. For instance, in the case of disputed faculty qualifications, university officials provided comprehensive portfolios showcasing the professional experience and contributions of the faculty members, which helped to mitigate the auditors' initial reservations (Observation, June 2024).

On the auditors' side, a key strategy observed was the use of structured feedback sessions. During these sessions, auditors would present their findings in a systematic manner, highlighting areas of concern while also offering suggestions for improvement. This approach was particularly evident during the audit of the university's research funding allocation, where the auditors not only pointed out deficiencies but also proposed alternative budgeting strategies that could help the institution align with international standards (Observation, June 2024). By framing their feedback as constructive rather than punitive, auditors were able to foster a more collaborative atmosphere, which in turn facilitated the resolution of conflicts.

Another strategy employed by university officials was engaging in direct negotiation with the auditors to seek compromises on contentious issues. This was particularly observed in cases where strict compliance

with certain standards was challenging due to resource constraints. For example, when faced with the requirement to renew costly software licenses, university officials negotiated with the auditors to accept alternative, cost-effective solutions, such as open-source software or temporary extensions of existing licenses (Observation, June 2024). These negotiations often involved multiple rounds of discussions, with both parties making concessions to reach an acceptable resolution.

In addition, the document analysis highlighted the use of formal appeals and requests for reconsideration as a strategy by university officials. When initial negotiations did not lead to a satisfactory outcome, university officials sometimes resorted to formal channels to contest specific audit findings. This was observed in the case of the university's compliance with international research standards, where officials filed an appeal to re-evaluate the auditors' assessment, citing new evidence and contextual factors that had not been considered in the initial review (Document Analysis, July 2024). This strategy was effective in some instances, leading to revisions of the audit report and the resolution of previously unresolved conflicts.

Lastly, the observation of interactions revealed that both auditors and university officials often employed diplomatic communication tactics to de-escalate tensions. For example, auditors would acknowledge the challenges faced by the university and express understanding of the constraints under which the institution operated, thereby creating a more empathetic environment for negotiation (Observation, June 2024). University officials, in turn, were observed to use respectful and measured language in their responses, which helped to maintain a

professional tone and prevent conflicts from becoming overly adversarial.

In conclusion, the strategies employed by auditors and university officials to manage and resolve conflicts during the reaccreditation process were varied and adaptive, reflecting the complex dynamics of the audit environment. By utilizing documentation, structured feedback, direct negotiation, formal appeals, and diplomatic communication, both parties were able to navigate conflicts effectively, ultimately contributing to the successful completion of the reaccreditation process.

### **Impact of Conflicts on Reaccreditation outcomes in Private Universities**

Conflicts arising during the negotiation of audit findings have significant implications for the outcomes of the reaccreditation process in private universities. The study's observations and document analysis reveal that these conflicts often influence not only the final decisions made by accrediting bodies but also the long-term strategic direction of the institutions involved.

One of the most immediate impacts observed was the delay in the reaccreditation timeline. Conflicts over key audit findings, such as discrepancies in financial reporting or non-compliance with faculty qualification standards, often led to prolonged negotiations between auditors and university officials (Observation, June 2024). These extended discussions delayed the submission of final reports and the issuance of reaccreditation decisions, which in turn affected the university's operational planning and strategic initiatives. For instance, in the case of contested research funding allocations, the ongoing conflict caused significant delays in the finalization of the reaccreditation report, which left the university in a state of uncertainty regarding its future funding and program development (Document Analysis, July 2024).



Furthermore, conflicts during the audit process were found to have a direct impact on the recommendations and conditions attached to the reaccreditation status. In several cases, the unresolved nature of certain conflicts led auditors to impose stringent conditions for reaccreditation, requiring the university to undertake specific corrective actions within a limited timeframe (Observation, June 2024). For example, the audit conflict surrounding the use of unlicensed software resulted in a conditional reaccreditation, with the university mandated to regularize its software licenses within the next academic year. Such conditions not only placed additional pressure on the university's administrative and financial resources but also posed risks to its reputation and credibility if the conditions were not met in time.

The document analysis further highlighted the impact of these conflicts on the perceived legitimacy and credibility of the university in the eyes of external stakeholders. When conflicts were not resolved to the satisfaction of both parties, the final audit reports often included detailed documentation of these disagreements, which were made available to the public and other accrediting bodies (Document Analysis, July 2024). This transparency, while essential for accountability, sometimes led to a negative perception of the university's governance and operational effectiveness, potentially affecting student enrolment, faculty recruitment, and external partnerships. For instance, the unresolved conflicts over compliance with international accreditation standards in student outcomes led to critical remarks in the final report, which were subsequently cited by prospective students and faculty members as areas of concern. Moreover, the study found that the nature and resolution of conflicts during the audit

process could influence the university's internal governance and decision-making processes. In response to conflicts, especially those that resulted in conditional reaccreditation or negative findings, university leaders were often prompted to initiate significant organizational changes aimed at addressing the root causes of these conflicts (Observation, June 2024). This included restructuring administrative units, revising internal policies, and increasing oversight on compliance-related matters. While these changes were intended to align the university more closely with accreditation standards, they also sometimes led to internal tensions and resistance among staff, who perceived the changes as reactive rather than strategic.

In summary, conflicts during the audit negotiation process have profound and multifaceted impacts on the outcomes of private university reaccreditation. These impacts extend beyond the immediate reaccreditation decision, influencing the university's timeline, strategic direction, public perception, and internal governance. The resolution, or lack thereof, of these conflicts plays a critical role in shaping the university's future trajectory, with lasting implications for its reputation and operational effectiveness.

### **Unique Challenges and Dynamics in Conflict Structuration at Private Universities**

The structuration of conflicts during audit negotiations at private universities is profoundly shaped by challenges and dynamics that are distinct from those typically observed in public institutions. These challenges stem from the unique operational, financial, and governance characteristics of private universities, which often complicate the audit process and lead to the escalation of conflicts.

One of the primary challenges identified through observations is the financial

dependency of private universities on student tuition and private funding sources. Unlike public universities, which often benefit from government subsidies, private institutions rely heavily on tuition fees and donations to sustain their operations (Observation, June 2024). This financial pressure creates a heightened sensitivity to audit findings, particularly those related to financial management and resource allocation. For example, during negotiations over the adequacy of research funding and the allocation of resources for faculty development, auditees frequently cited budget constraints as a justification for non-compliance with certain standards (Document Analysis, July 2024). The auditors, however, maintained a strict adherence to the established criteria, leading to conflicts that were difficult to resolve due to the inherent financial limitations of the institution.

Another unique dynamic observed is the influence of governance structures in private universities, which are often more centralized and closely tied to the institution's leadership compared to public universities. This centralization can lead to conflicts when audit findings challenge decisions made by high-ranking officials or board members. For instance, the audit uncovered discrepancies in the university's strategic planning process, where decisions made by the leadership were not fully aligned with accreditation standards (Observation, June 2024). The centralized decision-making process limited the ability of mid-level administrators to negotiate effectively with auditors, as they had to defer to higher authorities for approval on key issues. This hierarchical dynamic not only slowed down the negotiation process but also intensified conflicts, as auditors perceived the delays as a lack of commitment to resolving the issues.

Moreover, the competitive nature of private higher education adds another layer of complexity to audit negotiations. Private universities often operate in a highly competitive environment, where maintaining a strong reputation is crucial for attracting students, faculty, and external partnerships. As a result, audit findings that could potentially harm the university's public image are particularly contentious (Document Analysis, July 2024). During negotiations, auditees were observed to be especially defensive when discussing issues that might be perceived as damaging, such as the use of unlicensed software or non-compliance with faculty qualifications. The need to protect the institution's reputation often led to a defensive posture in negotiations, with auditees focusing on minimizing the perceived severity of findings rather than engaging in a more collaborative problem-solving approach.

Furthermore, the document analysis revealed that private universities face unique challenges in aligning their operations with the evolving standards set by accrediting bodies. Unlike public institutions, which may have more stable processes and longer histories of compliance, private universities are often more entrepreneurial and flexible in their operations. This flexibility, while beneficial in other contexts, can lead to conflicts during audits when established protocols are not strictly followed or when institutional practices deviate from the norm (Document Analysis, July 2024). For example, in cases where private universities adopted innovative teaching methods or administrative practices, auditors sometimes viewed these deviations with skepticism, leading to conflicts over the interpretation and application of accreditation standards.

In summary, the structuration of conflicts during audit negotiations in private

universities is significantly influenced by the institution's financial dependency, centralized governance structures, competitive pressures, and operational flexibility. These unique challenges create a distinct environment in which conflicts are more likely to arise and escalate during the audit process. Understanding these dynamics is crucial for developing strategies to manage and resolve conflicts effectively, ensuring that private universities can navigate the complexities of reaccreditation while maintaining their operational integrity and reputation.

## **DISCUSSION**

The research findings highlight several critical aspects of conflict structuration during audit findings negotiations in the context of private university reaccreditation. Key factors that initiate and escalate conflicts include power dynamics and institutional hierarchy, where delays and decision-making at higher administrative levels impede actions like securing essential software subscriptions. Power dynamics also play a significant role, with auditors and university officials often experiencing tension that influences conflict structuration. Strategies employed to manage and resolve these conflicts vary, but the effectiveness of these strategies is closely tied to the communication styles and responsiveness of the involved parties. Conflicts were found to significantly impact the outcomes of the reaccreditation process, particularly in the alignment of local practices with international accreditation standards. Unique challenges faced by private universities, such as economic constraints and the ceremonial nature of internal audits, further complicate these negotiations, resulting in a transactional approach to compliance and ongoing struggles in meeting

documentation and governance requirements.

Reflecting on the research findings through the lens of Giddens' Structuration Theory, it becomes evident that the negotiation of audit findings in private university reaccreditation is shaped by the dynamic interplay between agency and structure. According to Giddens (1984), structures are both the medium and the outcome of the practices they recursively organize. In this context, the power dynamics observed between auditors and university officials can be seen as a manifestation of structural properties, such as institutional hierarchies and regulatory frameworks, which both constrain and enable the actions of the involved parties. The repeated emphasis on compliance and procedural rigidity reflects the dominance of structural norms, while the strategies employed by auditors and university officials highlight the agents' capacity to navigate and sometimes challenge these structures. The conflicts that arise, particularly in areas like economic constraints and international accreditation standards, underscore the duality of structure—how established practices influence individual actions, which in turn reinforce or modify the institutional structures. This cyclical process aligns with Giddens' notion of the "duality of structure," where ongoing interactions contribute to the continuous reproduction and transformation of the social system (Giddens, 1984). These findings suggest that a deeper understanding of the structuration processes at play can inform more effective strategies for managing conflicts and enhancing the reaccreditation process.

Interpreting the research findings through the framework of Giddens' Structuration Theory reveals how the negotiation of audit findings in private university

reaccreditation is a process shaped by the continuous interaction between institutional structures and individual agency. The power dynamics observed between auditors and university officials are not merely outcomes of fixed hierarchies but are actively constructed and reconstructed through repeated interactions. Giddens (1984) posits that structures, such as rules and resources, are both enabling and constraining, influencing the actions of agents who, in turn, perpetuate or alter these structures. In the context of audit negotiations, the strict adherence to procedural norms by auditors exemplifies how structural properties can constrain flexibility and foster conflict. Conversely, the strategies employed by university officials to manage resource limitations or align with international standards demonstrate the agentic capacity to adapt and sometimes challenge these structures. The conflicts arising from these interactions reflect the ongoing process of structuration, where the actions of auditors and auditees both reinforce and transform the institutional frameworks within which they operate. This interpretation highlights the importance of understanding how structures and agency mutually shape each other in the context of audit negotiations, offering insights into potential areas for improving institutional practices and reducing conflict (Giddens, 1984).

The research findings on conflict structuration during audit findings negotiations in private university reaccreditation present several novel insights that distinguish this study from previous research. While earlier studies have primarily focused on the procedural aspects of audits and the technical compliance of institutions (Knapp, 1985; Beattie et al., 2004), this research delves deeper into the socio-political dynamics that underpin these interactions,

particularly highlighting the role of power imbalances and institutional hierarchies. Unlike prior work that often treated audits as objective evaluations (Siamak et al., 2022), this study uncovers the ways in which audits are shaped by the interplay of agency and structure, drawing from Giddens' Structuration Theory. Additionally, this research uniquely addresses the specific challenges faced by private universities, such as economic constraints and the pressures of aligning with international standards, which have been largely overlooked in the literature (Kumar et al., 2021). By focusing on the negotiation process itself, rather than merely the outcomes, this study provides a more nuanced understanding of how conflicts are initiated, escalated, and managed, offering fresh perspectives on improving audit practices and reducing conflicts in the context of higher education accreditation.

The research findings have significant policy implications for improving the audit and reaccreditation processes in private universities. Given the identified power imbalances and communication gaps, there is a need for policies that promote more transparent and collaborative audit negotiations. Regulatory bodies could mandate the inclusion of conflict resolution training for both auditors and university officials to mitigate power disparities and encourage more open dialogue (Gibbins, McCracken, & Salterio, 2007). Additionally, policies that address the economic constraints faced by private universities, such as providing financial support or flexible compliance timelines, could reduce the pressure to cut corners, such as using unlicensed software or compromising on standards (Kumar et al., 2021). Finally, the findings suggest that policies should focus on aligning national accreditation standards with international

expectations to reduce conflicts arising from divergent practices. This could involve revising accreditation guidelines to better accommodate the specific challenges faced by private universities, ensuring that these institutions are evaluated on a more equitable basis (Shin & Harman, 2009). Implementing such policies could enhance the effectiveness of audit processes and contribute to more sustainable and fair reaccreditation outcomes.

The conceptual implications of these research findings extend to the understanding of conflict structuration in audit negotiations, particularly within the unique context of private university reaccreditation. The study demonstrates how power dynamics, economic constraints, and institutional practices shape the negotiation process, providing empirical support for Giddens' Structuration Theory, which posits that social structures both constrain and enable actions (Giddens, 1984). These findings suggest that audit negotiations are not merely procedural interactions but are deeply influenced by the broader institutional context, including hierarchical authority and resource availability. This challenges the traditional view of audits as purely objective assessments, highlighting the need to consider the socio-political environment in which they occur (Beattie et al., 2014). The study also implies that the strategies employed by auditors and university officials are not only responses to immediate issues but are shaped by underlying structures, which in turn reinforce or modify those structures through the negotiation process. Thus, these findings contribute to a more nuanced conceptualization of audit negotiations as dynamic processes influenced by both agency and structure.

## CONCLUSIONS

One of the most important and perhaps shocking findings of this study is the profound influence of economic constraints on the audit negotiation process within private universities. The research reveals that financial limitations not only hinder compliance with accreditation standards but also compel university officials to engage in practices that verge on the unethical, such as the continued use of unlicensed software. These economic pressures exacerbate power imbalances, where auditors, aware of these constraints, still demand adherence to standards that the university is financially ill-equipped to meet. This creates a scenario where the negotiation process becomes less about genuine compliance and more about justifying non-compliance due to financial incapacity, ultimately undermining the integrity of the reaccreditation process. The study highlights the need for a more nuanced approach to audits in economically constrained institutions, where rigid adherence to standards without consideration of financial realities could lead to further systemic issues.

The concept and method employed in this study, particularly the application of Giddens' Structuration Theory, prove highly effective in answering the research questions related to conflict structuration during audit negotiations. Structuration Theory, which emphasizes the duality of structure—where social practices are shaped by and simultaneously shape institutional frameworks—offers a robust lens through which to analyze the power dynamics, communication strategies, and economic constraints observed during the audit process (Giddens, 1984). By using this theoretical approach, the research is able to uncover how these factors not only initiate and escalate conflicts but also how they are embedded within the broader



institutional context of private university reaccreditation. Additionally, the qualitative methods of observation and document analysis provide rich, contextual data that allow for a nuanced understanding of the specific challenges unique to private universities. These methodological choices enable the study to comprehensively address the research questions and contribute valuable insights to the field (Silverman, 2013).

The limitations of this research primarily stem from its reliance on qualitative methods, specifically observations and document analysis, which, while providing rich contextual insights, may not capture the full spectrum of experiences and perspectives involved in the audit negotiation process. The study's focus on a single case of a private university reaccreditation in Jakarta also limits the generalizability of its findings, as the specific institutional context may differ from other universities facing similar audits (Yin, 2018). Furthermore, the absence of direct interviews with auditors and university officials may have resulted in the omission of critical insights regarding personal motivations and perceptions that could influence conflict dynamics (Creswell, 2013). Additionally, the study's dependence on available documentation might have led to a partial view of the audit process, as certain informal interactions or undocumented practices may have been overlooked. Future research could address these limitations by incorporating a broader range of case studies and employing mixed methods to provide a more comprehensive understanding of conflict structuration in audit negotiations.

## REFERENCES

- Andie, Malterud., Anne, Maydan, Nicotera. (2020). (4) Expanding structurational divergence theory by exploring the escalation of incompatible structures to conflict cycles in nursing. *Management Communication Quarterly*, doi: 10.1177/0893318920912738
- Anne, Maydan, Nicotera. (2015). (4) Damned If I Do and Damned If I Don't: How Structurational Divergence Strips Actors of Agency. *Management Communication Quarterly*, doi: 10.1177/0893318915585143
- Beattie, V., Fearnley, S., & Hines, T. (2004). The Auditor-Auditee Relationship and its Impact on the Audit Process. *Journal of Business Finance & Accounting*, 31(3-4), 517-548.
- Beattie, V., Fearnley, S., & Hines, T. (2012). Do UK audit committees really engage with auditors on audit planning and performance?," *Accounting and Business Research*, Taylor & Francis Journals, vol. 42(3), pages 349-375, <https://doi.org/10.1080/00014788.2012.698090>
- Beattie, V., Fearnley, S., & Hines, T. (2012). Reaching Key Financial Reporting Decisions: How Directors and Auditors Interact. Wiley.
- Beattie, V., Fearnley, S., & Hines, T. (2014). Auditor-Client Interactions in the Changed UK Regulatory Environment – A Revised Grounded Theory Model. *International Journal of Auditing* 19 (1), 15-36, <https://doi.org/10.1111/ijau.12031>
- Beattie, Vivien, Stella Fearnley, Richard Brandt (2004). A Grounded Theory Model of Auditor-Client Negotiations. *International Journal of Accounting*, 8:1-19 (2002)
- Bergner, Jason, Sean A. Pfeffer, Robert J. Ramsay (2015). Concession, Contention and Accountability in Auditor-Client Negotiations. *Behavioural Research in Accounting*. 28(1):150507083659005
- Blaufus, Kay., Lorenz, Daniela., Milde Michael., Peuthert, Benjamin., Schwäbe, Alexander N. (2022) Negotiating with the tax auditor: Determinants of tax auditors' negotiation strategy choice and the effect on firms' tax adjustments. *Accounting, Organization and Society*, Volume 97, February 2022 101294,

- <https://doi.org/10.1016/j.aos.2021.101294>
- Bowen, G.A. (2009), "Document Analysis as a Qualitative Research Method", *Qualitative Research Journal*, Vol. 9 No. 2, pp. 27-40. <https://doi.org/10.3316/QRJ0902027>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101. <https://doi.org/10.1191/1478088706qp063oa>
- Brittingham, B. (2009). Accreditation in the United States: How Did We Get to Where We Are? *New Directions for Higher Education*, 2009(145), 7-27. <https://doi.org/10.1002/he.331>
- Bunget, O. C., Sumănu, A. (2022), A Bibliometric Study upon Auditor-Client Negotiation Aspects, *Audit Financiar*, vol. XX, no. 3(167)/2022, pp. 511-524, <https://doi.org/10.20869/auditf/2022/167/018>
- Creswell, J. W. (2013). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches* (3rd ed.). Sage Publications.
- da Rocha, Costa., Antônio, Carlos. (2019). (2) Structuration of Core Operatory Structures of Agent Societies. doi: 10.1007/978-3-030-16335-8\_6
- DeZoort, F. T., & Salterio, S. E. (2001). The Effects of Corporate Governance Experience and Financial-Reporting and Audit Knowledge on Audit Committee Members' Judgments. *Auditing: A Journal of Practice & Theory*, 20(2), 31-47. <https://doi.org/10.2308/aud.2001.20.2.31>
- Eaton, J. S. (2011). An Overview of U.S. Accreditation. Council for Higher Education Accreditation (CHEA): Washington.
- Elliott, Anthony. (2020). (3) Structuration theories: Giddens and Bourdieu. doi: 10.4324/9781315149714-5
- Fereday, J., & Muir-Cochrane, E. (2006). Demonstrating Rigor Using Thematic Analysis: A Hybrid Approach of Inductive and Deductive Coding and Theme Development. *International Journal of Qualitative Methods*, 5(1), 80-92.
- <https://doi.org/10.1177/160940690600500107>
- Gibbins, M., McCracken, S. A., & Salterio, S. E. (2007). The Auditor-Auditee Relationship and its Impact on the Negotiation Process. *Accounting, Organizations and Society*, 32(4-5), 363-387.
- Gibbins, M., McCracken, S., & Salterio, S. (2010). The auditor's strategy selection for negotiation with management: Flexibility of initial accounting position and nature of the relationship. *Accounting, Organizations and Society*, 35(6), 579-595. <https://doi.org/10.1016/j.aos.2010.01.001>
- Gibbins, M., Salterio, S., & Webb, A. (2002). Evidence about auditor-client management negotiation concerning client's financial reporting. *Journal of Accounting Research*, 39(3), 535-563. <https://doi.org/10.1111/1475-679X.00027>
- Giddens, A. (1984). *The Constitution of Society: Outline of the Theory of Structuration*. University of California Press: Glasgow.
- Harvey, Lee. (2004). The Power of Accreditation: Views of Academics. *Journal of Higher Education Policy and Management*, 26 (2), p207-223 Jul 2004, <https://doi.org/10.1080/1360080042000218267>
- Hatfield, Richard Charles., Mullis, Curtis E., Trotman, Ken T. (2022). Interactive auditor-client negotiations: the effects of the accumulating nature and direction of audit differences. *Accounting review: A quarterly journal of the American Accounting Association* (2022) 97 (7): 223-241, <https://doi.org/10.2308/tar-2020-0205>
- Kmin, A.O. (2022). (5) Strukturationstheorie als theoretisches Fundament. doi: 10.1007/978-3-658-37717-5\_2
- Knapp, M. C. (1985). Audit Conflict: An Empirical Study of the Perceptions of Auditors and Client Managers. *The Accounting Review*, 60(4), 615-634.

- Knapp, Michael C. (1985). Audit Conflict: An Empirical Study of the Perceived Ability of Auditors to Resist Management Pressure. *JSTOR*, 60(2):202-211.
- Kumar, P., Singh, J., & Sharma, R. (2021). Challenges in Higher Education Accreditation: A Study of Private Universities. *Journal of Education and Learning*, 10(1), 1-15.
- Kumar, Pradeep, Balvinder Shukla, Don Passey (2021) Impact of Accreditation on Quality and Excellence of Higher Education Institutions. *Investigacion Operacional*, 41(2): 151-167.
- Kvale, S., & Brinkmann, S. (2009). *InterViews: Learning the craft of qualitative research interviewing* (2nd ed.). Sage Publications, Inc.
- McCracken, Susan & Salterio, Steven E. & Gibbins, Michael, 2008. Auditor-client management relationships and roles in negotiating financial reporting, *Accounting, Organizations and Society*, Elsevier, vol. 33(4-5), pages 362-383.
- McTavish, Carolyn (2018). Audit negotiations: The effect of communicating national office involvement and auditor approach on negotiation outcomes. *Managerial Accounting Journal*, 33 (5).
- Mergalyas, M., Kashapov., Anastasia, Lukina. (2023). Structural-level organization of conflict competence in the professional activities of a manager. *Vestnik Sankt-Peterburgskogo universiteta. Psihologiâ*, doi: 10.21638/spbu16.2023.209
- Myburgh, Zahida & Talita Calitz (2022). Quality management of programme reaccreditation at private higher education institutions in South Africa. *The Independent Journal of Learning and Teaching*, IJTL vol.17 n.2 Sandton 2022.
- Orla, McGarry. (2016). (3) Knowing 'how to go on': structuration theory as an analytical prism in studies of intercultural engagement. *Journal of Ethnic and Migration Studies*, doi: 10.1080/1369183X.2016.1148593
- Patton. M. Q. (2002). *Qualitative research and evaluation methods* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Poole, M. S., & Van de Ven, A. H. (1989). Using Paradox to Build Management and Organization Theories. *Academy of Management Review*, 14(4), 562-578. <https://doi.org/10.2307/258559>
- Poole, M., & Desanctis, G. (1990). Understanding the use of Group Decision Support Systems: The Theory of Adaptive Structuration. In J. Fulk, & C. Steinfield (Eds.), *Organizations and Communication Technology* (pp. 173-193). SAGE Publishing. <https://doi.org/10.4135/9781483325385.n8>
- Randle, Sr., E. C. (2022). An Examination of the Impact of Control Risk, Negotiation, and Pricing Specialists in the Audit of Fair Value Measurements. *Journal of Accounting and Finance*, 22(4). <https://doi.org/10.33423/jaf.v22i4.5454>
- Shin, J. C., & Harman, G. (2009). New challenges for higher education: Global and Asia-Pacific perspectives. *Asia Pacific Education Review*, 10(1), 1-13. <https://10.1007/s12564-009-9011-6>
- Siamak, M., Shams, F., & Abdollahi, M. (2022). The Role of Power Dynamics in Audit Negotiations. *International Journal of Auditing*, 26(2), 333-352.
- Siamak, Sami, Khosravipour Negar, Lashgari Zahra (2022). Effect of Dialectical Metaphor of Auditors' Negotiation Maturity Process. *Journal of Accounting Knowledge*, Volume 13, Issue 1; 121-139.
- Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review*, 36(2), 381-403.
- Stephen, Farrall. (2021). (1) Where Have All the People Gone? Theories of Structuration, Practice and Agency. doi: 10.1007/978-3-030-74830-2\_6
- Van de Ven, A. H., & Poole, M. S. (1995). *Explaining Development and Change in*

- Organizations. Academy of Management Review, 20(3), 510-540.  
<https://doi.org/10.2307/258786>
- Williams, P. (2018). Actor interactions in audit conflict: A micro-level analysis. Journal of Conflict Resolution, 62(4), 721-744.
- Yin, R. K. (2018). Case Study Research and Applications: Design and Methods (6th ed.). Thousand Oaks, CA: Sage Publications, Inc.