

PROCEEDING CONFERENCE PROGRAMME

iconpo 2011

International Conference on Public Organization

CHALLENGE TO DEVELOP A NEW PUBLIC
ORGANIZATION MANAGEMENT
IN THE ERA OF DEMOCRATIZATION
Comparing models in various countries

Yogyakarta Indonesia, January 21-22, 2011

ICONPO 2011 is Organized By

Department of Government Affairs and Administration
Faculty of Social and Political Science
Universitas Muhammadiyah Yogyakarta

In Collaboration with Korea University, Thammasat University
and Universitas Ngurah Rai Denpasar



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This proceeding is a collaborative work done between Faculty of Social and Political Science of Universitas Muhammadiyah Yogyakarta, supported by Korea University, Thammasat University Thailand, and Universitas Ngurah Rai Denpasar. We dedicate this proceeding as an academic collaboration momentum of an International Conference on Public Organization "Challenge to Develop a New Public Organization Management in The Era of Democratization" which had held by Department of Governmental Studies Faculty of Social and Political Science of Universitas Muhammadiyah Yogyakarta, on January 21st – 22nd, 2011, in Yogyakarta, Indonesia.

We wish to thank the Rector of Universitas Muhammadiyah Yogyakarta Ir HM. Dasron Hamid, M.Sc for giving the license to drive this conference. We also express my sincere gratitude to Prof. Sunhyuk Kim of Korea University as our Keynote Speaker. Special thanks go to all of the honorable our paper reviewers for the Proceeding those are Assoc. Prof Azhari Samudra of Universitas Ngurah Rai Denpasar, Prof. Dr. Jin- Wook Choi from Korea University, Prof. Dr. Miftah Thoha, MPA from Universitas Gadjah Mada, Prof. Francis Loh Kok Wah, PhD from University Sains Malaysia, Prof. Dr. Azhar Kasim, MPA from Universitas Indonesia, and Dr. Vidhyandika D Perkasa from Center for Strategies and International Studies Indonesia (CSIS), Prof Amporn Tamronglak and Dr. Soparatana Jarusombat from Thammasat University, without their contribution this paper will never come into being. We also thank to the ICONPO committee, and all collagues for their support to this conference. We thank to all the paper presenters and participants who contributed through their papers in this proceeding.

This proceeding is divided into 10 themes, those are:

1. Environmental changes and collaboration in public organization.
2. Need assessment of public issues in public organization.
3. Design of structure organization in democratic era
4. Planning and Decision making .
5. Human resources management.
6. Culture and ethics of public organization in democratic era;

7. Communication practices in public organization
8. Transformative Leadership .
9. Current Management Information system in electronic era.
10. Performance measurement

Reason for selecting these themes is because the wave of democracy has influence the dynamics of public organization, a well known institution model related to governmental, non-profit, and non-governmental organizations. The dynamic of public organization management in response to democratic era, now encompasses more challenging issues. The issues such the shifting paradigm from government to governance could be seen as the trend drives to the reform of government. The concept of governance means that the government must improves the functions of public organization management process. The process must be efficiently, effectiveness, responsiveness, transparently, participative, and accountable. Other important issues are the growing of gender mainstreaming, public policy processes and the dynamic of civil society which have demanded a changing management of public organization. The most important thing so that public organization could challenge in the democratic era is to improve and develop a new public organization management. Therefore, public organization needs to respond, explore and develop innovative management. It challenges the scholars and practitioners to explore and develop new models of public organization management by drawing the experience and lessons learned of their countries

Thus, the proceeding explores the issues and challenges to develop a new public organization management in the era of democratization. We hope this proceeding will benefit the readers, academicians, politicians and scholars on more about a new way to develop public organization in this democratization era.

Yogyakarta January 21st 2011

Head of Government Science
Dr. Suranto

Dean of Faculty of Social and Political Science
Dr. Nurmandi

PREFACE

The first paper as Keynote Speech written by Sunhyuk Kim (Professor, Department of Public Administration, Korea University) entitled **Globalization and Policy Change: The Case of Korea**. This paper emphasizes on "neoliberal" globalization. The writer argues that neoliberal globalization is just one type of globalization, and it is likely that in the future another type of globalization may emerge. "Varieties" of economic, political, and public administration systems in the world will respond differently to the new wave of globalization. It is essential, therefore, to craft a more prudent national strategy to flexibly and comprehensively deal with different kinds of globalization. The writer examines how Korea has coped with the challenge of globalization, by analyzing how the latest neoliberal globalization has affected governmental restructuring and policy transformation in Korea since its democratization in 1987. It is underscored that Korea needs a better national strategy to handle future waves of globalization—potentially of the non-neoliberal nature. I sketch out the main contents of such a new national strategy, primarily focused on the need to build and nurture more effective multi-sector governance system, increasing communicative and collaborative capacity of all the sectors involved.

The second paper was written by Su-jin, Yu, 3rd semester of master's course Korea University entitled **Conflicts in Environmental Policy-making in Korea: The case of Gyeyang Mountain Golf course**. In this research studies about the Gyeyang Mt. golf course development plan (GGDP) which has shown sharp conflict aspect. Commonly, environmental conflicts in the policy-making have two different belief systems such as environmental conservation and environmental development. Based on this two different belief system, various stakeholders united as a policy actor. Coalition actors from two different values enforce a different strategy to policy-making.

The third paper written by Laila Kholid Alfirdaus of Government Department Faculty of Social and Political Science Diponegoro University Semarang Central Java Indonesia titled **Governing the Disaster-Prone**

Community. Public organisation does not only deal with problems which is regular in its nature, periodical, and in orderly situation. More often, public organization faces uncertain circumstances that the way of governing as usual cannot be applied. One of the notable constraints in governing community for public organization to manage is disaster. Firstly, disaster often comes at an unpredictable time. Secondly, disaster often bears considerable risks even beyond a public organisation's capacity to deal with. Its quick attack often results in much longer impacts. Thirdly, any single thing, such as food supply, sanitation, water supply, shelter, and so forth, suddenly turns into emergency, meanwhile the public organization has usually shortcomings in resources. Fourthly, any demand for the public organization quickly moves into a big pressure, therefore public organization easily becomes the subject of failure once they are unable to tackle the complex situation. Considering such the specific nature of disaster, there is a clear need for public organization to apply specific governing strategies. This paper tries to elaborate some thinking on governing the disaster-prone community, especially for developing nations, using experiences in various countries. Such a thinking becomes important since it is the developing nations that use to have problems in their bureaucratic structure. A change of mindset in public organization in which disaster should not be treated as business as usual rather as in a crisis is one of the keys. A deep thinking on how to manage the interrelation with some non-government organizations, economic society, academic society, and the media in emergency and recovery based on context and culture, is also worthwhile.

The fourth paper entitled **The Sustainability of Jakarta as the capital city.** It is written by Hartuti Purnaweni Public Administration Program, Environmental Study, Post Graduate Program, Diponegoro University. This paper aims to find out efforts to be done to Jakarta as the Capital City of the Republic of Indonesia. Jakarta has turned from merely old day traditional port to the present day of a megapolitant figure, where skyscrapers mount in many places. Jakarta is an area with low topographic feature as it is situated at the coastline, in particular North Jakarta. As time goes by, the city becomes less convenient as settlements due to traffic jam, flood, land subsidence, land water deficit, inadequate green space, severe air pollution, etc. Jakarta's carrying capacity has been passed over. New public management system is needed. Therefore, a new paradigm has emerged concerning its status replacement as the Indonesian capital city, and to make it a more livable city. Three alternatives are proposed for the solution.

The fifth paper entitled **Democratization and Environmental Politics of Natural Resources Management** at Local level written by Edi Santosa, Governmental Program, Social and Political Faculty, Public Administration, Post Graduate Program, Diponegoro University. The paper aims to deliver the idea that Environmental democracy is not new in Indonesia since it stated its commitments in Rio Declaration in 1992 and World Summit on Sustainable

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Development in 2002. However, empirical evidence shows that the commitment to implement the ideal is still far behind. In theoretical, policy and empirical area, discussing environmental sociopolitical aspects should include all stakeholders in it. In managing environment and natural resources, both politicians and government officials have the political power as representatives of the state. Their political actions should cover activities of development policies which are oriented towards sustainable development, whether at local, national, regional and global. Rondinelli and Chema (1993) stated that the state should be committed to pursuing sustainable development across the region – it calls for a clean and green environment with fully established mechanisms for sustainable development to ensure the protection of the environment, the sustainability of its natural resources and the high quality of life of its people and neighbours in one earth.

The sixth paper entitled **The Implementation of Social and Environmental Responsibilities's Regulation by PT Karya Tangan Indah Bali** written by Ni Putu Tirka Widanti, Universitas Ngurah Rai, Denpasar, Bali, Indonesia. The paper aims to analyze the most prominent CSR activities of PT Karya Tangan Indah, those are the environmental re-cycling and social religious supports to the traditional village where the company is situated. PT. Karya Tangan Indah's CSR programs are affected by the party receiving supports and the internal organization. From the analysis, it has been found that PT. Karya Tangan Indah's CSR programs on recycling and social religious supports have managed to attract the community's enthusiasm. It is because the ritual ceremonies in the traditional village where PT. Karya Tangan Indah operates are held regularly and involve the entire community members. Based on the analysis findings, it is recommended that the future PT. Karya Tangan Indah's CSR programs should involve the community members commencing from the planning up to the evaluation processes. It is necessary to involve them for sustainable programs and for addressing their needs and priorities. In addition, their involvements are hoped to be able to duly plan and organize the allocated budgets.

The seventh paper is **Impacts Of Decentralization On Environmental Management In Thailand**, written by Soparatana Jarusombat, Ph.D of Faculty of Political Science, Thammasat University, Bangkok, Thailand. This paper describes the process, institutional and legal framework within which the environmental management operates in Thailand. It specifically focuses on the decentralization within central and local government's role in environmental management. The aim of the paper is to examine how interface between the central and local loci of power have affected pieces of legislation relating to management of the environment by central and local government in Thailand.

The eighth paper is titled **An Empirical Study of the Autonomy of Thai (Autonomous) Public Organizations** written by Associate Professor Amporn Tamronglak, Head of Public Administration Department and Director of Executive Public Administration (EPA) Program, Faculty of

Political Science, Thammasat University, Bangkok, Thailand. The latest Administrative Reform in Thailand in 1999 reflected the influence of New Public Management (NPM) perspectives, leading to a drastic restructuring of age old bureaucracy. "Agencification" or creating new single purpose agencies was one of various approaches to face lift bureaucracy in the name of "Public Organizations or Autonomous Public Organizations (APOs)" to be free from tedious regulations and hierarchical commands of politicians. Since (Autonomous or Quasi-autonomous) Public Organizations Act has been issued in 1999, there are approximately 29 agencies created. This paper aims at attacking and analyzing the issue of autonomy of Public Organizations in Thailand, which is the main reason in hiving off from their original organizations. The theoretical basis of autonomy employed in the study is drawn from Peters Verhoest and others, particularly in the areas of personnel and financial management. Constructive questionnaires were employed and collected between June and August 2010 from all 29 Public Organizations. In-depth interviews with the agency's executives were conducted to gain insight knowledge of the concept in practice. The statistical analysis shows that Thai APOs are more or less independent from the politicians. Though the legal and administrative structure of their establishment, they somewhat recognize and are responsive to the demands of the relevant Ministries. On the contrary, they are able to maintain the balance and handle the pressure in such a way that the agencies can carry out and accomplish the government policies professionally and cost-effectively.

The ninth paper written titled **Government Antismoking Campaign: Quixotic Dream Or Confident Expectation?** By Subiyanto of Wijaya Putra University. Smoking habit was one of global problems, but the effects of it are very dangerous on smoking related diseases, so Indonesian Government had to take the genius actions. This study investigated the effects of Government Antismoking Campaign on Behavior of Smoking in East Java. Research model was adopted from the Theory of Reasoned Action dan the Theory of Planned Behaviour introduced by Ajzen and Fishbein modified by DeVries et al. The population were smokers or someone who have experience with cigarette smoking in East Java, sampling method by Multistage Cluster Random Sampling in three stages. Data analysis utilized Structural Equation Modelling (SEM) used AMOS 4.01. Hypothesis analysis used regression Weight standardized estimates, compare p value in 5percent significancy, if p value < 5percent is mean significant. This study found four negative significant hypothesis and two not significant hypothesis. The effect of Government antismoking campaign on Attitude toward smoking behaviour and on Subjective norm of smoking are not significant, while effect of Attitude toward smoking behaviour on Refusal skill, the effect of Subjective norm of smoking on Refusal skill, are negative significant. The effect of Refusal skill on Behavioural intention to smoke, and the effect of Behavioural intention to smoke on Behaviour of smoking are also negative significant. There were

recommendations for Indonesian Government, cigarettes industries and collaboration among government and cigarettes industries.

The tenth paper entitled **Leading to Improvement? The Politics of ISO 9001:2000 Transfer to Local Service Delivery** and written by Wawan Sobari, Lecturer and Convenor of the Department of Political Science, Faculty of Social and Political Science, University of Brawijaya Malang. This paper addresses three main questions concerning the process, impacts and external evaluation of the transfer of ISO 9001:2000 to service delivery at the local secretariat office in the Regency of Malang Indonesia. Its methodology applies qualitative approach to build understanding by intensifying the research process aimed to obtain the full picture of the transfer. This paper shows some important findings around this transfer; first, the decision to transfer is a result of social process aimed to build better image of the office. As well, a policy network, ranges from local to international actors, has constructed the ISO 9001:2000 implementation as the best practice in service delivery. Finally, the certificate attributed to the implementation of ISO 9001:2000 cannot adequately assures the improvement of technical capacity of the office. Rather, it has created dependency on assurance server to sustain the performance improvement. Thus, this transfer has created a qualified office, not an educated office that is self-achieved fulfilment in delivering better service.

The eleventh paper **Democracy and Growth Revisited : An empirical study using fsQCA** written by Dong-Hyun Choi, Graduate Student, Department of Public Administration, Korea University. This paper will analyze The relationship between political freedom and economic growth has been a much scrutinized topic over the past few decades. According to Barro once the impact of other exogenous factors are controlled for, the effect of democracy on growth is weakly negative. He further raised the possibility of a nonlinear relationship between democracy and growth. Barro's work, while convincing in terms of methodological rigor and interesting in terms of the observations made, nonetheless is hardly free from the flaws that may potentially undermine the credibility of his arguments. This is the point of departure for this article. The first section of the article discusses the potential flaws evident in Barro (1996), and suggests ways to improve upon his work. The second section introduces fuzzy set qualitative comparative analysis (fsQCA) as an alternative methodological approach, and analyzes the relationship between democracy and economic growth using fsQCA. The analysis generally concurs with the nonlinearity hypothesis suggested by Barro (1996): democracy does in fact disparately impact economic growth at different levels of democracy. For full democracies and authoritarian regimes, causal combinations indicate that democracy has a positive impact on economic growth. For flawed democracies and hybrid regimes with intermediate levels of democracy, the dynamic between democracy and economic growth is revealed to be negative.

The twelfth paper entitled **Competition for jurisdiction over food industry in Korea** was written by Sung Eun Park, Korea University. This paper points out the matter of food safety management system with a view of competition for jurisdiction over food industry among the Ministry of Health and Welfare and the Ministry for Food, Agriculture, Forestry and Fisheries and affiliated organizations. Each ministry has separate basic positions and approaches to food industry policy: regulation and promotion. The policy image has been changed into "regulation" as public anxiety and concern for hazardous foods has grown since the end of 1990. They complete take charge of promoting or regulating the food industry by establishing or amending laws, expanding organizations and mobilizing a coalition. Coordination by policy committee, cooperation between agencies, and integration of agencies were introduced as measures to eliminate unnecessary competition for jurisdiction.

The thirteenth paper written titled **Making Strategic Plan Works In Local Government: Challenge And Problems, A Case Study of Strategic Plan Implementation in Yogyakarta Special Province** by Achmad Nurmandi and Eko Priyo Purnomo of Universitas Muhammadiyah Yogyakarta. The term of strategic plan is a new type of plan in Indonesian government that introduced since 1999 based on Law No. 22/1999. As a new approach, government organization has tried to set priorities and allocated scarce resources according to the formulated vision and mission. Meanwhile, these strategic efforts have not been successful achieved yet, including in Yogyakarta Province. This essay examines the implementation of strategic plan in Yogyakarta Special Province. The Yogyakarta has vision and missions that are looked at this paper as basis of analysis. Measuring on how they can reach their goals and missions is an appropriate way to analyze the how the strategic plan works. Using qualitative data and choosing a case study method, this research also have conducted in-depth interviews with bureaucrats in Yogyakarta. First of all, the Yogyakarta province tried to providing the strategic plan to be followed by government officer in their activities according to strategic design and planning school approaches. Secondly, most of local government's agencies are less understand on their vision and missions. Thirdly, Zero-sum game effect, reaching the goals and mission are difficult because most of their budget is spending their salary. Fourthly, The strategic plan has been implemented but it has not executed the strategic zone whose it support for dealing with mission from number two to six .

The fourteenth paper written titled **Improving Indonesia Civil Servants REVITALISASI PELAYANAN PUBLIK MELALUI ANALISIS JABATAN 'Performance Through Job Analysis** by Dyah Mutiarin "Dr. Dyah Mutiarin" Department of Government Affairs and Administration Universitas Muhammadiyah Yogyakarta. The red tape phenomenon in Indonesia civil servants performance Khusus berkaitan dengan birokrat pemerintah, banyaknya persoalan yang timbul dalam pemerintahan selama ini pada

dasarnya menunjukkan rendahnya kemampuan dan kurangnya sikap dari aparaturnya untuk mencoba peduli dan membantu masyarakat serta pengguna jasa pemerintahan lainnya dalam memenuhi kebutuhannya. This shows the lack of ability and lack of capacity to carry government tasks. This phenomenon needs improvement. Improving the quality of the state apparatus resources is directed to realize the professional human resources, neutral, and prosperous for civil servants as well as citizen at large. Hal itu merupakan faktor penting dalam menunjang peningkatan kapasitas dan akuntabilitas kinerja instansi pemerintah. This is an important factor in supporting capacity and accountability of civil servants as well as state apparatus. Analisis jabatan diperlukan dalam pengembangan pegawai yang pada hakekatnya adalah suatu upaya pemenuhan kebutuhan tenaga kerja secara kualitatif sesuai dengan persyaratan pekerjaan yang ditentukan dengan mempertimbangkan kepentingan-kepentingan individu pegawai untuk dapat mengembangkan potensinya seoptimal mungkin mencapai karier setinggi-tingginya di dalam organisasi. Therefore, in order to achieve the quality of human resource in civil servants, the government need to continue to improve the application of merit system in the administration of personnel management by implementing job analysis. The future of structure bureaucratic organizations as public organization tend to be slender but rich in function. The concept of 'the right man in the right place in the right time' needs to be applied correctly in order in filling the vacancy actually forward the principle of professionalism through the process of job analysis.

The fifteenth paper titled **Career Path Development for Indonesian Public Servant** by **Utami Dewi, S.IP, MPP and Dra. Atik Septi Winarsih, M.Si** of Government Affairs and Administration Department, Universitas Muhammadiyah Yogyakarta. Decentralization demands more competent and professional public servants, so that they can perform jobs well particularly in delivering services to society and in maximizing local resources. However, several problems surrounding civil service management have hampered this decentralization goal. These obstacles come from government regulations, institutional relationship and human resources. There are some regulations on civil service affairs but many of them are incompatible. Ironically, moreover, the important regulation on public servant management-career path development- has not been formulated yet. This career path development is crucial since it guides the staff to plan their job position in the future. Moreover, it is beneficial for manager in the public sector to conduct staff placement and promotion. Therefore, the formulation and implementation of career path development is a must to find the best staff in the right job. In doing so, performance measurement that consists of performance appraisal, competency test and fit and proper test may be chosen as a model. This paper will reveal this career path development by firstly evaluating the practice of recruitment; promotion and mutation; salary; and performance appraisal system in recent Indonesian studies.

The sixteenth paper was written by Jin-Wook Choi, Associate Professor, Department of Public Administration, Korea University entitled **Anticorruption Agencies and Reform: The Case of the KPK in Indonesia**. This paper analyze the establishment of an anticorruption agency (ACA) due to reduce corruption in a county in this case is Indonesia. This paper examines the effectiveness of anticorruption law enforcement functions of the KPK, the Indonesia's ACA that was created in 2003 and identifies key challenges that lie ahead of the KPK. By adopting key performance indicators, this paper finds that the KPK has been successful in carrying out three-pronged anticorruption strategies—repression, prevention and public relations, which is congruent with strong public support to and trust in the KPK. However, the KPK faces several challenges posed by inherent structural limitations and external political forces that may threaten the efficacy of the Commission's anticorruption functions. While the public has to show continuous strong support to the KPK, the Commission must effectively perform legally mandated and socially expected anticorruption functions with high integrity and discipline in order to become a de facto ACA.

The seventeenth paper written by Bonefacius Bao entitled **Robust Ondoafi Powers in Central Urban Communities (Studies Authority Ondoafi in Jayapura Papua)**. This paper aims to find out Ondoafi in the capital to actualize its power, and care for it so the power of capital in the middle of an urban community. There are three power capital Ondoafi namely social capitals, symbolic and material. Assuming the persistence of capital even living in urban areas had to survive because they have the ability to manage symbols, manage social relationships and manage the economy. Allegations were proven because of the discussion about the workings of the three capital Ondoafi power, can be in the know that Ondoafi respond to change with the actualization of such capital through a revitalization strategy, adaptation and repositioning. Those capitals are not working alone but comes along. Ondoafi convert into equity capital one another so that there is a logical relationship with his rule. Capital-capital is reproduced and exchanged with each other. In practice the power to show how the three capital Ondoafi able to manage its power to make strategic changes. Ondoafi thus becomes very important and strategic for anyone who needs it.

The eighteenth paper was written by Arundina Pratiwi, entitled **Transformation of public organization Culture in Indonesian Democratic Era**. The main problem discussed on the paper provide an understanding about the transformation of public organization culture in Indonesian democratic era. Literatures research, both from books and media publications, on current development of transformative public services performed by several regional governments provides the primary conceptual foundation for investigating the effect of democratization process on the transformation of public organization culture in Indonesia. Additionally, this paper reveals the specific example on transformation of

organizational culture in the regional government of Jembrana in Bali which is currently often used as the best example for other regional governments across Indonesian archipelago. Jembrana case can be classified as a success of public organization culture transformation, with its main goal to overcome the bad image of Indonesian public institutions in serving public needs. The achievement of Jembrana can be used as an important example to motivate other regional governments to improve their commitment on providing good public services.

The nineteenth paper is **An Analysis of the Effect of Press Freedom on Corruption: Evidence through a Cross-Sectional Data Analysis** written by Songhee Yoo, mastercourse student, Korea university. This study attempts to find the relationship between the government corruption and the media based on Latham's democratic theory. First of all, the empirical results of this study show that the autonomy of the media reduces corruption. It can be seen as an element of direct democracy that makes up for the constraints of indirect democracy. In addition, the writer further investigated the impact of the economic level and social globalization on corruption through the empirical research. Therefore, when the anti-corruption policy is established, the administrator should carefully consider whether the policy runs the risk of suppressing the economic growth of a country. And globalization is an opportunity to establish anti-corruption agencies and institutions. Because increasing the level of trust with other countries brings down corruption in the field of related work. Finally, determinant element of reduced corruption is identified as femininity. However, the simple increase in the employment of women may not be the solution. If the organization wants to reduce corruption, they must increase the culture of femininity. Efforts should not stop at recruiting more female workers, but rather focus on the improvement of organizational culture.

The twentieth paper entitled **Organizational Communication licensing Office of Yogyakarta City to Achieve Service Performance** and written by Yeni Rosilawati lecturer of UMY, Communication Department majoring in Public Relations subjects, Krisna Mulawarman, lecturer of UMY, Communication Department, majoring in a broadcasting subjects, and Dian Kusumadewi alumni of Communication Department UMY, graduated in 2009. The paper focus on Licensing Agency it is an organization in the field of services still relatively new, however Licensing Office of Yogyakarta city has a strong commitment in carrying out its functions. Awards obtained Jogjakarta City Government Licensing Service Award include Investment Award from BKPM as City Best One Stop Service Providers in 2007 later in the year 2008 Licensing Office Title again awarded the Excellent Service Award 2008 as the image of one government agency that has the quality of public services best. This study sought to describe the steps the Licensing Office of organizational communication Jogjakarta City Government to improve service performance.

The twenty first paper entitled **Potential Users and Critical Success Factors of e-Government Services: the Case of Indonesia** written by Ali Rokhman, Post Graduate Program in Administration Science, Jenderal Soedirman University. This paper elaborated more on Implementation of e-government in Indonesia began in 2003. However, until then the public services that provided through e-government are still very limited in quantity as well as quality. Based on the research the internet users are they who have the characteristics in majority consist of: female, have age in twenty one to thirty years old, have bachelor education degree, and they have been using the Internet for a period of seven to nine years. Considering this phenomenon therefore from the government's perspective, the most critical factors for successful implementation of e-government are the e-leadership and the opportunity to develop employees' capacity in the technical training on e-government.

The twenty second paper entitled **Bureaucracy Culture and Leadership in Indonesian E-Administration Implementation: Based on Perspective of Knowing and Learning Organization** written by Ayuning Budiati and Rudiant Komara the paper focus on Indonesian E-administration implementation involves bureaucratic culture and leadership issues. Those issues appear due to the change that occurs if e-administration is implemented nationally. Implementing e-administration can be risky, expensive and difficult because public employees are not being motivated to improve and provide policy about ICT. This situation causes a lack of policy including operational guides at every level of government to improve ICT. Improvement of ICT literacy and skill is needed in Indonesia's e-administration implementation. The paper will analyze those factors regarding the organization's paradigms: organization as learning and knowing organization.

The twenty third first paper written by Gyuseong Park, Korea University entitled **Internet Regulatory Policy in Korea: Its Origins, Impact, and Changes**. The paper aims to show the reason why the Korean Internet regulatory policy to ensure safety has its own uniqueness which cannot be observed in other countries; using external plug-in program instead of built-in and highly dependent upon specific platform. According to the study following the institutional approach of regulatory policies, these "Korean-style" regulations were created to solve technological constraints in the early beginning stage of development of Internet transactions, but these regulatory policies results in many "unexpected outcomes," such as strengthening monopoly in Operating system and Web browser market, customers' inconvenience, and paradoxical outcome which regulations intended to enhance security eventually weaken the safety. These regulations have been challenged, and recently announced its abolishment by Korean government due to its negative consequences. Based upon this case, the paper argues that the technological factor, inertia of institution, and various actors and their interests around regulatory policies are important to understand these

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regulatory policies, and it contends that IT regulatory policies should be technologically neutral because these policies cannot catch up the rapid evolution of these industries.

The twenty fourth paper entitled **Decentralization, accountability and local government performance in Indonesia** written by Sujarwoto, PhD Student at Institute for Social Change University of Manchester UK and Yumarni, Lecturer on the Department of Public Administration, Jenderal Soedirman University Purwokerto Central Java Indonesia. This article contributes to an understanding the linkage between local government accountability, corruption, and citizens' participation. Departing from critiques on fiscal federalism theory, we propose hypothesized pathway through which decentralization can lead better local public service performance. The basic hypotheses underlying this research is that decentralization will result in better local public service performance only if mechanisms for strengthen political accountability are established within local governments. Without strong political accountability, decentralization only creates powerful incentives for political and bureaucrat agent to capture local political process and misallocate public resources. The writer tested these hypotheses against evidence from 155 newly empowered local governments in Indonesia. Governance Decentralization Survey Data (GDS) is used to examine the linkage between decentralization, accountability and local government performance in the country. The results of simple and multilevel regression model broadly support the hypotheses. Less corruption, higher local government accountability and citizen's political participation are all associated with better local government performance. In contrast, poorly performing local public services are often deeply rooted in their political and social contexts. Local governments often fail to provide better public service when political accountability is absent due to weak checks and balances, lack of transparency, and weak electoral incentives. These effects remain statistically robust across all regression specifications

The twenty fifth paper written by Septiana Dwiputrianti, Senior Lecturer and Head of Postgraduate Program School of Public Administration, the National Agency for State Administration (STIA LABandung, West Java, Indonesia entitled **How Effective is the Indonesian External Public Sector Auditing Reports Before and After the Audit Reform for Enhancing the Performance of Public Administration?**. The research aims to enrich the existing administration, accountability, and auditing of public sector literature. Two main research questions; firstly, how is the quality of information in the audit reports of the BPK; secondly, what are the key factors influencing the effectiveness and ineffectiveness of information in the audit reports.

The study revealed that the executive's history had historically neglected the roles and functions of BPK. Auditors lacked independence as the executive influenced the administration and finances of BPK. Auditors also had lack of opportunity to increase their professionalism. Since there was little incentive

for auditors not to accept audit fees from auditees, the objectivity and integrity of auditors was reduced significantly. Since the third amendment of 1945 Constitution in 2001, the Indonesian government had reformed laws and regulations related to public sector auditing for strengthening BPK. In situation where the Indonesian public administration needs immediate reform, BPK keeps trying to improve its professionalism and independence to provide qualified audit reports. BPK has been given much attention to education, training, and the development of other skills and knowledge; implemented remuneration; applied a rewards and sanctions. This study revealed a significant improvement in the amount and quality of in audit resources, including numbers of qualified auditors, representative offices, information and technology, and modern equipment. However, many new auditors lack of experience and lack of diverse educational backgrounds in addition to accounting and finance for conducting performance auditing. To enhance the quality of public administration and accountability, this study gives recommendations for BPK in (1) strengthening its independence, (2) expanding auditor's professionalism and competency in risk management (3) improving the facilities of the training centers, (4) increasing follow up of audit reports, (5) evaluating laws and regulations, (6) enforcing the implementation of performance auditing.

The twenty sixth paper Titled **The Strategy For Improving Public Services Delivery In Indonesia** by **Dr. Suranto**, Department of Government Science, Muhammadiyah University of Yogyakarta and **Awang Anwaruddin** of Center of Research and Development for Information System and Administration Automation, National Institute of Public Administration of the Republic of Indonesia. The crisis of public services in Indonesia has spread out to almost all sectors for decades. The poor level of public services performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. Various public policies have been undertaken to improve public services performance; however, no significant improvement is perceptible.

This paper attempts to find a strategic solution to improve the public services in Indonesia. Through a depth analysis, a positive answer is recommended: The Indonesian Government should carry out a comprehensive approach of bureaucratic reform, including the bureaucratic institution, management, human resources, and service culture. Since the reform is complicated and massive, however, it should be carried out incrementally, through preliminary, implementation, and evaluation stages.

The twenty seventh paper titled **Analysis Of Democratic Public Service Network Case Study in Urban Transportation Service in Makassar City**, South Sulawesi Province, Indonesia by: **Dr. Alwi, M.Si**. In general, public services organized by government bureaucracy are still serious problem, including urban transportation services/public transportation in Makassar City. In this case, urban transportation services in Makassar City have not

been able to provide service as expected by citizen. As principle of democracy, citizens are "masters" who must be delivered service satisfactorily by state officials. Therefore, government bureaucracy, in fact, must understand the needs of citizens and this is what writers call democratic public service. Theoretically, to solve complex problems such as problems of urban transportation services necessary inter-organizational networks, because many institutions and associated with it. Merging the two concepts into the concept of democratic public service (urban transportation) network is a new concept in the science of public administration. Inter-organizational network aims to use resource efficiently and effectively, as well as a democratic public service aims at making citizens as the focus of public service through their involvement in the process of solving public problems. This study aims to describe the implementation of democratic public services (urban transportation) network in Makassar City. This study used qualitative methods and case study research strategy to uncover the deeply democratic public services network. Data collection techniques used was observation, in-depth interviews, and documents. Processing technique and data analysis is the analysis of qualitative descriptive case study. The result of research pointed out that the implementation of democratic public service (urban transportation) network in Makassar City has not been effective.

The twenty eighth paper titled **Balance Theory** by Dr. Inu Kencana Syafii. When people ask why today Islam is blasphemed throughout the world — forbidden wearing headscarves in France, in the United States its presence is examined and in Australia its organizations were disbanded — with various accusations we did not expect, this was because Islam is one of the world paradigms worried shifting all previous paradigms. After weakened communism socialism and capitalistic liberalism is the only wide world paradigm, they concerned about the return of the — according to them — tyrant rule, then it is anticipated with slander and propaganda. However, inevitably, humankind will understand goodness, truth, and the beauty, also in ethics, logic and aesthetics. So where are the ideologies sitting in case Koran assembled all the disciplines of science, moral ethics, and nuances of art? How about Al Fatihah which became Prolegomena and *preamble*, in addition to reading of the prayer becoming the rhythm of worship? It should be impregnated that Al-Fatihah is the core essence of transcendental thinking in three world grand narrative

Yogyakarta, January 21th, 2011

Editors:

Dr. Dyah Mutiarin
Eko Priyo Purnomo, SIP, M.Res.
Utami Dewi, SIP, MPP

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THE STRATEGY FOR IMPROVING PUBLIC SERVICES DELIVERY IN INDONESIA

Suranto* and Awang Anwaruddin**

ABSTRACT

The crisis of public services in Indonesia has spread out to almost all sectors for decades. The poor level of public services performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. Various public policies have been undertaken to improve public services performance; however, no significant improvement is perceptible.

This paper attempts to find a strategic solution to improve the public services in Indonesia. Through a depth analysis, a positive answer is recommended: The Indonesian Government should carry out a comprehensive approach of bureaucratic reform, including the bureaucratic institution, management, human resources, and service culture. Since the reform is complicated and massive, however, it should be carried out incrementally, through preliminary, implementation, and evaluation stages.

I. INTRODUCTION

The crisis of public services in Indonesia has spread out to almost all sectors for decades. The poor level of public services performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. For instance, many patients of Local Public Hospital (RSUD) complain the unfriendly manner of the hospital's staff as well as the specialist

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commitment in South Sulawesi (Dwiyanto, 2003: 49-50). Meanwhile, poor condition of school buildings, the limited number of teachers and the poor school infrastructure in Yogyakarta have also the example of poor education service delivery (Suranto, 2010)

Various public policies have been undertaken by the government to improve public services performance, such as by publishing The Guidance of Simplification and Control of Business Permit (1984), Guidance of Public services Management (1993), the Guidance of Reinstitution and Improvement of Government Apparatus Service to the Society (1995), and finally the Law of Public services (2009).

There were, however, no significant improvement is perceptible. Such conditions are a sign for all concerned to find a strategic solution to improve the public services. If it is analyzed deeply, the main problem lies in the low public services performance and excessive service cost. In this context, several illegal practices can be identified, such as uncertain service time, cost, and procedures; unfair service; long-table administrative service; deceptive service orientation; service based on distrust instead of trust; mismanagement of operational standards; and distribution of authority to legalize a single document.

Therefore, a strategic recommendation is a comprehensive approach of bureaucratic reform, including restructuring the bureaucratic institution, management, human resources, service culture, and the use of information and communication technology (ICT). Others may include establishing an interagency committee, assistance from academic institutions/NGOs, collaboration between government and private sectors, program evaluation, absorption of funding from foreign foundations, and encouraging comprehensive participation from the society.

Since the reform is complicated and massive, however, it should be carried out incrementally, through preliminary, implementation, and evaluation stages. All governance components should also be involved to reach the goal, as it is very crucial both to improve the performance of public services and to regain the decreasing trust of people in government due to unending multidimensional crisis and political instability.

This paper attempts to find a strategic solution to the problem. First, it will identify the picture of public services in Indonesia, especially its types, patterns and government efforts to improve the performance. Secondly, it will discuss the issues on bureaucracy, particularly the problems concerning its components. Based on a comparative study, this paper will finally offer a strategic solution to the problems of public services delivery in home country.

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II. THE CIRCUMSTANCE OF PUBLIC SERVICES IN INDONESIA

The concept of Public services may be simply defined as all activities delivered by government to fulfill the needs of society. Whilst a substantial body of research has emerged in the past four decades on innovation in the private sector (*Mulgan and Albury, 2003*), significant indication on innovation within the public services has just come out since 1990s when the UK Government announced the Next Steps project to improve the quality of public services. Several commonwealth countries, such as Australia, New Zealand, Malaysia, and Singapore then implemented such project in various terms and models (*Osborne & Plastrik, 1997*). Triggered by the concept of Reinventing Government (*Osborne & Gambler, 1992*), the US government also launched a project with the same term in 1995 focusing on the improvement of public services.

The Indonesia government has actually initiated such improvement on public services since 1984 by publishing The Guidance of Simplification and Control of Business Permit (1984), Guidance of Public services Management (1993), the Guidance of Reinstitution and Improvement of Government Apparatus Service to the Society (1995), and finally the Law of Public services (2009). In fact, the innovations on public services have been traced in 2000, following the implementation of local autonomy policy. Since then each district tried its best to make various innovations on public services delivery in order to fulfill its typical social needs.

The implementation of current public services in Indonesia is based on the Decree of Supreme Representative (MPR-RI) Number XI/MPR/1998 on the State Execution that is free from Corruption, Collusion and Nepotism (or KKN-stands for Korupsi, Kolusi dan Nerpotisme). In order to carry out the decree, the apparatus who deliver the public services have to be professional, productive, transparent, and free from CCN. In practice, the activities of public services in Indonesia can be described in terms of characteristics and types of service institutions, patterns of service delivery, service performance, and indicators of customer satisfaction.

1. Characteristics of Public Services in Indonesia

As to its functions as a part of government system, the current public services institutions in Indonesia contain the following characteristics (*Lembaga Administrasi Negara, 2003:15*):

- a. operate on the basis of clear legal conditions;
- b. cover a wide area of importance, including the target group of delivery;
- c. include both commercial and social functions;
- d. need to be more accountable to the public;
- e. questionable transparency of work performance; and

- f. often become the target of political issues.

Most public services institutions in Indonesia are in the form of State-Owned Corporation (Badan Usaha Milik Negara-BUMN) or Local Government-Owned Corporation (Badan Usaha Milik Daerah-BUMD) with a clear legal basis. Some institutions are established for specific service delivery, such as the State Electric Company (Perusahaan Listrik Negara-PLN) for electric power, PT Telkom for telephone service; Water Supply Company (Perusahaan Air Minum-PAM) for water supply, etc. In some cases, several institutions have to carry out both commercial and social functions, for instance, The Train Company Limited (PT Kereta Api Persero) provides transportation service for both the lower and higher levels of society.

All public services institutions, as other government organizations, have to present an annual report on their performance to the public. In this case, government has provided a model of performance accountability report, designed by the National Institute of Public Administration (Lembaga Administrasi Negara).

2. Types of Public Services in Indonesia

Based on its delivery products, public services in Indonesia may be divided into three types as follows:

- a. administrative service, which comprises various kinds of formal documents, such as status of citizenship, competency certificate, land certificate, driver license, marital or birth certificate;
- b. goods service, which facilitates various kinds of social needs, such as distribution of food and required daily, or installation of telephone, water or electricity networks; and
- c. facilitating service, which includes various kinds of public facilities, such as education, health care, the post, and transportation.

3. Patterns of Public Services

In practice, the implementation of such services consists of three patterns of delivery as follows:

- a. Functional delivery, which is performed by a specific institution in line with its tasks, functions, and responsibilities, such as electric supply by PLN, telephone distribution by PT Telkom, water supply by PAM.;
- b. Centralized delivery, which involves authorized institutions, for instance, the Immigrations Office for the publication of passport; the Civil Administration Office for birth certificate, the Religion Office

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- for marital certificate; and
- c. combined delivery, which includes several service institutions in a single place, for example, the Police Department and local government, for issuance of a car ownership certificate.

4. The Performance of Public Services

To meet the increasing demand for good public services performance, the government applies the customer-driven paradigm (*Osborne and Gaebler, 1992:166-194*). This approach, as suggested, contains the following characteristics:

- a. Focus on the delivery functions;
- b. Focus on the empowerment of society;
- c. Apply a competitive system;
- d. Focus on the achievement of vision, mission, goal, and objectives;
- e. Prioritize the needs of society, not merely the wish of political leaders;
- f. In certain situations, generate incomes from the delivered service;
- g. Prioritize efforts to prevent internal problems on service delivery;
- h. Apply the market system in facilitating service delivery.

5. Indicators of Customer Satisfaction

To develop such a model of customer-driven service, the Ministry of Civil Service Reform has set up a General Guidance for Public services Implementation, consisting of fifteen criteria as follows:

- a. Simplicity: the mechanism of public services should be easier, cheaper, faster, and more convenient for the customers, which is characterized by such a simple procedure;
- b. Reliability: the service institutions should develop a performance consistency by providing accurate accounting and data citation, and keeping punctuality;
- c. Responsibility: the service staff should carry out their duties truthfully, and inform the customers when something happens incorrectly;
- d. Capability: the service staff should have proper skills and knowledge to perform good service delivery;
- e. Closeness to the customer: the service staff should make contacts with their customers, either through direct meetings, or via telephone or internet;
- f. Kindness and patience: the service staff should be kind and patient when dealing with their customers to develop a good relationship with them;
- g. Transparency: every customer could access any necessary information

easily, such as the service procedure, requirements, time, cost, and so forth.

- h. Communicativeness: the service staff should develop good communication with their customers, so any information can be presented properly using easily understandable language;
- i. Credibility: any public services should be based on truth and honesty in order to maintain the customer's loyalty to the service institutions;
- j. Clarity and certainty: the procedures, details of service cost and methods, and delivery time should be clear and follow a logical order to develop the customers trust;
- k. Security: the service institutions should hinder insecure feelings as danger, risk, and uncertainty, especially concerning the physical or financial security;
- l. Understanding customers' expectation: the service institutions should conduct a survey on customers' specific needs and pay more attention to individuals.
- m. Reality: the service institutions should develop provide service conveniences for their customers, such as proper building, professional staff, badges, and other supporting facilities;
- n. Efficiency: the service requirements should meet the target only to keep up the proper link between the service requirements and the products.
- o. Economic: the delivery cost should be in line with the value of the product and the financial capability of their customers.

The fifteen principles above should have been more than enough to realize a good public services. However, its implementation of the principles depends a lot on the service institutions. They are free to choose any principles suit to the types of service, characteristics of institution, and patterns of service delivery. In addition, consideration should also be taken to the social condition of their customers.

III. THE PORTRAIT OF INDONESIAN BUREAUCRACY

As of the twelfth year of national reform era, which was officially declared in 1998 the 1999-2004 State Guidelines, the Indonesian bureaucracy has not performed any significant improvement. In this case, a diagnosis is put forward to identify the underlying problems using dynamic facets of public administration: (1) changing role of bureaucracy, (2) corruption issue within bureaucracy, (3) institutional and management problems, and (4) human resource quality.

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1. A Challenging Role

It seems that the function of bureaucracy as "an institution with a certain position and role in running the government administration of the country" (Mustopadidjaja, in Mersmann and von Harder, 2002:8-12), or simply as "servants of the people" (Merton, in Shafritz and Hyde, 1987:113), has not been practised optimally. Bureaucracy has not really carried out its main duty to fulfill the needs of society, and to empower them in order to be capable to carry out their own activities. One of the causes of this malfunction might be the disharmonious condition of the authority, rights, and responsibilities of bureaucracy. As Gie (2003) says, "... no matter they are clever or stupid; the salary of civil servants (at the same level) is the same."

In fact, the principles of Weberian bureaucracy seem to be still in use in governmental institutions. As we know, Max Weber, the great German sociologist, has summed up the principles used by which most bureaucratic institutions:

- a. Bureaucratic institutions are centralized and hierarchical. "the lower institution is under the control and supervision of the upper bureaucracy" (Blau and Meyer (trans), 2000:24);
- b. A professional apparatus is then "...only a single cog in an ever-moving mechanism which prescribes to him an essentially fixed route of march" (Osborne and Plastrik, 1997:16);
- c. Bureaucracy is impersonal, sine ira et studio, working without enthusiasm or affection and offering to everyone the same treatment or service, which was "more or less stable, more or less exhaustive" (Max Weber, in Shafritz and Hyde, 1987:50-55);
- d. Bureaucracy maximizes vocational security. Most civil servants involve the expectation of life-long tenure, in the absence of disturbing factors which may decrease the size of the organization (Merton, in Shafritz and Hyde, 1987:108).

These principles might have worked well in Weber's day, when the tasks were relatively uncomplicated, and the environment was stable. But for the last three decades it has been coming apart. The world has changed rapidly, characterized by technological revolution, global economic competition, demassified markets, educated workforces, demanding customers, and severe fiscal constraints. Bureaucracy has become too slow, too unresponsive, and too incapable of changing or innovating (Osborne and Plastrik, 1997:17).

Such disharmony between the manner of traditional bureaucracy and a changing world may more or less cause the poor performance of bureaucracy. Powerless and incapable to carry out extraordinary tasks and

responsibilities will make them apathetic or demotivated. Therefore, strategic and radical efforts should be prepared to improve the performance of bureaucracy, especially to develop an expected model of public services; and to cope for the changing world.

2. Issues of Corruption

Corruption might be defined as "impairment of integrity, virtue, or moral principles characterized by bribery or other unlawful or other improper means" (*Merriam-Webster, 1977:256*). In more detail, corruption may comprises "... the misuse of office for unofficial ends, covering bribery, extortion, influence-peddling, nepotism, kickbacks, speed money, collusion and more" (*Kilgaard, 1996*). In Indonesia's term (Law No. 31, Year 1999 on the Corruption Combat), corruption is meant as "all actions against the law that afflicts state finances or economy."

Corruption started glowing in Indonesia when loans from donor countries in 1970s began flowing through this developing country, without any societal control over the governing bureaucracies (*Atmasasmita, 2003*). During this era, the practices of corruption were generally committed by bureaucracy in central government, and mostly unrevealed, because of semi-centralized system and the policy for national unity and integrity. Only some sensational cases emerged, such as the case of Pertamina (National Oil Corporation) during the Ibnu Sutowo administration.

Along with the arrival of globalization, people began critically and bravely revealing various corruption cases committed by top-level bureaucrats. The most sensational issue was the case of corruption, collusion, and nepotism by former President Soeharto jointly with his family and colleagues, which forced the president to step down on 21 May 1998. However, the end of the 32-year Soeharto tenure does not mean ending the corruption cases. On the contrary, since the Government put the local autonomy policy into effect in 2000, corruption simply decentralized across the country. Nowadays, corruption is not just the right of central bureaucracy, but it has extended to local leadership, from the mayors, regents, and governors up to the members of local representative house.

It's not surprising if Transparency International has considered Indonesia as one of the most corrupt countries in the world for the last decade. The Corruption Perception Index for Indonesia in 2009, for instance, is 2.8. This score is far under other South Asian countries such as Singapore, Malaysia, Thailand, and Vietnam, although better than the Phillippines and Cambodia (*Lubis, 2010*). On the other hand, another survey conducted by the Political & Economic Risk Consultancy Ltd (PERC) has put Indonesia as the most corrupted country among 16 countries surveyed. With the score

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of 9,27. Indonesia is worse than Cambodia (9,10), Vietnam (8,07), the Phillipines (8,06), Thailand (7,60), Malaysia (6,47) and Singapore (1,42).

This shows that all efforts conducted by government to combat corruption within bureaucracy cannot change the negative perception on corruption. Indonesian government, therefore, needs to plan a serious agenda on bureaucracy reform, especially strategic steps to combat corruption with bureaucracy.

3. Institutional and Managerial Problems Within Bureaucracy

Apart from the corruption issues, as discussed above, several problems concern themselves with the institution and management of bureaucracy. Bureaucracy in both central and local government is now getting bigger and fatter. In such condition, bureaucracy becomes inflexible and slow in anticipating emerging problems. This excessive number of bureaucracy, in most cases, happens because of the misconduct of institutional framework, by neglecting the personnel number and qualification, decision making system, communication system, and span of control. Such framework tends to narrow the choice of strategies, or, as the well-known adage puts it, strategy follows structure.

The various problems with the institutionalization of bureaucracy can be divided into three categories (a) the overlapping structure of bureaucracy; (b) the vagueness of divisions between government functions and citizen obligations; and (c) the non-transparent political process on public policy formulation.

Likewise, the management of public bureaucracy also faces several problems, among others, (a) unclear planning of work and assignments; (b) inappropriate procedures and assignments; (c) poor enforcement of reward and punishment systems; and (d) lack of transparency in bureaucratic work performance that causes insufficient feedback.

4. Problems of Human Resources Quality

Another latent problem is the quality of human resources, which still does not meet the expected requirements. This is indicated by the large discrepancy between levels of education and job positions. Bureaucracy is still dominated by high-school-level employees. The largest proportion of bureaucracy (about 60%) is high-school graduates, whereas university graduates comprise only 15%. The great number of high-school level bureaucrats may directly affect the government's performance, for instance, the tendency to be slow and incapable to make innovations in their work.

Another facing problem is the bureaucratic prosperity, comprising salary, social insurance, and other living facilities, which is far from

satisfactory. The poor level of salary can undoubtedly be the cause of the impairment of integrity, virtue, and moral principles such as corruption, collusion and nepotism.

Being a government employee is a career choice. Therefore, he is worth for getting a proper salary standard commensurate with his work load, responsibility, qualification, work performance, tenure, and cost of living. However, the salary system in bureaucracy does not meet the expectation. The same level employees will receive the same amount of monthly salary despite their work performance. Thus, there is no correlation between productivity and salary.

If truth be told, any remuneration policy should be based on the following principles: (a) the ability to attract the professionals to join the institution, and at the same time to retain existing qualified employees; and (b) the ability to provide rewards for employees with desirable behavior, such as good work performance, integrity, discipline, experience, responsibility, professionalism, and so forth.

The unfair of remuneration within bureaucracy may in the long term decrease the motivation, work ethos, and discipline, which triggers a great disaster for the institutions: employees will be increasingly pushed to turn elsewhere to fulfill their needs and neglect their main tasks. Finally, they may turn to illegal acts of corruption, collusion, and nepotism which cause pathology in the body of bureaucracy.

IV. REFORMING THE BUREAUCRACY OF PUBLIC SERVICES

The concept of bureaucracy reform in Indonesia was basically triggered by the low performance of public services as indicated by the following conditions (*Gadjah Mada University, 2003*): (1) Uncertain time, cost, and procedures of service; (2) Unfair service caused by political, ethnic, religious, or personal relationships; (3) A long process to obtain legal documents such as passport, driver's license, etc. which may cause the practice of bribery and corruption; (4) Too much distribution of authority just to legalize a single document, which takes longer time and higher cost; (5) Culture orientation tends to the needs of authority instead of society; and (6) Service is based on distrust; the operational standard is to control customers' behavior instead of facilitating them.

Such empirical phenomena appear in various social settings. This shows that the bureaucratic patterns developed in the public sector make it ineffective. The concept of traditional bureaucracy, characterized by centralized and hierarchical institutions, rigid work standard, impersonal and uncreative staff, seems inappropriate anymore to be applied, especially in this competitive era.

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After observing the conditions of public services, and discussing various issues, we come to a conclusion that to improve the bureaucracy performance a reform should be carried out. The reform is also of importance to regain the people's trust in government, which has been decreasing due to the multi-dimensional crisis. However, in line with the context of this discussion, the area of reform is limited to the components of public services implementation, covering the institution, management, human resources, service culture of the bureaucracy, and making use of ICT.

1. Restructuring the Public Services Institution

Reforming the public services institution means restructuring its components. This includes aspects of service policy and optimization, operational cooperation, work system and procedures, and delegation of authority. The actions to be taken include the following activities:

- a. Reformulate the definition of service institution, including its vision, mission, strategy, goal and objectives, as well as the standard operating procedure;
- b. Audit the service institution, at both central and local levels, to find out the intensity of institutional needs to perform its main tasks and functions;
- c. Slim and restructure the service institution, especially to meet the results of institutional auditing;
- d. Target the service orientation to customer needs by developing a customer satisfaction index, through the optimal use of information technology; and
- e. Empower the society through cooperatives and NGOs, so the public services will be more competitive, creative, and innovative.

2. Restructuring Personnel Management

Personnel management is a crucial factor to improve the staff performance. Therefore, changes have to be made in the following components:

- a. Reformulate the systems of personnel recruitment, promotion, and layoffs in line with employees' competence and work performance;
- b. Provide rewards for the best employees, and appropriate punishment for those performing bad behavior;
- c. Formulate a standard of public services, characterized by fast, accurate, simple, low-cost, safe, and transparent service for all levels of customers
- d. Formulate a system of performance measurement on the basis of outcomes, aligned with the institutional vision, mission, goal, and objectives; and

- e. Empower the competent employees, so they can contribute their creativity and innovation to the best achievement of institutional goal.

3. Reformulating Human Resources Policy

Human resources constitute to be the best asset of the public services institution. Therefore, the policy of performance development and employee prosperity should be emphasized, especially including the following efforts:

- a. Improve the employee prosperity, for instance, by fastening the remuneration system based on employees' performance, and reward and punishment system;
- b. Improve the employee integrity, for instance, by building attitudes and behavior which are oriented to the spirit of forwarding the public needs, and the neutrality of public services; and
- c. Improve the employee competency and professionalism through appropriate training programs, so they can perform the best and solve service problems.

4. Building Service Culture

Service culture is another crucial component of effective public services performance. Therefore, any public services institution should prioritize the building of service culture through the following efforts:

- a. Change the slow, uncertain, overlapping, high-cost, closed service culture into a fast, certain, simple, low-cost, transparent one;
- b. Develop the service ethic by building good habits, such as patient, empathetic, caring, friendly and interactive service to society;
- c. Develop resistance to the corruption, collusion, and nepotism that may inflict a financial loss upon the society, institution, and country;
- d. Develop high integrity to the work and institution through commitment and cooperation building among public services staff; and
- e. Build a competitive but fair culture among the staff so as to develop a healthy competition, which will produce a higher work performance.

5. Making use of ICT

In order to improve the public services performance, the Indonesian government has actually published the Presidential Decree No. 3/2003 on the Policy and Strategy of e-Government Development. After seven years, however, there are only several local governments that really implement e-Government and make use of ICT to improve public services. Based on the best practice in several local governments that successfully make use of ICT to improve public services, the strategy to implement e-Government include:

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- a. Political leadership along with a strong and clear vision, which is very useful to build commitment and manage change among the bureaucracy;
- b. Involvement of all parties, including all levels of bureaucracy, private sectors, and society in developing e-Government;
- c. Preparing human resources, especially the ICT-based ones, to operate, maintain, and transfer ICT skills and knowledge to the users;
- d. Incremental implementation based on a clear and reasonable grand design of ICT development to realize e-Government;
- e. Building partnership, especially with private sectors, university, local and foreign NGOs; and
- f. Routine evaluation on the current implementation of e-Government.

V. THE AGENDA

In fact, improving public services is a complex and massively effort, especially in Indonesia. This is reasonable enough as there are thousands of public services institutions with different types and characteristics across the huge country. Therefore, the reform should be implemented incrementally and thoroughly in the following stages.

1. Preliminary stage

Commitment from the top leader is required at this stage. In addition, the involvement of experts is recommended, especially to identify weaknesses in service practice. The result is essential for the formulation of a strategic plan. Alternately, this stage is divided into the following assumptions (*Caiden, 1976:142-164*):

- a. Government must be aware of the importance of improving public services, and explicitly announce to implement effectively;
- b. Government should appoint experts in the field of public services to identify weaknesses existing in public services practices;
- c. The experts, supported by government, publish and distribute their findings;
- d. The experts formulate a strategic plan to implement the improvement.

2. Implementation stage

This stage is the most critical, and so it should involve all components of public services. The key success factors are the commitment to carry out the improvement, and consistency to the commitment (*Mersmann and von Harder, 2002:82*).

- a. Plant the awareness among the bureaucracy on the importance of

- b. public services improvement to the nation and themselves;
- b. Build a commitment among them to implement the improvement effectively, and provide them with necessary instruments prepared by the experts;
- c. Spread the plan of improvement around the other components % private sector, and society; so as to gain their support and control to the implementation;
- d. Keep the commitment consistently up to the achievement of the improvement.

3. Evaluation Stage

The end of implementation means the beginning of the evaluation process. In this stage, the following components of improvement should be involved:

- a. The experts formulate indicators for the evaluation standards, for instance, using three dimensions of public services achievement, namely, care to customers, employee capability, and costs and productivity (Reichheld, in Berger, Sikora and Berger, 1994:92-100);
- b. The top management should be definite, objective, and persistent in implementing the evaluation standards (Fogleman, in Ken Shelton (transl), 2002:67-72);
- c. The evaluating institution should conduct the evaluation truthfully; and
- d. The society, via legislative institutions and NGOs, should be empowered to participate in the evaluation.

Hence, the improvement of public services should be implemented incrementally. Rush and radical steps in carrying out such massive and complicated work, without careful planning and systematic implementation, will not be effective. The pathology in the bureaucracy's body has been so chronic that the improvement of public services needs a hard work and involvement of all governing components.

VI. CONCLUSION

The condition of public services in Indonesia has been so unsatisfactory that it needs a comprehensive improvement. Several phenomena prove this, such as time consuming, high cost, long process and other misconducts that lead to the practices of corruption, collusion and nepotism. To cope with, various kinds of system, approach, and policy have been set up, but no significant progress has been indicated.

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Such poor condition of public services is a sign for the government to find a strategic solution. Analyzing the above phenomena, the main problem likely lies on bureaucracy as the executor of public services. Since the past five years, bureaucracy has not performed satisfactory improvement. The rigidity, hierarchy, and impersonality of bureaucracy principles have hindered its capacity to solve global problems, including the increasing demands of society toward the public services.

Thus, bureaucracy must be reformed so as to fulfil the needs of society. The improvement mainly covers the institution, management, human resources, culture of public services, and make use of ICT. Since the reform is complicated and massive, however, it should be carried out incrementally, following the well-planned steps. All governing components should also be involved to reach the goal as it is very crucial both to improve the performance of public services and to regain the decreasing trust of people to government due to the unending multi-dimensional crisis and politic instability.

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