

CHAPTER I

INTRODUCTION

A. BACKGROUND

Law No. 23 of 2014 on Regional Government is understood to be the granting of authority from the Central Government to the Regency / City Government to take care of their own local and potential households optimally. Therefore, regional development can be defined as self-development, by and for society in all aspects of life covering political, legal, economic, socio-cultural aspects and security defense aspects. Development is directed to achieve prosperity, including the fulfillment of security, peace and sense of justice and the freedom of expression for the whole society. Improving the quality of human resources is a priority need in the implementation of regional autonomy. Improving the quality of Civil Servants is aimed to change their behavior to be better to carry out activities in all fields, because basically human behavior can affect in every action in reaching the goal. To realize the optimal employee performance in accordance with the expected of the society, it is influenced by the encouragement or motivation of employees and loyalty or a strong sense of love of the values and goals of the organization (Suwardi and Joko Utomo, 2012).

In improving the performance of its employees, the company took several ways such as education, training, giving a decent compensation, creating a conducive working environment. Through those processes, employees are expected to maximize the responsibility for their work because the employees

have be equipped with education and training course related to the implementation of their work. While the provision of compensation, a good working environment and motivation is basically the right of employees and it is the obligation of the company to support the contribution of its employees in order to achieve the goals that have been determined (Anoki Herdian Dito, 2010)

In carrying out its business activities, a company certainly requires various resources, such as capital, materials, and machinery. Companies need also human resources, i.e. employees. Employees are an important resource for the company, because it has the talent, energy and creativity which is needed by the company to achieve its goals. Conversely, human resources also have a variety of needs that want to fulfill. The desire to fulfill this need is seen as the force or incentive for someone to do something, including doing work (Ninuk Muljani, 2002).

The quality of Human Resources (HR) is one factor that to improve the productivity of an organization's performance or agency. Therefore it is necessary that Human Resources (HR) to have high competence because the expertise or competence will be able to support the improvement of employee performance (Eko Nurminto & Nirhadi Siswanto, 2006).

Customer satisfaction is influenced by the perception of service quality, product quality, price and factors which are personal and that is in a momentary situation. One of the factors that determine customer satisfaction is the customer perception of the quality of services that focuses on five dimensions of quality, service, the physical evidence, reliability, responsiveness, assurance and empathy (Atmawati and Wahyuddin, 2007: 3).

The demands of the public to obtain qualified public services, clear procedures, prompt implementation and reasonable cost, have increased by time. This demand grows as the growing of awareness that citizens in democratic nation have the right to be served. It is the duty of government officials to provide services in accordance with the demands of the citizens (Nurul Prasetyani, 2009).

One of the expectations of society as consumers of service is to want a fair and equitable service. Type of services that a fair and equitable, is only possible by psychological readiness of government bureaucrats who constantly adjusting to social change and the dynamics of society as target service. The main task of the government is essentially to provide services to the community in order to improve the wealth of the community (Debby Aprillia Christin, 2014).

Physical form is how well the appearance and ability of physical facilities and infrastructure which must be reliable. The physical appearance of service, employees, and communication will provide color in customer service. The level of equipment and technology used will affect customer service. Employees are the figures who have to give attention related to the attitude, appearance and how they convey the impression of service. In this case the extent to which the company facilitated means of communication in an effort to provide convenience in the service is an inseparable (Assegaff, 2009: 173).

The Constitution of 1945 article 33, paragraph 3 states that the earth and water of natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. Water resources in Indonesia are managed by the Drinking Water Company (Perusahaan Air Minum, PAM), which

obtains authority from the government in managing clean water for consumption needs for the community and located in every regional government named Perusahaan Daerah Air Minum (PDAM). PAM / PDAM is one form of public sector that is part of the national economy controlled by the government, in relation to the giving or delivery of public services from the government (Dian Suminar, 2007).

Due to the importance of clean water needs, it is natural that the clean water sector receives a major handling priority as it concerns the lives of many people. Handling the fulfillment of clean water can be done in various ways, and adapted to existing facilities and infrastructure (Dian Vitta Agustina, 2007).

PDAM Purworejo as the sole supplier and clean water in Purworejo does not mean that it can simply ignore its customers because there is no fear of customers switching to competitors. Even PDAM Purworejo as a government company cannot be separated from its role to prosper the society through the service of clean and healthy water supply, so PDAM Purworejo must always ready to provide appropriate services and added value for the customers (Vinda Halim, 2003: 3).

**Table 1.1 Number of Drinking Water Charged to Customers
by PDAM Purworejo in Year of 2010-2014**

Month	Distributed Water (m ³)	Percentage (%)
(1)	(3)	(4)
January	358,171	8.45
February	345,154	8.14
March	338,501	7.98
April	344,504	8.12
Mei	355,001	8.37
June	350,742	8.27
July	331,298	7.81
August	387,218	9.13
September	338,929	7.99
October	365,841	8.63
November	377,283	8.90
December	348,504	8.22
<i>Amount / Total</i>	4,241,146	100.00
Year 2013	4,013,044	100.00
Year 2012	3,876,299	100.00
Year 2011	3,778,994	100.00
Year 2010	3,956,083	-

Source: BPS Purworejo 2014

Table 1.1 shows that from 2010-2013 the number of subscribers who initiated to open new accounts increased considerably. Although percentage increases only 100.00 per year. It is very influential for PDAM to improve the quality of good service to customers.

Because of many complaints about the system of the public water company (PDAM) from the customer, s, I have a chance to analyze about the system of Tirta Perwitasari, the public water company, wheter their system have a good quality or just what the customer complaining of. Because of the difficulties and the people of the village still use the well developed in the area so undeveloped area in purworejo. Only the urban areas that use the service PDAM.

Quality of service will be generated by the operations undertaken by the company, and the success of this process of operation is determined by many factors, including employee, system and technology. The quality of the service itself can be seen from the physical appearance dimensions of the service, the ability to realize the promise of the company, the responsiveness in providing the service, the ability to provide service guarantee and the ability of the company to understand the customer's wishes. Therefore it is necessary to improve a maximum service for customers. Thus, customers will be satisfied with a service that is wanted by the community and to give welfare to the community with the use of clean water. So this research will focus to analysis the performance of employees to public service at PDAM at Purworejo.

From all aspects of the explanation above the author seeks to review and analysis the performance of employees in mean of public service at a PDAM

Purworejo during the period 2016-2017 in order to be able to provide an offer in order to improve the welfare of the community through the right to get good public service. Because it is the responsibility of the government to improve community welfare which is written in the mandatory task of local government through the quality of public services

B. FORMULATION OF THE PROBLEM

In accordance with background the above, then the problem in this study can be formulated as follows:

How is The performance of the employee of the Officers at PDAM Tirta Perwitasari in Purworejo toward The Quality of Public Service in 2016/2017.

C. RESEARCH PURPOSES

Based on the issues studied, the purpose of this study is as follows:

1. To know how the Analysis of employees performance of PDAM Tirta Perwitasari in mean of service quality.
2. To know what services are included in the category of a very good service and the service which is not good that needs to be improved.
3. To determine the extent of correspondence between the public service performance (Productivity, Quality of Service, Responsiveness, Responsibility, Accountability) of PDAM Purworejo in accordance with customer expectations

D. BENEFITS OF RESEARCH

1. Theoretical Benefits

a. For the government or the related parties, it is expected to provide information and model to the Regional Government of Purworejo on how the evaluation of employee performance of PDAM Tirta Perwitasari is done in accordance with the public service.

b. For the public, it is expected to provide information about the extent of employee performance that can realize *good governance* toward customers in accordance with the wishes of the people.

2. Practical Benefits

a. Useful as input for the company about the level of customer satisfaction.

b. As the material to evaluate for quality of public services that have been provided by the company, and can be used as material to improve quality of services in the future to give better satisfaction.

E. LITERATURE REVIEW

The researches below are studies that have similarities in the research topic which the researcher is going to conduct. The researcher will explain in detail the information from previous studies as the basis of comparison. These studies will be used as reference materials in my research.

No.	AUTHOR / TITLE	CONTENTS
1.	<p>Malahayati, Eldina Fatimah, Said Musnadi (2012) “Evaluasi Kinerja Pelayanan PDAM Tirta Aneuk Laot Kota Sabang”</p>	<p>This research was conducted in the area of Sabang City. The purpose of this research is to know the technical service performance by observing the water distribution unit of PDAM Tirta Aneuk Laot, measuring the performance level of PDAM Tirta Aneuk Laot from the financial, operational and administration aspect as well as developing the strategy to improve drinking water service of PDAM Tirta Aneuk Laot.</p> <p>This study discusses water quality, flow rate, qualifying the performance of PDAM Tirta Aneuk Laot Sabang, improvement strategy services including: improving services, improving water quality, network maintenance, the document completion and improvement of competence.</p>
2.	<p>Achya Zaenul Huda (2013) “Analisis Kinerja dengan Pendekatan Balance Scorecard”</p>	<p>This study is conducted in PDAM Tirta Dharma Klaten District. This study aims to determine how the performance of PDAM Tirta Dharma Klaten district is by using the <i>Balanced Scorecard</i> method seen from financial perspective, customer perspective, internal business perspective and the perspective of growth and learning. Measurement of customer's perspective performance is seen from the coverage of customer growth service, complaint settlement rate, and the hours of daily operation.</p>

3.	Vinda Halim (2003) “Analisis Hubungan Dimensi Kualitas Jasa Terhadap Kepuasan Pelanggan Studi pada PDAM kota Purworejo “.	The research was conducted at the Regional Water Company (PDAM) of Purworejo city. This study aims to evaluate the level of quality as knowing the service of costumers satisfaction on the PDAM from Purworejo dimensioner service. Because researchers suspect each company departs from different strategies so that the emphasis on dimensions of service quality of each company also differs.
4.	Nindhi Astria (2012) “Kualitas Pelayanan Publik Pada Kantor Perusahaan Daerah Air Minum (PDAM) Delta Tirta Sidoarjo”	This research was conducted at office of PDAM Delta Tirta Sidoarjo. The purpose of this study is to know and describe the quality of public services at the Regional Drinking Water Company (PDAM) Delta Tirta Sisoarjo.

From several that I take from the research above as the literature review because it has some aspects of the same research. However, in practice our research will have a massive differences from the some the research above. The study belongs to Achya Zaenul Huda have the same topic and title research with the research that I am going to do. Only different in his research methods. While the research by Vinda Halim similarities with the research study site that I am would do, but different in research topic.

F. THEORETICAL FRAMEWORK

Basic Framework Theory is a description of the theories that deal with the problem in carefully so that the activities become clear, systematic and scientific. Theory is a set of assumptions, concepts, abstracts, definitions, and

propositions to describe a social phenomenon or natural phenomenon that is the center of attention (Sofian Efendi and Masri Singarimbu, 1989)

1. Employee

Definition of employee according to (Mardiasmo,2011) private persons who work on employer either as an employee or does not remain fixed/loose labor agreement or an agreement of employment either in written or unwritten, to execute a job in office or certain activities by acquiring rewards are paid on the basis of a certain period, completion of the work or other terms specified employer, including a private person who works in the office of the country or business entity state or regional bodies.

According to Romey & Steibart the employees are the organization's most valuable asset. Their knowledge and expertise to affect the quality of the goods and services provided to the costumers. In manufacturing companies, where labor is usually only reflect a portion of the total direct costs, the employees are the driving force of the cost in terms of the quality of work they influence both the level of disability as well as overall productivity product.

2. Performance

According to Keban (2004: 193) in Nurul Prasetyani (2009) performance can be interpreted as the achievement of results that can be judged, i.e. the results achieved by the individual (individual performance) or group (group performance) or institution (organizational performance) and by a program or policy (program / policy performance).

According to (Mangkunegara, 2004: 9) performance is the result of work showing the quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

According to Hasibun (1997) in Eva Kris Diana Devi (2009) explains that performance is the work achieved by one person in performing the tasks assigned to him based on his skills, experience, seriousness and time.

According to Mohamad Mahsun, (2012: 25) in Dyah Mutiarin and Arif Zaenudin (2014) Performance is an overview of the level of achievement of implementing an activity / program / policy in achieving the goals, objectives, mission and vision of the organization as stated in the strategic.

According Purwodarminto (1986) performance is the work achieved by an employee in carrying out the tasks assigned to him. Meanwhile, according to Armstrong and Baron, performance is the result of work that has a strong relationship with organizational strategic goals, satisfaction, consumers, and contribute to the economy.

According Mahsun (2006: 25) in Heri Susanto & Nuraini Aisiyah (2010) Performance is an overview of the level of achievement of the implementation of an activity / program / policy in achieving the goals, objectives, mission and vision of the organization as stated in *the strategic planning* an organization.

According to Donnelly, Gibson and Ivancevich (1995), performance is referring to the success rate in performing the tasks as well as the ability to achieve the established goals. Performance is declared good and success when desired goal can be achieved well.

Ratminto and Atik Winarsih Septi (2005: 175) suggests performance indicators include: *responsiveness*, *responsibility*, *accountability*. Furthermore, the indicators are described as follows:

- a. *Responsiveness* measure *provider* responsiveness to the expectations, desires, aspirations and demands of *customers*.
- b. *Responsibility* is a measure that indicates how far the process of awarding public service performed without violating the provisions that have been set.
- c. *Accountability* is a measure that shows how much the degree of correspondence between the provision of services by measurement - the external measurement which exists in the community which is owned by the *stake holders*, such as values and norms developed in the community.

3. The Quality

According To (Nasution,2001:15-16) Quality is one of the important indicators for the company to be able exist in the midst of intense competition in the industry. Quality is defined as the totality of characteristics of a product to support its ability to satisfy the needs of a specified or pecified. In defining product quality, there are five major experts in integrated quality management (Total Quality Management) are different opinions, but the intent is the same.

According to Crosby (1979:58) Quality is conformance to requirement, in accordance with the required or standardized. A product has quality in accordance with the quality standards have been determined.

Quality standards covering raw materials, production process and finished products.

According to Feigenbaum (1986:7) quality is total customers satisfaction (full customers satisfaction). A product is said need to be qualified if can give satisfaction to the consumer, that is fully in accordance with what is expected of a consumer product. Quality is a total customers satisfaction.

4. Public Service

According Sinipiar (1998: 14) in Jodi Supraworo (2009) In providing public services, the government should always be oriented to the community (*community - based service*). The meaning of the concept of community-oriented service is a thinking, planning, and implementation of government tasks oriented towards the fulfillment of needs, , and interests of the community.

According Itjan Poltak Sinambela, (2011: 5) public service means "providing services (serving) the needs of people or communities that have interests in certain organizations in accordance with the rules and procedures that have been established."

According to Fitzsimmons in Siambela (2006: 7) argues that there are five indicators of public service, namely:

- a. *Reliability* marked provision of appropriate services;
- b. *Tangibles* are characterized by adequate provision of other resources;

- c. *Responsiveness* marked by a desire to quickly serve customers;
- d. *Assurance* that marked level of attention to ethics and morality in providing services;
- e. *Empathy* marked degree of willingness to know the wants and needs of consumers.

According to Mohamad (2003) in Cecep Cahliana (2008), quality service depends on various aspects, namely the pattern of implementation, human resources and institutional support.

G. CONCEPTUAL DEFINITION

The conceptual definition is an understanding of the activities that are the subject of attention. The conceptual definition refers to a clear understanding of the research or limitations of the term in the research.

a. Employee

That officer is the person selling the service (Thoughts and energy) and compensated (retribution) magnitude has been established beforehand where they are obligated and bound to given work and the right to obtain the appropriate salary with the agreement.

b. Performance

Is the result of work quality and quantity can be accomplished by an employee in the performance of duties in accordance with the responsibilities given to him.

c. Quality

Quality is one the key in winning the competition with the market. When the company has been able to provide quality products then have built one of the foundations for creating customers satisfaction

d. Public Service

Public Service is the provision of Services or to serve the needs of people or communities and / or other organizations that have an interest to certain organization, in accordance with the rules and procedures to provide decisions toward the recipient of the service.

H. OPERATIONAL DEFINITION

The definition of operational according to Koentjaraningrat is an attempt to change concepts in the form words that describe the behavior or activity that can be tested by others (Koentjaraningrat, 1975). Operational definition is the element of research that tells how to measure a variable. Or in other words, the operational definition is a kind of instruction of how to measure a variable.

Furthermore, this research will use indicators of the performance theoryies described as follows:

- a. *Responsiveness* measure *provider* responsiveness to the expectations, desires, aspirations and demands of *customers*.
- b. *Responsibility* is a measure that indicates how far the process of awarding public service performed without violating the provisions - provisions that have been set.

- c. *Accountability* is a measure that shows how much the degree of correspondence between the provision of services by external standard that exists in the community which is owned by the *stake holders*, such as values and norms developed in the community.

I. RESEARCH METHODS

1. Types of Research

This type of research uses a qualitative approach. It is because the qualitative approach is the approach used in conducting research that cannot be done in laboratory but should do directly in the place of the research. This study uses qualitative because it is not focused in using the numbers, but it produces descriptive data in the form of the words of the author the people, the behavior will be observed to find the truth that logically acceptable.

2. Research Sites

This research will be conducted in Purworejo District by taking research location at PDAM Office of Purworejo. It is because the research wants to know how the performance of employees influence the quality of public services. And what are the obstacles to increase employees' performance in PDAM Purworejo.

3. Research Analysis Unit

In line with the problems that become the subject of this research, the unit of analysis is the Regional Water Company (PDAM) of Tirta

Perwitasari Purworejo Regency. There are many actors for the object in this study are:

1. Chief Director or Representative of the Perwitasari PDAM office unit Purworejo District.
2. Administrative Section on PDAM Perwitasari Purworejo District.
3. Field of subscription relationship at unit office of PDAM Perwitasari Purworejo Regency.

4. Data Source

Data used in this research include primary data and secondary data.

a. Primary data

Primary data is data obtained from the first source that comes from institutions that are directly related to the research. In this case the data will be obtained from the office of PDAM of Purworejo.

b. Secondary Data

Secondary data is the data obtained by the study of literature using scientific books, journals, articles, laws and others that are considered relevant to the study.

5. Data Collection Technique

Based on the qualitative method used in descriptive research on case study research, the instruments used are:

a. Interview

Interviews are data collection conducted by asking directly orally and face to the Regional Water Company Mineral to obtain data - data that have not been revealed in the list of questions, interviews conducted in this study is a type of structured research, where researchers ask a variety of questions that have been arranged in advance using the same words in the order of the questions in accordance with the established provisions. Interviews are conducted with direct contact or face to face between authors with information sources.

b. Documentation

Documentation is collecting data using a variety of documents that record the notes or in the state of concept study (or associated with) in the units of analysis used as objects of research. Data buckets may come from official documents, archives, printed mass media, journals, biographies, etc.

Data Classification

In this research, writer use classification of primary and secondary data. Primary data is data collected directly from the field. And then, secondary data is data cited from major sources and not directly collected from the main source of study. Data the secondary is gathered from various sources such as books, journals, documents, interviews and so on.

7. **Data Analyst Technique**

According to Bodgan data analysis is the systematic process for rearranging data obtained from interviews, field notes or other materials, so it can be easily understood, and the result can be informed to others. The data analysis was done by organizing data, dividing into units, synthesizing, rearranging into a pattern, choose which is important to be learned, and deciding conclusion.

Process of qualitative data analysis can be explained as follows:

- a. **Data Reduction**, selection and simplification of raw data is obtained by making a summary, choosing the main idea of documents related to the study.
- b. **Data Presentation**, presentation of data is done in the form of a brief description, chart and relations between categories in narrative form in the report that is systematic and easy to understand, followed by a conclusion.
- c. **Conclusion withdrawal**, from the data collection process, the researchers are looking for the meaning of symptoms obtained in the field, noting the regularity or patterns of explanations and configurations that possibly exist, plot, causality, and propositions. Then answer the formulation of the problems that exist with the findings that have been made, which previously remained unclear became clear.