Corruption Cases In Banking Practices

Budaya Organisasi Pada Dinas Kesehatan Kabupaten Sumedang

Transforming The Spirit Of New Public Service Into Public Management Reform In Indonesia

Kebijakan Sanksi Administrasi BPHTB Untuk Pemberian Hak Baru Atas Tanah di Provinsi DKI Jakarta Dalam Perspektif Collaborative Governance

Pelaksanaan Prinsip-Prinsip Good Corporate Governance (GCG) Pada PT. Asuransi Jasa Indonesia (Jasindo)

Corporate Entrepreneurship In SMEs: A Systematic Mapping Study

Analisis Pengaruh dari Corporate Governance Perception Index (CGPI), dan Kebijakan Dividen Terhadap Nilai Perusahaan BUMN

Analisis Tax Expenditure dalam Pengelolaan Keuangan Negara (Dari Perspektif Pro-Corporate Cash Flow Tax)
Transforming The Spirit Of New Public Service Into Public Management Reform In Indonesia

Kristian Widya Wicaksono

Abstract

Political transformation has led to public management reform in Indonesia. Theoretically, the aim of public management reform is to make a systematic adjustment for public sector organizations to be more adaptive and responsive to the dynamics of the current political situation, especially the needs and demands of citizens and market participants. To strengthen the implementation of public management reforms we need to explore more varied ideas through academic discussions. Therefore, this paper aims to analyze the adaptation of the seven basic values of New Public Service (NPS) in the practice of public management reform. This paper uses an exploratory method intended to obtain a valid understanding of the NPS and its translation into the practice of Indonesian public management reform. The results of this paper show that to carry out public management reforms we need three high-performance functioning components: citizen empowerment, the professionalization of bureaucracy and strategic leadership.

Keywords: public management reform, collaboration, and democracy

Abstrak


Kata kunci: reformasi manajemen publik, kolaborasi dan demokrasi

1 Lecturer at Public Administration Department of Parahyangan Catholic University & Ph.D. Student of Political Science Department at Tunghai University, Taiwan Email: kristian.widya@unpar.ac.id
1. Introduction

Ever since the collapse of the new order regime under Suharto, Indonesia has been starting a new chapter of political transformation from centralistic-militaristic regime to democratic governance. The people in Indonesia are witnessing that political transformation has brought a serious impact on Indonesian public management as a force to adapt to the current political progress. In the context of public sector academic discipline, the change on public management is recognized as the public management reform. According to Pollitt and Bouckaert (2017), public management reform is defined as deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better. This means that the aim of public management reform is to make a systematic adjustment of public sector organization to be more adaptive and responsive to the dynamics of the current political situation especially the needs and demands of the citizen and market.

Having seen the need for change in public sector management especially in the aspect of the organization, since the year of 2007 the government of Indonesia formulated the regulation of bureaucracy reform in the national law number 17 of 2007 about long-term national development planning of 2005-2025. This is an important decision made by the government of Indonesia as they decided to put the bureaucracy reform agenda in the long-term strategic policy. Certainly, we need a lot of effort to put this agenda reform into effect. Therefore, to strengthen the implementation of the bureaucracy reform agenda, we need to explore a more variations idea about how to improve the performance of structure and process inside the government institution.

Furthermore, since the public management reform is focusing on how to respond the needs and demands of the market and citizen, thus the purpose of enhancing the engagement of these actors in the public management reform is becoming the center attention of academic discussion. A well-known approach in the field of public administration called a new public service could be brought into this academic exercise. A new public service is an approach that combines the role of government in the governance system which focuses on public service, democratic governance and civic engagement (Denhardt & Denhardt, 2007).

New Public Service is an approach that presents the critique of the previous paradigm called New Public Management (NPM). The main idea of NPM is to bring market mechanism into public sector management. The main value of this approach is efficiency, rationality, productivity, and other business or market terminology. However, the critical question to this approach is: if the government runs like in the business sector and the government steers the public service, then who will become the owner of public interest and public services? This question is expressed in a different way by Denhardt and Denhardt. They raise the critical statement that in our rush to steer, perhaps we are forgetting who owns the boat (Denhardt & Denhardt, 2007). NPS confirms that the owner of the public interest is the citizen. Therefore, the administrator should emphasize the responsibilities to serve and empower the citizen through managing the public organization and implementing public policy. In this context, the communities should place as a citizen, not as a customer and the focus is not rowing or steering but how to create public institutions with high integrity that emphasis on rising fairness in public service delivery as their commitment to accountability.

New Public Service puts the citizen on a strategic position in the governance process. The identity of the citizen does not only focus on their personal or self-interest but also involving value, believes system and tolerances among the citizen. The citizens are the owner of the government and have the same chance to make collaborative action with the government to achieve the best result of governance. Therefore, the public interest is not defined as an aggregation of individual interest but as an outcome of dialog and public commitment to
put together the priority value and defined public interest as the main rationale behind the public decisions and policies.

In NPS, the main role public manager is to let the citizen involvement in the government process and also to serve the citizen. To conduct that role, the public manager must understand the existence of several complex layers of responsibilities, ethics, and accountability in democracy system. The public manager also has the responsibilities to let the citizen participate in program planning as well as the implementation to achieve the common goals. This must be conducted not merely to create good governance but also a commitment to democratic values. Thus, the focus of the public manager not to steer or only limited in the designing an incentive system to the citizen but to serve and empower the citizen.

Generally, the public organization is always facing public demands to increase access, effectiveness, responsiveness, accountability, and transparency. In reality, the situation is unwell structured because the public organization must respond to the public demands in the context of the increasing level of complexity of social problems. Moreover, a public organization must deal with limited resources. Then this follows by the declines in public trust and confidence in the public organization. Thus, New Public Service can become an alternative approach to help the government to improve its capacity on handling the public problem. Therefore, this paper tries to enter the academic discussion of public management reform by exploring the idea of New Public Service (NPS) and how to translate this idea into the practice of public management reform.

2. Method

This paper was written by using exploration design. Gabrielian explained that the purpose of the exploration method is to develop valid definitions of a concept, describe a process, or yield beginning theories that explain the phenomenon under study (Gabrielian, 1999). Through this design, we will obtain a valid understanding related to the concept of New Public Service and how the new public service value is integrated into the practice of public management reform. While the data and information displayed in this paper are secondary data which analyzed heuristically based on what is implicitly expressed in the data and information.

3. The rationale of New Public Service

The idea of New Public Service starts formed under four key concepts, namely (1) theories of democratic citizenship, (2) models of community and civil society, (3) organizational humanism and the new public administration, and (4) postmodern public administration (Denhardt & Denhardt, 2007). These four concepts have a different contribution to the formulation of the New Public Service approach (Denhardt & Denhardt, 2007).

Firstly is democratic citizenship. The main focus is to open a suitable space for citizen participation. Therefore, the public manager should be more open to collaborating with many stakeholders in order to involve them in the process of handling the public problems and fulfill the needs of the citizen. The form of the practice of this concept could be shown in the improvement of the responsiveness of public organization to gain citizen trust by shared government authority and reduced the control over the citizen such as the expanded space of administrative discretion and flexibility, open the opportunity for innovation, and conducting decentralization, and deregulation.

Secondly is a community and civil society. In the sense of community and civil society, there will be a presence of two important aspects which are strong networks of citizen interaction and high levels of social trust and cohesion among citizens. Those two aspects will help the public manager to establish constructive dialog which will produce high-quality decisions and policies and enhance the practice of democratic governance.

Thirdly, organization humanism and New Public Administration (NPA). The main
idea behind organization humanism and NPA is the criteria to measure the success of public administration cannot rely only on efficiency, we need to consider the other important criteria such as equality, equity, and responsiveness which have relation with humanism. This three criteria also become the spirit of the NPA. NPA is a concept introduced by Frederickson (1980). Therefore, the New Public Service has emphasized the importance to put equality, equity, and responsiveness as the indicator to measure the performance of public service and public goods besides efficiency.

The last concept is the postmodern public administration. In this concept, the idea is to put the public manager and citizen as a human being who engage each other. The decision-making process is a result of negotiation and dialogue which produce a consensus that reflects the involvement of all stakeholders as the human being with their personality, not merely rational, but experiential, intuitive, and emotional.

4. Seven Values of New Public Service

As discussed previously that NPS formed under four key concepts namely (1) Theories of democratic citizenship, (2) Models of community and civil society, (3) Organizational humanism and new public administration, and (4) Postmodern Public Administration. According to Denhardt and Denhardt (2007), the resultant of these four key concepts produce seven core of NPS which are:

1. *Serve citizen, not the customer.* It means that public organization must put their attention on building trust and relationship among citizens by enhancing collaboration to formulate and implement the public policy.

2. *Seek public interest.* The public manager must contribute to building a collective sense of the public interest through shared interests and responsibilities with all stakeholders.

3. *Value citizenship over entrepreneurship.* It is important for public managers to balance their understanding of making meaningful contributions to society and acting as entrepreneurial managers who engage with innovation and the efforts to make a breakthrough in public organization.

4. *Think strategically, act democratically.* The achievement of public policy should be through collective efforts and collaborative processes.

5. *Recognize that accountability is not simple:* Public managers should balance their attention between the market interest and focus to statutory and constitutional law, community values, political norms, professional standards, and citizen interests.

6. *Serve rather than steer.* Public managers should emphasize the value-based leadership to help the citizen in articulating and meeting their shared interests rather than attempting to control or steer the society according to their own directions.

7. *Value people, not just productivity.* Public organizations will run well if we focus on the processes of collaboration and shared leadership based on respect for all people without discrimination.

Based on the seven values of New Public Service, the researcher then makes a conceptual model as shown below:
Table 1. The Model of Relationship between NPS and Public Management Reform
Source: Adapted by the author from Denhardt and Denhardt (2007)

5. Discussion

Public management system produces public service and public goods to achieve citizen wealth. Public management was influenced by another sub-system such as economic, law, politic, social and culture system. Thus, as a comprehensive system, all of the subsystems was influenced directly and indirectly to the process of public services delivery and the public good provision. According to Rohdewohld, Indonesian public management is influenced by several factors such as Dutch colonial rule, indigenous customs and value (especially Java) and legacy of the new order (Rohdewohld, 1995). The combination of these factors has formed the structure and process of public management in Indonesia.

However, mostly the governments in the whole world mostly face a similar challenge. They must struggle to overcome the dissatisfaction and distrust of their citizen by finding more effective and efficient ways of making and implementing public policy. For the time being, there are also pressures on the government with their limited resources to be more responsive to the public demand and to be more transparent in the decision-making process. In line with those issues, the government of Indonesia conducting public management reform to response the public demand which is to improve the process of democratization in public services delivery and the public good provision.

According to Thoha (2003), the biggest problem of public management in Indonesia is the mindset of the government apparatus. It is complicated to shift the paradigm of government apparatus from ruler to civil servant. In the post-colonialism term, Indonesian public management as mentions by Rohdewohld is deeply influenced by the Dutch legacy (Rohdewohld, 1995). The fact shows that after the independence of Indonesia the government of Indonesia just simply filled the administration office with the local people without changing the function, structure, process, strategy, culture, and system that already installed previously by the Dutch. Moreover, the system built by the Dutch colonial government was a system of colonialism. Thus, the impact of this decision is the pattern of colonialism which is to control and supervised the citizen was obsessing most of the civil servant. Patron-client relation or to use Liddle’s phrase called benevolence-obedience relation reflects that public managers in Indonesia perceive themselves as ruler of the society (Liddle, 1985).

Basically, in changing political situations which happen in Indonesia, there is a high pressure to run the government democratically. The demand of the citizen in the context of political reformation in Indonesia is
to change the political system from centralistic-authoritarian government to democratic governance (Hiariej & Stokke, 2017). Therefore, in line with the principle of NPS, the obligation of public manager is to serve and to empower the citizen as their commitment to emphasize the democracy value. A civil servant cannot treat the citizen as their subordinates but they must place themselves as the servant and facilitators of public interest to accomplish several public purposes. Thus, citizen and public officials should be working together to identify and to solve the public problems in a cooperative and mutually beneficial way.

However, the following question is: “how to implement it?” In Indonesia, based on historical context, we already have some forums by which government and citizen can meet and make dialogs about how to formulate or to implement social programs. This forum called Musyawarah Perencanaan Pembangunan or the conference of development planning. The conferences are often called with acronym Musrembang. The conferences were conducted at the national and local level. Even in the district and village level, this forum is already present (OECD, 2016).

Musrembang is the reflection of the second principles of New Public Service which is seeking the public interest. Because all stakeholders are invited to join the conference so they can deliver their aspiration directly to the public officials. Hence, the role of public officials is to cooperate with the citizen to create shared interest and responsibilities. On the other side, the role of the citizen is to understand the limitation of the government to handle all the aspiration, so they also can contribute to formulating an implementable (plausible) policy or programs.

Nevertheless, we still have three problems with Musrembang. The first is an interconnection between Musrembang at village level with the district, municipalities, province and national level. Most times, what has been formulated in village level is not followed by the district level because they already have their own policy agenda. The form of Unitarian state places the top-down approach as the main method to create policy. Thus, when Musrembang tries to promote a bottom-up approach in the policy-making process, it has to face the barrier from the uppers’ authority. Even today Indonesia has been implementing decentralization, but this condition remains unsolved. Those situations become a challenge for the central government to revitalize their position to the local government, especially to be more concern with the local politic dynamic.

The second issue is the inconsistency problem, due to no public guarantee that the outcome of this forum is to be formulated as a policy. This is the main problem of the Musrembang because the outcomes of this forum cannot produce strong commitment among the stakeholders. If this situation continues to happen, the citizen will feel surfeited and then the impact is the degradation of public trust to government institutions become more deep and serious.

Lack of budgeting capacity to respond to all of the demand made by the citizen appear to be the third problem. As generally known that there are limitations of government resources. However, this problem can be handled if the government honestly inform the citizen following continuous socialization about their budget capacity to the citizen and start to stimulate people and market to collaborate to solve the scarcity of the resources. This is in line with one of the NPS value namely think strategically, act democratically.

In the future, we must enhance the commitment of the government apparatus to be more open to citizen aspiration. The most important aspect is to formulate the framework of this forum, thus the process of decision making which made in Musrembang is based on the resources’ capacities of the government. The framework of this forum must create more serious efforts, namely to not only meet the formal obligation of the government but to create an open dialog, commitment and also consistency to implement the outcomes of the dialog. Especially, building the interconnection between Musrembang at the village levels with
the upper authority such district, municipalities, provincial and also national level is a necessitate. It is in line with the third principles of New Public Service which is value citizenship over entrepreneurship because the proposal of policy or program was discussed among the public official and the citizen to making meaningful contributions to the society. As an alternative, we also can provide a new mechanism called public guarantee, which means when the outcomes of the Musrembang aren’t implemented by the government, there will be serious consequences to the institutions of giving compensation to the citizen. Certainly, after all the participants at Musrembang agree to propose a policy or program, and there should be a contract between the participants.

Subsequently, the promotion of the public guarantee system. It is in line with the New Public Service principle which is thought strategically, act democratically. By combining that principle with the incentive system in the public sector, we can produce the system of Public Guarantee. As the already-elaborated concept that saying when the government does not seriously provide public service, there will be a serious consequence to the government institutions such as giving compensation to the citizen. However, to raise citizen awareness about public service has consequences to whether the public does pay or not pay the retribution. This can be conducted by introducing a voucher mechanism in public service, thus the citizens also know that they have obligation to maintain the sustainability of public service in the future. This is in line with the New Public Service Principles, which serve the citizen, not costumer by building a relationship of trusty collaboration with and among the citizen.

From the quantitative aspect, the amounts of Government Employee until now are not suitable. Indonesia is facing the problem of unbalance proportion of civil servant to serve the citizen. However, the crucial problem is the distribution of government employee to all regions in Indonesia. The limited quantity of medical experts, especially in the backcountry, can be an example of this problem. In this situation, the government must create an incentive program to support the employee in the backcountry. This program can increase the motivation of employee to perform well and also the degree of acceptance if they will place in the backcountry. At the macro level, we also need to decrease the spatial gap development among several regions in Indonesia by accelerating the development of infrastructure and creates job opportunity in remote areas of the country. Within this situation, the cooperation between the government and the investor is very important. This integrated approach also could be an answer to the problem of overpopulation in several areas especially the capital city such as Jakarta, Bandung, Surabaya or in regions of Java Province.

In addition, Indonesian Public Administration still faces the problem of lack competencies among the government apparatus especially local government apparatus. During the New Order Era, the central government plays a vital role in running all the governance process. Local government becomes dependent on the central government. The local government responsibilities are only implementing the policies that have been provided by the central government. This situation creates an uncreative local government apparatus. When decentralization policy was conducted in 2001, a lot of problems are appearing such unmanageable of the local asset, malformed of information system etc. It reflects that local apparatus doesn’t have enough knowledge and information about decentralization so they can adapt and show conducive behavior to implement decentralization in context of Unitarian states. This situation also causes slow progress in improving service delivery in several regions in Indonesia. The government shall strictly focus on professionalism, meritocracy, and integrity in the civil service. The career service shall be revitalized to encourage creativity, initiative, and performance. Those who can show good progress and high-quality performance should receive the incentive. Today, through the
bureaucracy reform, we already introduce the remuneration system. However, the form of incentive cannot always analogous with money. Several private-sector methods for example regular awards to their employee can also be employed in public sector institutions to motivate them to show high performance. This is the so-called professionalizing bureaucracy.

Corruption is the other serious problem in the context of Indonesian public management. The people in Indonesia still faces old-fashion problems like gratification, abuse of power and bribery. The pattern of the paradigm of bureaucrats as ruler not as civil servant causes the tendencies of corrupt behavior. The service procedure is still twisted and price of several services is not transparent. The consequences are the citizen must pay the illegal taxes. These illegal taxes is uncertainty cost which is not regulated informal policy. Ironically, several results of research, both bureaucrats and part of a citizen who pays these illegal taxes said that illegal taxes are normal matter in accessing public services. The resistances to reduce corruption, bribery and illegal levy in the public service in Indonesia were lays on the root of patron-client pattern in bureaucracy. The process of service delivery was influenced by closed-relation, ethnicity, religion, and political affiliation. So it decompresses principles of equity and fairness in service delivery. This symptom becomes more chronicle in local or regional government level because of misinterpretation about decentralization policies which has been implemented since 2001.

Another problem is the recruitment process. The basis used by the government to recruit employee is written a test, for instance, potential academic test and English language test. The same questions are used for all of the applicants with general standard. It does not reflect specific condition such as midwife recruitment or for public administrator. As long as they can pass the exam so they will become a civil servant. In point of fact, the specific job needs specific requirements. We can provide this information by doing a job analysis, since the general standard employs to recruit the civil servant, and then it creates bias because we cannot make sure the competencies of the applicant. Are they able to fit in the job? Can they fit in organization culture? How about their motivation? The main causes of this bias are the basic argument used by the government to recruit employee. Recruitment is based on institution formation map, which describes the number and rank of civil servants. Then it is generalized as a result of task and workload of the institutions. So the method is partial and does not reflect the actual needs of position in government institutions. This problem also collaborates with confessional methods of orientation and training. The method is the legacy of New Order such as absolute loyalty to Pancasila and UUD 1945 and creates a lack of flexibility among the government employee.

Promotion system is the other attractive problems in Indonesian civil service. The mechanism of promotion is based on seniority. In practice, the promotion system is very complicated in Indonesia. After someone becomes a civil servant in government institution then they would have a carrier level. In the context of the ideal organization, the promotion system must be linear with its carrier level. However, in Indonesia when someone gets promoted to a higher position, sometimes they will be transferred to the other government institutions. This mechanism creates an unprofessional civil service because of their educational background, training and job experiment does not fit in their new job although they were in higher position.

These elaborations are similar to the result of research conducted by the Research Institute for Asia and the Pacific, the University of Sydney, which mentioned that Indonesian Civil service was showing negative features with closed career system, lack of managerial flexibility and accountability, limitations of leadership talent to insiders, dominance collusion and seniority in promotion and appointment also lack the incentive to perform well. However, lack of incentive cannot always be related to wages (Castellani, 2018). If we merely adjusting remuneration structure it does
not solve the problem as what already happens in Gayus Tambunan case. Low salary cannot be the main reference as the motivation to corrupt, we have to admitted that is also influenced by organizational culture and the habit of people inside the organization itself.

The bureaucracy reform program does not completely reflect the complexity of the problem of the bureaucracy itself, especially the culture and transformation paradigm from ruler to a civil servant. The barrier of bureaucracy reform comes from internal resistances which involve several government officials who will lose power status and revenue from bribery and illegal levy. Most of them are afraid of change and show defensive, closed and not cooperated behavior. Therefore to overcome these kinds of problems we need to develop an integrative information system to support the decision-making process, the arising capability of bureaucrats to identify the dynamic of citizen needs and to improve the government responsiveness to citizen aspiration in development.

Moreover, we have to maintain the sustainability of public management reform. This is for the reason that the direct election for President and the Head of local government which dominated by political interest will make the agenda become blurred. The reason is that a different leader has a different perspective and priority. They must perform their promise to their constituent especially political party and investor who support them in the election. Thus, when the regime was changed, the pattern of policy also will be changed. to overcome these problems, we must build stable structures and functions, including creating an independent and professional bureaucracy which contains with eminence and competence public servant. To improve the eminence and competence of public servant, the government shall implement organizational development in the bureaucracy; avoid unrelated functions, unite spared functions while strengthening the most essential functions. It shall ascertain a professional administration that upholds a strong neutral from political influence. A bureaucracy should apply a strong sense of merit and integrity (Paulin, Anthopolous, & Reddick, 2017). This neutral bureaucracy would guarantee public services to run continuously even with occasional political blizzards. It would tolerate merit-based promotion and other best practices in the bureaucracy.

The principles of New Public Service could be transformed into several strategic phases by combining it with the control process in policy implementation and the incentive for both the citizen and the government officials. The result of the combination produces two strategic phases to improve the implementation of public management reform in Indonesia.

The primary is strategic leadership. It is in line with the New Public Service principles which is Value People not just Productivity. By combining these principles with control, we can produce a new approach which is called Strategic leadership. This recommendation is based on assumption that the top level of bureaucracy work in the nuance of public interest. If there is a serious control from the top level to implement the public management reform, thus the reform agenda might be succeeded to implement.

6. Conclusion

The result of this paper shows that to conduct public management reform we need three components to work with high performance. The first point to note is the citizen, by involving them in the governance process, we can empower them to keep critical and control the government operations. Secondly, to cope with the bureaucracy as institutions, by professionalizing them, this organization should show good performance in public service delivery. Last but not least is the strategic leadership of an elected political leader. If the leader has a great commitment to implement the public management reform and thereby this leader will control the process to make sure that every public policy implementation is in the right track so the implementation will be succeeded.***
Bibliography


