CHAPTER I

INTRODUCTION

1.1 Background

Bureaucracy is a system of government organizations in which there are a set of rules that is binding and legal, it has standard rules for selected bureaucrats who join organizational structure. Bureaucracy is used as means for the function of government; one of them is public service. The usefulness of the bureaucracy in public services is to make easier the public to take care of all administrative needs of the state that are required by the government with full responsibility, courtesy, speed and responsiveness from the bureaucrats. The system of work in the bureaucracy have legal rules, so bureaucrats could not act based on personal desires, but are required to obey all regulations that have been implemented. After the issuance of Law Number 25 year 2009 concerning to public services, bureaucrats are expected to be able to carry out state duties maximally and be aware of the responsibilities entrusted by the government to implement good quality services in the eyes of the citizens (Sakir, 2013).

Indonesia is a country that has problems in the field of human resource management which are often the main public spotlight on the performance of bureaucrats in carrying out their duties. Islamy (1998:8) cited in (Usman, 2011) mentioned that qualitative of services provided by bureaucrats are terrible since it has many complaints that come out of public opinions which are about the performance of the bureaucracy which is bad and negligent. Sometimes, bureaucrats complicate the process of public administration. The lousy performance of a bureaucracy might be caused by the approach of bureaucrats who are being too rigid in service, more active toward outside activities of routine work procedures, reluctant because of facilities that are no quite complete to support work, less productive services, and not very reliable in carrying out tasks based on their position. In addition, bureaucrats often ignore the aspirations of community even policies sometimes contradicted by the wishes of the people.

Those problems continue until now, and there is no significant improvement. There tends to be negligence of the state civil apparatus holding positions in government organizations. Human resources joining in the organization do not work optimally; there is much misuse of personal benefits and the public services provided are not very satisfying for the community.

Feisal Tamin, a Minister of Administrative Reform at the time, explained that in 2002, there were 4 (four) million more civil servants who served or worked in government organizations in Indonesia. At that time, the government allocated many funds to pay apparatus salaries and gifts allowance. The purpose of this is intended that the performance level of the more productive apparatus and the funds provided by the government are used as appreciation and apparatus boosters to maximize their work better. On the other hand, in fact, after researching, there were only 40% (forty percent) of the apparatus working optimally; 60% (sixty percent) of the apparatus did not carry out their duties properly or were not productive in their work (Nahidah, 2016).

This situation causes anxiety because after given good and favorable facilities to the, apparatus, it does not become an arena to compete and to improve the work system and the quality of expertise, but the fact is the misuse of facilities has been given, so the apparatus might be lazy and not responsible for their duties. The government attempt to give huge funds to the apparatus to improve good performance is very futile, even it makes them arbitrary in completing work tasks. The budget, that the government has issued, does not guarantee that the quality of the products of the apparatus will improve but on the contrary there is a decrease in the level of performance.

Seeing the condition of the Indonesian bureaucracy almost fell, the government has to begin to overcome to the deteriorating quality of the bureaucrats by moving towards more real changes to improve all aspects of the government system. In order to quicken good governance it is necessary to implement bureaucratic reform.

The Indonesian government has raised the vigour of bureaucratic by the Indonesian government reform in the Grand Design of bureaucratic reform in order to be the same to the world-class bureaucracy. It is stated in the Presidential Regulation Number 81 of 2010 concerning the 2010-2025 Grand Design of Bureaucratic Reform achievement after this Grand Design is: (a) the creation of governance that is free from corruption, collusion and nepotism, (b) the improved service quality public, (c) the strengthening capacity and accountability of performance of the bureaucracy, and (d) the produce of professional human resources through a system of recruitment and promotion by taking into account aspects such as competency, transparency, and encouragement of mobility of apparatus in regions, centers and regions with centers and get a salary along with welfare guarantees (Zahra, 2017). There are several problems faced in bureaucracy, one of which is human resources.

The Presidential Regulation on Grand Design of Bureaucratic Reform explains that apparatus Human Resources (HR) is still relatively low in productivity levels where there are still many less professional HR in their positions, slow service performance and weak organizational control. The budget for human apparatus resources tends to not balance between the quality of work and the salary earned. The payroll system considers to class/rank rather than the quality of the performance of the apparatus, and there are also welfare benefits for retired apparatus. It becomes unbalanced regarding the distribution of salaries because if person's rank is high, their pays more salary than their subordinates. Problems that occur are many HR that are not encumbered in their positions, so officials with high levels can do whatever they want because the salary received is high even though it is without carrying out the task. That is why people often misuse their positions for other material purposes, so it needs the improvements to the HR apartment.

In a public service organization, human resources are an essential spotlight in the ranks of government officials both from the central and regional levels. Modern bureaucracy has the challenge to make a reform in giving service to the society because the responsibilities they carry out are increasing and public needs are increasing, so talented and competent human resources must support that

apparatus working to serve the society called the state civil apparatus (Adiguna, 2017).

According to Law Number 5 year 2014 concerning State Civil Apparatus in Article 1 paragraph (1), (2), and (3), the State Civil Apparatus, starting now after abbreviated as ASN, is a profession for civil servants and government employees with work agreements that work with government agencies. Employees of the State Civil Apparatus, from now on referred to as ASN Employees, are civil servants and government employees with work agreements appointed by staffing officials and entrusted with duties in a government position or entrusted with other state duties and are paid based on legislation. Civil servants, abbreviated as PNS, are Indonesian citizens who meet certain conditions, are appointed as regular ASN employees by staffing officials to hold government positions.

In line with the State Civil Apparatus Act Article 1 paragraph 5 reads, ASN Management is the management of ASN to produce ASN employees who are professional, have fundamental values, professional ethics, are free from political intervention, and are clean from the practices of corruption, collusion and nepotism. The implementation of development tasks to realize community prosperity can be achieved if the existing human resources are able to bring about nation-building and social economic development in a skilled, professional, and responsible manner. Satisfaction received by the community is a significant point to know the performance of the apparatus in meeting all the needs of the community because for the state the welfare of the community is the main task of the ASN that must be fulfilled.

Sri Hadiati and Sutrisno cited in (Jaenudin, 2015) explain that the problem of the state civil apparatus still could not be resolved until now, so the development of the quality work system from the apparatus in the organization has not got yet maximum level. Low-quality apparatus services become a bad image for government agencies and a less-structured staffing structure makes the state civil apparatus deviate from the set rules. The causes of the failure are influenced by several factors including the low level of ASN education quality, very weak uncountable, not trained and skilled ASN, and vulnerable.

From the implementation, of the appointment of office still not based on with applicable regulations, so there is still fraud behind the screen of government bureaucracies that play dirtytoget a power. Political games are rolling in the process of selecting and appointing officials through promising material lures so, the responsible for the activities take personal advantage, and ignore the applicable laws. Sometimes, the selection of employees is based on the resultant closeness, so many apparatus are not competent in carrying out their duties in accordance with the positions received. In order to guarantee the implementation of a reliable, competent and professional government bureaucracy have to apply a merit-based ASN management system.

Merit system is a support for the implementation of good governance in various aspects; one of this is the appointment of structural positions. According

to the sound of Article 1 paragraph 22 the merit system is a system carried out based on qualifications, competencies, and performance fairly and regardless of political background, race, color, religion, origin, gender, marital status, age, or disability conditions. In order to support the implementation of the appointment of professional structural positions, it is necessary to apply aspects of competence, qualification, work performance, fairness, and openness in ASN management.

Structural positions are the positions that reflect the duties. responsibilities, rights, and authorities as officials or employees in leading a state organization (Dewi, 2017). Someone who wants to have a position in a structural position must have the status of a Civil Servant supported by a predetermined qualification, and level of education, so the employee's position is in accordance with the position to be selected. In order to optimize the performance of the bureaucracy, the auction auction is the best step to undermine the wheels of government with more integrity.

Related to filling in the position of the State Apparatus Apparatus can be done through an open selection mechanism or auction position. Open elections or work auctions are carried out in accordance with ASN management policies with the principle of producing superior apparatus in employment and competency related to the rank received in the office. The legal basis of holding open selection is guided by the State 27 Civil Apparatus Act which explains that every civil servant who meet all the requirements can be promoted to a higher level of office. The structural position itself has often lack of human resources even though the structural position is the coach for the employees in carrying out the task to be more harmonious or in the other words the leader of the employee. Accordingly, the auction position is needed to get an employee based on the level of structural position referring to the mechanism of merit system.

Kulon Progo is one of the regency that hold a position filling to fill the vacancy in the government of Kulon Progo Regency. The problem arising is that the emptiness occuring in the government becomes an obstacle to the regeneration of officials in the Kulon Progo Regency. In every year, the number of Civil Servants (PNS) entering the full-time / retirement period is around 300 employees. The high number of pensions affected the number of civil servants in Kulon Progo.

The head of the Education and Training Personnel Agency (BKPP) Kulon Progo, Ms. Yuriyanti, explained that based on the analysis of the of Kulon Progo Regency it requires around 9,438 civil servants however the total number of employees available as of March 1, 2016 only reached 7,821 employees. In 2017, the amount employees full-time duty or retirement of civil servant which reached 285 therein contained 34 structural Office employees. Currently in 2018 there is still shortage of civil servant Kulon Progo about 2,000 starting from the position of general function, specific function to structural position (Jati, 2018).

The deficiency is quite large looking at the large number of positions not filled, whereas though the acceptance of 2018 candidates for civil servants held by

the Education and Training Personnel Agency (BKPP), Kulon Progo estimates that it only submits a quota of around 516 employees. The solutions conducted by the County Government through utilizing the apparatus optimally. However, that is not walking in a long period of time because one employee for several positions made the implementation of work not run optimally.

Regent Kulon Progo Regency, Hasto Wardoyo said that from the moratorium imposed employees within five years of this happening that regeneration of officials in Kulon Progo Regency. It caused that employee retirement was disproportionate to the ASN who entered, so the need for employee relocation from outside the region itself. However, the regency government performs the expected concrete steps capable of overcoming the problem of shortage of the ASN that is to optimize the Organization of the auction Office to Office of Echelon II which is still experiencing the emptiness (Jati, 2018). Some of the Office which was auctioned off at the end of 2017 includes;

- a. The Head of Department of Land and Spatial
- b. The Head of Civil Service Police Unit
- c. The Head of Department for Community Empowerment and the Village Population Control and Family Planning
- d. The Head of Department of the Environment

Position filling carried out in Kulon Progo applies merit system mechanisms, so anyone can take responsibility of the position. In a workshop organized by the regional Government in Kulon Progo Regency, Dr. Hasto Wardoyo, Sp.OG(K) conveyed that by using the merit system, it is capable of creating increased professionalism in the apparatus Service (Kurniawati, 2015). Ms. Yurianti, as the Head of the Education and Training Personnel Agency (BKPP) in Kulon Progo, explained that the auction office held addressed to civil servants in the Special Region of Yogyakarta with the system through several stages such as the selection the administration the interview, and the test of competence. The system is a system which is first applied in Government at DIY. Therefore, this system by having the Government would filter in Kulon Progo apparatus to follow the position filling selectively (Harahap, 2015).

The implementation of charging the Office of structural model of the auction Office in Kulon Progo Regency become compelling things to scrutiny given the structural position filling has its own procedures in each area based on the legislation in force. Besides that, the implementation of the merit system that is applied needs to be reviewed whether it is running well or experiencing obstacles in its implementation. As it is known that the Kulon Progo has many shortcomings in the office of ASN. Then, it can be seen whether charging is done in a structured term appropriate mechanism or accepting the ASN without mechanisms with a view to the fulfillment of quotas the vacancy of the Office. Therefore, the researcher interested in conducting research with the title "The Implementation of the Merit System through the Position Auction for Structural Officials of Echelon II in Kulon Progo in 2017/2018".

The position auction is conducted by implementing the mecanism of merit system so that everyone who occupies a position can be responsible with the

position held. In the workshop held by Regent local government of Kulon Progo, Dr. Hasto Wardoyo, Sp.OG(K) expressed his trust that through using merit system, it be able to creat professional apparatus to improve the service (Kurniawati, 2015).

Yurianti, as the Head of the Education and Training Staffing Agency (BKPP) Kulon Progo explained that the position auction held was aimed to civil servants in the Special Region of Yogyakarta by going through several stages of the system such as administrative selection, interviews and competency tests. This system is the system that was first applied in the government in DIY. Therefore, with this system, the Government of Kulon Progo will screen apparatuses who participate in selective auction (Harahap, 2015).

The implementation to fill of structural officials in the model of the position auction in Kulon Progo Regency is an interesting matter to be observed considering that the auction of structural officials has its own procedures in each region based on applicable laws. In addition, the implementation of the merit system applied is need to be reviewed whether it runs well or experiences obstacles in its implementation. Therefore, the researcher is interested in conducting research with the title "The Implementation of Merit System through Position Auction for Structural Officials of Echelon II in Kulon Progo Regency in 2017/2018".

1.2 Research Question

Based on the explanation above, the researcher puts forward the formulation of the problem as follows: How to the implement of merit system through the position auction for structural officials of echelon II in Kulon Progo Regency in 2017/2018.

1.3 Purpose of Research

Every research of course certainly has a purpose. Based on the formulation of the problem, the purpose of the research is to knowing about the implementation of the merit system through the position auction for structural officials of echelon II in Kulon Progo Regency in 2017/2018.

1.4 Benefit of Research

1.4.1 Theoretical

This research is expected to be a useful study, so it can enrich and broaden scientific insight, especially for academics who want to find sources about the application, mechanism, and process of merit system in the position auction.

- 1.4.2 Practical
 - a. Writer

As a mean for the writer to gain and process data for the preparation of the thesis to fulfill one of the requirements to get a bachelor's degree (S1).

b. State Civil Apparatus or Government

This research be able to become input material and evaluation in improving the performance and quality of service in Kulon Progo Regency.

c. Public

This research be able to become a reference in the improvement of services carried out by the state civil apparatus of Kulon Progo Regency so as to achieve community satisfaction.

1.5 Literature Review

Literature review comes from previous studies that have been carried out by someone with clear and reliable facts and topics. Sources of literature reviews can be obtained from books, journals, articles, and thesis. The literature review is useful for comparing the research that we make with other people's research, so it can produce the latest research without having precisely the same similarity regarding themes, places, time, or objects. The researcher will use the literature review to compare research related to the implementation of merit systems through the position auction for structural officials of echelon II in Kulon Progo Regency in 2017/2018 of which, namely:

First, is research conducted by Arya Dwiyoga (2018). From this research, it can be concluded that the providing public services by the village government of Tanjungharjo. The result is that services could be said to be excellent and optimal because one door service is carried out by relying on technology for support. However, there are still some things that must be improved, namely the lack of coordination in service performance, so training is needed and the quality of facilities and pre-service facilities are needed.

Second, it is a research by (Bagus Pramudya Whardana Utomo, 2018). Concluded that the implementation of filling in the position of village officials in Pengasih District has been carried out regarding to applicable regulations such as preparing four months before the village apparatus ends, choosing the selection committee, holding a registration that is announced for 14 days and is extended by 7 working days for prospective participants.

Third, this research conducted by (Nahidah, 2016). The results showed that the recruitment of ASN by BKDD Mamuju Utara Regency has not achievied maximum results because BKDD could not arrange the projected needs of employees from PNS. Since, the results from Anjab did not match the titles used in the e-formation, revision had to be made after that data from BKDD did not match those in the field. Personnel mutations are not procedural, such as the transfer of educators / teachers between schools and health workers among health UPTDs or Pukesmas (Pustu) only with the Head Office Memorandum without notice to BKDD.

Fourth, this related research is from (Petrus Hironimus Wersun, 2015) a law science student with the title "Implementation of the Principles of Professionalism in the Appointment of Environmental Structural Officials of Civil Servants in the City of Yogyakarta". In this study, the researcher wanted to see how the application of the principle of professionalism in the appointment of structural officials in the civil service in the city of Yogyakarta. As a result, the city of Yogyakarta is still said to be of poor value in carrying out that because of the fact that there are still many indicators that have not been achieved.

Fifth, it is research conducted by (Muh. Asnawi, 2016) a political science student entitled "Position Auction in Review of Good Governance (Case Study of Makassar City Government in 2014)". The results of the study showed that the implementation of open promotion administration selection started from the procedure auction stage and the procedures for registration, and the selection material runs satisfactorily both from the sub-district, village and echelon II levels, III through an online system. The inhibiting factor is the budget and the number of participants.

Sixth, it is research conducted by (Oglando Setiawan, 2016) a state administrative law student with the title "Implementation of Open Selection of Primary High Leadership Officers in the Bandar Lampung City Government Environment". Open selection in the City of Bandar Lampung is based on the Regulation of the Minister of Administrative Reform and Bureaucratic Reform of the Republic of Indonesia Number 13 year 2014 concerning Procedures for Filling High Leadership Positions openly within the Government Institution. The inhibiting factor is that the level of transparency about candidates who are appointed or promoted to the public is still lack because there are some individuals who play dirty whose choose their candidates without the appropriate procedures. In addition, many officials are not enough competent in their fields. Seventh, it is research by (Nanik Priyanti, 2017) a graduate student of the Islamic Law State Islamic University of Raden Intan Lampung. The researcher explained that the implementation of the position auction was divided into two perspectives, namely the first one is based on the positive legal Pprspective. The position auction did not miss the applicable law in Indonesia. Second, based on the Fiqh Perspective Siyasah, auction offices may be carried out as long as they do not conflict with Islamic Sharia.

Eighth, it is research by (Aditya Putera Adiguna, 2017) a student at the Muhammadiyah University of Yogyakarta. The results of the study showed that the position analysis in Bantul Regency had been used well which could be viewed from an educational background with a position, rank or class that exceeds the minimum limit and had participated in leadership training III. Officials who rely on work experience could be considered a minimum of 3 years related to Government Regulation Number 11 year 2017.

Ninth, this research conducted by (Bandung Setyobudi, 2018). The implementation of dismissal of civil servants had gone well, but there were still some people who have not at a maximum, such as the dismissal of unprofessional employees. It occured because there were regulations that interpreted differently and the law not quick to be revised, even too overlooked.

Tenth, it is research by (Elvin Defriadi, 2017). The implementation of the position auction based on ASN Law and Permenpan-RB No. 13 year 2014 had been effective. Inhibiting factors are implementation including time, budget,

bureaucratic cultural behavior, and mental blocks of employees. Nevertheless the results of the implementation were very satisfying with the existence of competent, professional and good quality employees.

No	Nameand Title of Research	Research Result	Differences
1	Arya Dwiyoga (2018): The Efforts of the Village Devices to Improve Service Quality after open recruitment in 2016 in the village of Tanjungharjo, Nanggulan District, Kulon Progo Regency, a special area of Yogyakarta.	The providing public services by the village government of Tanjungharjo. The result is that services could be said to be excellent and optimal because one door service is carried out by relying on technology for support. However, there are still some things that must be improved, namely the lack of coordination in service performance, so training is needed and the quality of facilities and pre- service facilities are needed.	this research is: First, the location chosen. The previous researcher were located in the village of Tanjungharjo, Kulon Progo Regency while the research location of this study in Kulon Progo Regency was not in the village of Kulon Progo. Second, the previous researcher examined the quality of service

Table 1.1: Literature Review

2	Bagus Pramudya Whardana Utomo: Implementation of filling in the position of village officials based on the number 3 district regulation of Kulon Progo in 2015 concerning village officials in the subdistrict of Kulon Progo.	Concluded that the implementation of filling in the position of village officials in Pengasih District has been carried out regarding to applicable regulations such as preparing four months before the village apparatus ends, choosing the selection committee, holding a registration that is announced for 14 days and is extended by 7 working days for prospective participants.	Previous researcher conducted research on the implementation of filling positions for the village officials, while the researcher carried out filling positions for structural officials of echelon II.
3	Nahidah (2016): Analysis of Planning for North Mamuju Regency State Civil Apparatus Recruitment (Study of the Regional Personnel and Training Agency of North Mamuju Regency)	The results showed that the recruitment of ASN by BKDD Mamuju Utara Regency has not achievied maximum results because BKDD could not arrange the projected needs of employees from PNS. Since, the results from Anjab did not match the titles used in the e- formation, revision had to be made after that data from BKDD did not match those in the field. Personnel mutations are not procedural, such as the transfer of educators / teachers between schools and health workers among health UPTDs or Pukesmas (Pustu) only with the Head Office Memorandum without notice to BKDD.	Some differences are seen in this study include: First, the previous researchers took the research location in North Mamuju Regency, while the researchers chose Kulon Progo Regency. Second, previous research analyzed ASN recruitment planning, while researchers focused on implementing merit systems in position auctions.

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5	Petrus Hironimus Wersun (2015): Implementation of the Principles of Professionalism in the Appointment of Environmental Structural Officials of Civil Servants in the City of Yogyakarta	The researcher wanted to see how the application of the principle of professionalism in the appointment of structural officials in the civil service in the city of Yogyakarta. As a result, the city of Yogyakarta is still said to be of poor value in carrying out that because of the fact that there are still many indicators that have not been achieved.	The previous researcher chose the city of Yogyakarta as the location of the study, while researchers only chose Kulon Progo Regency which is part of the City of Yogyakarta. Then. the previous researcher examined the implementation of the principle of professionalism in the appointment of structural officials, while the this study examined the application of merit systems to structural officials.
	(2016): Position Auction in Review of Good Governance (Case Study of Makassar City Government in 2014	showed that the implementation of open promotion administration selection started from the procedure auction stage and the procedures for registration, and the selection material runs satisfactorily both from the sub-district, village and echelon II levels , III through an online system. The inhibiting factor is the budget and the number of participants.	researcher examined the auction of positions in Good Governance review, while the researcher reviewed the implementation of job auctions based on the application of merit systems. The location of the study was different from previous researcher choosing the city of Makassar and the researcher choosing Kulon Progo district.
6	Oglando Setiawan (2016): Implementation of Open Selection of Primary High Leadership Officers in the	Open selection in the City of Bandar Lampung is based on the Regulation of the Minister of Administrative Reform and Bureaucratic Reform of the Republic of	The previous researcher conducted open selection research in Bandar Lampung city while the researcher conducted the research in Kulon

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7	Bandar Lampung City Government Environment	Procedures for Filling High Leadership Positions openly within the Government Institution. The inhibiting factor is that the level of transparency about candidates who are appointed or promoted to the public is still lack because there are some individuals who play dirty whose choose their candidates without the appropriate procedures. In addition, many officials are not enough competent in their fields. The researcher explained that the implementation of the position auction was divided into two	The auction position that the previous researcher did was based on the fiqh
8	Government Siyasah Fiqh and Positive Law Perspective Aditya Putera Adiguna (2017): Suitability of Position Analysis in Filling Echelon III Position in Bappeda of Bantul	perspectives, namely the first one is based on the positive legal Pprspective. The position auction did not miss the applicable law in Indonesia. Second, based on the Fiqh Perspective Siyasah, auction offices may be carried out as long as they do not conflict with Islamic Sharia. The results of the study showed that the position analysis in Bantul Regency had been used well which could be viewed from an educational background	include the view of Islamic law at all but rather in accordance with government regulations. Previous researchers examined the filling of
	Regency in 2016	with a position, rank or class that exceeds the	Progo Regency as a study.

		minimum limit and had	
		participated in leadership training III. Officials who rely on work experience could be considered a minimum of 3 years	
		related to Government Regulation Number 11 year 2017.	
9	Bandung Setyobudi (2018): Dismissal of Civil Servants in Trenggalek Regency Based on Law Number 5 Year 2014 concerning State Civil Apparatus	The implementation of dismissal of civil servants had gone well, but there were still some people who have not at a maximum, such as the dismissal of unprofessional employees. It occured because there were regulations that interpreted differently and the law not quick to be revised, even too overlooked.	The previous researcher conducted research in Trenggalek Regency, while the researcher conducted research in Kulon Progo Regency
10	Elvin Defriadi (2017): Recruitment of Structural Officials through the Position Auction Model in the Government of the Special Province of Yogyakarta	factors are implementation including time, budget, bureaucratic cultural behavior, and mental blocks of employees. Nevertheless the results of the implementation were very satisfying with the existence of competent, professional and good	examined the recruitment of structural officials through auction
	~	quality employees.	

Source: Processed By Researcher, 2018

Based on some reviews of related studies that have been described above, it can be concluded that the most differences are in terms of the location of the study. The other previous research took place in Makassar, North Mamuju Regency, Trenggalek Regency, Bandar Lampung, DIY, and Bantul Regency. The other previous research took place in Kulon Progo village not in Kulon Progo Regency.

Another difference can also be seen in the focus of research where the previous research did not refer to the implementation of merit systems through auction positions for echelon II structural officials, but those are rather more research such as the quality of service after open recruitment, implementation of filling positions for village officials, ASN recruitment planning, implementation the principle of professionalism in the appointment of structural officials, auction of positions in the review of Good Governance, auction of positions in the perspective of jurisprudence and filling in echelon III positions. The explanation can be concluded this research has differences both in terms of themes and locations, so it is not exactly the same as the previous research and is the latest innovation research.

1.6 Basic Theory Framework

1.6.1 Human Resource Management

1.6.1.1 Definition and Function of HRM

The globalization era growing up fast in the development of technology and information requires that humans become someone

who can adapt to all modern and sophisticated conditions. Competition between countries cannot be avoided anymore so each country must work extra hard to maintain position itself, and to face the challenges of economic growth that are increasingly difficult to reach maximum numbers. Seeing the situation, all agencies, organizations or companies, make every effort to produce high-value performance in order to be able to compete in the world of work.

Various things to get the goals include creating the new innovations, developing sophisticated technology, garning rare discoveries, and providing the best service to consumers or the public to achieve satisfaction with the services provided. Achieving all of them does not only rely on revolutionary development of agencies or companies, but the main point needed is human resources. Human resources is a potential thing that greatly affects the company or organization in achieving goals because no matter how sophisticated technological developments, changing times, and the amount of capital, but HR is not available. Then the goals will not be realized because there is no driver.

According to Ndraha cited in (Sutrisno, 2017), human resources can be stated as high quality if they have achieved competitive values rather than just relying on body energy. They must rely more on intelligence and creativity to create a synergistic renewal. The statement shows that human resources are human beings having the potential skill to provide change by relying on the knowledge and skills possessed as a source of strength to achieve the best standards of value in the world of work.

Human resource management is a strategical step in creating quality human resources as well as controlling, and managing human resources to be more focused. The point is that every HR is expected to be able to achieve a standard value but not all of them have that organization or company needs to provide facilities for HR development, so it is more professional in working with organized and structured management, so HR has instructions or guidance in expressing and hone their abilities to the fullest. Control of HR behavior must also be implemented through the aim of HR that is not deviating from the prohibited zone, and avoiding irregularities committed by HR.

(Hariandja, 2002) defined that all the provisions applying such as doing activities (planning, controlling, job analysis, recruitment, selection, and orientation); policies and programs are efforts to get human resources that can be developed in order to improve the organization's effectiveness in managing labor logically, and can be accounted for.

HRM has a big impact on organizational development. The HR must be managed properly because the progress and sustainability of the organization depend on how the quality and performance of the HR achieve the objectives. Therefore, organizations are required to be able to obtain trained employees, so their roles can be properly implemented. According to Robert L. Mathis and John H. cited in (Purnaya, 2016), the role of HR that must be focused in carrying out all obligations that must be fulfilled.

	Administration	Operation	Strategy
Focus	Administration of file / data storage		Global organization
Time	Short term (less than 1 year	Mid term (1-2 years)	Long term (2-5 years)
Activities	HR benefits, enforce work	from promotion, recruitment and selection of vacant positions. Carry out training programs.	development and communication schedule. Perform structural improvements and

Table 1.2: Roles of Human Resources

Source: Purnaya, 2016

1.6.1.2 Purpose and Activities of HRM

Every organization has a certain standard of value to get the target that has determined. Individuals who are in the organization also have their own goals that must be avoided by the goals of the organization without being able to get out from zone of rule. By Seeing that, it is necessary to have human resource management in order to become professional about the rights and obligations that they have. William B. Werther and Keits Davis cited in (Hariandja, 2002) said that HRM aims to improve the quality of employee productivity, build a sense of responsibility and control employee behavior.

Based on the objectives of HRM, it was stated that the organization need to make careful planning to get HR accordance with the criteria of the organization. HRM is a factor that must be applied so that it can be used as a forum to improve, arrange, and train for HR. Therefore the objectives of HRM must be carried out constantly and continuously in related to the standards in order to achieve the maximum goals.

Efforts are made to achieve the objectives, namely by making various activities that supporting the intended target. These programs are to produce good quality human resources, and also to achieve the goals of HRM described previously. In general, activities carried out to support the formation of effective and efficient performance units within the organization. These activities include;

1. Planning and Procurement

Planning is one of the strategies designed based on conditions in the organization as a whole, so it can consider what things should be prioritized in planning and the supporting factors that will be applied in the design. Planning means looking at various sides, such as standard needs, employee performance, and task details. related to the work environment. It aims to predict what needs to be done and things that do not need to be targeted, so planning will be related to the situation of the work environment.

After planning, we can see what must be done for the short and long term performance needs. So it is necessary to hold a position placement with making job vacancies regarding the expertise needed, so the organization can take into account the performance requirements of careful planning. Procurement is done in order to get employees who are appropriated with the needs of the organization.

2. Withdrawal and Selection

Withdrawal activities look some things like analyzing positions to the requirements for employees to fill positions and qualifications for employees. It aims to obtain high-quality, skilled applicants, and also appropriate with the characteristics that the organization standardizes.

In the process to get job, applicants will continue with the selection stage. The selection process is a screening stage which applicants will be matched with the standards of workers' needs in the organization. This screening will be done by various prosedures or methods based on organization applied, and usually the activities carried out are academic tests, written tests, interviews, insight tests, and health tests.

3. Control and Development

Control is a control for employees to carry out tasks concerning established procedures. This control is intended so that the employees do not deviate from the applicable rules, and are responsible for the tasks that have been given without neglecting these obligations.

From this point, the organization needs to make regulation and supervision for performance of employees. Employee potentially needs to be observed in terms of work because if there is already automatic control the performance carried out must be supported by the organization to get effective work results.

Activities for supporting that are do training and knowledge that aim to increase the capacity of employees to work, and to add insight and also skills in carrying out tasks. Training and education are usually held through seminars, study tours to various accredited or good institutions, and special class programs for employees. This development aims to improve employee performance and provide feedback to the organization.

4. Compensation and Maintenance

Employees as workers certainly need some facilities intended to increase their morale. Therefore, as a manifestation

of organizational services to employees who have worked as maximally as possible, they are rewarded in the form of fair compensation such as profit sharing and rewarding employees who excel in their work. Monitoring was doing to see how the employees carried out their duties and obeyed the rules. If employees carry out all well, the compensation received is higher compared to employees who are still classified as low in terms of implementing tasks because they are fair related to the quality of work.

After the review is complete, an evaluation is needed to improve, and find solutions or alternatives in solving the obstacles. Performance that has been good must be maintained and also improved to a better level, so management and employee relations become more developed.

5. Labor relations and Dismissal

Good communication is a way to establish a goodrelationship betweenmanagement and employees where the relationship is built synergistically and mutually. The efforts made are to motivate employees, to conduct systematic work arrangements, to improve discipline in complying with the rules, and to empower employees through a guidance. Synergic cooperation and mutual benefit will be realized with an effective and efficient relationship between management

and employees. The diversity of character of the employees certainly will not always be compatible with all the procedures or activities that the organization applies and also because of the time which does not allow an employee to survive in the organization.

To overcome the problem, the organization decides to impose a termination on the employee concerned. Termination of employment and employee obligations to the organization. It is caused by several factors, namely the personal desire of the employee to quit, dismissal by the organization, and the validity period of the employment contract, retirement, acute illness, and hospital control.

1.6.1.3 Challenges in HRM

Humans are required to be able to adapt to the environment because the order of life has changed. Organizations as targets that are influenced by the development of the times must begin to strengthen performance and also play an active role in all activities, so it can compete and produce synergistic performance. The purpose of the organization that you want to achieve is not only for the sake of personal interest, but also for the community that must be satisfied with the various services provided by the organization. In order to make it happen, it is not surprising if the organization wants highly ideal human resources with the skills, creative, innovative, and also competent. As a result of the change of HRM must play its role very carefully because if human resources misstep in acting, common goals will be difficult to achieve.

The problem that occurs is that the implementation of HRM is often constrained by various matters concerning the management of organizations whose needs are increasingly diverse while the number of qualified human resources is very minimal to be obtained. This makes the challenge arise not only from within but also from outside the organization. Some challenges faced by HRM are:

1. Internal Challenges

Problems originate within the organization itself. It will not be ruled out because in an organization, each individual has thoughts that cannot be equated with others while the objectives achieved must refer to one point, namely organizational goals. Dissent will certainly be felt in an organization, and there will always be various obstacles and carry out the organization's mission.

The role of management is very important to solve problems that occur fairly and wisely because this situation will adversely affect when the issue is not resolved, performance of the HR, so the decrease in the effectiveness of work will be felt over time. Some things that must be considered by the organization include: a. Power

Every organization is required to have their respective advantages which are used as the power to solve various problems that arise in the organization. Relying on the strengths, the organization needs to conduct a reassessment related to HR performance such as expertise, quality, discipline, skills, and work success.

b. Weakness

In an organization, there will be a weakness. This weakness can not used as an inhibiting factor for the organization in developing and overcoming problems that exist within the organization. The weakness from organization need to be evaluated for improving, so is not sustainable, but can be reduced gradually.

c. Planning and Budget

All activities done by the organization must see the financial situation. Planning must be made carefully and consider various things that will be caused. Therefore, everything planned should look at some factors so that if the plan does not run related to expectations, the losses incurred can still be overcome.

Consideration of outgoing financing must be considered because financial problems are very vulnerable

and sensitive in all things. Unstructured financial arrangements will make financial administration a little bit transparent. It will cause various speculations that can harm the organization as a whole and trigger corruption.

d. The Strategic Plan

An obedience in managing the organization needs to be considered carefully and see the opportunities that will arise from the management. One of them is making plans that are strategic for long-term interests. Making plans can be done by looking at the situation and conditions at a certain time by considering changes in the times or environment. The changes are oriented to public demand that must be fulfilled in meeting the needs of the community in order to realize prosperity for various parties.

- 2. External challenges
 - a. Workforce

A vision and mission of an organization will be achieved if the employees in the organization have good quality. The workforce is a human resource who volunteer to work in an organization. The chosen the apparatus determines how the organization develops in the future and all of that depends on the quality of employee performance. Factors that make the organization sometimes hampered in maximizing the achievement of goals; namely the change of workers where each employee who comes out must be replaced with a new one and therefore must make adjustments starting from the beginning again.

b. Legal Consideration

A determination of rules for performance governance procedures must be made as clear and fair as possible without distinguishing any group. In the event of overlapping in the regulations, there will be a big problem which will make the government intervene in overcoming this problem. Therefore, the law made must be in accordance with the standards specified and refer to the regulations and laws that apply in the country.

c. Public Service

The main task carried out by employees is to serve the needs of the community with full responsibility and courtesy. Welfare of society is the main goal of HRM to achieve the targets that have been made. Community satisfaction with the services provided by employees is a measure of the success of an organization in developing HR to become professional and reliable in their respective fields. However, complaints are often heard from the community because services often are not appropriated with expectations, so their needs become neglected.

d. Technology

Increasing and diversing community needs make employees have to be more agile in carrying out their duties so people feel satisfied with the performance given. The administrative reports of employees are often incomplete because they must be recorded one by one in the book and which are sometimes not treated again. Technology is a solution for employees in facilitating the needs of employees to process all data provided by the community to be fulfilled. Thus, employees must be able to master the technology that becomes a tool in recapitating all data. Technology is not only for the needs of employees, but also the community can feel the facilities that the organization provides such as the existence of a forum for channeling complaints, and evaluating employee performance. Hence, it can accommodate all people's aspirations.

1.6.2 Merit System

Merit system is an approach that seeks to manage human resources to become an apparatus or employees who have high integrity, competence, and skill in supporting their performance in carrying out their assigned duties and responsibilities. According to Sinurat Hornby cited in (Jerry Brianly Wansaga, 2016), when viewed from the vocabulary of merit it is things that deserve to be appreciated, while the system is a combination of several factors that have an attachment to one another where if there is one factor that arrives, we changed then that will affect the others.

It shows that merit system have many individual interests in them, but these interests are combined into one to be achieved together and must work in synergy. If there is something that deviates from the established procedure, it is likely that the goal has failed to be achieved. The most preferred part in merit systems is work performance which looks at the ability of an apparatus to work in an organization wheret they must be able to skillfully improve his work effectiveness and have a good attitude in the work environment so there will be a reward for the apparatus thanks to their work and this applies to all groups both senior and junior.

Kartono cited in (Baharuddin, 2014) explained that merit system is a reaction to system spoil, nepotism, and system patronage. Placing someone in a position in the concept of merit system must be based on several aspects such as education and training, experience, competence, and ethict as a consideration in objective assessment. The conceptual framework scheme from Kartono explain:.



Image 1.1: Conceptual Framework By Kartono

Source: Baharuddin, 2014

Simply putting merit system is a step to choose people who are truly able to occupy a position with the best ability because the merit benchmark system does not lie in the influence of politics, religion, social standard of living, lineage, gender, and wealth, but it is based on the quality of performance which has been applied further in carrying out its duties.

A Merit System as one of the approaches used in the management of human resources based on the achievements made by an employee that includes all supporting aspects as characters which serve a guideline for carrying out the duties and responsibilities given, and conformity with applicable regulations. In relation to apparatus placement in structural position, conformity is desired with various considerations in the form of education and training, experience, abilities, achievements, and career paths through the application of job descriptions and the application of job specifications.

1.6.3 Recruitment

Human is required to think about how their lives will be lived with various challenges that exist in the future. They did various things to have a good career to support all their needs. An education becomes the main pathway to get broad insight, so it is easier for someone to achieve what they want to achieve. In addition, honing skills on a regular basis can make people able to increase the potential of talents that they have both naturally and trained. The world of work requires competent human resources related to their experts because an organization / place for job vacancies that employs someone has its own consideration, so their goals can be achieved with satisfying numbers. Therefore, humans should prepare themselves to deal with all of them in order to become one of the categories needed by an organization to be used as employees.

Recruitment is a process carried out by an organization in disseminating announcements to get an employee / worker to occupy the required position. Organizations use various media to disseminate such as information including newspapers, radio, print media, websites, and social media. Recruitment is a decision from human resource management planning to get the number of employees needed, fill in vacant positions, and determine the desired criteria.

According to Zaenuri and Pynes cited in (Adiguna, 2017), a recruitment is a process to get an applicant in an organization, so they

want to become candidates to fill vacant positions by fulfilling various predetermined requirements. Some of the explanations that have been drawn can illustrate that a recruitment is an activity in recruiting prospective workers or human resources to be used as laborers to fulfill vacant positions based on the conditions determined based on certain positions. Adi Soenardo, (2006) suggests various ways are able to withdraw candidates for workforce including:

a. Internal Path

The internal path is the withdrawal of an employee who has been in the organization to occupy an empty position as a manifestation of an opportunity for employees who have long worked in the organization to show their skills, so they can occupy a predetermined position. Some of the benefits that can be obtained through this internal path include:

- Employees who are given the opportunity to more improve the quality of their performance.
- The organization already knows the employee's background
- Employees already know the conditions of the work environment
- Do not need training from the beginning for employess.

The pathway becomes an alternative for an organization to be able to get human resources based on the criteria. However, if the organization still cannot find people to occupy this position, the organization can take the next step in conducting candidate searches; it is through external channels because sometimes, internal paths have several weaknesses, such as;

- Jealousy with each other employees when HRM selects only a few candidates.
- Feeling disadvantage and disbelief because of fraud in the recruitment procedure.
- b. External Path

External Paths are recruitments aimed to people outside the organization. Usually, the groups are given certain requirements related to the needs of the organization. Therefore, it is not just anyone who is a candidate to occupy a position from a position, but it must be in accordance with the criteria the organization determines. If someone does not meet the standards, it is possible that the candidate will not be accepted at the beginning of recruitment.

c. Adverts

Adverts are one method in how to find a candidate. Its own advert is in the form of advertisements that are disseminated through various media, so people are interested in becoming candidates. Various media used in giving announcements include radio or television, websites, newspapers / newspapers, and print media. The sophistication of technology which has existed in the present makes it easier for organizations to provide announcements to all humans and disseminate all information, especially they who concerning the recruitment of positions that the organization holds.

Recruitment does not stop here but there is a selection process for all candidates to be able to obtain workforce based on the specified qualifications. According to Nawawi cited in (Oktoriski Pranayoga, 2015), a selection is a stage that will be carried out after the recruitment process with the aim of screening the participants in a planned manner to make a decision to be accepted as employees. On the other word, selection is the stage to choose people who are truly appropriate with what is expected by an organization to occupy a predetermined position. Usually, the recruitment and selection process for prospective workers has its own criteria based on the organization. Selection itself is more focused on determining someone who will be drawn into the organization using selective screening methods. Dessler in (Sujanto, 2009) suggested that several steps taken in the recruitment and selection process

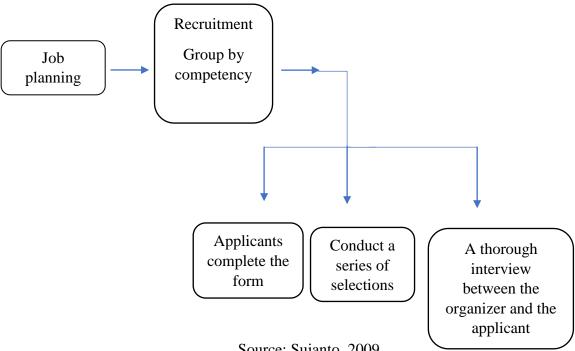


Image 1.2: Series of Recruitment and Selection Processes

Source: Sujanto, 2009

these indicators Some of are things that support the implementation of the selection because with this stage there will be many series of tests that must be passed so that the workers received are indeed regarding the qualification standards that the organization has set. In addition, there are several variables that must be considered in the selection process, including the number of employees needed, number of applicants, and time. Some of these stages are stated as follows;

a) Initial screening process

This initial screening process is done for anticipating if the number of applicants is huge exceed the specified capacity. The step that must be taken is to reduce the number of applicants effectively by designing the structure of the application form. This

design must be done selectively through a form sheet to obtain applicant information that is significant, so it is easy to classify who will be accepted. The method used is first competency-based by completing several documents such as geographical biodata containing experience, abilities, and vision and mission for the design of the future and the second is curriculum vitae to include things that are deemed necessary.

b) Interview

The interview is a question and answer session that aims to obtain data as many as people need. Interview is effective thing because with this step, the committee that selects applicants will be able to know various things accurately, so the insights, knowledge of experience, and abilities possessed by applicants will be evaporated in the interview session. Usually, before conducting the interview session the committee will sort structurally starting from: 1. Interviewing applicants' self-introduction includes curriculum vitae and experience.

2. Backward looking interview

This interview is seen from a applicant's performance by looking at how an applicant is able to design a scientific analysis of the occupation they occupies by looking at the work patterns of applicants in the past as well as the forward steps that will be dedicated to future organizations so that the applicants' ability to plan and organizing all problems in the organization.

3. Forward looking interviews

This session is inversely proportional to the way backward looking where the interview is further to test cognitive abilities by considering the situation.

c) Assessment of interview results

An assessment of the results of the interview needs to be marked by:

- Tagging guidelines with step a. Waiting for the interview session to finish, b. Seeing the records, c. Comparing the first competency with the indicator of the actor, d. Writing summary evidence, e. Ranking of candidate competencies, f. Repeating the process for the next competency.
- 2) Summary of rank

It makes a rating for applicants by including various supporting evidence to see the potential value of each applicant.

3) Make a rating scale

It is used as a comparison from one applicant with another applicant.

d) Evaluation and decision making

All recruitment and selection processes have been carried out, so the evaluation and decision-making stages must be carried out as quickly as possible to determine who is eligible to occupy a position previously held. All of the decisions must be based on an agreement related to an honest and fair assessment.

1.7 Conceptual Definitions

Conceptual definitions that the researcher uses follows:

- 1. A human resource management is a strategic step in creating quality human resources as well as controlling and managing HR to be more focused. The point is that every HR is expected to be able to achieve standard values, but not all of them have that organization or company needs to provide facilities for HR development. Hence, it is more professional in working with organized and structured management so that HR has instructions or guidance in expressing and hone their abilities to be competen.
- 2. A merit system is a step to choose people who are truly able to occupy a position with the best ability because the merit benchmark system does not lie in the influence of politics, religion, social standard of living, lineage, gender and wealth but it is based on quality the performance that has been applied further in carrying out tasks.

3. A recruitment is a decision from human resource management planning to get the number of employees needed, to fill vacant positions, and to determine desired criteria.

1.8 Operational Definitions

Table 1.5: Thinking Framework						
No	Variabel	Indicator	Parameter			
1	Position	According to Kartono cited in	Merit System			
	Auction	(Baharuddin, 2014)				
		 Education and Training 				
		 Experience 				
		– Competence				
		– Work Performance				

Table 1.3: Thinking Framework

Source: Processed By Researcher, 2018

1.9 Research Methods

The type of research used was a qualitative research method through analyzing at the problems that arise in research, so the researcher searches various sources to explain and to understand the state of the problem which is the main focus for research activities. According to Sugiyono cited in (Adiguna, 2017), qualitative research methods or commonly referred to as postpositivism research or having naturalistic terms is a research used for the condition of a natural object. A qualitative research basically aims to find out events or phenomena that occur in the subject of research. This research can take the form of behaviors, activities, applications, and thoughts that were described through writing and words. Hamdi and Bahruddin cited in (Adiguna, 2017) used a type of descriptive research that was a research method based on describing the latest events or phenomena or at the present time and also in the past. Descriptive research is used to interpret all available data by revealing facts in the field without being added or subtracted.

1.10 Research location

The location of the study was a place used by the researcher in conducting research activities so the determination of location must be determined, the researcher focuses more on targets that have been chosen as objects from one place and it facilitate the researcher in obtaining information. The location chosen by the researcher about " The Implementation of Merit System through the Position Auction for Structural Officials of Echelon II in Kulon Progo Regency in 2017/2018" was held in Kulon Progo Regency. The reason the researcher chose this location was because Kulon Progo Regency was the first Regency to carry out the postion auction with a merit system mechanism in the Special Region of Yogyakarta.

1.11 Data Analysis Unit

The unit of analysis in a study can be in the form of individuals, groups, and objects. related to the subject of research regarding the focus of the problem. The unit of analysis in this study included:

Table 1.4: The Data Analysis Unit

Agency	Total
Head of BKPP	1 person
Selection Committee	2 people
ASN	4 people
Promotion Section	1 person
	Head of BKPP Selection Committee ASN

Source: Process By Researcher, 2018

1.12 Type of Data

1.12.1 Primary data

A primary data is all data obtained from the field both in the form of verbal and words through doing interviews with selected respondents. It is to provide information on the research conducted as data to gather facts as much as possible in Arikunto cited in (Fazli, 2018). The primary data in this study were:

Table 1.5: Primary Data

No	Primary Data	Data Sources	Data Collection Technique
1	Implementation of merit system in the position auction	Head of BKPP in the Kulon Progo Regency	Interview
2	Application of the merit system through position auction	Selection committee	Interview
3	The process of running the merit system in the position auction	ASN	Interview
4	Information announcements	Promotion section	Interview

Source: Process By Researcher, 2018

1.12.2 Secondary Data

A Secondary data is the collection of data obtained through literature studies of various documents or media, such as books, regional regulations, laws, and journals. Secondary data in this study included:

No	Secondary Data	Sources Data	Data Collection Techniques
1.	Organizational structure	BKPP of Kulon Progo Regency	Documentation
2.	Vision and Mission	BKPP of Kulon Progo Regency	Documentation
3.	Number of ASN	BKPP of Kulon Progo Regency	Documentation
4.	Number of job vacancies	BKPP of Kulon Progo Regency	Documentation
5.	Number of position auction participants	BKPP of Kulon Progo Regency	Documentation
6.	Data on participants passing the administrative and final selection	BKPP of Kulon Progo Regency	Documentation
7.	Selection committee	BKPP of Kulon Progo Regency	Documentation
8.	Duties and functions of the Regional Personnel Agency	BKPP of Kulon Progo Regency	Documentation

 Table 1.6: Secondary Data

Source: Process By Researcher, 2018

1.13 Data Collection Techniques

The method used in collecting research data was:

a. Interview

An interview is a method of research conducted to participants directly (face to face) or via telephone through question and answer activities to find out more information about the problems the researcher were doing interview in order to obtain valid and accurate data from trusted sources or parties concerned with the research.

b. Documentation

A documentation is a written from the previous author in the form of a life story, biography, and someone's writing. A documentation is also an activity to collect various data such as books, newspapers, government archives and online news related to research. A documentation is not only that, but humans, the reality of nature, events, and social life which are in the spotlight to be used in research. The results of documentation can be in the form of text, images, videos, and archives.

1.14 Data Analysis Techniques

The data analysis technique used by the researcher was the method of Miles and Huberman, namely they mention that there are 3 (three) types of analysis applied as interactive models.

1) Data reduction

Data reduction is a way to process data to be simpler, but clearer and more accurate, so it is easy to be understood. This simplification was done in such a way as to clarify research data without widening everywhere or deviating from the topic. 2) Presentation of data

Data presentation is a pattern that makes it possible to do research conclusions that aim to provide action on research, and to find things that are meaningful for research purposes.

3) Drawing conclusions

Drawing conclusions is an activity to compile and organize all the data that has been studied since the beginning of the study until the end of the study by combining all of these elements into one continuous unit. Various things included in drawing conclusions were records, causes and consequences, statements, and various other data sources that supported the research.

Image 1.3: Component of Interactive Analysis of Data Models

