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# 4<sup>th</sup> AICoBPA 2021

Annual International Conference on  
Business and Public Administration

## CONFERENCE PROCEEDINGS

**Synergising Public and Private Sectors  
to Accelerate Socio-Economics  
Recovery from the Pandemic**

**November 9th-10th, 2021**



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# Editorial Preface

The 4th Annual International Conference on Business and Public Administration (AICoBPA) 2021 took place virtually from November 9th-10th, 2021. The aim of the conference is to bring together public and business administration scientists from several disciplines in order to share a new development in public and business administration theories and practices from high-quality if original research papers in the disciplines.

More than 100 papers have been submitted in order to be considered for presentation at the AICoBPA 2021. The selection of the papers included in this proceeding was based on an international peer review procedure by at least two independent reviewers. This proceeding contains selected papers of the AICoBPA 2021.

This year 2021, in concordance with the 61<sup>st</sup> anniversary of the Faculty of Administrative Science Universitas Brawijaya. The theme coined in this international conference is “Synergising Public and Private Sectors to Accelerate Socio-Economics Recovery from the Pandemic” which act as a medium to discuss multidisciplinary topics in the field of Business and Public Administration.

We would like to thank all the reviewers for their time and effort in reviewing all papers accepted. We are also thankful to the Faculty of Administrative Science team for their help in producing this proceeding. Special thanks to the IAPA, AIABI, FORDEKIS, and The Ministry of Education Indonesia who support this conference.

Malang, January 2<sup>nd</sup>, 2022

**Editorial team**

# Foreword

It is with great pleasure that we present a printed version of the AICoBPA 2021. The 2021 conference was in concordance with the 61<sup>st</sup> Anniversary of the Faculty of Administrative Science Universitas Brawijaya. The theme coined in this international conference is “Synergising Public and Private Sectors to Accelerate Socio-Economics Recovery from the Pandemic”. Over 200 scientists from more than 7 countries attended the conference. Sixty papers were invited to present their original research papers and 12 plenary sessions delivered key themes within public and business administration administrative disciplines.

The talks impressed me with a very high level of professionalism, as I can personally attest. As important as the conference itself are the proceedings. Our proceedings are available to many who are unable to attend the conference. For this, we are indebted to the team who were assisted by numerous referees, many of whom attended the conference as keynote speakers.

It is our hope that you will find these proceedings as enjoyable and instructive as those of us who were fortunate enough to attend the meetings during which they were originally given. These proceedings mark the fourth consecutive occasion upon which AICoBPA papers have seen publication. We intend to continue this practice, for reaching the public through the medium of print is one of our primary goals and a basic obligation. The participants at the AICoBPA 2021 would like to thank, FORDEKIS, IAPA, AIABI, and The Ministry of Education Indonesia for their support.

Malang, January 3<sup>rd</sup>, 2022

Dean of Faculty of Administrative Science  
Brawijaya University

**Assoc. Prof. Andy Fefta Wijaya, MAD., Ph.D**

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# Internalization of the Value of Religious Moderation in Schools Through Problem Based Learning Model

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## ABSTRACT

Internalization of the value of religious moderation in schools is a very important thing to do in connection with the indications that students are exposed to intolerant and radical notions. This article aims to examine the internalization of the value of religious moderation in schools through a problem-based learning model. The method used in this research is the descriptive qualitative method. Researchers collect data through interviews, observation, and literature study. The data obtained were analyzed using data analysis techniques with several stages, namely; data classification, data display, and data verification. The results showed that; a) there are indications that students are exposed to intolerant and radical notions, b) problem-based learning models can improve students' understanding of the value of religious moderation, c) effective internalization of religious moderation values can make students have a moderate and moderate religious perspective and practice. tolerant. The problem-based learning model is a model that is considered effective in instilling the value of religious moderation in students. Through the problem-based learning model, students are expected to have a good understanding of the value of religious moderation. Students who know the value of religious moderation are expected to have a polite, moderate, and tolerant perspective, attitude, and religious practice.

**Key Words:** *Internalization, Religious Moderation Value, Problem Based Learning Model*

## 1. INTRODUCTION

Schools have a big responsibility to make their students have good abilities in science, skills, and personality. The role of schools is very important to give birth to a generation of people who have competence not only in the academic field but also to make students have moderate and tolerant religious views and practices. Schools must be able to keep students from fighting for understanding and ideology which is allegedly coming from outside influences due to the flow of information and globalization. In this case, students are very vulnerable to being exposed to radicalism because of the influence of globalization that is obtained outside of school. Students as the next generation of the nation must be fortified with the nation's ideology that teaches the value of religious moderation to have moderate religious views and practices. The role of education is very supportive to fortify the nation's successors from exposure to intolerance and radicalism. The schools do not only teach students about science and skills but must also understand the personality of students such as the attitude of students in understanding religious differences and beliefs so that they are not easily influenced by intolerant and radical understanding.

The notion of intolerance and radicalism in the world of education is a negative result of the flow of globalization. Advances in science and technology in the field of communication have facilitated the flow of information in all directions without knowing the boundaries of the geographical, political, and cultural environment. Technological developments have made it easier for everyone to access information from social media and without any filters. This has also caused students to be exposed to intolerant and radical notions dynamics of global society, marked by the massive flow of information, which has resulted in students being exposed to intolerant and radical notions. Radicalism itself is an understanding that requires change, replacement, and penetration of a system in society to its roots. If necessary, these changes are carried out through violence (Sanaky, et al., 2015). Even the phenomenon of radicalism and intolerance has penetrated the world of education. In 2017 PPIM UIN Jakarta conducted a national survey on intolerant and radical opinions and actions. By taking a sample of 1522 students and 337 both under the Ministry of Religion and under the Ministry of Research, Technology and Higher Education in 34 provinces and aged 16-22, the results obtained at the opinion level of 51.5% of students and intolerant students, while 58.5% of students and radical students. While for the level of action, 33% of students and college students agree that jihad is war, 23.35% agree that suicide bombing is jihad, and 33.34% agree that intolerant acts are not problematic (Nurlaila, 2018).

The results of the PPIM UIN Jakarta research indicate that radical and intolerant ideas have entered the world of education and even show very alarming numbers. The development of radical and intolerant understanding among students, if not immediately anticipated, can threaten the survival of the nation and state. Therefore, real efforts from various parties, including schools, are needed to overcome the spread of this understanding. One of the efforts that schools must do to anticipate the entry of intolerant and radical understanding is by internalizing the value of religious moderation in the learning process. Through good education, students are expected to understand the

meaning of diversity and diversity. Students are taught about diversity and religiosity which must be understood as a necessity. So that education can function as a bulwark to anticipate various understandings that are not by the objectives of education. Education is a guidance process carried out by adults to mature others which are characterized by three general characteristics, namely: a) stable, namely, attitudes and personalities that remain in all situations and conditions, whether normal, happy, or difficult conditions. b) Responsibility, namely people who can give strong arguments against what has been said and done. c) Independent, namely the ability to make decisions based on their abilities, not because of coercion from other parties (Muschi, 2010).

A school is a place of learning for students who are expected to be able to provide good knowledge, understanding, and insight, including in the context of diversity and religion so that students are not easily exposed to intolerance and radicalism. Schools must try to anticipate the development of intolerant and radical understanding through the implementation of more effective learning. Effective learning can be seen from the achievement of learning objectives based on the ability of students both in cognitive, affective, and conative aspects. Learning objectives are several learning outcomes that show that students have done learning actions, which generally include new knowledge, skills, and attitudes, which are expected to be achieved by students (Hamalik, 2010). The process of teaching and learning activities greatly contributes to the success of learning in achieving educational goals. The success of learning can be seen from changes in students' understanding, attitudes, and behavior towards objects related to life. About intolerant and radical understanding, the learning objectives of students in schools must produce an understanding of the dangers of intolerant and radical understanding. For these learning objectives to be achieved, an effective learning model is needed. The learning model is one of the important components in learning. There are several reasons for the importance of developing learning models, namely: a) Effective learning models are very helpful in the learning process so that learning objectives are more easily achieved. b) The learning model can provide useful information for students in the learning process. c) Variations in learning models can give students a passion for learning, avoid boredom, and will have implications for the interests and motivation of students in participating in the learning process (Asyafah, 2019).

The learning model that is considered effective for instilling the value of religious moderation is the problem-based learning model. This learning helps students to process ready-made information in their minds and construct their knowledge about the social world and its surroundings. This learning is suitable for developing basic and complex knowledge (Trianto, 2010). Problem-based learning models can encourage students to find out the problem then understand it and discuss it so that a solution to the problem is obtained. Learner-centered learning model by confronting these students with various problems faced in their lives. Problem-based learning is a set of teaching models that use problems as a focus to develop problem-solving skills, materials, and self-knowledge (Komalasari, 2013). The problem-based learning model invites students to understand the problems that arise and then discuss them. Such problems that arise from intolerance and radicalism are carefully understood, including discussing the consequences for life. Students with critical abilities can understand the problems that arise from intolerant and radical understanding, namely hostility, conflict, and even civil war. Intolerant and radical notions can lead to civil

war and of course, can destroy the life of the nation and state. Such problems can be known and understood by students through the problem learning process. Students not only know and understand the problem but the most important thing is to be able to formulate to anticipate the problem or as a solution to the problem.

Problems of intolerance, excessive fanaticism in religion and even leading to radicalism and terrorism can be anticipated through the process of inculcating the value of religious moderation. The entry of intolerant and radical understanding to students is an educational problem that must be anticipated comprehensively by involving all components of society, especially the education community. Schools are very interested in achieving learning objectives by the constitutional mandate, namely students who have scientific skills, and democratic personalities, respect each other and respect each other in diversity. Teachers as components of education must try to make breakthroughs so that the learning process can anticipate the development of intolerant and radical understanding among students. With their competence, teachers can carry out the learning process through a variety of learning models including problem-based learning models. Therefore, teachers as implementers in the learning process in the classroom have an important role so that educational goals can be achieved. To instill the value of religious moderation in students, teachers can carry out the learning process using a problem-based learning model. Through the problem-based learning model (PBM), students with their knowledge can understand the importance of the value of religious moderation to anticipate the development of intolerant and radical understanding.

The learning model that is considered effective for instilling the value of religious moderation to students in schools is through a problem-based learning model. This learning model provides a thinking framework for students through a problem approach and encourages students to find solutions to problems. Creative and critical thinking is one of the characteristics of the problem-based learning model. Students are invited to understand the consequences of intolerant and radical attitudes. By understanding the consequences, students can think comprehensively regarding the dangers of intolerant and radical understanding. Students are expected to have an awareness of the importance of the value of religious moderation to prevent intolerant and radical understanding. By learning the value of religious moderation, students are expected to have a polite, moderate, and tolerant religious perspective and practice

## **2. METHOD**

The method used in this research is descriptive qualitative. Qualitative methodology is a research procedure that produces descriptive data in the form of written or spoken words or from the form of policy actions (Moleong, 2018). Qualitative methods are used because they are considered very effective in explaining the research theme. This study aims to examine and describe the internalization of the value of religious moderation in schools through a problem-based learning model. Researchers obtained data through observation and literature study. Observation is to make observations on the object of research. Observation can be done in two ways, namely first direct observation and indirect

observation. Direct observation of researchers observed objects such as the learning process carried out in the classroom and the teacher's efforts in explaining subject matter that had to do with the value of religious moderation. At the time of direct observation, the researcher was able to find data related to the learning model used by the teacher in the process of teaching and learning activities. Researchers can observe the learning process including assessing the effectiveness of the learning model applied by the teacher. In carrying out indirect observations, the researcher searched the library collection which includes a collection of books and/or non-books. Book collection in the form of a collection of supporting books to clarify the data obtained through research that has been done previously. The search was carried out by researchers in obtaining data related to research through a literature review in the form of journals and scientific papers. Researchers searched for scientific papers that have been published related to the research theme.

To get more accurate data related to the research, the researcher conducted interviews with the required informants. Interviews were conducted to further clarify data collection and at the same time as data that can strengthen the results of previous data acquisition related to the value of religious moderation. The interview was conducted in two ways, namely free and programmed interviews. Free interviews were conducted with several informants and resource persons to obtain general data. Free interviews have been conducted since the researcher entered the field. During the interview, notes were also made regarding the efforts made by the teacher in instilling the value of religious moderation in students. Programmed interviews were conducted to dig up data that were needed in the research. For programmed interviews, researchers have prepared a list of questions that include; learning materials related to the value of various moderation, the learning methods used, learning readiness, students' interest in learning materials, learning media, and teacher management in encouraging student participation related to the value of religious moderation. By using the method of observation and literature study, researchers obtained data and then analyzed the data.

The data analysis technique was carried out in several stages, namely, data reduction, data classification, and data verification. This stage is an effort made by researchers to test the validity of research data. To ensure the validity of the data in the study, triangulation techniques were used. Triangulation is a technique of checking the validity of the data by utilizing something else outside the data, for checking purposes or as a comparison of the data (Subandi, 20121). Resulting from information obtained through time and different tools. Triangulation of data is done by: 1) Comparing the data from observations with data from interviews related to the cultivation of the value of religious moderation through a problem-based learning model. 2) Comparing what people say in public with what is said in private about inculcating the value of religious moderation. 3) Comparing one's situation and perception by sharing opinions and views on the problem-based learning model used in instilling the value of religious moderation in students. Through a qualitative approach, researchers can more freely observe, understand and analyze the internalization of the value of religious moderation in schools through problem-based learning models.

### 3. FINDINGS

#### ***Students Are Exposed to Understanding Religious Intolerance and Radicalism***

The development of intolerant and radical understanding in the world of education has been very worrying and must immediately get mutual attention. Schools must be at the forefront of anticipating the development of this understanding. Schools must try to provide understanding to students about the dangers of intolerance and radicals through inculcating the value of religious moderation. The purpose of education on the value of religious moderation is that students are expected to have a tolerant view in dealing with differences in religion and belief. Respect religious differences and be tolerant of diversity and fair in acting regardless of religious origin and group. Schools must strive so that radical and intolerant understanding does not continue to develop and spread among students. To prevent the development of this understanding, schools must take integrated steps in the learning process. The selection of learning models can determine student learning outcomes, including instilling the value of religious moderation.

Intolerance is attitudes and actions aimed at inhibiting or opposing the fulfillment of citizenship rights guaranteed by the constitution against people or groups that are disliked based on certain primordial identities such as religion, belief, ethnicity, or sexual orientation. Religious intolerance is a religious orientation that rejects the social and political rights of others. While religious radicalism is a religious interpretation that aims to replace a country's political system (Tahir, 2020). Intolerance and radicals have allegedly entered the world of education so that there are students who have been exposed to this dangerous ideology. Schools should be expected to be the birthplace of the nation's next-generation who have superior abilities in various fields who can compete in the global arena. Students are a representation of educated people who become the foundation of hope in building the nation and state. Therefore, schools have a strategic role to build the potential of students to have good academic abilities, skills, and personalities. To achieve this goal, schools carry out a learning process by offering a variety of subjects both in terms of expertise, knowledge, specialization, and personality. But in its development, radical understanding has infiltrated the world of education so that there are students who are exposed to this understanding. There are indications that they want to replace the state ideology of Pancasila and the 1945 Constitution with violence. Therefore, joint attention is needed from all education circles to anticipate intolerance and radicalism in schools. Indications of the entry of radicalism in the school environment occur, among others, because: (Suprastowo, 2018).

- a. Students' understanding of radicalism, which mostly comes from social media/online communication which is difficult to detect, is supervised by teachers and parents;
- b. School policies in screening and selecting Rois coaches from outside the school, material for Rois activities, and mentoring and supervising students outside of school; still weak.

The development of radical understanding in schools can also be caused by teachers not having a clear perspective on Indonesian and Islam. So that teachers provide understanding to students that it is not integrated between nationality, Indonesians, and

Islam. To prevent exposure to intolerance and radicalism which is increasingly massive in schools, it is necessary to instill the value of religious moderation in students.

### ***Problem-Based Learning Models Can Improve Students' Understanding of the Value of Religious Moderation***

The purpose of problem-based learning is to help students develop thinking skills in solving problems and solving problems that arise in society. Related to intolerant and radical understanding, students can understand the problems that will arise due to this understanding. Problems that arise from intolerant and radical understandings include hostility between religious, ethnic, and ethnic groups, social conflicts, and social unrest that will destroy the order of the nation and state. Radical understanding can lead to actions that allow violence. Intolerance carried out by people or groups who have a shallow understanding of religion can certainly lead to radical understanding. Starting from an intolerant understanding, then leading to a radical understanding and it can certainly make terrorism understanding.

Through problem-based learning, students can understand the problems that arise from intolerant and radical understanding. Learners are encouraged to practice creative thinking and think of solution to problems that arise. The development of intolerant and radical understanding can threaten the integrity of the nation and state. By using a problem-based learning model, students can take an inventory of the problems that arise and look for permanent solutions that can anticipate the emergence of these problems. The problem-based learning model is seen as successful in instilling the value of religious moderation in students. There are several things that students can have through a problem-based learning model:

- a. Train students to understand the problem of intolerance and radicals
- b. The emergence of knowledge and awareness of students that intolerant and radical understanding can threaten the integrity of the nation and state.
- c. Students are encouraged to have the ability to think creatively and solve problems related to the problems that arise.
- d. Students' understanding of the importance of the value of religious moderation (*tawasuth, tawazun, ta'adul, tasamuh, and tayawur*) in life.
- e. Differences in religion and belief are a necessity in life that students must understand.
- f. The value of religious moderation is a solution to the problem of differences in religion and belief.

### ***Effective Internalization of Religious Moderation Values***

When someone is contaminated with radical ideas who do not want to admit differences and want to make changes quickly by using violence in the name of religion, namely terrorism. Crimes may emerge that damage public facilities and even take the lives of civilians (Supriadi, et al, 2020). The steps taken in the process of internalizing the value of religious moderation through problem-based learning are:

- a. Learners Identify Problems

In problem-based learning, teachers present problem situations to students and invite students to investigate and find their solutions (Sam and Kohar, 2015). At this stage,

the teacher conveys the learning objectives, namely that students are expected to understand the value of religious moderation (*tawasuth, tawazun, ta'adul, tasamuh and tasyawur*). When someone does not understand the value of religious moderation, certainly, that they will certainly be easily exposed to intolerant and radical ideas. Students who are exposed to intolerant and radical ideas can be a problem for themselves, their families, schools, and the state. Intolerant and radical notions can give birth to acts of violence and vigilantism. Radicalism is the result of the influence of intolerance. The more intolerant a person is, the more likely they are to become radicalized. Radical people always use violence against different people or groups. (Rosyid, et al, 2018).

Students identify problems that arise from intolerant and radical understanding. Then analyze critical thinking to find solutions to problems. Based on the results of studies and studies of students, intolerant and radical problems can be anticipated through the cultivation of the value of religious moderation. In this case, students can understand the problems that arise from intolerant and radical understanding as well as know the importance of the value of religious moderation.

b. Learners Define Problems

At this stage, students are encouraged by the teacher to formulate existing problems with their language and narrative. For example, students are strived to be able to redefine the meaning of intolerant and radical problems. The teacher encourages students to have a good understanding of intolerance and radicalism and be able to explain the consequences. Students know the problem and understand strategies that can be used as problem solutions. After students know about existing problems and can define problems based on their understanding, they are then expected to find solutions to problems. Students can explain correctly and comprehensively the value of religious moderation which is believed to be a solution to anticipate exposure to intolerant and radical ideas in schools.

c. Organizing Students Regarding Problems

In problem-based learning, the teacher organizes students into several small groups with the aim that the learning process can take place effectively. Students are given explanations about problems such as intolerance and radicals, then students discuss them and learn to express ideas regarding solutions that must be done. At this stage, the teacher also explains the value of religious moderation that must be understood by every student to anticipate intolerant and radical understanding. Organizing students are expected to emerge various views from existing small groups related to intolerant and radical problems, both causes and consequences. Organizing students to discuss intolerance and radical issues in several small groups can develop the potential of students to think critically and logically. Ideas and ideas are expected to surface related to the problems discussed as well as their solutions.

d. Collecting Problem-Related Information

At this stage, the teacher motivates students to understand correctly about intolerance and radicals, including the excesses they cause. At the same time, the teacher also encourages students to collect information through various writings, either books, articles, journals, magazines, or newspapers that explain the value of religious moderation. Information obtained by students independently is expected to be used as material for study in discussions and encourage students to think critically so that they have an



understanding of the importance of moderate and tolerant religious views and practices. Problem-based learning is expected to make students understand and realize the importance of the value of religious moderation in the life of the nation and state.

e. Analyze Troubleshooting

Problem-solving is a cognitive activity where students not only have to be able to work but also have to believe they can solve, in problem-solving there are three cognitive activities in solving problems, including: (Wena, 2013).

- 1) Presentation of the problem includes the activity of remembering the context of appropriate knowledge and identifying the objectives and initial conditions that are relevant to the problem at hand.
- 2) The search for problem-solving includes refining (setting) goals and developing action plans to achieve goals.
- 3) The implementation of the solution includes the action of implementing the action plan and evaluating the results.

Problem-solving is an effort made to solve the problems found. Polya said problem-solving is one aspect of higher-order thinking. So Polya (Hartono, 2014) suggests two kinds of problems, namely: (1) the problem to find (problem to find) where we try to construct all types of objects or information that can be used to solve the problem, and (2) the problem to prove (problem to prove) which will show one of the truths of the statement, namely the statement is true or false. This type of problem prioritizes the hypothesis or conclusion of a theorem whose truth must be proven. Several benefits will be obtained by students through problem-solving, namely: 1) Students are trained to explore, think comprehensively, and reason logically. 2). Develop communication skills, and form social values through group work (Zeni, 2015). At this stage, students can find problems, namely; intolerance and radicals that can threaten the integrity of the nation and state. Intolerance and radical problems are analyzed by students through their creative thinking. The teacher encourages students to analyze the problem carefully. The results of the analysis are expected to state that intolerance and radicalism can be anticipated by inculcating the value of religious moderation. Analyzing problem-solving can lead students to have a good understanding of the value of religious moderation.

f. Evaluating Troubleshooting

Evaluation is a type of activity or process as a material for consideration in making decisions or policies in an activity based on complete data and information about the object in the evaluation so that it will produce a product that has value. Evaluation is also a process of understanding, giving meaning, obtaining, and communicating information for decision-makers (Sukardi, 2014). At this stage, the teacher helps students to reflect or evaluate their investigations and the processes they use. Regarding the value of religious moderation, students can understand the problems caused by intolerance and radicals, so based on their evaluation, it is very important to instill the value of religious moderation in schools. In this stage, the results of the evaluation of students can recommend that someone who is exposed to intolerant and radical notions is caused by not having a good understanding of the value of religious moderation. The teacher encourages students to evaluate processes, activities, and product evaluations that have been produced by students related to inculcating the value of religious moderation to anticipate the development of intolerant and radical understanding in schools.

## 4. DISCUSSION

### ***Internalization of the Value of Religious Moderation in Schools***

Internalization is an effort to incorporate knowledge (knowing) and skills to implement (doing) into the person (Tafsir, 2010). Internalization is an appreciation of teaching, doctrine, or value so that it is a belief and awareness of the truth of a doctrine or value that is embodied in attitudes and behavior (Poerwadarminta, 2009). Internalization of the value of religious moderation is intended as an effort made by someone to provide an understanding of moderate and tolerant religious views and practices based on the values of *tawasuth*, *tawazun*, *ta'adul*, *tasamuh* and *tasyawur*. Moderation must be understood as a shared commitment to maintain a complete balance, where every member of the community, regardless of ethnicity, ethnicity, culture, religion, and political choice is willing to listen to each other and learn to practice the ability to manage and overcome differences. Religious moderation is closely related to maintaining togetherness by having an attitude of tolerance (Akhmadi, 2019). The value of religious moderation consists of: (Nur and Mukhlis, 2016).

- a. *Tawassuth* (taking the middle way), namely understanding and practicing that is not *ifrath* (excessive in religion) and *tafrith* (reducing religious teachings).
- b. *Tawazun* (balance), namely understanding and practicing religion in a balanced way that covers all aspects of life, both worldly and hereafter, is firm in stating the principle that can distinguish between *inhira* (deviation) and *ikhtilaf* (difference).
- c. *I'tidâl* (straight and firm), which is placing something in its place and exercising rights, and fulfilling obligations proportionally.
- d. *Tasamuh* (tolerance), namely recognizing and respecting differences, both in religious aspects and various other aspects of life.
- e. *Musawah* (egalitarian), namely not discriminating against others due to differences in one's beliefs, traditions, and origins.
- f. *Shura* (deliberation), namely every problem is resolved by way of deliberation to reach consensus with the principle of placing benefit above all else.
- g. *Ishlah* (reform), namely prioritizing reformative principles to achieve better conditions that accommodate changes and progress of the times based on the general benefit (*mashlahah 'ammah*) while adhering to the principle of *al-muhafazhah 'ala al-qadimi al-shalih wa al-akhdzu bi al-be alashlah* (preserving old traditions that are still relevant, and implementing new things that are more relevant).

Religious moderation teaches Islam that is polite and not extreme. Islam does not teach extreme attitudes in any religious practice. Extremism is described as activities (beliefs, attitudes, feelings, actions, and strategies) of one character that go beyond normal limits (Muzakkir, 2018). The process of internalizing the value of religious moderation is carried out through stages;

- a. The transformation of the value of religious moderation, namely the educator informs the value of religious moderation (*tawasuth*, *tawazun*, *ta'adul*, *tasamuh* and *tasyawur*) to students using verbal language. The transformation of the value of religious moderation is only in the form of transferring knowledge from teachers to

students. At this stage, the teacher only touches the realm of knowledge so that students recognize and understand that the value of religious moderation exists and is very important for life. Students are expected to know and understand well the value of religious moderation. The transformation of the value of religious moderation is seen as successful when students can re-explain the concept of the value of religious moderation correctly.

- b. The value transaction of religious moderation is a way of inculcating values by carrying out two-way communication, namely the interaction of students with educators that is reciprocal. The two-way communication process is felt to be more effective because the two parties who are communicating are equally active. After all, in the process a dialogue occurs, where one party speaks, the other listens, and vice versa (Harapan, 2014). At this stage, the teacher does not just explain the value of religious moderation but seeks to influence students to be involved in practicing that value. Teachers always try to influence students to practice the values of religious moderation (*tawasuth, tawazun, ta'adul, tasamuh and tasyawur*) in their daily lives both at school and outside school.
- c. Trans-internalization of the value of religious moderation, namely, educators dealing with students, not only physically but also mental attitude and overall personality. Students also respond to what the teacher wants by using all aspects of their personality. In the trans-internalization process, there is inner communication between educators and students (Hidayah, 2013). At the trans-internalization stage, the communication made by the teacher to students is not only verbal communication but also personality communication through conditioning and habituation to behave by the expected values (Hakam and Nurdin, 2016). At this stage, the teacher habituates students to practice the value of religious moderation. Students have a good understanding of the value of religious moderation and have the awareness to practice these values while maintaining and spreading them. Trans-internalization is seen as successful when students can practice the value of religious moderation in their daily lives.

### ***Internalization of Religious Moderation Values through Problem-Based Learning Models***

Problem Based Learning (problem-based learning) is a learning approach that uses real-world problems as a context for students to learn about critical thinking and problem-solving skills, as well as to acquire essential knowledge and concepts from the subject matter. Problem-based learning is used to stimulate higher-order thinking in problem-oriented situations, including learning how to learn. The teacher's role in problem-based learning is to present problems, ask questions, and facilitate investigation and dialogue (Maryati, 2018). Problem-based learning is a learner-centered pedagogical strategy by examining problems in everyday life and working in teams or groups, thereby training students to be responsible for their learning and changing the role of educators to facilitators (Kurniawan, 2010). 2017).

PBM is a learning model that uses real-world problems as a context for students to learn about critical thinking and problem-solving skills, as well as to acquire knowledge

and concepts that are essential to the subject. In this case, students are involved in investigations for problem-solving that integrate skills and concepts from various content of subject matter (Komalasari, 2013). With problem-based learning, students are expected to be able to understand the problems that arise from intolerant and radical understanding. Understanding these problems can lead students to think critically so that they will find the knowledge that is seen as a solution to existing problems, namely the internalization of the value of religious moderation.

### ***Characteristics of Problem Based Learning Model***

Problem Solving is problem-based learning, namely learning-oriented "learner-centered" and centered on solving a problem by students through group work. Problem-solving is seen as a process to find a combination of rules that can be applied to overcome new situations. So by applying problem-solving learning, students are expected to know the theories being studied, then they can be used to solve problems (Sanjaya, 2011). According to Taplin in Permatasari (2012) states that the problem-solving model or approach (Problem Solving Approach) has the following characteristics:

- a. There is the interaction between students and students, and interaction between educators and students.
- b. There is dialogue and consensus between students.
- c. The teacher explains the background or purpose of the problem, and the student clarifies, interprets, and seeks to build one or more solution processes.
- d. Educators accept true or false answers without evaluating.
- e. Educators guide train and ask questions and various insights into the problem-solving process.
- f. Educators know when it's a good time to intervene and when to step back and let students make their way.
- g. Problem-solving can be used to encourage students to generalize rules and concepts, a process that focuses on learning.

## **5. CONCLUSION**

Schools must be able to keep students from fighting intolerant and radical understandings and ideologies that are allegedly coming from outside influences due to the flow of information and globalization. In this case, students are very vulnerable to being exposed to radicalism because of the influence of globalization that is obtained outside of school. Students as the next generation of the nation must be fortified with the nation's ideology by teaching the value of religious moderation. Through the value of religious moderation, students are expected to have polite and moderate religious views and practices. To prevent exposure to intolerance and radicalism which is increasingly massive in schools, a process of internalizing the value of religious moderation is needed for students. Schools must strive so that radical and intolerant understanding does not continue to develop and spread among students. To prevent the development of this understanding, schools must take integrated steps in the learning process. The selection of learning models can determine student learning outcomes, including instilling the value

of religious moderation. The problem-based learning model is seen as effective in instilling the value of religious moderation in students. With problem-based learning (PBL), students are expected to be able to understand the problems that arise from intolerant and radical understanding. Understanding these problems can lead students to think critically and logically. Students are expected to be able to find knowledge and awareness of the value of religious moderation (*tawasuth, tawazun, ta'adul, tasamuh, and tasyawur*) which is believed to be a solution to anticipate the development of intolerant and radical understanding in schools

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# WOM Factors of Music Festival: A Study in Jakarta and Bandung, Indonesia

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## ABSTRACT

Music festival is one of the creative industries that is growing rapidly in big cities, including Jakarta and Bandung, Indonesia. In order to attract the audience, the promoters carry out various types of promotions. However, there is no evidence that those promotions are effective enough. On the other hand, Word of Mouth (WOM) from music festival audiences is believed to be a more effective promotion in attracting audiences. Therefore, research is needed to find out the factors of WOM at music festivals. The purpose of this research is to find out the influence of festival quality, entertainment experience and vivid memory towards WOM, mediated by customer satisfaction of music festival in Jakarta and Bandung, Indonesia. This research is quantitative research, using primary data. The data were collected from people who have been visited a music festival in Jakarta and Bandung. There are 170 respondents, selected by snowball sampling. The data were validated through construct validity and reliability. This research carried out a Structural Equation Modeling (SEM) to test the hypotheses. This research has found that festival quality and vivid memory influence attendees' satisfaction, and attendees' satisfaction influences the WOM of music festival in Jakarta and Bandung, Indonesia. Meanwhile, entertainment experience does not influence attendees' satisfaction. This research result could be used in designing a music festival to get WOM. The music festival organizers should pay attention on the festival quality, includes festival location, safety and security, and cleanliness of festival site. Moreover, the organizers also should pay attention on the song, the atmosphere, and the sound to create attendees' vivid memory. All of them influence attendees' satisfaction, and at the end will encourage attendees to do WOM.

**Key Words:** Music Festival Quality, Entertainment Experience, Vivid Memory, Satisfaction, Word of Mouth

## 1. INTRODUCTION

Music festival is one way to have fun as a music listener. This event gives an opportunity for the attendees to sing along with the favorite musicians, dance to the beat, and enjoy the food and drinks available at the booth in addition to listening to them live. Every year, music promoters work hard to bring the best musicians from around the world to Indonesia to perform. Music promoters often start events with the idea of a festival, bringing in a mix of international and local performers to fill the space. Every year, a number of successful festivals appear, and music fans in Indonesia eagerly await their lineups.

In the last decade, music festivals have grown in popularity all over the world. Music festivals, in particular, have been identified as a rising potential market in the creative industry in Indonesia. For example, the music festival DJakarta Warehouse Project (DWP) held in Jakarta over two days and attended by over 90,000 people. It has been dubbed as one of Asia's largest electronic dance music festivals with the largest number of attendees (giglifeasia.com, 2018).

DWP is the one of 8 best annual music festivals in Indonesia, which is held in Jakarta. Beside DWP, there are three other best music festivals in Jakarta. Those are Java Jazz Festival, A:M Festival, and We The Fest (Crovara, 2018). Beside Jakarta, the second city of music festival in Indonesia is Bandung because its stereotyped as a creative city. Some music festivals have been held in Bandung are LaLaLa International Forest Festival (Crovara, 2018) and MATASORA World Music Festival (Rep-mat, 2017). In organizing a music festival, support from other industries is needed, including the culinary industry and tourism industry. Jakarta and Bandung have both. Therefore, the promoters prioritize Jakarta and Bandung as the venue for the music festival.

In order for the music festival to be visited by large numbers of attendees, it is necessary to make efforts to promote it. The fact shows that recommendation from friend and family is believed by 92% consumers, and word of mouth (WOM) is the most effective form of marketing is believed by 64% of marketing executives. On the other hand, only 6% of marketing executives have mastered on it (Whitler, 2014).

This fact encourages a research about the factors of WOM on music festival. According to Leon & Nakayama (2020), in health insurance industry, WOM from consumers is affected by consumers' satisfaction. The same result also found by Taghizadeh, Taghipourian, and Khazaei (2013), which is Iranian banking customers' satisfaction positively influences WOM in banking industry. Meanwhile, Naqvi, Jiang, Naqvi, & Mehmood (2018) discovered that tourist satisfaction is influenced by the quality of the tourism festival. Another research done by Elizabeth (2019) illustrated that tourists' satisfaction is positively influenced by their experience at the attraction and good memories of tourism activities are often commonly associated with higher levels of satisfaction. These four research showed the influence of satisfaction toward WOM, and the factors of satisfaction in various industry, such as insurance, banking, tourism festival and destination. How about in music festival in Jakarta and Bandung. Is there any influence of music festival attendees' satisfaction toward WOM? And what are the factors of music festival attendees' satisfaction? These two questions are the research questions that will be answered.



Therefore, this study aims to analyze the influence of attendees' satisfaction towards WOM of a music festival held in Jakarta and Bandung and the influence of festival quality, entertainment experience, and vivid memory toward music festival attendees' satisfaction.

From the standpoint of the music festival promoters, this research result can be used in designing a music festival to increase attendees' satisfaction and their willingness to promote the music festival by doing WOM. At the end, it will increase the number of music festival attendees.

So, there are 5 (five) variables in this research. Those are WOM, satisfaction, festival quality, entertainment experience, and vivid memory. WOM is described as informal communications directed by consumers about the ownership, use, or characteristics of particular products (Consligio, 2018). WOM communications is a fascinating and widespread phenomenon. It has been discovered that pleased and disappointed customers appear to spread positive and negative feedback about the products they have bought and used, respectively (Li, Yang, Yang, Xiong, Wu, & Tang, 2018). According to Wardi, Abror, & Triananda (2018), satisfaction has an important and positive effect on WOM. WOM could be measured by the willingness to spread the information, to recommend others to by the product, to make a positive rating of the product, to encourage friends, neighbors, and relatives to buy the products, and to post the experiences on social media (Jalilvand, Samiei, Dini, & Manzari, 2012).

The second variable is music festival attendees' satisfaction. Satisfaction can theoretically be characterized as the outcome of a customer's experience after purchasing a specific product offered by a business, as measured by the difference between the customer's initial impression of the company before trying it and the result of a satisfied or dissatisfied classification afterward (El-Adly, 2019). Satisfaction is influenced by many factors, such as festival quality (Kang, Miller, & Lee, 2019 and Naqvi, et al., 2018), experiences and vivid memory (Elizabeth, 2019). Satisfaction can be measured by whether there is regret in making the decision to attend a festival, feeling that the festival is in accordance with his wishes, is there a feeling that the festival he attends is the best festival, and whether the festival can be enjoyed properly (Brown & Osman, 2019).

The third variable is festival quality. Quality is defined as how products are produced and delivered (Naqvi, et al., 2018). Quality is a key attribute that contributes to satisfaction. In reality, ensuring excellent quality to end users/consumers is critical for the growth and success of any events, include a music festival. There are 3 (three) attributes of festival quality, which are the access to festival location, safety and security, and cleanliness of festival site (Nguyen, Lee, Chung, & Koo, 2019).

The fourth variable is entertainment experience, which is an emotion in response about an ongoing guided imagination (Tan, 2008). In music festival, the ongoing guided imagination comes from the performers, the program, the stage arrangement, etc. When a music festival attendee watches the actions or performances of others, he is engaging in entertainment experiences. This variable can be measured by how attractive the artist's appearance is, how highly he feels entertained, how much he enjoys the music festival, and how interactive the programs are (Brown & Osman, 2017).

The last variable is vivid memory, which is characterized as story before, handled through creation, stockpiling, and memory of stories (Wyers, 2014) or recalling specific occasion (Pine & Gilmore, 2013). Clients' understanding around experience economy will emphatically impacts recollections, which will results on clients' reliability conduct (Pine & Gilmore, 2013). According to Talarico & Rubin (2017), memory is defined as part of tactile memory because of momentous involvement with the past. Good memories of tourism activities are often commonly associated with higher levels of satisfaction (Elizabeth, 2019). In music festival, vivid memory can be measured by measuring the attendees' feeling, emotion, and memory toward the song, the festival atmosphere, and the sound (Alfa, 2018).

## 2. METHOD

Based on the previous explanation, the theoretical framework of this research is shown in Figure 1. This framework shows the relationship between festival quality, entertainment experience, and vivid memory with attendees' satisfaction, and the relationship between attendees' satisfaction with WOM. Therefore, the hypotheses are follow:

- H1: Festival quality influences attendees' satisfaction
- H2: Entertainment experience influences attendees' satisfaction
- H3: Vivid memory influences attendees' satisfaction
- H4: Satisfaction influences WOM

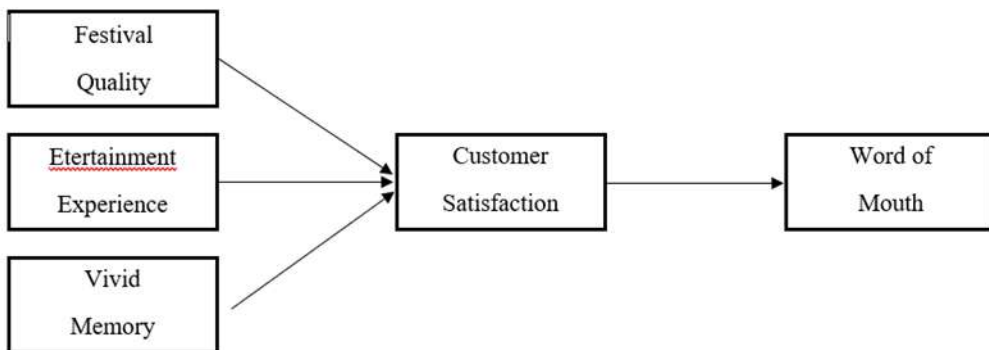


Figure 1 Theoretical Framework

The theoretical framework shows that this research is a quantitative research. The data were collected by using a questionnaire. The questionnaire consists of 25 closed ended statements as measurement of those 5 variables. The data were interval data, using 6 Likert scale. The lowest is 1 that means strongly disagree, and the highest is 6 that means strongly agree. Therefore, this research.

The data were collected from 170 respondents, selected by snowball sampling from the population. The population is people who have experienced as music festival attendees, which held in Jakarta and or Bandung.

Before analyzing the data, validity and reliability tests are implemented using KMO-Bartlett's Test and Cronbach's Alpha Test. The criterias used to determine the data validity are the KMO Measure of Sampling Adequacy should be  $>0.6$ , and the significance of the Bartlett's Test of Sphericity should be  $<0.5$  (Nguyen, Lobo, & Nguyen, 2017). Meanwhile, the criteria used to determine the data reliability is the Cronbach's Alpha value should be in the range of  $0.80\text{--}0.96$  (Jaiswal & Kant, 2018).

After completing those two test, descriptive analysis and inferential analysis are run only for valid and reliable data. Descriptive analysis covers the mean. Inferential analysis covers goodness of fit test, hypothesis test, and R-squared analysis by using Structural Equation Model (SEM). The criterias used to determine the goodness of fit of the model are Chi-Square ( $<0.05$ ), the minimum sample discrepancy function ( $<5$ ), Tucker Lewis Index (TLI;  $>0.95$ ), Comparative Fit Index (CFI;  $>0.9$ ) and Root Mean Square Error of Approximation (RMSEA;  $0.05 < \text{RMSEA} < 0.08$ ). The criteria used to accept the hypothesis is p-value ( $<0.05$ ) and Critical Ratio ( $\text{CR} > 1.96$ ) (Hair, Black, Babin, & Anderson, 2010). For R-squared analysis, in general, the R-square value considered is  $0.75$  (Hair, Hult, Ringle, & Sarstedt, 2017).

### 3. FINDINGS

Based on Nguyen, Lobo, & Nguyen (2017) the data is considered to be valid if the value of KMO is more than  $0.6$  and the significant value of Bartlett's Test of Sphericity is less than  $0.5$ . Table 1 shows that the KMO-Bartlett's Test value for the 5 variables fulfilled the requirement. It can be said that the data are valid.

Table 1 KMO and Bartlett's Test Result of All Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.921
Bartlett's Test of Sphericity	Approx. Chi-Square	2131.568
	df	169
	Sig.	.000

Based on Jaiswal & Kant (2018), the data is considered to be reliable if the value of Cronbach's Alpha is in the range of  $0.80\text{--}0.96$ . Table 2 shows that the Cronbach's Alpha value for the 5 variables fulfilled the requirement. It can be said that the data are reliable.

Table 2 Cronbach's Alpha Test Result of All Variables

Items	Festival Quality	Entertainment Experience	Vivid Memory	Attendees' Satisfaction	W O M
Cronbach's Alpha	.882	.841	.844	.854	.886

Cronbach's Alpha based on Standardized Items	.888	.842	.846	.858	.887
Number of Items	6	5	5	5	5

Based on the valid and reliable data, below is the distribution of respondents' answers of the questionnaire (Table 3). Above 80% of respondents said that the music festival quality are good and very good. Above 80% of respondents felt that the music festival they attended provided an impressive and very impressive entertainment experience. Above 76% of respondents have high and very high vivid memory. Above 76% of respondents were satisfied and very satisfied with the music festival they attended. Above 75% respondents are willing and very willing to do WOM for the music festival they have attended. Based on the distribution of respondents' answer, it can be said that the quality of music festivals in Jakarta and Bandung is good, impressive and creates a high vivid memory in the attendees' mind. The respondents feel satisfied with the music festival they attended and they wants to do WOM marketing.

Table 3 Distribution of Respondents' Answer about Five Variables (%)

No.	Variable	Likert Scale						Total
		1	2	3	4	5	6	
1	Festival Quality	0.2	0.8	3.8	18.9	41.8	34.5	100.0
2	Entertainment Experience	0.1	0.6	4.2	14.8	36.7	43.6	100.0
3	Vivid Memory	0.2	0.8	3.8	18.9	41.8	34.5	100.0
4	Attendees' Satisfaction	0.0	0.4	3.3	19.8	38.4	38.1	100.0
5	W O M	0.2	1.3	6.0	17.4	45.8	29.3	100.0

Back to the purpose of this research, which is to analyze the influence of WOM factors of music festival, the following is presented the inferential analysis. This analysis begins with goodness of fit analysis, hypothesis testing, and R-squared. Table 4 show the indicators of the goodness of fit. It can be seen that this research model fulfilled the 5 indicators, meaning that this research model is a fit model.

Table 4 The Goodness of Fit Test

Indicator	Result	Requirement <sup>*)</sup>	Conclusion
Chi-Square	P = 0.0000	p < 0.05	Good Fit
The Minimum Sample Discrepancy Function (CMIN/DF)	2.967	< 5	Good Fit
Tucker-Lewis Index (TLI)	0.973	>= 0.95	Good Fit
Comparative Fit Index (CFI)	0.912	>= 0.9	Good Fit
Root Mean Square Error of Approximation (RMSEA)	0.0110	0.00 – 0.08	Good Fit

The next step in inferential analysis is testing the hypotheses. Table 5 and Figure 2 show the result of hypotheses testing. According to Hair, Black, Babin, & Anderson (2010), the Critical Ratio (CR) value must be greater than 1.96, and the p-value must be less than 0.05. Based on those indicators, it can be said that H1, H3, and H4 are accepted, meanwhile H2 is rejected. These mean that music festival quality and vivid memory influence attendees' satisfaction, and attendees' satisfaction influences music festival attendees to do WOM. Meanwhile, entertainment experience does not influence attendees' satisfaction.

Table 5 Regression Weight

	Estimate	S.E.	C.R.	p-value	Conclusion
AS □ FQ	0.216	0.039	5.498	***	Accepted
AS □ EE	0.113	0.070	1.618	0.106	Rejected
AS □ VM	0.527	0.074	7.137	***	Accepted
WOM □ AS	1.050	0.103	10.214	***	Accepted

Note: AS = Attendees' Satisfaction, FQ = Festival Quality, EE = Entertainment Experience, VM = Vivid Memory. WOM = Word of Mouth

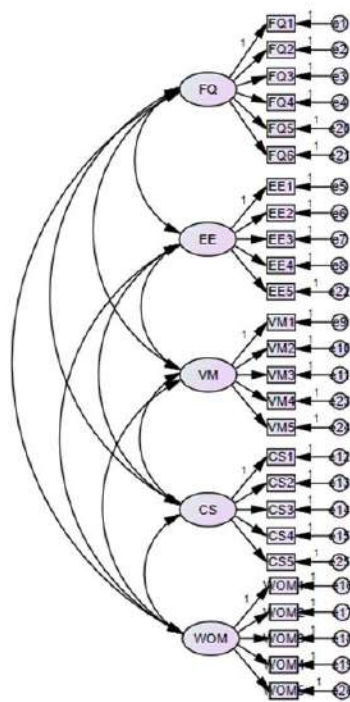


Figure 2 Structural Equation Modeling for Hypothesis Testing

The last step in inferential analysis is R-Square analysis. Table 6 shows the R-squared value for mediating variable (customer satisfaction) and independent variable (WOM). The R-squared of those two variables are 0.781 and 0.784, which are closed to 1.

Table 6 R-Squared

Variable	R-Squared
Customers Satisfaction	0.781
Word of Mouth	0.784

#### 4. DISCUSSION

The first hypothesis, which is music festival quality influences attendee satisfaction, is accepted. This result is consistent with Son & Lee (2011), which stated that the general features of festival quality significantly influence satisfaction of festival in Korea. The music festival quality includes the sound quality, stage layout, security, easy access to the location, cleanliness of the festival area, and staff friendliness. Regarding sound quality, it is not difficult for festival organizers to get a sound system that supports music festivals in Jakarta and Bandung. Likewise with vendors for stage arrangement. These two cities are the two major cities in Indonesia which are the most frequently held venues for music festivals, such as Sound Flare Xperience (Kemayoran, Jakarta), Romantic Valentine Concert (the Pullmann Hotel, Jakarta), Jakarta International Java Jazz Festival (Kemayoran, Jakarta), Playlist Love Festival (Husein Sastranegara Airport, Bandung), LaLaLa International Forest Festival (Lembang, Bandung) (Indoindians.com).

After sound quality and stage layout, the third element is safety. In every music festival, the promoters always involve the security forces, in this case the local police who assist in security inside and outside the festival area. As mentioned by the Republic of Indonesia of the Tourism and Creative Economy Minister, the National Police Chief, General Listyo Sigit Prabowo, fully supports the implementation of community activities, from music concerts to sports events (indoneisaexpat.id).

The fourth element is the ease of reaching the location. Jakarta and Bandung are two big cities that have very good transportation facilities and infrastructure. There are highway roads and adequate public transportation facilities, like bus, train, airplane, and city car in these cities (jakita.jakarta.go.id, 2021 and unescap.org, 2018). This really supports the attendee to reach the music festival site.

The fifth element is cleanliness. The music festival organizers in Jakarta and Bandung provide many bins at the music festival site. The cleanliness of the rest room has also become their concerns. The sixth element is the friendliness of the staff. It is known that Indonesians, including people in Jakarta and Bandung, are people who have good hospitality. They are friendly, patients, polite, helpful, humble, and love to share (Putri, 2017), which support the festival quality. These six elements have a significant influence on the satisfaction of music festival attendees in Jakarta and Bandung.

The second hypothesis, which is entertainment experience influences satisfaction, is rejected. This result is different with the previous research done by Alfa (2018). The previous research is about the Y generation in Indonesia. Meanwhile, this research is about all generations in Jakarta and Bandung. It shows that there is different behavior between Y generation in Indonesia and Y generation in Jakarta and Bandung. The reason is because Jakarta and Bandung are two big cities with many choices for entertaining activities. Not only attending music festivals, but there are many other activities such as culture festivals, tourism festivals, and food festivals. Therefore they have a lot of experience other than music festivals. Finally, the entertainment experience does not influence the attendee's satisfaction in the music festival.

The third hypothesis, which is vivid memory influences satisfaction, is accepted. This finding is consistent with the previous research done by Elisabeth, Carneiro, Marques, & Loureiro (2017), resulting that emotions and memories have been related to satisfaction. It shows that the song, the festival atmosphere, and the sound in music festival create a strong attendee's memory and influence their satisfaction. The song chosen by the music festival organizers is important in creating vivid memory. Thematic songs such as love, nature, and environment usually are chosen by music festival organizers. Music festivals in Jakarta usually are held in the hotel, plenary hall and tourist destination, such as Ancol and Taman Mini. Meanwhile, forest, garden, and other open spaces are chosen as music festival sites in Bandung. These sites give a good atmosphere for music festivals.

The forth or the last hypothesis, which is satisfaction influences WOM from musical festival attendees, is accepted. This result is consistent with the findings of several previous studies, such as Taghizadeh, Taghipourian, and Khazaei (2013), Wardi, et al. (2018), and Fitri & Yuliati (2020). Those three researches showed the positive impact of satisfaction towards customers' intention to do WOM in different business, banking industry, halal tourism, and casual dining restaurant respectively. This research strengthens the research results by stating that at the music festival, satisfaction influences the music festival's intention to do WOM. Therefore, creating a music festival that provides high satisfaction to attendees will have a positive impact on the next music festival through WOM, which is an effective promotion.

The R-squared of satisfaction is 0.781 or 78.1%. It means that 78.1% attendees' satisfaction on music festival in Jakarta and Bandung is determined by festival quality and vivid memory. The rest, which is 21.9% is determined by other factors. The 78.1% is relatively big number, because above 75% (Hair, Hult, Ringle, & Sarstedt, 2017). Therefore, the music festival promoters should give attention on these two variables in organizing a music festival, especially in Jakarta and Bandung.

The R-squared of WOM is 0.784 or 78.4%. It means that 78.4% attendees' intention to do WOM about music festival in Jakarta and Bandung is determined by their satisfaction. The rest, which is 21.6% is determined by other factors. Therefore, the music festival promoters should have a good concept in how to satisfy the music festival attendees.

The above discussion is based on the research finding with its limitation. One of the limitations of this research is the sampling technique used, which is snowball sampling. The weakness of snowball sampling is no guarantee about the representativeness of the sample. is not guaranteed. The initial respondent(s) tend to nominate people that the researchers know well. The second limitation is the limited number of independent variables that affect satisfaction. Therefore, for future research, it is expected to use another sampling technique and add other variables affecting satisfaction, by involving some service marketing mix, such as place (location), ticket price, and people (performers' popularity).

## **5. CONCLUSION**

The aim of this research is to determine the influence of festival quality, entertainment experience, and vivid memory toward music festival attendees' satisfaction and to determine the influence of their satisfaction on the WOM. The result shows that festival quality and vivid memory influence satisfaction, and entertainment experience does not



influence satisfaction. Meanwhile, satisfaction influences WOM. The implications of this research results are:

1. In order to increase the WOM, the music festival organizer should increase the attendees' satisfaction by giving more attention on festival quality and vivid memory.
2. The organizer can improve the festival quality by increasing access to festival location, safety and security, and cleanliness of festival site.
3. To create vivid memory, the organizer should pay attention on the song, the atmosphere, and the sound.

This research is the first research about music festival attendees' intention to do WOM on music festivals in Jakarta and Bandung.

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# Determinants Of Tax Compliance Behavior In Coffee Business In The City Of Malang

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## ABSTRACT

Tax compliance is an essential factor in realizing the tax revenue target. Based on the 2019 tax ratio, the level of tax compliance only shows a percentage of 10.7 percent. One sector that contributes to tax revenue is Micro, Small, and Medium Enterprises (MSMEs). Annual tax payments from MSMEs only range from Rp. 5– 6 trillion. The revenue is still not maximized because of the number of MSMEs in Indonesia, which has penetrated 60 million business actors. One of the reasons for the low realization of tax revenue from the MSMEs sector is tax compliance problems. The purpose of this study was to determine the effect of attitudes, subjective norms, perceived behavioral control, and masculinity on tax compliance intentions and the effect of tax compliance intentions on tax compliance behavior. This research is quantitative, and data is collected by using a questionnaire. The population of this study is coffee business actors in Malang City with a sampling technique using accidental sampling and obtained a total sample of 116 respondents. The data in this study were processed using smart PLS. The resultss-of this study indicate that the variables of attitude, subjective norms, perceived behavioral control, and masculinity have a significantt effect on--the intention to behave in tax compliance, and the variable intention to behave in tax compliance has a significant effect-on tax compliance behavior in coffee business actors in Malang City.

**Key Words:** *Tax compliance intention, tax compliance behavior, and Theory of Planned Behavior*

## 1. INTRODUCTION

Indonesia is one of the developing countries that have a significant level of economic growth. Indonesia experienced a global economic slowdown caused by trade dynamics and falling commodity prices. In 2019 despite facing a global economic slowdown, the Indonesian economy achieved positive growth rates (Edy, 2020). Economic growth is

considered an essential indicator of the success of a country's economic development and as a determinant in making further development policies (Mankiw, 2007: 182).

Based-on data from the Central Statistics Agency in-2019, Indonesia's— economic-growth reached-5.02%. This value is lower than the 2018 achievement of 5.17%. According to the Deputy Chairman of the National Economic and Industry Committee (KEIN), the decline in economic growth has forced the government to increase exports, investment, and revenue from the tax sector (Praditya, 2019). Revenue from the tax sector, in this case, is prioritized because taxes are the most significant contributor to state finances. In the 2019 State Revenue and Expenditure Budget (APBN) posture, revenues from the tax sector accounted for 82.5% of total state revenue. The realization of tax revenue can be seen from the percentage of tax ratio each year. Tax Ratio is a comparison of tax revenues to Gross Domestic Product (GDP) which is used as a measuring tool to assess the performance of a country's tax revenues (pajak.go.id). The following is a picture of the percentage of the tax ratio in Indonesia.

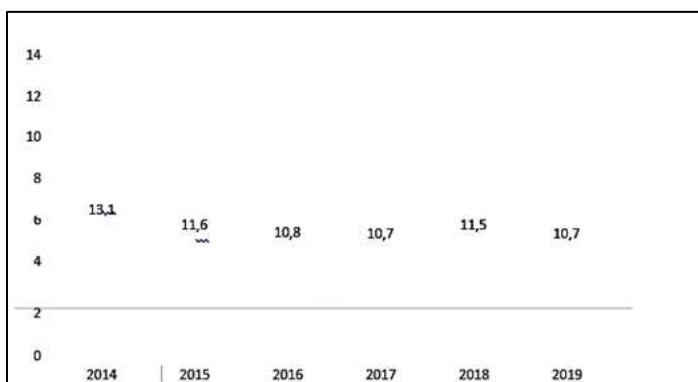


Figure 3 Percentage of Tax Ratio in Indonesia 2014-2019

The data above shows that the percentage of the tax ratio has decreased significantly from 2014 – 2017. In 2018 the tax ratio began to increase by 11.5% after decreasing in the previous few years. However, in 2019 Indonesia's tax ratio again decreased by 10.7%. The decline was caused by economic conditions, tax policies, and administrative capacity (Wildan, 2020).

One sector that is believed to be able to increase national economic growth and tax revenue is Micro, Small, and Medium Enterprises (MSMEs). MSMEs are productive economic businesses owned by individuals or business entities that meet Micro, Small, and Medium Enterprises (Law Number 20 of 2008). MSMEs are considered to make a significant contribution to the national economy; this is supported by the development of data on Micro, Small, Medium Enterprises (MSMEs) and Large Enterprises (UB) in Indonesia in 2017 – 2018, as presented in the following table:

Table 7 Development of MSMEs Data and Large Enterprises (UB)

Business unit	2017		2018	
	Quantity	percentage	Quantity	percentage
A. Business MSMEs	62.922.617	99,99	64.194.057	99,99
Micro Business	62.106.900	98,70	63.350.222	98,68
Small Business	757.090	1,20	783.132	1,22
Medium Business	58.627	0,09	60.702	0,09
B. Big business	5.460	0,01	5.550	0,01
Business Unit A+B	62.928.077		64.199.606	

Based on the data above, it can be seen that MSMEs are a more dominant type of business than large businesses. The percentage for total MSME units in Indonesia is 99.99%, and large businesses have a percentage of 0.01% (depkop.go.id). MSMEs are one of the leading driving forces and have a vital role in fighting poverty, creating jobs, leveling the economy in various remote areas, and increasing national Gross Domestic Product (GDP) revenue (Abdurohim, 2020). In 2018, the contribution of MSMEs to the national Gross Domestic Product (GDP) reached 60.34% (depkop.go.id).

In addition to contributing to Gross Domestic Product (GDP), MSMEs also contribute to tax revenue. Data from the Directorate General of Taxes in 2019 shows that the number of MSME Taxpayers who make payments through the Final Income Tax scheme at a rate of 0.5% is 2.3 million individual and corporate taxpayers, which is an increase of 23% from 2018. Deposits taxes from SMEs each year only range from Rp. 5–6 trillion. This shows that the number of taxpayers and the contributions given are not comparable to the number of MSMEs in Indonesia, which have penetrated 60 million business actors (Setiawan, 2020). One of the reasons for the low realization of tax revenues from the MSME sector is the compliance problem of taxpayers who do not submit their tax obligations under the actual situation (setkab.go.id).

Another problem faced by MSMEs in Indonesia is the ignorance of MSME actors regarding the obligations of recording and bookkeeping under tax regulations so that it has an impact on difficulties in determining tax payables and tax audits. Thus, many MSME actors have not formally complied with tax provisions (Hardiningsih & Oktaviani, 2013). Seeing the low level of tax compliance behavior, researchers want to examine what factors influence tax compliance behavior in MSME actors.

Tax compliant behavior is an obedient, disciplined and attitude carried out by individuals or entities in fulfilling their tax obligations such as paying taxes owed, reporting taxes owed, and submitting Tax Returns (SPT) following applicable tax provisions (Siat *et al.*, 2013). Tax compliant behavior theoretically can be explained using the Theory-of-Planned-Behavior (TPB) proposed by Ajzen (1991). Theory of Planned Behavior predicts good behavior because it is balanced by behavioral intentions to perform certain behaviors. The Theory of Planned Behavior explains that the behavior displayed by individuals arises because of the intention to behave. Three components determine the emergence of behavioral intentions: attitudes, subjective norms, and perceived behavioral control. These three components become indicators for generating behavioral intentions, and then these intentions will determine whether certain behaviors will be carried out or not (Ajzen, 2002).

In this study using the variables that exist in the TPB, namely attitudes, subjective norms, perceived behavioral control, intention to comply with taxes, and behavior to comply with taxes. Attitude variables, subjective norms, perceived behavioral control affect the intention to comply with tax behavior and then the variable intention to behave in compliance with taxes will affect the variable of tax compliance behavior. Tax compliance involves an ethical decision-making process to comply with taxes or not. Ethical decision making is a social process that is transferred in culture from generation to generation and thus different cultures embrace different values and behaviors (Hamid, 2013). The importance of culture in the context of tax compliance has been supported by the cultural dimensions of Hofstede (2005). Hofstede (2005) defines culture as "civilization" including education, customs, manners, arts, skills and products. Culture is defined as a programming mindset that collectively distinguishes members of a group or category from other group members, which refers to patterns of thought (think), feelings (feel), and action (act). The group or category in question can refer to a country, region or region within a country (within nations) or across countries (across nations), ethnicity or ethnicity, religion, occupation, organization, or gender. One of the cultural dimensions of Hofstede (2005) is masculinity.

Masculinity is a dimension that describes the distribution of emotional roles. The dominant values in masculine society are performance, achievement, and materiality success (Hofstede, 2005). Furthermore, Hofstede (2005) also states that the orientation of masculinity society is more to the success of materiality, performance, and competition. According to Tsakumis *et al.*, (2007), masculinity refers to the degree to which gender roles are differentiated and the extent to which traditional masculine values of performance and achievement are emphasized relative to traditional feminine values of relationships, nurturing and caring. Therefore, this study adds masculinity as one variable that affects the intention to comply with tax behavior. Based on the description above, the purpose of this research is to determine the effect of subjective norm variables, behavioral control, attitudes, and masculinity on tax compliance intentions and to determine the effect of tax compliance intentions on tax compliance behavior.

## **2. METHOD**

The population in this study is unknown in number, so this study uses purposive sampling. The sample criteria in this study are coffee businesses that have an identity tax number and have reported annual tax returns. The number of samples in this study was 116. The analytical tool used in this study was SmartPLS ver.3.0 M3. The research location was in Malang City. Researchers chose Malang City because the development of MSMEs in Malang City was very rapid. In 2019 Malang City won the Natamukti award from the International Council For Smart Business or ICSB (Hidayatullah, 2019). The MSME object of this research is the coffee business. The coffee business referred to in this study is a drinking house business in the form of a coffee shop that sells drinks with coffee and non-coffee basic ingredients. This study chose a coffee business in Malang City as a research site or sampling because currently, coffee businesses are mushrooming in Malang City (Thoriq, 2019).



This study has variables divided into 2 (two), namely exogenous variables and endogenous variables. The exogenous variables in this study were attitude(X1), subjective norm(X2), perceived behavioral control(X3), and masculinity(X4). The endogenous variables in this study are intention to behave in tax compliance(Y1) and tax compliance behavior(Y2). Indicators to measure the attitude of coffee business actors in Malang City were adapted from Saad (2009) research. Indicators to measure subjective norms of coffee business actors in Malang City were adapted from the research of Bobek *et al.*,(2013). Indicators to measure perceived behavioral control of coffee business actors in Malang City were adapted from Saad (2009) research. The indicator to measure the masculinity of coffee business actors in Malang City was adapted from Hamid's research (2013). Indicators to measure the intention to behave in tax compliance by coffee business actors in Malang City were adapted from Saad's research (2009). Indicators to measure tax-compliant behavior) coffee business actors in the city of Malang adapted from research Mustikasari (2007). The research model used in this study:

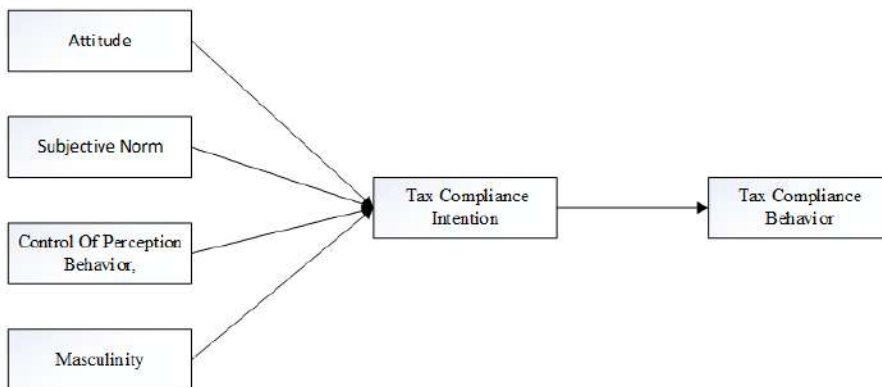


Figure 4 Research Model

According to Shahrudin *et al.*,(2012), attitude in performing a behavior refers to a general feeling of being liked or disliked and involves an individual evaluation or personal view, whether the behavior is good or bad. Attitude can also be interpreted as a positive or negative view of behavior. The more positive the perceived consequences of a behavior, the-more likely the-individual will perform the behavior. The results of research from Bobek and Hatfield (2003), Kiconco *et al.*,(2019), Saad (2014), and Bhutta *et al.*,(2019) show that attitude has a significant effect on tax compliance intentions. Therefore, hypothesis H1 in this research are:

H1: Attitude has effect on tax compliance intention in Coffee Business in Malang City

Beck and Ajzen (1991) stated that subjective norms refer to what is felt in social pressure from others to engage in certain behaviors. The more individuals perceive that social partners (people who are considered important) will approve of behavior, the stronger the individual's intention to engage in the behavior. Research results by Bhutta *et al.*,(2019), Al Rashdan *et al.*,(2020), Saad (2014), and Smart (2013) prove that subjective

norms have a positive and significant effect on tax compliance behavior intentions. Therefore, the second hypothesis in this study is:

H2: Subjective Norm has effect on tax compliance intention in Coffee Business in Malang City

Perceived behavioral control determines whether an individual should be involved or not in a particular behavior based on his level of control (Bobek and Hatfield, 2003). The results of research by Bhutta *et al.*,(2019), Bobek and Hatfield (2003), Al Rashdan *et al.*,(2020) show that perceived behavioral control has a positive and significant effect on tax compliance intentions. Therefore, the third hypothesis in this study is:

H3: Perceived-Behavioral-Control has-effect on tax compliance intention in Coffee Businesses in Malang City

According to Hotstede (2005), masculinity is one of the cultural dimensions that describes the distribution and role of emotions. The dominant values in masculine society are performance, achievement, and materiality success. According to Tsakumis *et al.*,(2007), masculinity refers to how gender roles and the extent to which traditional masculine values of performance and achievement are emphasized relative to traditional feminine values of relationships, caring and nurturing. The more important value in the cultural dimension of masculinity is characterized by competition and the achievement of material success. The results of research conducted by Hamid (2013) show that masculinity has a significant effect on the intention of tax professionals to comply with tax laws. In addition, research from Tsakumis *et al.*, (2007) shows that masculinity has a significant and negative effect on tax avoidance intentions. The results of research from Deyneli (2014) prove that masculinity has a significant effect on tax morale. Therefore, fourth hypothesis this study is:

H4: Masculinity has effect on tax compliance intention in Coffee Businesses in Malang City

Behavioral intention is an intermediary variable in forming a particular behavior (Ajzen in Mustikasari, 2007). Research conducted by Kiconco *et al.*, (2019) and Al Rashdan *et al.*,(2020) shows that tax-compliance-intentions have a positive and significant effect on tax compliance behavior. Therefore, fifth hypothesis--in this study is:

H5 : Tax compliance intention has effect on tax compliance behavior in Coffee Businesses in Malang City

### 3. FINDINGS

Statistical data analysis in this study used SmartPLS version 3.0 M3 software. The stages of data analysis with PLS use the evaluation of the outer and inner models. The measurement model of the outer model is used to test the construct validity and instrument reliability. The construct validity test consists of convergent and discriminant validity, while the instrument reliability-test consists of Cronbach's--alpha and composite-reliability. After confirming that it is valid and reliable, the inner mode test is carried out. Inner models are used to predict causality between latent variables. In conducting the inner model, there are three parameters used, R-Square ( $R^2$ ) for the dependent construct,  $Q^2$  Predictive Relevance or predictive sample reuse, and path coefficient values or t-values for each path for testing significance between constructs.

### 1. R square ( $R^2$ )

The value of  $R^2$  is used to measure the level of variation of changes in the independent variable to the dependent variable. The higher the  $R^2$  value, the better the prediction model of the proposed research model (Jogiyanto and Abdillah, 2009:62). R square for the variable of intention to comply with tax behavior is 65.7%, which means the R-Square for the tax-compliant behavior variable is 42.8%. This value indicates that the variable of tax-compliant behavior can be influenced by the variable of intention to behave in a tax-compliant manner by 42.8%, while other variables outside of this study influence the remaining 57.2%. The variable of tax intention can be influenced by variables of attitude, subjective norm, perceived behavioral control, and masculinity by 65.7%, while other variables outside this study influence the remaining 34.3%.

### 2. Predictive Relevance ( $Q^2$ )

This technique can represent the synthesis of cross-validation and fitting functions with predictions from observed variables and estimates of construct parameters. The value of  $Q^2 > 0$  indicates that the model has predictive relevance, while  $Q^2 < 0$  indicates that the model lacks predictive relevance (Ghozali&Latan, 2015:79).

Table 8  $Q^2$  Predictive Relevance

Variabel	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Attitude (X1)	580.00	580.00	
Subjective Norms (X2)	580.00	580.00	
Perceived Behavioral Control (X3)	348.00	348.00	
Masculinity (X4)	464.00	464.00	
Tax compliance intention (Y1)	348.00	192.83	0.44
Tax compliance behavior (Y2)	348.00	226.46	0.34

Table 2 shows the Q square value of the tax-compliant intention variable of 0.446 and the Q-square value of the tax compliance behavior variable of 0.349. The Q square value of the two variables is more than 0, so it can be concluded that the model in this study has predictive relevance.

### 3. Path coefficient

Based on the results of the outer-and inner model tests carried out previously, the model has met the requirements for hypothesis testing. Direct effect hypothesis testing is implemented to test hypotheses 1,2,3,4, and 5, which is carried out through bootstrapping on the SmartPLS 3.0 M3 software.

Table 9 Path Coefficients

Variable	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Hypothesis
X1->Y1	0.310	4.028	0.000	Accepted
X2->Y1	0.341	3.803	0.000	Accepted
X3->Y1	0.169	2.388	0.017	Accepted
X4->Y1	0.208	2.799	0.005	Accepted
Y1->Y2	0.654	10.450	0.000	Accepted

Based on table 3, the results of hypothesis testing for each variable are as follows:

1. Based on data processing, the t-statistic value is more than 1.96 ( $4.028 > 1.96$ ) with a p-value less than 0.05 ( $0.000 < 0.05$ ), so that  $H_1$  is accepted.
2. Based on data processing, the t-statistic value is more than 1.96 ( $3.803 > 1.96$ ) with a p-value less than 0.05 ( $0.000 < 0.05$ ) so that  $H_2$  is accepted.
3. Based on data processing, the t-statistic value is more than 1.96 ( $2.388 > 1.96$ ) with a p-value less than 0.05 ( $0.017 < 0.05$ ) so that  $H_3$  is accepted.
4. Based on data processing, the t-statistic value is more than 1.96 ( $2.799 > 1.96$ ) with a p-value of less than 0.05 ( $0.005 < 0.05$ ), so that  $H_4$  is accepted.
5. Based on data processing, the t-statistic value is more than 1.96 ( $10.450 > 1.96$ ) with a p-value less than 0.05 ( $0.000 < 0.05$ ) so that  $H_5$  is supported or accepted.

#### 4. DISCUSSION

Based on path coefficient analysis shows that the first hypothesis is accepted. This means that the higher the attitude of coffee business actors to comply with taxes, the higher the intention of coffee business actors to behave in compliance with taxes. Attitude variables that significantly affect the tax compliance intention indicate that attitudes can lead to a partial or impartial decision to act in compliance or non-compliance with taxes so that it affects the intention to behave in a tax-compliant manner. The results of this study are in line with research conducted by Kiconco *et al.*, (2019), Saad (2014), and Bhutta *et al.*, (2019), which states that attitudes have a significant effect on tax compliance intentions.

Based on path coefficient analysis, the second hypothesis is accepted. The stronger the influence of subjective norms, the stronger the intention of the coffee business to behave in compliance with taxes. The subjective norm variable that has a significant effect on tax compliance intention shows that the intention of coffee business actors to behave in compliance with taxes is influenced by other people around the coffee business actor. Most of the people know, co-workers, family, friends, and important people can encourage coffee entrepreneurs to behave in a tax-compliant manner. The results of this study are in line with research conducted by Saad (2014), and Bhutta *et al.*, (2019), Al Rashdan *et al.*, (2020), and Smart (2013), which states that subjective norms have a significant effect on tax compliance intentions.

Based on path coefficient analysis shows that the third hypothesis is accepted. This means that the greater the perceived behavioral control of coffee business actors to comply with taxes, the greater the intention of coffee business actors to behave in compliance with taxes. The perceived behavioral control variable, which has a significant effect on the intention to behave in tax compliance, shows that when the coffee business actor intends to comply with taxes, the coffee business actor has estimated the sanctions and all obstacles to complying with tax behavior. The results of this study are in line with research conducted by Smart (2013), Bhutta *et al.*, (2019), and Al Rash dan *et al.*, (2020) which state that perceived behavioral control has a significant effect on tax compliance intentions.

Based on path coefficient analysis shows that the fourth hypothesis is accepted. In this study, masculinity has a positive relationship, meaning that the greater the masculinity, the greater the intention of coffee business actors to behave in compliance with taxes. The masculinity variable, which has a significant effect on the intention to behave in tax compliance, shows that the intention of coffee business actors to behave in compliance with taxes is influenced by performance, achievement or achievement, and materiality success. Therefore, the cultural dimension of masculinity developed by Hofstede (2005) supports the intention of coffee business actors to behave in a tax-compliant manner. The results of this study are in line with research conducted by Hamid (2013), which states that masculinity has a significant effect on the intention to behave in tax compliance.

Based on path coefficient analysis shows that the fifth hypothesis is accepted. In this study, tax compliance intention has a positive relationship, meaning that the stronger the intention of coffee business actors to engage in tax compliance behavior, the more likely it is that coffee business actors will carry out tax compliance behavior. The results of this study are in line with research conducted by Kiconco *et al.*, (2019), Al Rashdan *et al.*, (2020), and Smart (2013), which states that the intention to behave in tax compliance has a significant effect on tax compliance behavior.

## **5. CONCLUSION**

Based on the research results, it can be concluded that the variables of attitude, subjective norm, perceived behavioral control, and masculinity affect the tax compliance behavior of coffee business actors in Malang City. Furthermore, the results of this study also show that the tax compliance intention affects tax compliance behavior in coffee business actors in the city of Malang.

Based on this research, the researcher suggests that the Government or the DGT conduct tax socialization through various media so that MSME actors are increasingly aware of taxes. Because the potential for tax revenue from the MSME sector is tremendous, the Government can also implement tax transparency to foster public trust. In addition, further researchers are expected to develop this research model by adding external variables that can affect the obedient behavior of taxpayers.

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# THE ROLE OF TRANSFORMATIONAL LEADERSHIP AND INFORMATION TECHNOLOGY INFLUENCE INNOVATIVE WORK BEHAVIOUR IN VILLAGE'S BUSINESS UNIT

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## ABSTRACT

Pada konteks inovasi organisasi sangat dibutuhkan adanya peran kepemimpinan dari seorang pemimpin untuk melakukan inovasi. Adanya peran manajerial akan dapat menggerakkan dan mendorong sumber daya manusianya (human capital) untuk berperilaku inovatif. inovasi organisasi dapat meliputi perubahan secara struktural organisasi, perilaku karyawan, peraturan, dan peran dari pemimpin. Oleh karena itu, telah mengindikasikan bahwa konteks organisasi berinovasi dapat dilihat kemampuan inovasi melalui peran kepemimpinan dan perilaku sumber daya manusianya. Pada penelitian ini bertujuan untuk mengidentifikasi dan menginvestigasi temuan mengenai faktor-faktor yang dapat mempengaruhi peningkatan innovative work behavior pada karyawan di unit bisnis desa. This research considered as descriptive research. Library research and internet were used as data collection method. Hasil pada penelitian ini menunjukkan bahwa untuk menumbuhkan innovative work behavior yaitu dengan dipengaruhi oleh peran dari transformational leadership dan information technology. Selain itu, innovation climate, knowledge sharing, dan workplace spirituality berperan sebagai mediasi dalam menumbuhkan innovative work behavior.

**Key Words:** *Transformational Leadership, Information Technology, Innovative Work Behavior.*



## 1. INTRODUCTION

The company's ability to innovate is a major aspect for the company to be successful in an increasingly dynamic external environment (Hussein et al., 2016). Research from Ganguly et al., (2019) has explained the company's ability to innovate as a central role to be able to improve the company's performance, growth, and competitive advantage. Innovation is also a strategic priority for many organizations in the modern business environment (Slater et al., 2014). In addition, education about knowledge and or training is needed which is an important investment in managing employees (human capital) (Becker, 2009). According to Becker (2009) also explains that companies must invest through employees in increasing knowledge, abilities / skills, and even including in growing innovative work behavior. In the organizational context, innovation depends on the creative ability of its employees in generating ideas and implementing ideas, which is called innovative work behavior. The purpose of innovative work behavior includes the development of new ideas, techniques and technologies, as well as testing and application of new methods related to business procedures in certain work areas (Afsar & Umrani, 2020). Innovative work behavior is broadly crucial for organizational innovation, organizational competitiveness, and future success (George & Zhou, 2001; Ali et al., 2017; Muchiri et al., 2020).

The ability to continuously innovate is crucial for organizations (De Jong & Den Hartog, 2010). Associated with the creation of a climate of innovation in the organization, the role of leadership that is transformative is an important factor. Transformation leadership is leadership that stimulates employees to think and behave innovatively at the individual, group and organizational levels (Basu & Green, 1997). Several studies have explained how to cultivate innovative work behavior. Transformation leadership is a fundamental variable in fostering innovative work behavior (Afsar et al., 2014; Choi et al., 2016; Piccolo & Colquitt, 2006; Sanders & Shipton, 2012). There are research findings that also explore the significant impact of leadership style on innovative work behavior, the capacity of leaders to recognize opportunities and result in innovative capabilities, competitiveness and changing business growth (Chen et al., 2016; Koryak et al., 2015).

In addition to transformational leadership factors, several studies have also shown that information technology is one of the factors that influence innovative work behavior (Machado & Davim, 2020). Furthermore Jang & Chen (2011) argued that innovative work behavior depends on the influence of the performance of a company's technology. In addition, Jaspersen et al. (2005) revealed that when innovative behavior is low, it can be caused because most employees are not able to utilize information technology. Kmiecik et al. (2012) explained that the application of information technology capabilities is used as an approach that occurs in Small and Medium Enterprises (SMEs), has a significant relationship between the use of information technology and innovative activities. Information technology is one of the drivers of innovation in the company (Schumpeter, 1934). In addition to information technology, it is also necessary to have a driver capable of fostering innovative work behavior, several studies suggest an innovation climate variable (Afsar & Umrani, 2020; Bogilović et al., 2020; Bos-Nehles & Veenendaal, 2019; Hsu & Chen, 2017; Kruff et al., 2018; Munir & Beh, 2019). Afsar & Umrani (2020) explained that the position of the innovation climate is as organizational support to be able to create

innovation. This is when the organization has an innovation climate that will encourage the ability and capacity of its employees to innovate and subsequently shape innovative work behavior (Bos-Nehles & Veenendaal, 2019; Munir & Beh, 2019). So it is very important in the context of the organization that requires aspects of the innovation climate to encourage innovation and even be able to encourage innovative work behavior (Bogilović et al., 2020; Kruff et al., 2018).

Knowledge sharing, as an element of Knowledge Management, several studies have also shown it to be a driving force for organizations to innovate. Knowledge sharing is explicitly an exchange of knowledge between individuals and groups/teams both directly and indirectly within the organization (Akram et al., 2020; Aldabbas et al., 2021). This indicates that knowledge sharing is an important variable in the organization, including related to innovation in the organization. Afsar & Badir (2017) mention that organizational innovation can be seen from the innovative work behavior of employees. Another factor that also influences innovative work behavior is employees who have workplace spirituality. According to Jurkiewicz & Giacalone (2004) researched on workplace spirituality and innovation has developed independently of each other with an understanding of how these two variables enable organizations to encourage employees to innovate. Workplace spirituality refers to employees who find the main meaning and purpose in their work and strengthen the link with innovation. (Afsar & Badir, 2017). This is in line with (Marques et al., 2005) that the mindset of Workplace Spirituality can encourage creativity and innovation in employees and increase their productivity, so that it can lead to better overall organizational performance.

The efforts made by the Government of Indonesia through the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration with a movement that was pioneered, by the "Desa Build" paradigm became a movement to improve community welfare through local economic development and entrepreneurship and business initiated by each village. In line with what is happening in China that economic performance is determined from economic activity in both cities and villages which is called Township and Village Enterprise (TVEs) (Fu & Balasubramanyam, 2003; Jin, 2017; Zhang & Li, 2018). Therefore, the Government of Indonesia is building the economy through the existence of BUMDes to be able to create economic activities starting from rural areas. The Indonesian government also provides funding through the Village Fund in each village to be able to improve its ability to effectively manage and manage the interests of the community, and improve the welfare of the community (Transmigrasi & Indonesia, 2019).

Village capacity in carrying out development in the perspective of "Developing Villages" still has limitations and perceived problems. In accordance with the Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 28 of 2018 concerning General Guidelines for the Village Innovation Program, it is the capacity of Village Government officials and the community, the quality of village governance, as well as the support system embodied in government regulations and policies related to villages. The basic foundation in designing PID based on the Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 28 of 2018, is innovation/newness in development practices and knowledge exchange and technical support from professional technical service providers. The Village Innovation Program can provide support for strengthening the management of the Village Community Development

and Empowerment Program (P3MD) (Transmigration & Indonesia, 2019). In addition, Village Innovation Program is also a factor in shaping the innovation climate to encourage the growth of innovation, capability, and even innovative work behavior for BUMDes employees in Indonesia. This study investigates several variables that influence on innovative work behavior of village business unit employees or called Village-Owned Enterprises (BUMDes).

## 2. METHOD

Based on the problems raised, the authors chose to use descriptive research methods. Descriptive research is research conducted to process the data studied with descriptions or explanations that have been analyzed systematically. This research is classified as qualitative research. According to Azwar (1997), a qualitative approach is an approach that emphasizes its analysis on deductive and inductive processes and on the analysis of the dynamics of the relationship between observed phenomena, using scientific logic. Research using qualitative methods will measure certain aspects of a data. Creswell (2009) explains that quantitative research methodology has five steps that are used to conduct a systematic study. Following are the steps:

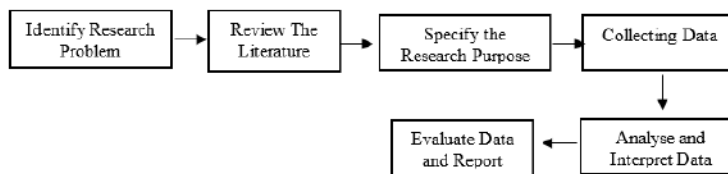


Figure 1. Research Steps (Creswell, 2013)

The method described above will be used by the author as a reference for analysis in this paper. First, identify research problems, second, review the literature related to the problem, collect third data from the company, and finally analyze and interpret the data. The step is carried out by the author based on the research process cycle.

Data collection techniques are series of important and strategic studies in this study. Through data collection techniques, the author can obtain the data needed and can collect valid and representative information for analysis. Data collection methods according to Arikunto (2010) are ways that can be used by researchers to collect data. In this study, the data collection techniques used was library research and internet research.

## 3. RESULT

In accordance with the explanation of the research method, the researcher conducted a mapping of empirical research that has explained and found the causality relationship of transformational leadership and information technology variables to innovative work behavior mediated by innovation climate, knowledge sharing, and workplace spirituality.

Table 1. Research Mapping

No	Research Article	Conclusion
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1	Charbonnier-Voirin <i>et al.</i> 2010. A Multilevel Model of Transformational Leadership and Adaptive Performance and the Moderating Role of Climate for Innovation	The research showed that Climate for Innovation moderates the Individual Perception of Transformational Leadership towards Individual Adaptive Performance.
2	Choi <i>et al.</i> 2016. How Transformational Leadership Facilitates Innovative Behavior of Korean Workers: Examining Mediating and Moderating Processes	The research showed that Knowledge Sharing mediates positively and significantly between Transformational Leadership and Innovative Work Behavior
3	McKee <i>et al.</i> 2011. Exploring Linkages Among Transformational Leadership, Workplace Spirituality and Well-Being in Health Care Workers	The research showed that Transformational Leadership has a positive and significant effect on Sense of Community and Value Alignment, but not on Meaningful Work.
4.	Afsar <i>et al.</i> 2014. Transformational Leadership and Innovative Work Behavior	The research showed that Transformational Leadership has a positive effect on Innovative Work Behavior
5.	Hsu & Chen. 2015. The Cross-Level Mediating Effect of Psychological Capital on the Organizational Innovation Climate-Employee Innovative Behavior Relationship	The research showed that Organizational Innovation Climate on Innovative Work behavior has a positive and significant effect
6.	Ren & Zhang. 2015. Job Stressors, Organizational Innovation Climate, and Employees' Innovative Behavior	The research showed that Organizational Innovation Climate has a positive and significant effect on Employees Innovative Behavior
7.	Jain <i>et al.</i> 2015. Organizational Climate, Trust, and Knowledge Sharing: Insight from Malaysia	The research showed that Innovation Climate has a positive and significant effect on both indicators of Knowledge Sharing, namely Knowledge Donating and Knowledge Collecting
8.	Afsar dan Rehman. 2015. The Relationship between Workplace Spirituality and Innovative Work Behavior: The Mediating Role of Perceived Person-Organization Fit	The research showed that Workplace Spirituality positively affects Innovative Work Behavior
9.	Islam <i>et al.</i> 2015. Organizational Culture, Structure, Technology Infrastructure and Knowledge Sharing: Empirical Evidence from MNCs Based in Malaysia	The research showed that Learning and Development, Top Management Support, and Centralization have an effect on Knowledge Sharing through Technology Infrastructure as moderating variables
10.	Jaiswal & Dhar. 2015. Transformational Leadership, Innovation Climate, Creative Self-Efficacy, and Employee Creativity: A Multilevel Study	The research showed that Transformational Leadership has a positive and significant direct effect on Innovation Climate and Innovation Climate as well as an intermediate variable or intervening which shows Transformational Leadership has a positive and significant effect on Employee Creativity through Innovation Climate.

Based on empirical research mapping which can be seen in Table 1 shows that Transformational Leadership and Information Technology affect Innovative Work Behavior

and there is a mediating role of innovation climate, knowledge sharing, and workplace spirituality

#### 4. DISCUSSION

Whether or not an organization is competitive, it can be seen how far the organization can create and develop innovation. According to the World Economy Forum, innovation is one of the most important indicators in determining the Global Competitiveness Index (GCI). GCI is an index that is used to determine whether a country is able to compete with other countries or not.

Table 2 Peringkat 50 Terbaik Global Competitive Index di ASEAN

Peringkat GCI	Negara	Innovation Ecosystem			
		Business Dynamism (score)	Peringkat	Innovation Capability (Score)	Peringkat
1 th	Singapore	75.6	14 th	75.2	13 th
27 th	Malaysia	74.6	18 th	55.0	30 th
40 th	Thailand	72.0	21 th	43.9	50 th
50 th	Indonesia	69.6	29 th	37.7	74 th

Source : Global Competitive Index, 2019

Based on the World Economy Forum report, Indonesia's GCI in 2019 was low, which was in position 50 which was classified as lagging behind other Southeast Asian countries. The table above shows that Indonesia has the lowest level of innovation ecosystem compared to ASEAN countries that have been rivals so far. With the low level of the innovation ecosystem in Indonesia as measured by two indicators, namely Business Dynamism and Innovation Capability. Of course, both of them are linear with the problem conditions in Indonesia. Meanwhile, based on the assessment of the Global Innovation Index (GII) in 2019, Indonesia's innovation level was in position 85 out of 129 countries (Cornell University, INSEAD, 2019). Meanwhile, at the ASEAN level, Indonesia occupies 7 out of 8 countries.

The effort made by the Village Government is to create a Village Innovation Program (PID). In his agenda to realize Nawacita as stated in the National Medium-Term Development Plan (RPJMN) 2015-2019. The impact of the "Developing Village" paradigm is starting to appear which can be seen from the Village Original Income (PADes) generated by BUMDes. Nusantara, (2018) shows data as many as 154 Indonesian Village unicorns that can achieve PADes of more than Rp. 1 billion. It can also be seen that the BUMDes Tirta Mandiri, Ponggok Village, Klaten through their creativity and innovation utilizes pennant or springs to become underwater tourism so that they are able to generate income of Rp. 14.2 billion within a year in 2017 (Wancoko, 2018). The concept developed by BUMDes Tirta Mandiri is an innovation that can change the economy of the local community, where the income generated is able to build 130 houses that are not suitable for residents and create jobs for the local community.

In addition, there are still innovations produced by other BUMDes, one of the innovative BUMDes in Malang is Kertoraharjo BUMDes, Sanankerto Village, Turen District,

Malang Regency. BUMDes Kertoraharjo innovates through the development of eco-friendly Boon Pring Andeman tourism by prioritizing aspects of nature conservation, community empowerment and aspects of learning and education (Putra, 2018). Furthermore, in Putra's (2018) article published by [innovadesa.kemendesa.go.id](http://innovadesa.kemendesa.go.id), it was noted that tourists who visited in 2017 were no less than 76 thousand and in 2018 from January to August there were 83 thousand visitors. The results of the ecotourism income can improve the community's economy and RT / RW get additional incentives and outstanding children from poor families get scholarships. Village capacity in carrying out development in the perspective of "Developing Villages" still has limitations and perceived problems. In accordance with the Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 28 of 2018 concerning General Guidelines for the Village Innovation Program, it is the capacity of Village Government officials and the community, the quality of village governance, as well as the support system embodied in government regulations and policies related to villages. The basic foundation in designing PID based on the Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 28 of 2018, is innovation/newness in development practices and knowledge exchange and technical support from professional technical service providers. The Village Innovation Program (PID) can provide support for strengthening the management of the Village Community Development and Empowerment Program (P3MD) (Transmigration & Indonesia, 2019). In addition, PID is also a factor in shaping the innovation climate to encourage the growth of innovation, capability, and even innovative work behavior for BUMDes employees in Indonesia.

By going through a leadership role, of course, it will have an impact on employee performance and will indirectly have an impact on company performance. Leadership has been studied extensively in various contexts and is used as a theoretical basis for a discussion in research (Harrison, 2017; Horner, 1997). Leadership has been described as a process, but most theories and research on leadership look to people to gain understanding (Bernard, 1926; Blake et al., 1968; Drath & Palus, 1994). While the explanation of (Horner, 1997) suggests that leadership is usually determined by the nature, quality, and behavior of a leader. The emphasis in leadership theory lies on "building relationships" and "focusing immediately on the task at hand" and playing an important role in the development of healthy working relationships (Gundling et al., 2011). The existence of a managerial role will be able to mobilize and encourage human resources (human capital) to behave innovatively (Bass & Riggio, 2006). Basu & Green, (1997) had explained that organizational innovation can include changes in organizational structure, employee behavior, regulations, and the role of leaders. Therefore, it has been indicated that the organizational context for innovating can be seen from the ability to innovate through the leadership role and behavior of its human resources.

Information technology is a necessity for organizations in running their business, even the existence of this technology will be able to encourage the creation of innovation (Schumpeter, 1939). Daulatkar & Sangle (2015) defined IT as a business value that has an impact on organizational performance from the intermediate process level and organization wide level. It is further stated that IT as a business value will provide benefits

to organizations to achieve goals such as 1) economic efficiency (Utility ITBV ); 2) structured business partnerships (Alliance ITBV); 3) innovation enabled products and services (Transformational ITBV); and 4) changing market (Strategic ITBV) (Daulatkar & Sangle, 2015). This is equivalent in the Schumpeterian perspective, so-called innovations are events that include the introduction of new commodities, technological changes in the production of already used commodities, the opening of new markets or new sources of supply, etc (Schumpeter, 1939). Bogilović et al. (2020) added that organizations/companies can treat the concept of organizational climate as an aggregate consisting of individual subjective perceptions of the work environment. This is of course very important for the Innovation Climate factor to create innovative work behavior (Afsar & Umrani, 2020; Bogilović et al., 2020; Hsu & Chen, 2017; Kruff et al., 2018).

However, in the current century, many scientists explain that the main characteristic in the current era is considering knowledge (Obeidat et al., 2016). Knowledge becomes an important asset in the company/organization that can be used to minimize the complexity of the innovation process and gain competitive advantage. Ling et al. (2009) explained that companies that want to increase innovation in their operations must ensure that knowledge is involved in the company's work area. According to Alhady et al. (2011) that organizations that encourage employees to contribute to knowledge (both in groups and organizations) are expected to create new business ideas and opportunities for the organization. This requires the role of the integration of knowledge from various individual employees, groups, and the whole organization (Ibragimova et al., 2012). A series of knowledge integration in various elements of the organization, is the role of Knowledge Sharing. Knowledge Sharing is a significant method for obtaining and creating knowledge in the work environment (Park et al., 2009; Wang & Noe, 2010; Xinyan & Xin, 2006).

While Workplace Spirituality provides a context in which employees can find their main purpose in life, develop strong relationships with coworkers and other people related to the work environment, and build harmony between their beliefs and values in the organization (Fagley & Adler, 2012). Meanwhile, regarding the term "spirituality/spirituality" refers to universal things, namely the meaning, purpose, and values contained in the organization. One of the benefits of WS is that it can stimulate individuals to improve their intuitive abilities in developing more focused and interesting ideas that can increase organizational innovation (Afsar & Badir, 2017). In addition, Workplace Spirituality (WS) can also increase loyalty to the organization, as in the research of Rego et al., (2012). The findings in the research of Ashmos & Duchon (2000) showed that workplace spirituality at the individual level involves three dimensions: condition for community, meaning at work, and inner life

## **5. CONCLUSION**

Based on the various literatures that form the basis of this research, the implications for theoretical implications can be used as material for review and in practical organizational management in fostering innovative performance in employees, especially in rural business units in Indonesia. Theoretically, effective social interaction consists of a series of activities and experiences including, but not limited to, work assignments, mentoring, providing responses, providing challenging projects and training. Leadership development can be viewed as anything that is built on an individual's capacity to be

effective in a leadership role. Leadership development has a focus on developing individual-centered human resources or leadership-related knowledge, skills and abilities. Leadership development, on the other hand, is concerned with the social capital required to lead at a collective or relational level. In this sense, social capital represents the resources and relational dynamics needed to effectively lead a team, unit, division or organization.

Practically, the direction of Indonesia's development by building an economy that starts from the village through the Village-Owned Enterprises (BUMDes), is a similarity that exists in China, namely the existence of Township and Village Enterprises (TVEs). In fact, TVEs have played a significant role in growing the Chinese economy since the Chinese economy recovered from the crisis in 1978. The development of TVEs is an important and key element of China's economic recovery and reform strategy, which is seen as a driver of faster growth and especially to reduce inequality between the urban and rural sectors. TVEs are organizations or agencies that are engaged in creating rural economic activities. The policy carried out by the Chinese Government through the development of TVEs is the same thing that was carried out by the Indonesian Government through the development of BUMDes, although the economic conditions are different, but can be used as a reference and adapted to conditions in Indonesia. Therefore, the government initiates to foster innovation of Village Owned Enterprises with the Village Innovation Program (PID) which can be an innovation climate that needs to be controlled by the role of leadership and also information technology will be able to produce success in growing innovation.

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# TOURISM GOVERNANCE OF THE PUSUK BUHIT AREA IN DEVELOPING TOURISM VILLAGE BASED ON LOCAL WISDOM IN SAMOSIR DISTRICT

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## ABSTRACT

The development of tourist villages in the Pusuk Buhit area has not been developed and managed properly, while in this area there is a lot of potential that can be developed. The Pusuk Buhit area has historical value for the development of Lake Toba tourism, especially Samosir as the birthplace of the Batak tribe. The historical and cultural potential are the main reasons for developing a tourism village based on local wisdom through good tourism governance. Cultural preservation is an advantage in developing tourism villages based on local wisdom in the Pusuk Buhit area, so special regulations are needed on the development of tourism villages based on local wisdom in Samosir Regency as well as collaboration with various parties for good tourism governance. The method used in this study is a qualitative approach, which aims to identify and classify the tourism potential of the Pusuk Buhit area which is included in the category of tourist village so that it can easily be developed. This research shows that in realizing a tourism village based on local wisdom, it must be able to collaborate with various parties, namely the government, the private sector, community groups and local communities so that the dimensions of tourism can be realized properly, namely attraction, facilities (amenity), transportation (accessibility), and additional facilities (ancillary). The results of the study show that integrated and integrated collaboration and tourism policy are the main priorities that must be implemented in tourism governance in the development of tourism villages based on local wisdom and also as one of regional strengthening in increasing regional income in the tourism sector.

**Key Words:** *Tourism Policy, Governance, Tourism Potential, Tourist Village, Local Wisdom*

## 1. INTRODUCTION

The tourism sector is one of the main sectors in supporting regional development and improving the regional economy while at the same time improving people's welfare. This sector has an important role in economic growth and is the key to development in developing regions in accordance with changes in the government system, namely the shift in the regional autonomy paradigm from regional development to regional development. One of the national development priorities in Indonesia aims to increase regional income and promote community welfare through the tourism sector.

Samosir is located in North Sumatra Province and is a leading tourism area, which has an area of ± 1,444.25 km and a population of ± 123,789 people and has 9 (nine) sub-districts, namely Sianjur Mula-mula, Harian, Sitio -tio, Onan Runggu, Nainggolan, Palipi, Ronggur Nihuta, Pangururan and Simanindo. Samosir Regency also has a variety of tourism potentials that can be developed including natural beauty, religion, history and culture, and become a leading tourism destination.

Cultural diversity and natural beauty are distinct advantages in developing tourism in Samosir Regency, especially the Pusuk Buhit area. The tourism potential developed in the Pusuk Buhit area is related to history, religion and prioritizing local wisdom through the development of tourist villages. However, the tourist villages in the Pusuk Buhit area have not been managed properly, because the tourism dimension has not been realized properly. Especially with the global problem experienced by the whole world, namely COVID 19, this pandemic period has caused the development of tourist villages to stop and rely solely on self-help funding.

Tourist villages located in the Pusuk Buhit area need special attention for the development of tourist villages in facing a very crucial problem during the pandemic, namely the declining number of tourist visits from both domestic and foreign countries. Tourist villages in the Pusuk Buhit area also have not fulfilled various dimensions of tourism, namely attraction, amenities, transportation (accessibility), and ancillary facilities, so that good tourism management is needed in realizing a permanent tourist village. reflects local wisdom so that it becomes its own uniqueness.

The development of tourism in the Pusuk Buhit area is still largely managed by local communities so that capacity and capacity building is needed in managing and developing tourism potential based on policies determined by the Samosir Regency government which include grouping tourist objects, namely pilot, superior and priority. (Hajar, 2019) A well-managed tourist destination will be easy to develop and can also provide excellent service for tourists who come to visit the tourist attraction that has been determined. Furthermore, Yoeti (2016) that the attraction of tourist objects is based on the existence of resources that can cause a sense of pleasure, beauty, comfort and cleanliness; the existence of high accessibility to be able to visit it; the existence of special features/specifications that are rare; the existence of supporting facilities/infrastructure to serve the tourists who attend. The development of tourism potential as regulated in the tourism policy in Samosir Regency aims to provide convenience in developing the existing tourism potential, including the criteria for tourism villages based on values that can be developed, including history, culture which is local content of the area.

The development of tourist villages in the Pusuk Buhit area is also influenced by financing or budgets in building and developing the concept of a tourist village that really emphasizes local wisdom so that it can give a different feel and create new innovations in the world of tourism during this pandemic. One of the tourist villages that requires good management and the collaboration of various parties in realizing a resilient tourist village during the pandemic is the Hutabalian Tourism Village. However, since the COVID-19 problem, the budget for tourism development has been shifted to providing direct cash assistance (BLT) for rural communities in Ssamisir Regency.

The tourism development in Samosir Regency by grouping its tourism potential is one of the actions in implementing the policy of Samosir Regency Regent Decree Number 474 of 2017 concerning Determination of Criteria and Classification of Tourism Objects in Samosir Regency. This policy aims to make a leading tourist attraction in Samosir Regency. This policy can be implemented properly and correctly if it is carried out according to its function, as stated by Judisseno (2017), namely 1) If the policy is cost center, then the policy should not be aimed at entrepreneurs, but must be borne by the government; 2) If the policy is a profit center, then the policy can be imposed on the entrepreneur. Being a cost center, it means that the government provides subsidies for airlines or hotels to be able to sell airplane tickets or rent cheaper accommodation so that foreign tourist visits can increase. While it is a profit center, meaning the involvement of entrepreneurs to beautify the destination by maintaining and adding hotel facilities to make it more comfortable in accordance with the times.

The policies implemented must be targeted and sustainable, so it is important to involve the government and stakeholders in the management of tourism objects. Every policy implemented must involve stakeholders or stakeholders, as explained by Aberg (2020), that general policies do not involve non-government stakeholders because the substance of the guidelines is public. Public policies are ineffective when systems, plans or programs do not provide an adequate basis for meaningful local knowledge. Furthermore (Airey & Ruhanen, 2014) explained that the tourism policy must determine matters relating to environmental conservation in tourist destinations. Based on the opinion above, it is very important commitment and cooperation between stakeholders so that the implementation of tourism object development policies in Samosir Regency can be carried out optimally and effectively in accordance with the expected goals. Thus, tourism management in the Pusuk Buhit area must be implemented properly based on existing policies so that tourism villages based on local wisdom can be realized optimally.

## **2. METHODS**

The research method used is a qualitative method, which is a type of research that seeks to describe the object or subject under study in accordance with what it is with the aim of systematically describing the facts and characteristics of the object under study correctly and understanding each context of the phenomenon as a whole. (Creswell, 2013), that qualitative methods by a number of individuals and groups of people are methods to explore and understand the meaning of social or humanitarian problems. This research uses qualitative data analysis consisting of a number of components, but in the overall data

analysis process involves an effort to interpret the data in the form of text or images that are specifically related to tourism governance in the Pusuk Buhit area in developing tourism villages based on local wisdom in the district Samosir.

### 3. DISCUSSION

The development of tourism in the Pusuk Buhit area really needs good governance so that it can develop a tourism village based on local wisdom in Samosir Regency. The realization of superior and competitive tourism is also a supporter of good governance which is the most important instrument in the implementation of development to encourage economic growth as well as poverty alleviation and increase employment opportunities. Basically, the principle of implementing good governance in the public sector, the point is the coordination and synchronization of programs between stakeholders as well as active participation that is synergistic and integrated between the government, private sector and related communities. This principle can be carried out in all public sectors, especially the tourism sector because the important role of stakeholders in interacting is one of the instruments that can realize good governance in the tourism sector.

The application of governance in the tourism sector, in achieving development goals, not only requires optimizing the role of the government as a regulator or facilitator, but also requires good cooperation with various parties, so as to create a comfortable atmosphere and strengthen the development of tourist villages. Thus, in line with UNDP's thinking (Sedarmayanti, 2013), there are five characteristics in realizing good governance, as follows:

1. Relationships between actors who are directly involved in the implementation of economic, social and political resource management, namely the government, the private sector and civil society.
2. Communication, consisting of a network system in the management process and contribution to the quality of the results.
3. Self strengthening process. The self-management system is the key to the existence and continuity of order from various situations of chaos caused by dynamics and environmental changes, contributes to participation and promotes community independence, and provides opportunities for creativity and stability in various aspects of good governance.
4. Dynamic, balance of various elements of complex forces that result in unity, harmony, and cooperation for sustainable growth and development, peace and justice, and equal opportunity for all sectors in civil society.
5. The dynamic interdependence of government, market forces and civil society.

These characteristics can be a standard that must be met in realizing good governance, especially the tourism sector. This characteristic also refers to the conception of good governance, that each stakeholder must have at least nine characteristics as stated by Sunaryo (2013), namely:

1. Participatory



All citizens/communities are able to vote in decision-making, either directly or indirectly or through intermediary institutions that are recognized as representing their interests. Broad participation is built on freedom to organize and express opinions constructively.

2. Enforcement and compliance with laws and regulations

In the sense that the law must be enforced on the basis of justice regardless of class and any differences.

3. Transparency

There is a free flow of information, as well as the existence of institutions and information that can be directly accessed by various interested parties. In addition, information must also be sufficiently available and understandable and can be monitored by all interested parties.

4. Responsiveness

There is an institutional capacity from the government to process and serve complaints and opinions of all community members.

5. Consensus orientation

Good governance is required to be able to bridge the differences in interests between members of the community to reach a broad consensus and be able to accommodate group interests and look for possibilities in determining acceptable policies and procedures.

6. Be Fair

Efforts are made that all members of the community have the opportunity to improve themselves so that they get prosperity.

7. Effectiveness and Efficient

Every existing institutional performance and process must be able to produce results that can meet the needs of the community through the wise use of resources.

8. Accountability and accountability

In every decision making by the government, the private sector and community organizations, efforts must always be made to be accountable to the public and all stakeholders.

9. Strategic Vision

Leaders and the public must both have a broad and far-reaching perspective on good governance, human development and togetherness and have sensitivity to what is needed for national development.

The tangible form expected from the implementation of good governance, through these characteristics, is the creation of a strong and responsible, effective and efficient government by maintaining a synergistic interaction that is conducive to all stakeholders (stakeholders) or all parties involved in the decision-making process. The implementation of good governance in the tourism system is called good tourism governance (GTG). Furthermore, the implementation of tourism governance is closely related to the development of tourism potential, which includes the main components, as stated by Sunaryo (2013), as follows:

1. Objects and attractions that include: attractions that can be based primarily on natural, cultural or artificial/artificial wealth such as events or what are often referred to as special interests.

2. Accessibility which includes transportation system support which includes: transportation routes or routes, terminal facilities, airports, ports and other modes of transportation.
3. Amenity which includes supporting and supporting tourism facilities which include accommodation, restaurants, retail, gift shops, money exchange facilities, travel agencies, tourist information centers and other convenience facilities.
4. Supporting facilities, namely the availability of supporting facilities used by tourists, such as banks, telecommunications, postal services, hospitals and so on.
5. Institutional, which is related to the existence and role of each element in supporting the implementation of tourism activities, including the local community as the host.

Based on the explanation above, these components can create a potential character that has advantages and uniqueness so as to produce superior and competitive tourism, including the potential of tourist villages that can be developed by preserving local values. Thus, these components must be well coordinated and integrated so as to realize effective tourism governance.

Efforts to realize good tourism governance in the Pusuk Buhit area also depend on the management carried out by stakeholders from the government, industry to local communities. Hernanda (2018), in achieving the goals and missions of tourism development will only be achieved if the process is carried out through the principles of good tourism governance, namely the involvement of all stakeholders, the use of sustainable resources, and advocacy of local cultural values. Then, Wood (2002) also said that elements of a good tourism program, including; local community involvement, sustainable environmental conservation, interpretation adds to the experience, positive actions that encourage the development of small industries, and the creation of business opportunities.

Based on the opinion of Hernanda and Wood, it can be concluded that realizing good tourism governance must be done with a good planning process that includes the use of appropriate and not excessive resources so that the tourism potential that is owned can be developed and managed properly and maintained. Tourism governance is also related to the utilization of owned resources such as natural resources, cultural resources, human resources and special interest resources. Thus, the importance of good tourism management so that it can develop tourist villages without losing local values, including culture, customs and others.

Samosir has a variety of tourism potentials that have the potential to be developed and produce superior and competitive tourism. Tourism management that can be implemented effectively and in accordance with applicable regulations can support the development of tourism villages based on local wisdom. For example, the potential that exists in the Pusuk Buhit area which is an area that is considered a sacred place for the Batak people, and this area also holds a lot of history and mysteries about Lake Toba. The most famous tour from the Pusuk Buhit area is the peak of Pusuk Buhit which is visited by many tourists, both domestic and international. The facilities available at the top of this pusuk buhit are camping and selfie areas as well as areas to enjoy the beauty of Lake Toba from the highest peak. Tourists can also do trekking to the top of pusuk buhit so that

they get a panoramic view of the surrounding nature and the beauty of Lake Toba as a whole and enjoy the beautiful and cool atmosphere along the way to the top of pusuk buhit. The peak area of this pusuk buhit also provides the beauty of the Edelweiss flower bed, as a rare plant and perennial flower. This stretch of Edelweiss flowers provides a beauty that tourists can enjoy from the highest angle of Lake Toba.

Tourism in the Pusuk Buhit area, which includes historical tourism, religious tourism, panoramic tourism and cultural tourism. The grouping of tours in the Pusuk Buhit area has also become a priority program for the government in developing tourism around Lake Toba, so the preparation of a strategic plan for the Tourism Office of Samosir Regency is one of the priorities and is favored, such as Hutabalian Village.

Hutabalian Village, has the potential for educational tourism that really needs good management so that it can realize an education-based tourism village called Rumah Belajar. Learning activities in one of the traditional houses in Hutabalian Village become tourism potential developed to become an educational tourism object, namely the Pusuk Buhit area history museum. Because in this study house there are several historical objects and cultural relics that are not widely known by the public. This Learning House was founded by a journalist and also a motivator in Jakarta and in collaboration with local communities who intend to help children in this village to be able to develop knowledge through reading. This learning house was formed and managed independently under the coordination of the Hutabalian Village Pokdarwis, so this is one of the things we do to support the Samosir Regency government program in the tourism sector

One of the efforts that must be hastened in developing tourism potential in the Pusuk Buhit area is improving accessibility, not only on the Samosir main road but it is important to have accessibility to tourism objects in the Pusuk Buhit area, because this is the main key in tourism development and make it easier for tourists to visit their destination. The local government has also started accelerating the development of tourism potential throughout Samosir so that it can create advantages and have great opportunities to become superior and competitive tourism. Thus, tourism management requires tourism planning that aims to develop a tourism village development plan based on local wisdom in Samosir Regency, especially the Pusuk Buhit area.

Well-planned tourism development can result in the strengthening of areas that have existing tourism potential and can be seeded, but the resulting strengthening also requires adequate supporting capacity related to facilities and infrastructure, access to tourist sites and other facilities that can support the development of tourism potential. . Based on the research results obtained, that there are still tourism components that have not been met properly, one of which is access and transportation to tourist sites, public facilities such as toilets, and lodging

Table 1. Pusuk Buhit Tourism Potential Grouping

No	Tourism Potensial	Tourism Site	Types of Attractions
1	PANGURURAN	a. Tano Ponggol Canal	History Tourism
		b. Hot Springs in Aek Rangat	Water Tourism

		c. Liberty Struggle Monument Malau	History Tourism
2	SIANJUR MULA-MULA	d. Gunung Pusuk Buhit	History Tourism/Cultural
		e. Pemandian Aek Sipitu Dai	Water Tourism/Cultural
		f. Perkampungan Asli Huta Siraja Batak	Cultural Tourism
		g. Perkampungan Sigulatti	Cultural Tourism
		h. Aek Si Boru Parema	Water Tourism/Cultural
		i. Batu Hobbon	Natural Tourism/Cultural
		j. Batu Holbung	Natural Tourism/Cultural
		k. Pulau Tulas	Leisure Tourism
		l. Air Terjun Hadabuan Nasogo	Natural Tourism/Water
		m. Aek Boras	Water Tourism
		n. Batu Pargasipan	Cultural Tourism
		o. Batu Parhusipan	Cultural Tourism
		p. Batu Nanggar	Cultural Tourism
		q. Batu Sawan	Water Tourism/Cultural
		r. Rumah Parsaktian Guru Tatea Bulan	Cultural Tourism
3	HARIAN BOHO	a. Air Terjun Sampuran Efrata	Natural Tourism
		b. Mata Air dan Pohon Pokki	Natural Tourism
		c. Gua Parmonangan	Cave Tourism
		d. Kampung Harimau Situmeang	History Tourism
		e. Ulu Darat	Natural Tourism
		f. Janji Motugo	Natural Tourism
		g. Hutan Flora Anggrek	Natural Tourism
		h. Rumah Adat	Cultural Tourism
		i. Hutan Limbong	Natural Tourism
		j. Rumah Adat Sagala	Cultural Tourism

Source : Research Data Processed in 2021

The table above shows the tourism potentials that can be developed from the Pusuk Buhit area, and there are some of these potentials that can be developed as tourism villages based on local wisdom. This explains the tourism potential in the Pusuk Buhit area based on the sub-districts in this area, and also includes the classification of tourist objects that have criteria in accordance with the provisions that have been established through the Decree of the Regent of Samosir Number 474 of 2017 concerning Determination of Criteria and Classification of Tourism Objects. in Samosir Regency, namely:

- a. Featured Tourist Attractions, including:
  - 1) Aek Rangat Pangururan in Siogung-ogung Village, Pangururan District
  - 2) Aek Sipitu Dai in Aek Sipitu Dai Village, Sianjur District at first
  - 3) Batu Sawan in Sari Marrihit Village, Sinajur District at first
  - 4) Efrata Waterfall in Sosor Dolok Village, Harian District
  - 5) Naisogop Waterfall in Sianjur Mula Village, Sianjur Mula District
- b. Priority Tourism Objects, including:
  - 1) Batu Hobon in Sari Marrihit Village, Sianjur District at first
  - 2) Siraja Batak Village in Sianjur Mula Village, Sinajur Mula District
- c. Pilot Tourism Objects, including:
  - 1) Climbing Mount Pusuk Buhit in Sianjur District at first
  - 2) Aek Rangat Pitu Batu in Rianiate Village, Pangururan District
  - 3) Dolok Holbung Sipege in Hariara Pohan Village, Harian District
  - 4) Sinatapan Prayer Tower in Aek Rangat, Pangururan District

Inskeep (1991) that effective tourism development can be achieved by using the concepts of development in general but adapted to the characteristics of tourism. Thus, tourism is also in the development of its tourist attraction can also be grouped based on the region aims to: 1) bring out the wealth/diversity of tourism products owned so that they can be offered to a more diverse tourist market segment; 2) collectively form or create distinctive features that promote or elevate the identity of the region; 3) increase the competitiveness of local tourism products, either nationally or even internationally; 4) creating integrated tourism development between regions; 5) efficiency of the implementation of tourism development programs, both planning, management, as well as marketing and promotion. Meanwhile, the factors considered in determining the grouping of the region are:

1. Geographical factors, geographical proximity is an important factor that must be considered in determining the grouping of tourism areas. Tourism planning and development will be easier to do if the physical distance between areas is close. Geographical proximity will also facilitate coordination of related parties in regional development.
2. Accessibility factor, geographical proximity factor must be supported by good accessibility. Even though the location of the object and tourist attraction is close together, if it is not supported by easy accessibility, then the grouping will be done with other tourist areas with better accessibility. This accessibility factor is needed so that the development of tourism in a tourist destination can affect the development of tourism in other tourist destinations that are in a tourism development area.

3. Binding factor, is a physical or non-physical sign that functions as a binder for several tourist destinations. Physical signs can be in the form of landscapes, roads or boundaries, while non-physical signs can be in the form of the influence of a particular culture. Tourist destinations that are in the same binding factor have the same physical and non-physical characteristics of the area so as to facilitate the formulation of plans and programs to be carried out in the tourism development area.
4. Characteristics of superior tourism products, which are the same and or complement each other. A tourism area should have superior tourism products that can be used as a development theme so that it can bring up regional identity.
5. Diversity of superior tourism products between regions, the formed tourism areas must be able to show diversity and uniqueness to each other so that the wealth of local tourism can be utilized optimally as the main tourist attraction regionally.

The management of the Pusuk Buhit area tourism is administratively related to policies that must be implemented to support tourism development. Meanwhile, destination is implemented as a solution what the government does to carry out the expansion of tourism sector which aims to avoid policy conflicts and also to continue to develop new or prioritized destinations.

Destinatively, that the tourism sector does not work alone but partners with other sectors in carrying out tourism development. In accordance with the President's directives regarding tourism through the District Secretariat Letter No. B-652/Seskab/Maritim/11/2015, dated November 6, 2015, such as the ministry of public works related to infrastructure development in tourist destination areas (access), the ministry of finance related to financing, the ministry of maritime related to the settlement of things that are obstacles to improvement tourism destinations and others. Destinative action is carried out with direct government intervention to the destination tourist destination, through a network of institutions/ministries related to the direction given by the President for the implementation of tourism development policies.

All stakeholders (Government, business/private and community) involved in the implementation of tourism development must be able to implement an administrative approach and a destination approach so as to create organizational network relationships that can face challenges in developing the tourism sector. Where administratively can identify the tourism potential that is prioritized and seeded through the potential of the region then definitively a solution is carried out that can unify the understanding of the vision, mission and goals in tourism development that realizes a tourism village based on local wisdom in the Pusuk Buhit area.

The results of research by (Guo & Sun, 2016), that there are 4 (four) problems faced by the Chinese state in developing rural tourism through a system of building state cooperation, namely 1) countries generally require the tourism industry to be locally encouraged and developed ; 2) cross-border cooperation and coordination between adjacent countries is considered a prerequisite for joint strengthening of the regional tourism industry; 3) tourism is considered to be an important driver for the modernization of conservation policies, and rural development arising from conservation; 4) The rural tourism literature shows that tourism encourages local job creation, these jobs tend to be

creating sales of handicraft products, cultural performance, hospitality and accommodation services. Thus, tourism governance must always pay attention to the relationship between the tourism component and the characteristics of the environmental component in determining the framework. Tourism in the Pusuk Buhit area in its development must be supported by good governance so as to produce rural tourism in the form of a tourist village but without losing the local values of the area.

Then (Hübner et al., 2014), based on the results of his research that there is a relationship between planning, management and governance in the development of regional tourism patterns in Vietnam National Parks and a decentralization process needs to be carried out, where in the development of regional tourism patterns must have implications for planning and communication and cooperation between the public and private tourism sectors, then in the decision-making process based on cultural values that determine the responsibilities and levels of involvement of various tourism actors. This explanation is also confirmed by Da Cunha and Da Cunha (2005), tourism area is developed and provided with supporting facilities and services to meet the needs of tourism activities and the needs of tourists themselves. If a tourism area has a characteristic that relies on cultural values, then the provision of facilities and infrastructure is directed at enjoying the culture offered in the area.

Based on the explanation above, the expansion tourism villages of principle local wisdom through good and correct tourism management, so that the Pusuk Buhit area can group potential with its own characteristics and characteristics in each village. Tourism management activities in the Pusuk Buhit area through the development of tourism villages based on local wisdom are adapted to the characteristics of each village and are guided by policies that are oriented towards the goals of tourism planning in Samosir Regency. As stated by, Hall (2008), that in traditional tourism planning it is also associated with land use zoning or development planning at the local or regional government level, which is focused on site development, accommodation and development regulations, density of tourism development, presentation of features. cultural, historical and natural tourism and provision of infrastructure including road and wastewater infrastructure.

As revealed by (Borges et al., 2014) that in an ideal tourism governance there must be multidimensionality and standards to ensure success through a good partnership or cooperation approach between stakeholders which aims to promote synergies within the same geographical area in order to face global competition. Then, Cole (2015) also emphasized that tourism developed through the development of local products such as those in Chile, namely indigenous tourism, in the process of implementing tourism development there must be a good relationship between the state and indigenous peoples so that the tension and complexity caused by promotion and assessment of ethnic differences in gaining political recognition in various countries.

The understanding that can be affirmed from the statement above is that tourism management is more directed to the development of regional potential and characteristics then produces advantages that can be used as regional characteristics in developing tourism and creating innovations in the tourism industry, including tourism villages based on local wisdom. Tourism that is developed through the potential and characteristics of the region is improve the welfare of the community and the regional economy in the tourism sector.

Strengthening the region by realizing tourism villages based on local wisdom as an effort to support tourism governance in Samosir Regency, especially the Pusuk Buhit area, can be one of the development programs in the tourism sector so that economic growth and regional originality (PAD) can recover during the pandemic. Tourism in Samosir Regency since the occurrence of the global problem, namely COVID 19, has resulted in a drastic decline in economic growth, due to the prohibition on accepting tourist visits and the closure of all tourism activities in Samosir Regency, while the tourism sector is the largest producer of local revenue (PAD).

The tourism village program based on local wisdom is also one of the national government programs in realizing good and correct tourism governance, so effective planning is needed. Planning in the tourism sector is also a tool to design and develop a future framework to provide solutions for the government in dealing with economic recovery in the tourism sector through tourism governance based on the potential possessed by the region. Hajar and Lubis (2021) that in developing tourism potential must be supported by the facilities and infrastructure as well as the resources owned, which are related to financing in carrying out development so that it can produce priorities that become further tourist attractions based on characteristics and advantages.

The local wisdom that exists in Samosir Regency, especially the Pusuk Buhit area, is the hallmark and excellence of tourism in realizing superior and competitive tourism. The amount of local wisdom that exists in Samosir Regency is the main reason for the government to develop tourism village base local wisdom which aims to preserve history, culture and customs that can be developed into a tourist attraction in each village in the Pusuk Buhit area.

Nuryanti (1993), argues that tourism village is a form of interaction between accommodation, attractions, and supporting facilities that are presented in the structure of community life that blends with applicable procedures and traditions. As the results of research conducted by Ariesta and Widianara (2020) that there are several strategic steps taken in developing tourist villages, namely

1. Identifying tourism village potential
2. Identify problems that hinder the development of tourist villages that are physical, non-physical/social, as well as internal and external.
3. Maintain a strong commitment from all village components so that perceptions and opinions can be equalized, as well as the appointment of the potential of the village to become a tourism village
4. Identify positive and negative impacts originating from the results of tourism activities based on the uniqueness of the village
2. Have a strong commitment to all village components in collaborating with local governments and the private sector
3. Prepare regulatory instruments related to the development of tourist villages
4. Strive for various media as an act of introducing and publicizing tourism potential in the village
5. Studying the success and success of tourist villages from other areas.

However, based on the results of the research, it was found that in developing a tourism village based on local wisdom in the Pusuk Buhit area, Samosir Regency, there



were still obstacles both from internal and external factors. Internal factors that influence are related to the readiness and ability of the community to make new innovations in the management of tourism potential that prioritizes local content. Meanwhile, external factors are influenced by marketing and tourism promotion which show the advantages and characteristics of the area in the Pusuk Buhit area.

Cox argues (Pitana and Diarta, 2009), to develop a tourist village, it is necessary to pay attention to the principles in tourism management, including:

1. Development tourism must be based on local wisdom and special local sense that reflects the uniqueness of cultural heritage and the uniqueness of the environment.
2. Preservation (maintenance), protection and improving the quality of resources as a basis for developing tourism areas
3. Development of additional tourist attractions rooted in the uniqueness of local culture
4. Services to tourists based on the uniqueness of the local culture and environment
5. Providing support and legitimacy for tourism development, and if it is proven to provide positive benefits and vice versa controlling or stopping tourism activities if it exceeds the threshold of the natural or social environment even though on the other hand it is able to increase people's income.

The principles of tourism management in developing tourism villages based on local wisdom in the Pusuk Buhit area must also be supported by effective collaboration between tourism development actors, including the government, community, community, private sector and the media.

The management of the Pusuk Buhit area tourism in developing a tourism village based on local wisdom, produces an integrated and integrated collaboration system in uniting commitments in realizing superior and empowered tourism in Samosir Regency. The collaboration of these actors is also expected to encourage economic growth in the tourism sector after COVID 19 so that local revenue can increase again and the community can act as tourism actors as objects that are directly involved in tourism activities in Samosir Regency.

Integrated and integrated collaboration between stakeholders/actors is the main key in making important decisions in tourism development in the Pusuk Buhit area. One of them is the development of a tourism village based on local wisdom in Hutabalian Village, where this village favors the Batak script as a characteristic of its village by forming and establishing a Batak script learning house.

This learning house also makes tourism activities in Hutabalian Village by holding traditional dance attractions in introducing Batak culture so that local wisdom is preserved. The development of this Hutabalian tourist village requires cooperation that can support the development of a tourist village in Hutabalian Village through this learning house, but it still cannot be implemented properly and optimally. This is because the regulatory arrangements for the development of tourism villages in Samosir Regency have not been realized properly, they still need some advice and assistance in formulating tourism policies that are more directed to the arrangement of integrated and integrated collaboration procedures

#### 4. CONCLUSION

Tourism governance in the Pusuk Buhit area of Samosir Regency aims to increase regional income, expand and equalize business opportunities and employment opportunities as well as encourage regional development, develop and utilize tourist destinations in the Pusuk Buhit areas. The development of tourist villages in the Pusuk Buhit area is carried out with a potential mapping approach as a tourism management program to preserve local culture and development oriented towards regional development and empowering the community which includes various dimensions and principles of tourism, namely attraction, amenity (facilities), accessibility (accessibility/transportation), and ancilliary (additional services). Efforts to achieve the target of tourism development in the Pusuk Buhit area, there must be clear policy direction in its planning, including improving facilities and infrastructure as an effort to support the smooth going to tourist areas, encouraging the creation of tourism-aware communities, uniforming service standards or permits in tourism management in the area. Pusuk Buhit.

In addition to mapping the potential that is oriented towards regional development and community empowerment, the development of tourist villages in the Pusuk Buhit area must also be supported by integrated and integrated collaboration so that it can unite the overall commitment in producing innovations related to tourism governance and tourism policies as an effort to realize sustainable tourism, superior and competitive in the Pusuk Buhit area, Samosir Regency.

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# **THE EFFECTIVENESS OF COMPETENCE-BASED TRAINING PROGRAM IN THE TECHNICAL IMPLEMENTATION UNIT (UPT) OF JOB TRAINING CENTER PASURUAN**

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## **ABSTRACT**

In the free labor market, workers are required to have adequate skills in a particular field so that they can be applied in their work. UPT Job Training Center Pasuruan is one of the public organizations or government agencies under the auspices of the Department of Manpower and Transmigration of East Java Province. Its mission is to improve the competence of the workforce and establish partnerships in order to meet the needs of the labor market. The existing data show that the absorption of labor has not been optimal. So, it is necessary to know whether or not the implementation of the program is effective. The methods for data collection were qualitative research methods. With qualitative method, it is stated how effective the implementation of competency-based training programs is and what are the supporting and inhibiting factors in the process of implementing competency-based training programs. Data were collected through observation, interviews, and documentation. The effectiveness implementation of training program is measured using three variables according to Sandfort and Moulton (2015); (1) the context which can influence change, (2) open priority programs, (3) face technical and adaptive challenges to create change, applying analytical inquiry and social skills. The inhibiting factors for the program were found to be different types of participants, participants educational background, trainer skills in training participants with disabilities, changes in budget or training packages. The solution to these obstacles requires creativity in applying the supporting factors are

resources (human resources, financial resources, facilities and infrastructure), and cultural values.

**Key Words:** *Implementation Effectiveness, Training Program, Competence*

## 1. INTRODUCTION

An organization is a group of people who work together to pursue a goal. (Rainey, 2010). One of the existing public organizations or government agencies is the Technical Implementation Unit (UPT) of the Job Training Center. According to the Regulation of the Minister of Manpower and Transmigration of the Republic of Indonesia Number 7 of 2012 Job Training Center, hereinafter abbreviated as *BLK*, is a place where job training processes are held for trainees so that they are able and master a certain type and level of work competence to equip themselves in entering the labor market and/or independent business or as a place of training to increase their work productivity so as to improve their welfare.

According to the Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower, Work competence is the work ability of each individual which includes aspects of knowledge, skills, and work attitudes in accordance with established standards. The competencies meant are found in various fields. For example, competence or expertise in manufacturing engineering, welding engineering, automotive engineering, electrical engineering, electronic engineering, refrigeration, building, business and management, information and communication technology, garment apparel (sewing, embroidery techniques), beauty, fashion, processing, batik design, leather processing, and so on.

According to (Soetrisno and Gilang, 2018) Competence as the ability of an individual who is shown by good performance in the position or his job. Competence is a collection of knowledge, skills and behaviors that are used to improve performance or circumstances or quality that is adequate or very qualified, have the ability to display certain roles. This means first, competence is a combination of knowledge, skills, and behavior to improve performance. Second, a strong indicator of competence here is the improvement of performance to a good or very good level. Third, combination and behavior are capital to produce performance.

Toward the inside of a very diverse job market era, workers are required to have adequate skills in a particular field so that they can be applied in their work. Many prospective workers take part in training organized by the UPT Job Training Center to improve their skills or expertise.

According to (Pasolong in Rosyida, Hakim, and Saleh, 2020) as for the problems in the scope of public administration faced by various countries, especially those related to human resource problems, among others: (a) poor work discipline; (b) low employability; (c) low work motivation; (d) low level of maturity; (e) poor performance; (f) low competence; (g) lack of professional guidance; (h) leadership style that tends to be authoritarian; (i) the

practice of nepotism in recruitment; (j) lack of employee training; (k) low services due to bad bureaucratic behavior; (l) lack of objective performance appraisals; (m) an inadequate payroll system; (n) unfair career development systems; (o) apparatus resource planning that is not yet comprehensive and integrated; (p) unequal division of labor; and (q) recruitment that is not fully based on needs.

According to (Rosyida, Hakim, and Saleh, 2020) the results of research conducted by Suryadana (2014) show that there is a significant relationship between human resource performance and organizational performance, namely that the smooth achievement of organizational goals requires human resources who have good performance. This means that the success of an organization's performance is highly dependent on the existence of human resources who have the ability and high work motivation, so that it is expected to produce satisfactory work results.

Labor problems stemming from the low quality of the workforce can be overcome by holding job training programs to provide skills and competencies for prospective workers. In addition, it can also be embedded with the entrepreneurial side so that the workforce can read and enter the potential of the region through entrepreneurship. To respond to this, the government provides a job training institution that directs participants to the world of work through the Job Training Center.

UPT Job Training Center is an institution provided by the government as one of the government's efforts in terms of manpower development. In the Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower contained in Chapter 2 Article 4 which states that manpower development aims:

- a. Empower and utilize the workforce optimally and humanely;
- b. Realizing equal employment opportunities and providing manpower in accordance with the needs of national and regional development;
- c. Provide protection to workers in realizing welfare; and
- d. Improving the welfare of workers and their families.

UPT Job Training Center Pasuruan is one of the public organizations or government agencies under the auspices of the Department of Manpower and Transmigration of East Java Province. With its mission to improve the competence of the workforce and establish partnerships in order to meet the needs of the labor market and the targets to be achieved, they are:

1. The achievement of improving the quality of graduates in accordance with the needs of the current and future job market,
2. Training graduates who have the skills/competencies assigned and
3. The formation of self-financing training for the UPT Job Training Center is expected.

UPT Job Training Center Pasuruan runs a competency-based training program. In order to achieve organizational goals, it is necessary to measure the effectiveness of the implementation of the program. So that in the implementation of the competency-based training program at UPT Job Training Center Pasuruan, it will be known whether the program has been effective or not in creating a competent workforce.

The Technical Implementation Unit of the Job Training Center, previously known as Industrial Work Training Center (BLKI) of Pasuruan. Initially, it was the Pasuruan Job Training Course (KLIK), which was established in 1985 with the Decree of the Minister of

Manpower of the Republic of Indonesia No: Kep 840/MEN/1985, until 1997. Based on the Decree of the Minister of Manpower of the Republic of Indonesia No: Kep 88/MEN/1997, the name KLK was changed to the Industrial Job Training Center (LLKI) of Pasuruan, which is a Technical Implementation Unit in the field of workforce skills training which is under the responsibility of the Regional Office of the Ministry of Manpower (*Kanwil Depnaker*) East Java Province and is technically functional under the supervision of the Directorate General of Manpower Training and Productivity Development (*Dirjen Binalattas*) Ministry of Manpower of the Republic of Indonesia and up to 2001.

In line with the reformation era and the enactment of Law No. 22 of 1999 concerning Regional Government which effectively came into force on January 1, 2001, these changes were fundamental to regional technical institutions. Through the East Java Provincial Regulation No. 35 of 2000 and the East Java Governor's Decree No. 52 of 2001, *LLKI* Pasuruan turned into the Industrial Work Training Center (*BLKI*) of Pasuruan as the Regional Technical Implementation Unit of the East Java Province Manpower Service. With the change in the status of *LLKI* to *BLKI*, the Echelon and its organizational structure have also changed. Based on the East Java Governor Regulation No. 122 of 2008, on August 25, 2008 the *BLKI* was changed to UPT Job Training of Pasuruan. In 2018 there was a change in accordance with East Java Governor Regulation Number 62 of 2018 concerning Nomenclature, Organizational Structure, Description of Duties and Functions and Work Procedures for the Technical Implementation Unit of the East Java Province Manpower and Transmigration Office in Chapter III concerning Position and Organizational Structure so that UPT Job Training of Pasuruan was changed to UPT Job Training Center of Pasuruan which is valid until now. (*UPT BLK Pasuruan, 2020*)

According to Bernard in (Yamtini, 2011), effectiveness is an action where it will be effective if it has achieved the predetermined goals. According to Sondang P. Siagian in (Yamtini, 2011) effectiveness is the utilization of resources, facilities and infrastructure in a certain amount that is consciously determined beforehand to produce a number of goods for the services it carries out.

According to (Sandford & Moulton S, 2015), the measurement of implementation effectiveness can be measured using several principles. These principles can be used as a basis to see the size or level of success of the program being implemented. The principles for increasing the effectiveness of implementation according to (Sandford & Moulton S, 2015) are:

1. Context that can affect change.

The context that can affect change relates to participants, resources, sources of power or those who have authority in competency-based training programs, and also what cultural values are created in an organization.

2. Unpack the core programs.

In running a program, it can be seen about the appropriate choices, the logic of changes that occur with the existence of the competency-based training program, the coordination made by the organization with stakeholders, and identifying changes to achieve public value results.

3. Confront the technical and adaptive challenges necessary to create change and applying analytical inquiry and social skills.

In implementing a program, there are certainly technical challenges to be faced. From the existence of these challenges, how to adjust it in the field in order to create change. Then policy actors apply their analytical inquiry and social skills to be able to influence change.

## **2. RESEARCH METHODS**

### **a. Types of research**

This study uses a qualitative research method with a descriptive approach. Researchers used qualitative research aimed at explaining in detail and in depth the information obtained and drawing conclusions from that information, exploring the effectiveness level of the implementation of competency-based training programs at UPT Job Training Center Pasuruan and facilitating the validity of the data.

### **b. Types of data**

Sources of data used in this study are primary data and secondary data. Primary data is data obtained from the original source by interviews and direct observation at UPT Job Training Center Pasuruan. While secondary data is data that comes from the library in the form of articles, documentation, reports and archives.

### **c. Data Collection Techniques and Tools**

Data collection techniques and tools used by researchers in this study were observation, interviews and documentation.

#### **1. Observation**

In connection with this observation, the researcher made observations that focused on the implementation and the ongoing process of implementing a competency-based training program at UPT Job Training Center Pasuruan. Such as at the time of registration, training, and certification.

#### **2. Interview**

The interviews conducted in this study used structured and semi-structured interviews. The researcher used a structured interview by asking a list of questions that had been made previously. While the semi-structured interview, the researcher asked questions with a list of questions that had been made but also asked new questions from ideas that emerged spontaneously according to the context being discussed. This interview data collection is by means of audio/sound recording.

#### **3. Documentation**

Documentation technique is done by collecting data sourced from documents related to the research conducted.

The data collection technique used in this study is by researching and studying documents and related literature which were related to the problem under study.



### 3. RESULT AND DISCUSSION

The competency-based training program at UPT Job Training Center of Pasuruan is carried out based on a predetermined training package with various vocational courses that have been prepared previously. Training at UPT Job Training Center of Pasuruan is divided into three types, namely those conducted at the Institution or Institutional, MTU (Mobile Training Unit) conducted on site, and self-funding training. The funds used to carry out the training are funds from the government, namely *APBN* and *APBD* funds. *APBN* funds are used to finance institutional training, while *APBD* funds are used to finance institutional and MTU training.

In the early stages, UPT Job Training Center of Pasuruan disseminated information related to the training that would be opened. The dissemination of this information was carried out using social media and the website of the UPT Job Training Center of Pasuruan, as well as brochures. The process for entering and participating in training at the UPT Job Training Center of Pasuruan begins with registration. For now, registration at UPT Job Training Center of Pasuruan uses an offline and online registration system. During the current Covid-19 pandemic, everything is digital. The new normal need for digitization causes registrations carried out at the UPT Job Training Center of Pasuruan also use an online system. Registration requirements are to fill out a form containing personal data of prospective trainees and bring an ID card.

After that, prospective participants who have registered for the training must pass a selection test. There are two kinds of selection tests, namely written tests and interview tests. This selection test aims to identify potential participants who really have the intention and want to take part in this training or just attend the training without a clear goal. For example, attending training is indeed to apply for a job, become an entrepreneur, or just follow friends or just want to fill spare time. Of course, trainees who want to take part in training with clear objectives will be a top priority.

After carrying out the selection test, there will be an announcement of acceptance. Afterwards receiving the announcement, participants are required to re-register. The opening of the UPT Job Training Center of Pasuruan has just been opened, accompanied by the issuance of the Decree for the Implementation of the Training. Then, carry out the training process with the training schedule that has been prepared or created.

The training is carried out based on the *SKKNI* (Indonesian National Work Competency Standard) curriculum. *SKKNI* is a work ability formulation that includes aspects of knowledge, skills, and/or expertise as well as work attitudes that are relevant to the implementation of tasks and job requirements set out ([skkni.kemnaker.go.id](http://skkni.kemnaker.go.id)). The *SKKNI* is determined by the Minister of Manpower.

After doing the training, participants will get a certificate. There are two kinds of certificates, namely training certificates and certificates from the *LSP* (Professional Certification Institute) *BNSP* (National Agency for Professional Certification). All participants get a training certificate but for certificates from *LSP BNSP*, they must pass the Competency Test held by *BNSP* so that they can be declared competent. If they are declared incompetent, they will only get a certificate in the form of a training certificate from the UPT Job Training Center of Pasuruan.

As for the implementation of the competency-based training program, the authors found several obstacles experienced before and during the implementation of the training

so that it was not running optimally during the implementation process. The obstacles that arise are:

1. Different types of participants in the learning process which sometimes become obstacles during the training implementation process,
2. Educational background of the trainees,
3. Obstacles in the learning process of students with disabilities or students with special needs,
4. The budget of funds that can change at any time.

From the description explained above, it is necessary to measure how far the effectiveness of the implementation of the competency-based training program in creating a competent workforce so that researchers are interested in carrying out research with the title "The Effectiveness of Implementation of Competency-Based Training Programs at UPT Job Training Center Pasuruan".

Table 1 Training and Placement in 2017

No	Training Implementation Activities	Number of Graduates in 2017			Placement					
		M	F	Total	Industry			Entrepreneur		
		M	F	Total	M	F	Total	M	F	Total
1	RGB									
	CBT	230	218	448	153	133	286	14	44	58
	MTU	252	132	384	73	7	80	114	98	212
.2	IB									
	CBT	204	152	336	164	88	252	8	21	29
<b>Total</b>		<b>686</b>	<b>482</b>	<b>1.168</b>	<b>390</b>	<b>228</b>	<b>618</b>	<b>136</b>	<b>163</b>	<b>299</b>

Data Source : UPT Job Training Center Pasuruan

Table 2 Training and Placement in 2018

No	Training Implementation Activities	Number of Graduates in 2018			Placement					
		M	F	Total	Industry			Entrepreneur		
		M	F	Total	M	F	Total	M	F	Total
1	RGB									
	CBT	327	137	464	212	72	284	26	30	56
	MTU	261	219	480	23	0	23	148	166	314
2	RGRB									
	CBT	110	50	160	65	23	88	13	14	27
	MTU	129	79	208	21	0	21	87	78	165
3	IB									
	CBT	435	461	896	261	197	458	55	193	248
<b>Total</b>		<b>1.262</b>	<b>946</b>	<b>2,208</b>	<b>582</b>	<b>292</b>	<b>874</b>	<b>329</b>	<b>481</b>	<b>810</b>

Data Source : UPT Job Training Center Pasuruan

Table 3 Training and Placement in 2019

No	Training Implementation Activities	Number of Graduates in 2019			Placement					
		M	F	Total	Industry			Entrepreneur		
		M	F	Total	M	F	Total	M	F	Total
1	RGB									
	CBT	261	171	432	73	44	117	39	67	106
	MTU	114	78	192	10	2	12	77	68	145
2	IB-RR									
	CBT	495	373	832	250		360	55	134	189
	MTU	51	61	112	12	110	12	26	52	78
	SKILL FOR FUTURE	55	0	55	55	0	55	0	0	0
3	RGRB									
	CBT	207	161	368	36	19	55	6	54	60
	MTU	129	63	192	0	0	0	107	57	164
<b>Total</b>		<b>1.276</b>	<b>907</b>	<b>2.183</b>	<b>436</b>	<b>175</b>	<b>611</b>	<b>310</b>	<b>432</b>	<b>742</b>

Data Source : UPT Job Training Center Pasuruan

Table 4 2020 Training and Placement

No	Training Implementation Activities	Number of Graduates in 2020			Placement					
		M	F	Total	Industry			Entrepreneur		
		M	F	Total	M	F	Total	M	F	Total
1	RGB									
	CBT	32	32	64	0	3	3	13	12	25
	MTU	16	16	32	0	0	0	0	0	0
.2	IB									
	CBT	148	92	240	17	12	29	15	29	44
<b>Total</b>		<b>196</b>	<b>140</b>	<b>336</b>	<b>17</b>	<b>15</b>	<b>32</b>	<b>28</b>	<b>41</b>	<b>69</b>

Data Source : UPT Job Training Center Pasuruan

Table 5 Labor Placement Data in 2017 to 2020

No	Year	Graduates	Placement	Percent
1	2017	1.168	917	79 %
2	2018	2.208	1.684	76 %

3	2019	2.183	1.353	62 %
4	2020	336	101	45 %
<b>Total</b>		<b>5.895</b>	<b>4.055</b>	<b>69%</b>

Data Source : UPT Job Training Center Pasuruan

A policy product will lead to the implementation process and how it can be realized in the field. In policy implementation there are principles that can be used as a tool to describe the situation and conditions that occur after the policy product is made.

In this study, researchers want to focus on the principles of implementation effectiveness according to (Sandford & Moulton S, 2015). Researchers want to use these principles because they can be used as guidelines in seeing a phenomenon to take action or decisions in order to increase effectiveness.

Table 6. Principles for Cultivating Effective Implementation Practice by Sandfort & Moulton

*Know the context where you can affect change: the participants and resources, sources of power, and cultural values.*

*Unpack the core program (viable options, logic of change, and coordination), and identify changes to bring about public value results.*

*Confront the technical and adaptive challenges necessary to create change, applying analytical inquiry and social skill.*

Source : (Sandford & Moulton S, 2015)

The principles include:

1. The context that can affect change is related to the participants and resources, sources of power, and cultural values. This variable is a variable where changes can occur in the course of the implementation process.
2. Unpack the core program (priority program), which explains the feasibility of the program being implemented, changes that occur after the program is implemented, and coordination between policy actors. As well as identifying changes to produce public value results which in this case are public assessments.
3. Confront the technical and adaptive challenges necessary to create change, namely how the policy implementation process is carried out and how it is adjusted to conditions on the ground so that it can create change. As well as applying analysis and social skills after a desired change from the target group is existed.

## 1. The context that can affect change

### a) The Participants and Resources.

In the implementation of competency-based training, the participants here are participants from regular training, using *APBN* (Indonesian Budget) and *APBD* (Regional Government Budget) funds as well as self-funding training. The

examples of participants from self-funded training are participants who come from schools with the *PSG* program (dual system program), or participants who are proposed and funded by the company.

There are quite a lot of participants who take part in competency-based training. Even participants who register for the training can exceed the amount of capacity provided. This means that UPT Job Training Center Pasuruan has a sufficient number of participants to conduct training.

Meanwhile, the resources which are meant are human resources, financial resources, and facilities and infrastructure. The human resources at UPT Job Training Center Pasuruan are good and skilled in their fields. From the education taken, many of them have a Diploma to Bachelor's level of education. Some instructors also have a certificate from the Professional Certification Institute which shows that they are qualified in their field.

The financial resources available at UPT Job Training Center Pasuruan come from the government they are *APBN* (The Indonesian Budget / IB) funds from the central government, *APBD* (Regional Government Budget / RGB) from local governments and self-funding from individuals/companies. In order to maximize the training of financial resources, this is important and becomes one of the main supports in the implementation of competency-based training programs.

As for the existing facilities and infrastructure at the UPT Job Training Center Pasuruan as a whole is classified as good and sufficient during the training process. In terms of offices, classrooms, workshops, Competency Test places, and others. Even though there are inadequate facilities and infrastructure in the POA vocational or Practical Office Advance, such as bathroom which is out of the classroom and the absence of fan/AC facilities in the classroom. So that, in the training process the participants experienced obstacles due to these conditions.

#### b) Sources of Power

The government that has the authority regarding this training is the Ministry of Manpower. With training using *APBN* funds, the vocational training opened is adjusted from the central government, which in this case is the Ministry of Manpower through the Directorate General of Training and Productivity Development.

#### c) Cultural Values

In the implementation of a public service in an organization, good cultural values are needed. If the cultural values that are formed are solid, they will be able to overcome various problems that occur. From the observations and interviews conducted by the researchers, the employees at UPT Job Training Center Pasuruan have a fairly good family side between them so that it can be said to have a high sense of solidarity so as to foster harmony in an organizational group.

## **2. Unpack The Core Program (Priority Program)**

### a) Viable Options

There are several things that are taken into consideration in determining competency-based training at UPT Pasuruan Job Training Center, namely:

1. Training Needs Analysis (TNA).

Training Needs Analysis or TNA is conducted in various companies. The UPT Job Training Center Pasuruan visited these companies to conduct an analysis to find out the actual situation experienced by the company. So that the UPT Job Training Center Pasuruan can map out what vocational skills the company needs.

## 2. Vocational training with higher job opportunities.

The training held is training that allows for higher job market opportunities. Whether it is in a company or industry or in entrepreneurship so that it is not impossible that this profession can fill the available job market. Because the main benchmark of UPT Job Training Center Pasuruan is to reduce unemployment. So directing the trainees to the world of work or to become independent entrepreneurs.

### b) Logic of Change

From the observations and interviews conducted by the researchers, there are changes that occur with this competency-based training program, namely:

1. Increased knowledge and skills of the training participants. Those who were originally unskilled became skilled in the field of interest, those who were originally incompetent became competent as evidenced by their training certificates and competency certificates.
2. This training program contributes to the entry of workers in the labor market. UPT Job Training Center Pasuruan can fill the available job market by distributing training graduates. The trick is to coordinate with relevant stakeholders such as companies so that problems regarding employment can be overcome, especially in the East Java region.

### c) Coordination

UPT Job Training Center Pasuruan cooperates with many companies as partners. Such as the mission of UPT Job Training Center Pasuruan, which is to improve the competence of the workforce and establish partnerships in order to meet the needs of the labor market. These partners will later recruit the graduates of the prospective workforce that are produced. Prospective workers produced must be of productive age because it is a provision or requirement of the company apart from the competencies that are also needed.

In coordination with the company, a Training Needs Analysis or TNA is carried out. It is conducted to see and analyze the problems that are being faced by partners and graduates from any vocational training that will be needed later. So that from the TNA, it can be mapped what vocational training will be opened.

After completing the training, the UPT Job Training Center Pasuruan proposes training students who have received certificates to take the selection test for recruitment in these companies.

### d) Identify Changes to Bring About Public Value Results

The change from the participants who took part in the training was that at first they did not have the skills to become skilled. Participants gain new knowledge and skills that will support their competence so that it can be useful in their social life. From the interviews conducted by the researchers, the participants gave

answers that they were satisfied with the training they attended because it gave them value.

Participants thought that the training they attended could be useful for their future, either to get a job or to build an entrepreneur. On the other hand, there are two kinds of supporting certificates given. They are a training certificate and also a competency certificate from *BNSP* (National Agency for Professional Certification) so that it can be easier for the participants to get jobs because they have plus skills.

### **3. Confront the technical and adaptive challenges necessary to create change, applying analytical inquiry and social skills**

In the implementation process of the training, there are technical challenges faced by policy actors. The challenge faced is regarding to the changes that occur in the budget or training package. The budget or training package that changes due to adjusting to existing conditions.

In this case, the government then conducts an analysis of the situation at hand. Then applying analytical inquiry and social skills possessed to overcome these problems. As in the current Covid-19 pandemic, which allows budget changes to occur so that the existing budget or training package is diverted to more urgent needs by the government.

#### **Supporting Factors**

##### **1. Cultural Values**

Good cultural values can be a supporting factor in the process of achieving the organization's vision and mission. The cultural values that exist in the UPT Job Training Center Pasuruan are good and can affect employee performance so that they can create a good work ethic in the organization.

##### **2. Resources**

The human resources at UPT Job Training Center Pasuruan are qualified and have adequate capabilities in carrying out their duties and are supported by education taken from Diploma to Bachelor. Some of the instructors are also qualified in their respective fields accompanied by certificates from *LSP* (Professional Certification Institute) so as to support the process of implementing competency-based training programs.

The existing financial resources in carrying out this competency-based training program have been very supportive. The government provides funds from *APBN* and *APBD*, as well as self-financing training funds provided by individuals/companies.

The existing facilities and infrastructure at the UPT Job Training Center Pasuruan are classified as good. Such as offices, workshops, classrooms, worship places, canteens, and so on, even though there are inadequate facilities such as in POA vocational. However, overall the existing facilities and infrastructure are quite effective in supporting the training implementation process.

#### **Obstacle factor**

##### **1. Different types of participants**

Different types of participants become obstacles in the learning process. There are participants who are fast and there are participants who are slow in following the training material. This requires instructors to have their own tricks or

techniques in teaching so that the obstacles that they experience in learning can be overcome.

## 2. Participants' educational background

Educational background is also one of the things that becomes an obstacle in the process of implementing the training program. The different backgrounds of high school participants from Senior High School, Vocational High School, and other equivalents cause the training process to do not run the same. Participants with a background of students from vocational schools are usually more prepared to accept learning because they have previously attended schools with a skill base.

The educational background here also contributes to the character of the students. What makes the difference is that students who graduate from vocational schools do have a background that has been mentally and educationally prepared to enter the world of work, while other schools do not apply that when they take senior high school.

## 3. Skills in training participants with disabilities

UPT Job Training Center Pasuruan is required to accept participants with special needs or people with disabilities. In the process, this is a bit of a hindrance because the instructors are required to have the skills how a person with a disability can also participate in training by doing and following the lessons given to take the competency test from LSP (Professional Certification Institute) BNSP (National Agency for Professional Certification). So that a skill is needed for employees/instructors so that trainees with disabilities or special needs can also participate in training as other participants do.

## 4. Changes in budget or training packages.

In competency-based training programs there are always changes that occur in the budget that has fallen. This budget change occurred in accordance with the existing conditions. Like the current Covid-19 pandemic, there is a possibility of changing the budget or training package so that the government takes a policy to divert the budget of these funds. With the intention of the training packages that have been prepared and should be used for training are removed and diverted for more urgent purposes

## 4. CONCLUSION

Based on the data from the research conducted by the researchers, the competency-based training program can be concluded as follows:

1. There were quite a number of participants who registered for the training so that this training could be carried out properly. The human resources at UPT Job Training Center Pasuruan are qualified and competent in their respective fields. There are adequate financial resources from the government so that this training can run well. There are facilities and infrastructure that support the process of implementing the training.
2. The central government which in this case is the Ministry of Manpower as the policy actor who has the authority on this training program
3. The cultural values that exist in the UPT Job Training Center Pasuruan are good and can be said to be effective in supporting the process of implementing competency-based training.



4. This training has an impact and benefit for the community and also the government as the one in charge of Manpower. This means that this training is effectively implemented as an effort to overcome problems regarding employment and can fill the available job market, especially in the East Java area.
5. The training carried out provides benefits to the community who initially do not have the knowledge and skills then become experts in the fields of interest.
6. The coordination carried out by the UPT Job Training Center Pasuruan with partners in the cooperation process is appropriate and has been going well.
7. The training carried out received a good assessment from the participants' opinion, both from the learning and the existing staff/instructors.
8. In carrying out the competency-based training program, there are technical challenges faced, namely regarding changes to the budget or training package. However, this can be overcome without overriding the ongoing priority program.

From what has been described, the competency-based training program at the UPT Job Training Center Pasuruan has been running well and effectively. On the other hand, the implementation of competency-based training programs at the UPT Job Training Center Pasuruan is also inseparable from the supporting and inhibiting factors.

1. Factors supporting the effectiveness of implementing competency-based training programs are:
  - a. Cultural values.
  - b. Resources consisting of human resources, financial resources, facilities and infrastructure.
2. The inhibiting factors for the effectiveness of implementing competency-based training programs are:
  - a. Different types of participants in receiving training materials.
  - b. Educational background of the trainees.
  - c. Skills that must be possessed in providing teaching to participants with disabilities so that they can participate in the training process up to certification.
  - d. Changes in budget or training packages.

### **Suggestion**

1. Dealing with different types of participants in the learning process, instructors can provide separate assistance for students who have below average abilities.
2. Cultural values at the UPT Job Training Center Pasuruan can be said to be effective in supporting the process of implementing competency-based training programs.
3. Facilities and infrastructure in POA vocational or Practical Office Advance to be more adequate.
4. One way that can be used to teach children with special needs is to provide support and motivation to them. Specific ways can be taken to make the learning process easier, but this also depends on the type of disability experienced by the trainees themselves:
  - a. Use visual guides in the form of photos or images. This can make it easier to remember or understand the material being taught. You can also use audio media

- (sound, explanations in the form of stories and so on) to adjust the student's condition.
- b. Help them to have good social interaction with fellow trainees. This can ease communication and allow a person with special needs to build a good self-esteem within himself.
  - c. Using efficient teaching strategies by providing clear and simple instructions.
  - d. Provide other additional instruments in teaching.
5. Changes or cuts in the budget may occur at any time, but priority programs still have to be implemented as an effort to provide education

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# ANALYZING THE EFFECTIVENESS OF UNCONDITIONAL CASH TRANSFER PROGRAM: A CASE STUDY OF THE VILLAGE FUND DIRECT ASSISTANCE IN RESPONS TO COVID-19 PANDEMIC IN TUBAN REGENCY

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## ABSTRACT

The socio-economic impacts of the Covid-19 pandemic that are still felt by the community include the large number of poverty rates, the unstable condition of community welfare and the difficulty of finding work, making the welfare of the middle and lower classes experience instability directly and indirectly. Various programs have been issued by the government to provide social protection through social assistance, both conditional cash transfers and unconditional cash transfers, one of which is the Village Fund Direct Assistance/ *Bantuan Langsung Tunai Dana Desa* (BLT DD). The purpose of this study was to determine the level of effectiveness of the implementation of BLT DD in Tuban district so that it could be a recommendation for poverty alleviation policies in the future

This study used descriptive qualitative research method with data analysis techniques according to Cresswell. The results showed that BLT DD captured 33,238 families with a total budget of Rp. 61,029,643,700. The implementation of the BLT DD is still constrained by the people with social welfare problems/ *Penyandang Masalah Kesejahteraan Sosial* (PMKS) data which has not been updated so that it is still found that the target recipients of this assistance are not accurate. With these findings, it can be said that from the budget side, it exceeds the quota capacity given by the Community Empowerment Service and the Village Government of East Java Province so that it experiences over budgeting, besides that it is necessary to improve the data collection system for people with social welfare problems so that data collection is carried out regularly amid the dynamic conditions of community welfare. In further, the studies on the BLT DD in regency have not yet been carried out, even though Tuban district is one of the areas with a high poverty rate in East Java.

**Key Words:** *Effectiveness, Unconditional Cash Transfer, and BLT DD.*

## 1. INTRODUCTION

The Covid-19 pandemic has had such a large multidimensional impact. United Nations, Department of Economics and Social Affairs (UN DESA) stated that this problem has the most impact on economic aspects in developing countries due to a severe economic crisis through trade, finance and commodity prices (UN DESA, 2020). The United Nation (2020) stated that it will take 10 years for countries around the world to recover socially and economically due to the impact of this pandemic. This pandemic has also greatly disrupted people's social lives with increasing social problems including increasing unemployment, increasing poverty rates and increasing crime cases, especially in developing countries such as Indonesia.

Various policies taken by the government regarding the implementation of health protocols in Indonesia to reduce the spread of Covid-19 have resulted in several sectors, including the public services. finance, tourism, manufacturing, transportation, and other sectors to reduce or temporarily stop their activities for an undetermined time. (UN DESA, 2020). Of course, this has a huge impact on a macro economic and micro economic scale. The main step that has been taken by the government is the issuance of Law Number 2 of 2020 concerning the stipulation of Government Regulation in Lieu of Law (Perppu) Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the COVID-19 Pandemic. The regulation broadly discusses the refocusing/relocation of the State Revenue and Expenditure Budget/ *Anggaran Pendapatan dan Belanja Negara* (APBN) by combing through budgets that are considered not too urgent to be allocated for handling and mitigating the impact of Covid-19 into three main areas, namely health, economy and the business world. and social protection through a number of social assistance.

According to the Ministry of Social Affairs (2011: 15) social assistance is temporary assistance provided to the poor, with the intention that they can improve their lives in a reasonable manner. In its implementation, social assistance programs often experience obstacles in the field. These obstacles the researchers concluded from the results of previous studies, namely; (1) Overlapping of the COVID-19 social assistance policies issued by the government between ministries, resulting in confusion in implementation (Mufida: 2020); (2) The distribution of social assistance is less than optimal due to the unpreparedness of the central and local governments to be able to prepare a decision support system to determine the beneficiary families of social assistance (Hirawan: 2020); (3) Availability of data for the poor who receive social assistance, where the data must be updated and verified every year, so that if a disaster occurs or does not occur, the Government is ready with the data as part of disaster mitigation efforts in the social sector in accordance with the criteria for providing social assistance in accordance with the regulated provisions in Law number 13 of 2011 on Handling the Poor (Rahmansyah, 2020).

Pickens et al (2009) divide social transfers carried out in many countries in the world include: (1) Conditional cash transfers (CCT), namely payments given to low-income communities on the condition that beneficiaries must invest in health and education, such as sending children to school. and give immunizations or vaccines to children; (2) Unconditional cash transfers, namely payments made to targeted beneficiaries without

special conditions; (3) Workfare transfers, namely payments for job creation programs aimed at reducing unemployment and helping the community to have a more stable income.

The BLT DD is one form of social assistance to the community that is Unconditional Cash Transfer. BLT DD is assistance for the poor and vulnerable, which is sourced from the Village Fund. This assistance will be distributed to the community with the terms and conditions that have been set. The provisions and mechanism for data collection until the implementation of the granting of BLT DD are listed in the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 7 of 2020 concerning Priority for the Use of Village Funds in 2020 and article 8A regulates several conditions for beneficiaries, such as families who lose their jobs or lose most of their income, are not registered to receive various social assistances, and have family members who are vulnerable to disasters. In addition to this policy, the Minister of Finance Regulation Number 50 of 2020 concerning the Second Amendment to the Regulation of the Minister of Finance Number 205/PMK.07/2019 concerning Village Fund Management Article 32A paragraph (3) states that the criteria for receiving assistance are (1) Poor families or not capable who are domiciled in the Village concerned; (2) Excluding recipients of the Family Hope Program/ *Program Keluarga Harapan* (PKH), Basic Food Cards, and Pre-Employment Cards/ *Kartu Prakerja*.

The policy was taken as a step by the government in minimizing the impact, both health, socially and economically. In this study, researchers looked at the policy of the implementation process. According to Nugroho (2014) stated that policy planning holds an important portion in the achievement of a policy, which holds 60% of the success of a policy taken. The other 40% is in the implementation process. A well-conceived plan will not work without consistency in its implementation. In addition, from the planning concepts the average consistency of implementation is only 10-20%, from here we see that there is a crucial role in the policy implementation process. One of the areas with the highest poverty rate in East Java province is Tuban Regency. Based on data from the Central Statistics Agency, Tuban Regency is one of the 5 poorest areas in East Java after Sampang Regency, Bangkalan Regency, Sumenep Regency and Probolinggo Regency.



Figure 1. Poorest areas in East Java Province  
Source: BPS East Java Province, 2020

In addition, the poverty rate in Tuban Regency in 2020 is 15.91% and the trend of increasing the poverty line in the last 10 years has resulted in serious problems to be handled.

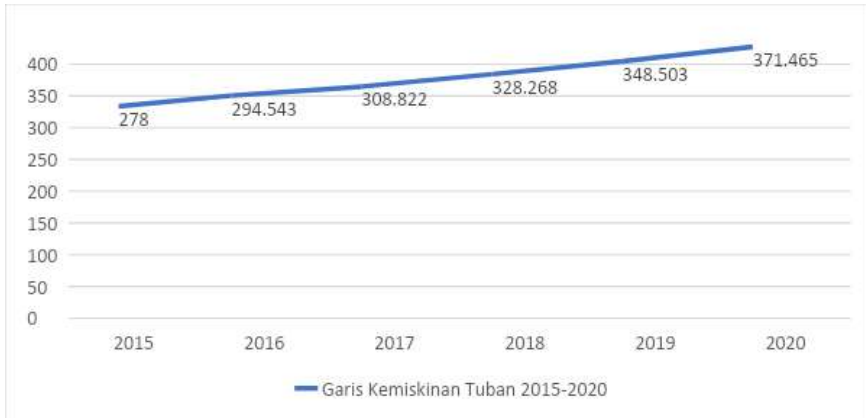


Figure 2. The increase in the poverty line in Tuban district in the last five years  
Source: BPS Tuban Regency, 2020

The data above shows that the number of poor people in Tuban Regency has been increasing trend over the last 5 years. This is predicted to increase due to the impact of the COVID-19 pandemic which greatly affects all aspects of people's lives, especially people's welfare.

In addition, the existence of this social assistance has also resulted in the vulnerability of maladministration practices in the form of corruption by various parties. Based on previous research conducted by Ashilly et al (2020) entitled Governance of Data Collection and Distribution of BLT DD through Pasardesa.id as an Effort to Prevent Corruption, innovative BLT DD management innovation with the cashless method is needed to minimize maladministration practices.

Based on the results, researchers found several problems that occurred including data problems. Based on the results of an interview with Mr. Santoso, SH as the Head of the Social Protection and Security Section, the Tuban District Social Service stated that the data in the social service which was used as the initial basis for determining beneficiary family (KPM) candidates was not the latest data because many village governments did not update the data. periodically as instructed. This happens due to the lack of capacity of village government officials to be able to manage the social welfare system at the village level so that the existing data is not updated, so that later it will affect the effectiveness of the implementation of BLT DD in Tuban Regency.

Based on the research results, the implementation of BLT DD in Tuban Regency has been carried out in 311 villages, 33,238 KPM and includes a budget of Rp. 52,689,013,200

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Table 1. Beneficiary Families of BLT DD social assistance in Tuban Regency

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No	Type	Projection Date	Real Data	Difference
1	Number of KPM	29.272 Family	33.238 Family	3.966 Family
2	Budget	Rp.52.689.013.200	Rp.61.029.643.700	Rp.8.340.630.500

Source : Community Empowerment Service and Village Government of Tuban Regency

From these data, it can be seen that the previously projected data by the Community and Village Empowerment Office/ *Dinas Pemberdayaan Masyarakat dan Desa* (DPMD) of East Java Province for Tuban district exceeded the predetermined limit. Based on the data above, the difference between projected data and real data is 3,966 KPM with a budget difference of Rp. 8,340,630,500. The data raises new problems, where the number of KPM exceeds the limit set by the East Java Provincial DPMD. In addition to data problems, this is also considered to be burdensome for village finances in various villages in Tuban Regency.

From these problems, it can be seen that the existence of this pandemic has resulted in socio-economic problems in the community, especially the rural poor. The social assistance that has been provided has experienced various technical problems in its implementation. For this reason, government support is needed in empowering and ensuring the life needs of the poor through a number of social assistance in the midst of declining public purchasing power due to the weakening of the national economy and so that people can live a decent life. For this reason, the author wants to know, analyze and describe the problem of social assistance, especially the Village Fund Direct Cash Assistance as social protection for the poor affected by COVID-19 in Tuban Regency.

## 2. METHOD

This research is a descriptive research conducted through a qualitative approach. According to Cresswell (2008:48) qualitative research is a type of research in which researchers rely heavily on information from participants/informants, wide space, questions, and power gathering and mostly consist of sentences that are carried out subjectively. This type of research was chosen because in examining the effectiveness of the BLT DD policy, it is necessary to use primary and secondary data to be able to narrate the results of the study.

Data collection techniques in this study are conducted through observations by conducting observations directly by seeing circumstances in the field to obtain data. Then the interview technique is carried out using interview guidelines which are only according to the outline that will be asked to several respondents who are met when conducting research in the field. Meanwhile, document study/library study by viewing and studying documents, regulations, reports related to research and literature study, namely taking data in the form of references obtained from books and laws and regulations to be collected as a theoretical basis.

While data analysis in this study uses data analysis techniques from Creswell (2013), which invites qualitative authors to view qualitative data analysis as a process of applying steps from specific to general with various different levels of analysis including (1)



Processing and preparing data for analysis; (2) Read the entire data; (3) Analyze in more detail by coding the data; (4) Coding process to describe setting, people, categories, and themes to be analyzed; (5) How these descriptions and themes will be restated in the narrative/qualitative report and (6) The steps are to interpret the data. In this study, after the data has been described and narrated, the next step is to interpret the existing findings and have narrated them with the theories and regulations/policies used in analyzing the data.

### **3.FINDINGS**

Direct Village Fund Cash Assistance as stated in Minister of Villages, Development of Disadvantaged Regions, and Transmigration Regulation Number 7 of 2020 Second Amendment to Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 11 of 2019 concerning Priority for Use of Village Funds in 2020 to maintain State Financial Stabilization in the face of the Covid-19 pandemic is assistance for the poor from the Village Fund.

#### ***Formation of the BLT DD data collection team***

In forming the data collection team, the Village Governments throughout the Tuban Regency can determine for themselves who the candidates for the BLT DD data collection are as long as they follow the established criteria to be able to carry out data collection in a transparent and fair manner and can be legally accounted for. The data collection team is a team formed by the village to be able to carry out data collection for community members in the village concerned to be able to choose according to the criteria for KPM candidates consisting of village officials, village assistants, and community leaders/village youth. Thus, the data collection team is a member of the Covid-19 Fighting Village Volunteers in each village.

In line with this regulation, Mr. Anto Wahyudi as the Head of the Village Government Division, the DPMD Office of Tuban Regency also stated that the data collection process for BLT DD social assistance recipient candidates in Tuban Regency was as follows:

“We can say that we leave the data collection to the village government itself, we from the service only coordinate and provide technical guidelines for what kind of central policy. We are only intermediaries and supervise. Technically, the village head forms a data collection team consisting of the village government, the head of the local RT and RW to record residents who meet the criteria and write down the form provided. From the results of data collection in all RTs in each hamlet, it was then brought to the village meeting to be able to actually carry out a discussion about the potential recipients. Then after being determined by the village head, it is then handed over to the local sub-district. From here, it is determined by the regent with a copy to the DPMD and the inspectorate.”

From the statement above, it can be seen that the implementation of data collection for BLT DD social assistance recipient candidates has been carried out with applicable regulations. This can be seen from the statement above which mentions the data collection process carried out and socialized to the village government regarding the technical procedures for the data collection process. The following is the documentation of several

villages in Tuban district that carry out the data collection process starting from team formation to village meetings to determine candidates for social assistance recipient BLT DD.

### ***Determination of the target for BLT DD recipients***

The implementation of the BLT DD in the Tuban district is based on the Circular Letter of the Governor of East Java Number: 411.2/3300/112.2/2020 concerning the Prevention and Mitigation of the Impact of Covid 19 in the Village. In addition, with the issuance of the Circular Letter of the Regent of Tuban Number 140/2112 /414.106/2020 concerning the Distribution of BLT DD. In Tuban Regency, the Regional Apparatus Organization that handles this policy is DPMD. The DPMD are responsible for implementing the BLT DD policy in Tuban Regency as stated by Mr. Anto Wahyudi as Head of Village Government, DPMD as follows:

"We are the ones who handle the BLT DD in the regions. But this is a provision from the central government, we only facilitate it. Provide technical guidance on how to implement it. Conduct socialization to sub-districts and village governments on how to set targets, process data collection, and supervise from sub-districts, BPD and local village communities. This BLT DD is technically the authority of the village government to budget in village funds or not just adjust it to the conditions of the community according to the target ".

From the statement above, it can be seen that the implementation of the BLT DD policy at the district level is carried out by the Tuban Regency community empowerment and village government Office, but technically data collection and distribution is the authority of the village government to manage it in accordance with applicable regulations. In its implementation, the target in this program is the poor and vulnerable people who have not received other social assistance from both the central and regional governments. This is in line with the statement of Mr. Anto Wahyudi as follows:

"Our targets are in accordance with existing regulations, mas, such as Permendes number 6, Minister of Finance Number 50 and SE of the provincial government, namely the poor who have been affected by the pandemic such as losing their jobs due to the pandemic, the poor who have not received any social assistance, the vulnerable poor, such as the KPM who is the head of the community. Their families are women, the elderly, people who are chronically ill due to chronic diseases. We convey all of that through the technical guidance that we carry out in collaboration with the regional secretary to convey this target mandate".

The statement above confirms that the target in implementing the BLT DD policy is the poor and vulnerable people who have lost their jobs as mandated in the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 6 of 2020 article 8A paragraph (3). This targeting will be implemented if there is coordination and cooperation with related parties regarding community data that is really needed as a reference for KPM candidates from the BLT DD.

The number of villages in Tuban Regency is 311 villages and 17 sub-districts spread

over 20 sub-districts. Of the total 311 villages, there are 310 villages that budget for the Village Fund BLT in the APBDes and there is 1 village that does not budget for the BLT DD in the APBDes. The village that did not budget for the BLT DD was Bunut Village, Widang District. After being confirmed with the DPMD, Tuban Regency stated that after a special village meeting, a decision was taken not to implement the BLT DD policy for the local village community.

***Mechanism of data collection for BLT DD recipients***

The BLT DD as the last social safety net to capture poor people in the village who have not been touched by any social assistance is an alternative policy needed to respond to the socio-economic problems of the community affected by the Covid-19 pandemic. Data collection needs to be carried out directly by the village government with a community social approach because it is the village government who knows best the socio-economic conditions of the community.

With the existence of Social Welfare Integrated Data (DTKS), the village government can easily verify whether the residents really have not received social assistance from the government so far. If it has been received, the KPM candidate for the BLT DD is declared invalid, but if in the DTKS system the KPM concerned has never received any social assistance, then the KPM candidate is declared eligible to receive the BLT DD. The following is the statement of Mr. Anto Wahyudi:

“We are collaborating with the social services agency for this, because we have to ask for help to ensure that there is no double social assistance received by the community. For that, we need to look at the DTKS data from the Social Service.”

From the statement, it can be seen that there is a collaboration between the Community Empowerment And Village Government Offices of Tuban Regency with the Social Service, especially to be able to use DTKS as a database for BLT DD recipients. In addition, to ensure that the available data is the latest, it is necessary to update the data regularly, considering that dynamic community conditions change over time. In the DTKS system, at least two data updates in a year are carried out by the village government. It is necessary to build the capacity of the village government to be able to implement the social assistance system, including BLT DD. The Tuban district government through the Community Empowerment And Village Government service has carried out technical guidance and socialization regarding the data collection of the BLT DD in Tuban Regency. The following is Mr. Anto Wahyudi's statement regarding this matter:

“There is a socialization that we do to every village to be able to implement this policy in real terms. We provide this socialization as an effort to be able to manage starting from the preparation and formation of teams, data collection directly to the community, the Missus, to the determination by the village head which is then evaluated by the sub-district. In addition, it is important to socialize the criteria for BLT DD recipients, namely the poor and vulnerable. This socialization was carried out with the assistance of the Regional Secretariat to socialize it”.

Mr. Santoso as the Head of the Social Protection and Security Section, the Tuban District Social Service also emphasized the capacity building of village officials, especially village operators to manage data on the level of community welfare which was carried out on an ongoing basis in updating data. Here is his statement:

“We provide technical guidance to village operators throughout Tuban Regency every year, to update data at the village level through the SIKS-NG application. Because people are changing, some of them were poor last year and now they can be categorized as having. This can be recorded by looking at the assets of the community which are recorded to be updated at the village level. But in practice, the reality is not like that, man, only a small number of people update their data/propose about their citizens who are indeed less well off. The village government is less active. This is due to many factors, for example, the operator in the village is different every year. This must have hindered his mentoring process because he didn't know what the system was from the start. We do not have the authority to force villages to update their data, only remind and motivate them to improve the data because we do not have coercion. Can only coordinate. In the end, if there was help like yesterday, it was crowded. That's why the minister of social affairs at that time said that as long as you don't have anything to do with your data, for ten years and twenty years, it will be just like that because there really isn't any change. So it must be from the operator. We only received a report from the operator that we had updated, so we have forwarded it to the Ministry of Social Affairs. One year in Tuban twice, the period of July and the period of December. From the last July period, there was already data in the new DTKS. They should update this month. But hopefully next year there will be verification of national data”

Based on the data above, it can be seen that there is socialization and technical guidance as a form of capacity building for village governments, especially village operators to be able to manage and update community welfare data which is carried out regularly and continuously. Data as a strategy in the effectiveness of social assistance often has human errors or technical problems that occur so that social assistance is often considered ineffective and on target. In this case, there needs to be awareness of the village government to carry out its duties which in this case update the data of the poor with a social approach both at the neighbourhood/ *Rukun Tetangga* (RT) and hamlet levels to collect data regularly by looking at the assets and economic development of the community.

### ***Methods and mechanisms for distributing BLT DD***

Based on the Regulation of the Minister of Finance Number 40 of 2020 concerning the management of Village Funds, the distribution of village funds is divided into three stages. The conditions for the distribution of Phase I can be in the form of a regional head decision regarding the Details of the Village Fund per village. This means that each village must complete a report on the realization of the use of the previous year's Village Fund to

be able to submit the current year's budget so that it can be validated by the district/city government to apply for village funds.

In the process of distributing Village Funds, the village government must determine candidates for Village Fund KPM and a report on the implementation of the BLT DD. But the new rules can be done without conditions. Then at point 4 the distribution of village funds can only be done once a month but now it can be done 2 times a month.

Mr. Anto also stated that there was a change in the regulation of the BLT DD to allocate the village budget as follows:

"The limit for the allocation of BLT itself is in accordance with the regulations of the Minister of Finance and the SE from the Regent, Mas, I'll find Senya later. It states that if the DD is less than 800 million, a maximum of 25% is for BLT and so on. It is possible to apply for more if the condition of the community requires it but must obtain approval from the Regent, but so far in Tuban there has been none. However, for the new regulation, Permenkeu number 50 is more free to the village government".

In addition, the nominal amount of the BLT DD to KPM is Rp. 600,000 for the first 3 months (May-July) while for the next (July-December) it is Rp. 300,000. based on the last decision of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration regulation stating that to extend the distribution of BLT DD until December 2020. This is because considering the situation and social conditions of the community which are still unstable as a result of this pandemic.

After the ratification of the Minister of Finance Regulation Number 50 of 2020, the distribution of this BLT DD can be done using the cash method provided by the village government and/or village volunteers against Covid-19 to KPM with proof of submission in the form of receipts and documentation/photos of the delivery of the assistance as a condition of accountability through the village government and carried out while still adhering to Covid-19 health protocols. Acceptance and submission are carried out at each local village government office in stages.

### ***Monitoring and evaluation of the distribution of BLT DD***

In order to carry out the process of distributing the BLT DD, it is necessary to carry out integrated coordination and monitoring across sectors and across levels of government. Evaluations must be carried out periodically considering that this program must be distributed immediately and has encountered various obstacles so that many villages have not been able to distribute the BLT DD in accordance with the allotted time. The following is the coordination and division of tasks and authorities in fostering and supervising the data collection of prospective BLT DD recipients starting from the central government level to the village government.

Monitoring and Evaluation is carried out by the Tuban Regency Government by observing the coordination and supervision of various stakeholders, including the Inspectorate, sub-district, Village Consultative Body, NGOs and the mass media. Mr. Anto Wahyudi stated as follows:

"Supervision is carried out from all lines of mass. At the village

level, the BPD (Village Consultative Body) and sub-districts have the authority to supervise. At the regional level there is a DPMD together with the Tuban Inspectorate to carry out vertical and horizontal supervision”.

From the statement above, it can be concluded that the supervision is carried out by involving various actors, both internal and external. Mrs. Sukartiwi as Assistant Inspector for Investigations, Inspectorate of Tuban Regency stated as follows:

“For the supervision carried out by the inspectorate through routine supervision, Mr. This supervision is carried out by the Irban coaching and supervision of each region. If there are cases or problems that are reported to us, it is only my authority as the irban of investigation. To see in detail how the problem occurred.”

In addition, Mr. Bambang Suhaji as Assistant Inspector for Guidance and Supervision, Tuban Regency Inspectorate also stated the same thing. Following are the results of the interview with him:

“For supervision, we do not specifically carry out the supervision of the BLT DD. We see the general management of village finances according to the division of each area that has been determined. We supervise the implementation of the program so that it can be distributed properly and ensure that there is no duplicate data on recipients of BLT assistance with other assistance.”

From the statement above, it can be concluded that there is supervision carried out by the Tuban Regency Empowerment and Village Government office and the Tuban Regency Inspectorate in the monitoring and evaluation process related to the implementation of the BLT DD in Tuban Regency. The supervision carried out is routine and only administrative in the implementation of the Village Fund as a whole. It has not been able to specifically touch the implementation of the BLT DD. Supervision is important where recently there has been abuse by the Minister of Social Affairs related to allegations of corruption in the social assistance budget.

#### **4. DISCUSSION**

According to the results of the study, the implementation of the Direct Cash Assistance policy as a form of social safety nets in increasing the resilience of the community affected by the Covid-19 pandemic in Tuban Regency needs to be analyzed for its effectiveness. Assessment of program suitability is one way to measure program effectiveness. Program effectiveness can be determined by comparing program objectives with policy outputs. There are at least four indicators or variables that can be used to

measure the program effectiveness of a policy, including the accuracy of program targets, program socialization, achievement of program objectives, and program monitoring (Budiani, 2007).

**Accuracy of program targets**

Budiani (2007) explains that the accuracy of program targets is related to the extent to which participants included in the program are the right targets according to predetermined criteria. Data is the key to realizing the effectiveness or targeting accuracy of the provision of social assistance to the community. Therefore, a well-designed data collection mechanism is needed to properly target community members. The poor and vulnerable as the target recipients of social assistance must be ensured as beneficiary families (KPM) in providing social assistance.

According to Tuban Regent Circular No. 140/2112/414.106/2020, the criteria for receiving BLD DD, the criteria for candidates for KPM BLT DD are poor and vulnerable people who are directly or indirectly affected by the corona virus pandemic. The poor in question are those who are recorded in the DTKS system and/or meet 9 standards out of 14 criteria for the poor according to the Ministry of Social standards. Meanwhile, vulnerable communities are referred to as families headed by women/widows, people who have chronic diseases and people classified as vulnerable to social change, especially in this case those who are affected by the corona virus pandemic. This criterion is intended to be able to capture community groups who really need the program to be right on target

**Table 2. Poor Family Crisis**

No	Poor Family Crisis
1	Floor area ≤8m
2	Dirt/bamboo/cheap wood floors
3	Walls of bamboo/thatch/cheap wood/walls without plaster
4	Defecation without facilities
5	Lighting without electricity
6	Drinking water from wells/unprotected springs/rivers/rainwater
7	Firewood/charcoal/kerosene fuel
8	Consumption of meat/milk/chicken only once per week
9	Buy 1 set of clothes per year
10	Eat 1-2 times a day
11	Unable to go to the community health centers/clinic for treatment
12	Income ≤Rp. 600,000/month
13	Elementary educated
14	No savings/easy to sell items ≤Rp. 500,000

Source : Ministry of Social Affairs (2011)

Grindle in Subarsono (2008: 93-94) formulates that the interests of the target group in its application must be contained in a written policy and the amount of benefits for the target group is appropriate. In the implementation, the data collection process has

determined the objectives, the decision making of the prospective BLT DD recipients is then validated based on the results of the Musdesus which is carried out with full responsibility. The village head moves the data collection team to carry out their duties, carrying out data collection in the field by involving the local RT chairman as a companion and carrying out supervision and assessment carried out by the BPD at the level of each village, sub-district, DPMD, and also the inspectorate in the implementation of the 2020 Village Fund in 2020.

Based on the research that has been done, it can be clarified that the implementation of this program has been carried out in accordance with the applicable laws and regulations. However, there are still problems including most of the village governments do not update the community welfare data in the DTKS system, so this makes it difficult for the data collection team to carry out the verification of village community welfare data. Then, after a comprehensive data collection was carried out in Tuban Regency, the number of BLT recipients and their budget exceeded the data projections carried out by the DPMD of East Java Province. With the excess of data projections, it is burdensome for village finances to be able to carry out development programs in the village. This resistance causes delays in village development programs, both physically and non-physically.

On the other hand, the output of providing social assistance so far has only focused on targeting accuracy and has not paid attention to other aspects that are no less important, namely accuracy of use. The accuracy of the use of social assistance funds is an important aspect in ensuring the effectiveness of the implementation of the BLT DD, because so far the government has disbursed large amounts of funds that have been budgeted for social safety net programs for the welfare of the poor, even to the point of burdening the state debt which should really be used for meet the basic needs of the poor and vulnerable, especially those affected by Covid-19 to be able to live their lives. The need for public awareness of the social assistance provided to be able to actually use aid funds responsibly.

### ***Program socialization***

Program socialization is related to the ability of the organizers to conduct socialization regarding the program to be run so that information regarding program implementation can be conveyed in general to the public and specifically to the target program participants (Budiani, 2007). Socialization and technical guidance are held as a form of capacity building for village governments, especially village operators in Tuban Regency to be able to manage and update community welfare data which is carried out regularly and sustainably. The process of socializing the BLT DD program in Tuban Regency has been carried out by the DPMD through technical guidance including target setting, technical procedures for data collection on program targets, and supervision from the sub-district, BPD and local village communities. Based on the results of the study, it is necessary to increase the capacity of the village government to be able to collect data on social assistance, including the unconditional cash transfer.

Program socialization requires good skills and abilities from officers who are responsible for providing socialization. Theoretically, there are at least 3 levels in the institutional process, namely the development of individuals, institutions, and systems. The individual level (human resources/government apparatus) is carried out by increasing



abilities and skills through education and training. In the context of developing the data collection team, it is carried out by providing direction and training in collecting data and processing village data into the system that has been provided. This is done to obtain quality data by collecting data with a direct approach consisting of various stakeholders in the village.

At the institutional level, efforts are made to improve organizational effectiveness and efficiency through institutional structures and processes. Institutional capacity development is carried out by providing socialization and direction to strengthen village government institutions as the main support for problems that exist at the village level, especially social welfare issues. System level, carried out by making improvements in the field of management which includes supervision, accountability, and service so as to increase work efficiency in the system. System development is carried out in order to realize effectiveness and efficiency in the implementation of data collection.

Thus, program socialization requires capacity building at least at the individual and institutional level to increase the effectiveness of the BLT DD program in Tuban Regency. It is important to carry out socialization not only related to the technical data collection and distribution, but also important to provide understanding and moral awareness regarding the BLT DD. Awareness efforts are needed through socialization, appeals and explanations regarding the origin of the funds allocated for the BLT DD and directions regarding the use of the aid funds provided so that they are trustworthy and wise in using them.

### ***The Achievement of Program Objectives***

The achievement of program objectives according to Budiani (2007) is the extent of conformity between the results of program implementation and the program objectives that have been set. The purpose of establishing the BLT DD program as one of the embodiments of social protection policies has at least two goals, namely latent and manifest goals (Kwon & Kim, 2015). The policy objectives, program of action and certain projects designed and financed according to Grindle show the urgency of the decision-making phase as the most important phase in the linear model of policy implementation. According to Sabatier (in Parson, 2008), a clear and consistent goal so that it can become a legal evaluation standard is one of the requirements in realizing effective policy implementation.

In the context of social policy, social protection is an important element in alleviating poverty problems (Suharto, 2015). The social assistance program has a goal to improve people's welfare by reducing poverty. Assistance distributed through social assistance programs does not look at the contribution of the beneficiaries, namely the community. The provision of social assistance can be done through two activities, namely directly in the form of cash and assistance provided in the form of goods or services. The period of provision of assistance is temporary, adjusting to certain social situations such as the occurrence of an economic recession, natural or non-natural disasters or the existence of certain government policies.

The BLT DD program as one of the social protection programs for the poor has the aim of being able to overcome the social problems of the rural poor who are economically affected by COVID-19 due to job loss, reduced income, or the poor who have not been reached by other social assistance that is in dire need. This program is issued using the

concept of G2P (Government to people) payments, namely with payments made by the government which are directly transferred to the person concerned.

Implementation of BLT DD program in Tuban Regency during 2020, in general can be said to have been effective, although it was constrained by various internal and external factors. These constraints include aspects of policy that often change, DTKS data that is still lacking, over budgeting due to the large number of PMKS, and village government operators who are incompetent in managing PMKS data. There is a need for awareness that the management of social assistance requires reform from upstream to downstream to be able to create a model for distributing social assistance effectively and efficiently by utilizing existing information technology.

### ***Program Monitoring***

Program monitoring is carried out after the program is implemented as a form of attention to program participants (Budiani, 2007). Monitoring is the process of supervising the implementation of policies which includes the link between implementation and outcomes (Hogwood and Gunn, 1989). To carry out the process of distributing BLT DD, it is necessary to coordinate and monitor cross-sectoral and cross-level government in an integrated manner. Evaluation must be carried out periodically considering that this program must be distributed immediately and has encountered various obstacles so that many villages have not been able to distribute the BLT DD in accordance with the specified time.

Monitoring and evaluation is carried out by the central government through the ministry to the village government in the implementation process. In addition, it is also supported by the establishment of the Government Agency Supervisory Apparatus/*Aparat Pengawas Instansi Pemerintah* (APIP) such as the Tuban Regency Inspectorate, sub-districts and also the BPD at the implementation level in the village. The monitoring and evaluation carried out by the Tuban Regency Government can be seen from the coordination and supervision of various stakeholders, including the Inspectorate, sub-district, Village Consultative Body, NGOs and the mass media. Nevertheless, the supervision carried out is routine and only administrative in the implementation of the Village Fund as a whole and still cannot touch the implementation of the BLT DD specifically.

Dunn (1994) explains that monitoring has at least four objectives. First, monitoring aims to determine whether the implementation of the policy is in accordance with predetermined standards and procedures (compliance). Related to this, the compliance of the Tuban Regency government to be able to implement this policy is realized through coordination meetings across departments and related parties. Second, monitoring aims to determine whether the resources/services to the target groups actually reach them (auditing). In this case, the BLT DD program reaches 310 villages in Tuban Regency and becomes the last social safety net that can be provided to the people of Tuban Regency. This has a positive impact in the midst of the rapid social changes that occur in the community, it can capture residents who have not received any social assistance and are assessed objectively through village deliberation forums.

The third monitoring objective is to determine what social and economic changes occur after the implementation of a number of public policies from time to time (accounting). Based on the results of the research above, it can be concluded that KPM BLT DD has

reached the target. From the data above, it can be seen that each sub-district has a different number of KPM. The last monitoring objective is to explain about the results of public policies that are different from the objectives of public policy (explanation). The BLT DD policy is intended to strengthen the economic foundations of the rural poor. Assistance provided periodically during the pandemic will have an impact on improving the welfare and resilience of the community.

## **5. CONCLUSION**

The BLT DD program is one of the social protection programs for the poor which has the aim of being able to overcome the social problems of the rural poor who are economically affected by COVID-19. The implementation of the BLT DD program in Tuban Regency as a form of social safety net during the pandemic has been going quite well. However, there are some notes that need to be considered to increase the effectiveness of this program. It is still found that data that is not updated by the village government through village operators has the potential to result in the program being run not on target. Therefore, it must be ensured that the authorized officer in updating the data always updates the existing data periodically so that the program being implemented can hit the target correctly. The need for strengthening and improving the mechanism for updating data on villagers who are entitled to receive benefits is a necessity. Data accuracy is the key to the effectiveness of social assistance distribution.

The capacity development of village government apparatus in managing the BLT DD needs to be improved. With the issuance of regulations governing village governments to update data, it becomes a strong basis so that village government officials continue to increase their capacity in mastering these responsibilities well. In addition, each village operator needs to be equipped with supporting infrastructure in carrying out their duties and provide technical guidance on managing data systems in social welfare. No less important is the supervision which also needs to be improved, considering that the BLT DD program is an area that is prone to triggering corruption and irregularities or abuse of authority. The supervision carried out needs to be carried out in more detail and thoroughly to ensure that there are no gaps in the occurrence of irregularities, both those that occur due to intentional factors or human error

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# ORGANIZATIONAL DIMENSIONS OF BAWASLU AND POLICY FOR IMPROVING ELECTION IMPLEMENTATION SUPERVISION

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## ABSTRACT

For Indonesia as a democratic country, the holding of an increasingly high-quality election is a demand and a challenge. For this reason, effective supervision of its implementation is a necessity. A quality election through a policy of increasing oversight of its implementation is a public expectation, so that it contains the public interest. The regulation of the organizational dimensions of the election supervisory body in the laws that regulate it adequately is an important factor for the effective implementation of the supervisory function. Using normative, qualitative and literary juridical methods, it is known that Law Number 17 of 2017 concerning General Elections, which among others regulates the organization of the Election Supervisory Body (Bawaslu) and governance and its derivative regulations are public policies. Several dimensions and elements of the organization have been regulated, namely formalization, hierarchy of authority, specialization, standardization, organizational goals, professionalism, organizational size, and support staff. Some of them have been regulated adequately, and some of them are inadequate. There are some inconsistent, incomplete and ambiguous settings. The regulation regarding Bawaslu in the law shows the existence of policy objectives, policy actors and institutions, policy environment and policy hierarchy.

**Key Words:** *Organizational Dimension, Supervision, Election, Policy.*

## 1. INTRODUCTION

Entering the reformation era in 1998, the demands for a more democratic political life became even greater. As a consequence of being a democratic country, one of Indonesia's challenges is the holding of more quality general elections. Various factors are crucial for the implementation of quality elections, one of which is the effective supervision by the Election Supervisory Body (Bawaslu). Therefore, since the beginning of the reform through various laws on elections that are constantly changing, election monitoring has been a serious concern for policy makers in the field of domestic politics.

The issuance of Law Number 7 of 2017 concerning Elections has further strengthened the existence of Bawaslu as an institution that specifically supervises the implementation of elections. Adequate regulation of the various dimensions of the Bawaslu organization in the law is very important for achieving the objectives of establishing its institutions. From the perspective of the public interest in the form of a desire for quality elections to take place, including through improving the quality of election supervision, the substance of the law is basically a public policy.

It is said so, because this law is enacted by state institutions that have the authority in accordance with the constitution through a series of political activities in the political infrastructure and political superstructure, which will have an impact on the broad public interest. This is in line with what Gerston stated that public policy is the combination of basic decisions, commitments, and actions made by those who hold or influence government positions of authority (2010:7). Post et al. define it as a plan of action undertaken by government officials to achieve some broad purpose affecting a substantial segment of a nation's citizens (1999:172).

In other words, the discussion on the controlling of the implementation of elections will be related to the role of Bawaslu institutions in carrying out their duties, authorities and obligations as an organization. The organizational dimensions, both structural and contextual as well as other organizational aspects regulated in this law will determine the posture and performance in the administration of elections. Conceptually, the organizational dimension according to Daft consists of a structural dimension and a contextual dimension. According to him, the structural dimensions provide labels to describe the internal characteristics of an organization. They create a basis for measuring and comparing organizations. It was further stated that the structural dimensions consist of specialization, hierarchy of authority, professionalism, and personnel ratios. Furthermore, it is stated that contextual dimensions characterize the whole organization. Among them are size, and goals. They describe the organizational setting that influences the structural dimensions (1992:13).

On the other hand, it will also relate to various aspects of state/government policies in realizing more qualified elections through improving the quality of supervision. This is because it relates to the role of the state to provide the best service for its people. In this context it is clear that the state or government is very strategic in the formation of this public policy. This is in line with Michael's view that without the existence of the state, the public policy making process, as we know it, could not operate. It is the state that provides the basis for collective decision making, the application and enforcement of those decisions, and the means for changing or altering others (2006:11).

In the context of political development, systematic efforts are needed in the form of evaluation of the substance of policies related to the organizational dimensions of Bawaslu as one of the elements of election organizers, in addition to the General Elections Commission (KPU) and the Election Organizing Honorary Council (DKPP). One of them can be done by research, namely to assess the substance of the policy, so this research

is included in policy research. One of the types of policy analysis is studies of policy content, in which analysis seeks to describe and explain the genesis and development of particular policies (Hill, 1997: 3-4). With this evaluation, it is hoped that there will be improvements to several regulatory substances contained in the law, to be taken into consideration by policy makers.

This study aims to elaborate the various dimensions of the Bawaslu organization as one of the elements of election management as arranged in Law (UU) Number 7 of 2017, as well as the existence of Bawaslu from the perspective of policies to increase supervision over the implementation of elections.

## **2. methodology**

This juridical research is classified as legal research (Marzuki, 2015:47), or according to Soekanto & Mamudji as normative legal research or library law which is carried out by examining library materials or mere secondary data (2015:13). Based on the level of explanation, this research is a descriptive research. One type of descriptive research is library and documentary research (Nazir, 2011:55).

Referring to Zed, library research or literature study is a series of activities related to the methods of collecting library data, reading and taking notes and processing research materials (2004:3). The focus of the study is on all documented information in the form of regulations so that it is commonly known as document analysis research or content analysis. The document that is the focus of the study is Law Number 17 of 2017, as well as various other sources in the form of books, journals and other documents relevant to the research topic.

## **3. RESULT & DISCUSSION**

### **3.1. Result**

#### ***Policy Aspect***

The substance in the law that was passed on August 15, 2017 can be called a public policy, because the public interest it contains includes, among other things, election management. With the enactment of this law which consists of 573 articles, the other three laws will no longer apply. The three are Law Number 42 of 2008 concerning Presidential and Vice Presidential Elections, Law Number 22 of 2011 concerning Election Organizers, and Law Number 8 of 2012 concerning Elections for Members of DPR, DPD and DPRD. In addition, Article 57 and Article 60 paragraph (1), paragraph (2) and paragraph (4) of Law Number 11 of 2006 concerning the Government of Aceh are no longer applicable. The regulation on Bawaslu is 55 articles contained in Articles 89 to 154.

The policy objectives appear in the purpose of regulating the administration of elections as stated in Article 4 is to strengthen a democratic constitutional system, to realize fair elections and with integrity, to ensure consistency in the regulation of the electoral system, to provide legal certainty and prevent duplication in electoral arrangements, and to realize effective and efficient elections.

The implementation of elections according to Article 1 point 2 is the stages of elections carried out by election organizers. Another phrase in Article 1 point 7 states that "election organizers are institutions that organize elections...". About Bawaslu, it appears in the phrase in Article 1 number 17 which states that Bawaslu is an election management body that oversees the implementation of elections...". There is a terminological confusion between Article 1 point 2, with that in Article 1 number 7 and Article 1 number 17.

The ambiguity in the substance of the policy can be seen in the phrase "one unitary function of the election administration" in Article 1 point 7 which consists of KPU, Bawaslu and DKPP as election management institutions, when it is associated with the provisions of Article 1 number 17 concerning Bawaslu. Bawaslu, which according to Article 1 point 17, oversees the implementation of elections, is ambiguous because Bawaslu itself is an election management body. Based on Article 1 point 2, the implementation of elections is the implementation of the stages of the election carried out by the election organizers, which according to Article 1 point 7 Bawaslu is also part of the election management body.

### ***Organizational Aspect***

The regulation of the organizational dimensions of Bawaslu as stated in this law can be systematically traced in the arrangement of each article in it. The dimensions of the organization, referring to Daft (1992:13) there are hierarchy of authority, specialization, size, goals, standardization, and formalization (1992:13). The provisions that regulate various aspects of the Bawaslu organization are contained in Articles 89 to 154. Bawaslu according to Article 1 point 17 is an election management body that oversees the implementation of elections throughout the territory of the Republic of Indonesia. Article 89 paragraph (2) states that Bawaslu consists of Bawaslu, Provincial Bawaslu, Regency/City Bawaslu, Sub-district Panwaslu, Urban/Village Panwaslu, Overseas Panwaslu and TPS Supervisors.

Organizationally, aspects of leadership and decision-making are important for the effective functioning of election management institutions. The stipulation in Article 92 paragraph (8) that the Bawaslu Chair is elected from and by Bawaslu members, and decisions are made in a plenary meeting (Article 139) is an important determinant that the leadership of this organization has a collective-collegial character. This is the same arrangement for the KPU organization as referred to in Article 10 paragraph (4) where the chairman is elected from and by the members. However, it does not regulate the right of each Bawaslu member to have the same voting rights in making decisions, unlike the rights of KPU members as referred to in Article 10 paragraph (5) which states that each member has the same voting rights.

In the articles governing the Bawaslu, including up to the regency/city level, there is no confirmation that is a non-structural institution. In fact, the KPU as a fellow element of the election organizers, based on Article 8 paragraph (4), together with the Provincial KPU and Regency/Municipal KPU are domiciled as non-structural institutions. The affirmation of its institutional nature as permanent, not ad hoc is contained in Article 89 paragraph (4), for Bawaslu, Provincial Bawaslu, and Regency/City Bawaslu. In addition, there is an affirmation that the organizational apparatus under it, namely the sub-district Panwaslu and the supervisory organization under it are referred to as ad hoc in Article 89 paragraph (5). Affirmation as a supervisory organization at a certain level that is permanent and ad hoc is very important, especially when the election is in the implementation stage.

The hierarchical institutional relationship between structural-vertical organizational components is an important aspect for the realization of a solid organization. This is regulated in election supervisory institutions starting from Bawaslu at the central level to supervisors at the lowest level as referred to in Article 89 paragraph (3). The regulation of the duties, authorities and obligations of each element of the EMB is very important to achieve maximum organizational performance. This is regulated, among others, as stated in Article 93 and Article 94 regarding the duties of Bawaslu, Article 95 concerning the authority of Bawaslu, and Article 96 concerning the obligations of Bawaslu.

The dimension of organizational professionalism can be seen in the regulation of educational qualification requirements that must be met when a person becomes a member of Bawaslu, namely Article 117 paragraph (1) f, that the minimum is strata 1 (S-



1). However, there is no clarity about the specific fields of knowledge that candidates for Bawaslu members must fulfill. Because Article 117 paragraph (1) letter e only states that the requirement to become a Bawaslu member is to have the ability and expertise related to the administration of elections, state administration, parties and election supervision. The explanation of the article only states that the meaning of the sentence is that the prospective member among others has knowledge and expertise in the field of law enforcement.

The duties of the Chairperson of Bawaslu are not stated in this law, even though together with the KPU as fellow election management institutions, there is an organizational element named the Chairperson as stipulated in Article 92 paragraph (7). The regulation regarding the duties of the KPU Chairperson stated in Article 11 paragraph (1), so that there is a difference between his duties as an organizational leader and the KPU's institutional duties as regulated in Article 12. The regulations for Bawaslu are only about the duties, authorities and obligations Bawaslu as regulated in Articles 93 to 96.

The dimension of formalization related to the existence of the Bawaslu Regulation is very important as regulated in Article 145, only the provision does not mention that its formation is in carrying out the duties, authorities and obligations as stipulated in Article 93 to Article 96 of this law.

Article 142 paragraph (1) letter a states that Bawaslu in carrying out its duties carries out financial accountability in accordance with the provisions of the legislation. In addition, Article 142 paragraph (1) letter b states that Bawaslu reports to the DPR and the President regarding the implementation of the tasks of organizing all stages of the election and other tasks. The existence of a regulation in the law regarding the secretariat element as an element of the support staff and the operating core, is very important and strategic for the achievement of organizational goals and performance. As an organizational element that supports the smooth running of Bawaslu's duties and authorities, the existence of the General Bawaslu Secretariat is regulated as referred to in Article 147 to Article 154.

Its independence as an election organizers to oversee the implementation of elections is a fundamental factor for the realization of elections that are fair and with integrity as referred to in Article 4. This arrangement of organizational characteristics is completely invisible to Bawaslu (Articles 89 to Article 154), even though the same aspects are regulated for KPU as stated in Article 7 paragraph (3).

## **3.2. Discussion**

### ***Policy Analysis***

The substance contained in this law can be referred to as public policy, because have relation to the broad public interest, including elections that are fair and with integrity. Elections with such characteristics are a manifestation of a democratic state as a vehicle for the people to express their political will. This is in line with what MacRae Jr and Wilde stated that a policy is made by government. Policy is a chosen course of significantly affecting large numbers of people (1989: 3).

Based on Anderson's opinion that in its positive form, public policy based on law, the public interest, among others, relates to the posture of election organizers as regulated in a law passed on August 15, 2017. This is a category of policy called a policy decision, namely are decisions made by public officials that authorize or give direction and content to public policy actions (Anderson, 1978: 4). After the enactment of this law consisting of 573 articles, the three other election-related laws are no longer valid, as well as Article 57 and Article 60 paragraph (1), paragraph (2) and paragraph (4) of Law Number 11 of

2006 concerning Aceh Government. The occurrence of this law change shows the responsiveness of policy makers in their interactions with the policy environment.

The regulation on Bawaslu consists of 55 articles contained in Articles 89 to 154. This is a product of a political process that began with policy issues, in the form of public expectations for more effective election supervision. It also involves different actors and resources at different levels of government. This is in line with what Gerston said about the components of public policy, namely issues, actors, resources, institutions and the level of government. It was further stated that issues that appear on the public agenda; actors who present, interpret, and respond to those issues; resources affected by those issues; institutions that deal with issues; and the levels of government that address issues (Gerston, 2010:8).

As a public policy in the domestic politics that was born from the political process in the order of political infrastructure and political superstructure, the final product is the issuance of this law as a mutual agreement between the DPR and the President. This is in line with Anderson's opinion which states that public policies are those policies developed by governmental bodies and officials. Nongovernmental actors and factors may, of course, influence policy development (Anderson, 1978:3).

Following the opinion of Gerston (2010:8) and Howlett & Ramesh (1995:51), they are policy actors. The important role of state/government officials as policy actors when setting policies for the administration of elections is part of the institutional arrangement. Howlett and Ramesh mention that policies are made by policy subsystems consisting of actors dealing with a public problem. Policy subsystems are forums where actors discuss policy issues and persuade and bargain in pursuit of their interests. These interactions, however, occur in the context of various institutional arrangements surrounding the policy process and affecting how the actors pursue their interests and ideas and the extent to which their efforts succeed (1995:51).

The existence of five policy objectives for the implementation of elections as referred to in Article 4 is an essential aspect of every public policy because there are things to be realized from the political agreement of the formulators. This is in line with Anderson's opinion that one of the characteristics of the concept of public policy is purposive or goal oriented action rather than random or chance behavior is our concern (1978:3).

The public's expectation of Bawaslu, to be able to appear as a supporter of a democratic state, cannot be separated from the implementation of state functions in general. In the context of elections, this can be related to the long-term development direction of 2005-2025 as stated in Law Number 17 of 2007 concerning the 2005-2025 Long-Term Development Plan. Among other things, it is stated that in order to realize a democratic Indonesia based on law, among others are improving the performance of state administrative institutions in carrying out the authorities and functions given by the constitution and laws and regulations, as well as creating further democratic institutionalization to support the ongoing consolidation of democracy in a sustainable manner. .

Discussions about Bawaslu will be related to the discourse on democracy. Budiardjo, quoting Henry B. Mayo's opinion, argued that democracy is based on several values, which is highly dependent on the historical political culture of each country, including the regular succession of leadership (orderly succession of rules) (2008: 118-119). In order to realize democratic values, it is necessary to organize several institutions, including a people's representative council that represents various groups and interests in society who are elected in elections (Budiardjo, 2008: 120). There are several key elements of democracy, namely recognition of rights for individuals, consent of the people, accountability of decision makers to the people, representation, and formal processes to demarcate and limit the role of decision makers (Michael, 2006: 16).

In Dahl's view, there are several special institutions, including the elected officials always come from an honest election process, practically all adults have the right to choose official officials (1985: 18). To be called a democratic government, there are several aspects including the institutionalization of the process of government –in which functions are delineated, responsibilities are defined, and the mechanisms for change, including elections, are prescribed (Michael, 2006:31). According to Affan Gaffar, there are several indicators to see whether or not a country's political life is democratic, one of which is general elections. Elections are held regularly with clear deadlines, or according to need (Taher, 1994: xxvii-xxix).

Bawaslu as an organization that is one of the election management is also related to the terms "election administration" and "election implementation" which seem to overlap. In the evaluating public policy, referring to Hill (1997:34), it is important and strategic to evaluate the substance of the policy, because it is important for effective policy implementation. For the effectiveness of a public policy implementation, according to Muchsin & Putera, it is also very dependent on the quality of the substance of the legal product or law. If the quality of the law or legal product is low, the success rate of the public policy implementation process will be low. On the other hand, if the substance of the law is of high quality, the quality of the existing public policy implementation process will also be high (2002). Therefore, this terminology clarity is very important to be able to carry out the duties and authorities of each as an element of election organizers.

The ambiguity of the substance of the policy can be seen in the phrase that the implementation of elections according to Article 1 number 2 is an election stage carried out by election organizers. This is because when it is associated with the phrase in Article 1 number 7 which states that "election organizers are institutions that organize elections...". This ambiguity and terminology inconsistency also appears to be related to the phrase in Article 1 number 17 which states that Bawaslu is an election management body that oversees the implementation of elections...". This means that there is a terminological confusion between Article 1 point 2, with that in Article 1 number 7 and Article 1 number 17.

The ambiguity in the substance can be seen in the phrase "one unitary function of the election administration" as referred to in Article 1 point 7 which consists of KPU, Bawaslu and DKPP as election management institutions, when it is associated with the provisions of Article 1 number 17 concerning Bawaslu. Bawaslu, which, according to Article 1 point 17, oversees the implementation of elections, is ambiguous because Bawaslu itself is an election management body. Based on Article 1 point 2, the implementation of elections is the implementation of the stages of the election carried out by the election organizers, which according to Article 1 point 7 Bawaslu is also part of the election management body. Policies on supervision are fundamental for a quality election administration. According to Silalahi, supervision is an activity that intends to prevent irregularities in the implementation of activities or work as well as take corrective actions if there are deviations from what has been planned (2013: 175). Siagian defines supervision as the process of observing the implementation of all organizational activities to ensure that all work being carried out goes according to a predetermined plan (2008: 112).

As the substance of the policy, the term "election management institution" should be changed to only "election institution" or "institution". Thus, the three elements of "election institutions" or "institutions" have specific tasks and do not overlap in terminology. The terms used should be KPU as an institution that carries out elections, Bawaslu as an institution that oversees the implementation of elections, and DKPP as an institution that enforces the election code of ethics.

### ***Organizational Analysis***

The regulation of the organizational dimensions of Bawaslu as stated in this law can be traced in the arrangement of each article in it. Because is an integral part of the election management body, the discussion will not be separated from academic discussions about the organization. According to Robbins, the organization is a consciously coordinated social entity, with a relatively identifiable boundary, that functions on a relatively continuous basis to achieve a common goal or set of goals (1990:4). Other experts define it as an arena where human beings come together to perform complex tasks so as to fulfill common goal(s) (Narayanan & Nath, 1993: 4). Pfiffner & Presthus call the organization the structuring of individuals and functions into productive relationships. Organization seeks a pattern of skills and responsibilities that will ensure coordination and unity of purpose through supervision (1960:5).

The dimensions of the organization, referring to Daft (1992:13) there are hierarchy of authority, specialization, size, goals, standardization, and formalization (1992:13). The provisions that regulate various aspects of the Bawaslu are contained in Articles 89 to 154. Bawaslu according to Article 1 point 17 is an election management body that oversees the implementation of elections throughout the territory of the Republic of Indonesia. Article 89 paragraph (2) states that Bawaslu consists of Bawaslu, Provincial Bawaslu, Regency/City Bawaslu, Sub-district Panwaslu, Urban/Village Panwaslu, Overseas Panwaslu and TPS Supervisors. There is an inconsistency between the provisions of Article 1 number 17 and those listed in 89 paragraph (2). The characteristics of the Bawaslu can be attributed to Talcot Parsons' opinion about the existence of four types of organizations, namely production organizations, political organizations, integrative organizations, and pattern maintenance organizations. It was further stated that political organization is concerned with ensuring that society as a whole achieves its objectives (Narayanan and Nath, 1993:4). Based on that typology, Bawaslu can be called a political organization.

Organizationally, aspects of leadership and decision-making are important for the functioning of election management institutions. The stipulation in Article 92 paragraph (8) that the Bawaslu Chair is elected from and by Bawaslu members, and decisions are made in a plenary meeting (Article 139) is an important determinant that the leadership of this organization has a collective-collegial character. This is the same arrangement for the KPU organization as referred to in Article 10 paragraph (4) where the chairman is elected from and by the members. However, it does not regulate the right of each Bawaslu member to have the same voting rights in making decisions, unlike the rights of KPU members as referred to in Article 10 paragraph (5) which states that each member has the same voting rights. This regulation is an important preventive measure against the potential for damage to the solidity and rhythm of the organization if the Chairperson of Bawaslu is hegemonic in decision making. Because the process related to decision-making in election will have implications for the public interest, so it must still be carried out within the organizational norms and regulations. In this context, Daft argues that organizational decision making is formally defined as the process of identifying and solving problems. The problem identification stage and the problem solution stage (1992:346).

In all the articles governing the Bawaslu, including up to the regency/city level Bawaslu, there is no confirmation that this institution is a non-structural institution. In fact, the KPU as a fellow element of the election organizers, based on Article 8 paragraph (4), together with the Provincial KPU and Regency/Municipal KPU are domiciled as non-structural institutions. According to the Elucidation of the Article, this institution is an institution formed because of the urgency of a certain special task that cannot be accommodated in the form of a government/state institution. Non-structural institutions

according to the State Administration Institute (2015) are independent institutions established by law to carry out certain tasks which due to the nature of their duties cannot be contained in the form of existing ministries/institutions, where institutional membership involves elements outside government and its existence is funded by the state budget. The same thing was not mentioned in the Election Organizing Honorary Council (DKPP) institution, starting from Article 155 to Article 166, even though together with the KPU and Bawalu, this ethical and moral guard institution has the same position as the election organizer. Based on organizational norms, Bawaslu and DKPP should also have the same institutional designation as non-structural institutions or other relevant designations.

The affirmation of its institutional nature as permanent, not ad hoc is contained in Article 89 paragraph (4), for Bawaslu, Provincial Bawaslu, and Regency/City Bawaslu. In addition, there is an affirmation that the organization under it, namely the sub-district Panwaslu and the supervisory organization under it are referred to as ad hoc in Article 89 paragraph (5). Affirmation as a supervisory organization at a certain level that is permanent and ad hoc is important, especially when the election is in the implementation stage.

The hierarchical institutional relationship between structural-vertical organizational components is an important aspect for the realization of a solid organization. This is regulated in election supervisory institutions starting from Bawaslu at the central level to supervisors at the lowest level as referred to in Article 89 paragraph (3). The affirmation of this organizational hierarchical relationship is important for the realization of the administrative principles proposed by Henry Fayol, including unity of direction, centralization and unity of command (Robbins, 1990: 36). Daft calls it that the hierarchy of authority describes who reports to whom and the span of control for each manager (1992:13).

The regulation of the duties, authorities and obligations of each element of the EMB is important to achieve organizational performance. This dimension is specialization as stated by Daft that specialization is the degree to which organizational tasks are subdivided into separate jobs. (1992:13). This is regulated, among others, as stated in Article 93 and Article 94 regarding the duties of Bawaslu, Article 95 concerning the authority of Bawaslu, and Article 96 concerning the obligations of Bawaslu. To carry out its duties and functions, an organization will be equipped with authority and responsibility as one of the general principles of organization and administration as stated by Henry Fayol which was emphasized by Robbins that managers need to be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility. Wherever authority exercised, responsibility arises. To be effective, a manager's authority must equal his or her responsibility (1990:36).

In the context of a broader state organization and as an embodiment of the paradigm of a welfare state as well as an administrative state, it is important to realize that the state/government will always be required to be transparent and accountable when setting policies. The authority attached to the Bawaslu will also be related to the importance of authority as regulated in Law Number 30 of 2014 concerning Government Administration. According to Article 1 point 5, authority is the right owned by government agencies and/or officials or other state administrators to take decisions and/or actions in the administration of government.

The dimension of professionalism can be seen in the regulation of educational qualification requirements that must be met when a person becomes a member of Bawaslu, namely Article 117 paragraph (1) f, that the minimum is strata 1 (S-1). According to Daft, professionalism is the level of formal education and training of employees. Professionalism is considered high when employees require long periods of training to hold jobs in the organization. (1992:13-14). There is no clarity about the specific fields of knowledge that candidates for Bawaslu members must fulfill. Because Article 117

paragraph (1) letter e only states that the requirement to become a Bawaslu member is to have the ability and expertise related to the administration of elections, state administration, parties and election supervision. The explanation of the article only states that the meaning of is that the prospective member among others has knowledge and expertise in the field of law enforcement. As an institution that cannot be separated from the achievement of state goals, there should be specific educational requirements for candidates for Bawaslu, such as to become a member of the Corruption Eradication Commission as regulated in Article 29 letter d of Law Number 30 of 2002 concerning the Corruption Eradication Commission and the Apparatus Commission. State Civil Service in Article 38 paragraph (2) letter g of Law Number 5 of 2014 concerning State Civil Apparatus.

The duties of the Chairperson of Bawaslu are not stated in this law, even though together with the KPU as fellow election management institutions, there is an organizational element named the Chairperson as stipulated in Article 92 paragraph (7). The regulation regarding the duties of the KPU Chairperson stated in Article 11 paragraph (1), so that there is a difference between the duties of the KPU Chairperson as an organizational leader and the KPU's institutional duties as regulated in Article 12. The regulations for Bawaslu only about the duties, authorities and obligations Bawaslu as regulated in Articles 93 to 96. Arrangements regarding the duties, authorities and obligations of element of the organization differently are important to ensure the running of the organization in accordance with the objectives of its establishment. In this regard, Robbins argues that differentiation as the number of specialty functions is represented in a firm or the difference in cognitive and emotional orientation among managers in different departments (1990:82).

The implementation of the duties, authorities and obligations of the organization will not be separated from the ethical and moral aspects inherent in each of its members. Therefore, the presence of Bawaslu members in DKPP is important for the quality of election. From the perspective of ethics, the existence of DKPP is very strategic, because it relates to public expectations for the appearance of election organizers with integrity. The history of the state records that the issuance of TAP MPR Number VI/MPR/2001 concerning the Ethics of National Life is essential because it can be a reference for the government and the entire Indonesian nation in order to save and improve the quality of life for the nation. One of them is ethics in politics and government.

The link between Bawaslu and the provisions of Article 155 paragraph (4) letter b that the DKPP consists of 1 (one) ex officio from the Bawaslu element, is has the potential to disrupt its institutional integrity as an enforcer of the code of ethics for election organizers. It is not easy for this member of the Bawaslu element as part of the seven members of the DKPP when they have to carry out a trial to examine allegations of violations of the code of ethics committed by elements of election organizers who come from the same element as the institution. Even though it has been fenced off in Article 158 paragraph (2), there will still be a potential for a major conflict of interest to him because as part of the enforcer of the code of ethics in a professional, proportional and fair manner, which is certainly different from the challenges to the other five members of the DKPP which according to Article 155 Paragraph (4) letter c comes from community leaders. Based on the explanation of the article, community leaders are academics or figures who have vision, integrity, and understand the ethics of organizing elections.

The existence of the Bawaslu Regulation is important as stipulated in Article 145, only the provision does not mention that its formation is in carrying out the duties, authorities and obligations as stipulated in Article 93 to Article 96. Organizationally this is important because it relates to the regulation of standards and activities in the form of formalization and standardization in accordance with their area of authority as election organizers. In this context, Daft stated that formalization pertains to the amount of written

documentation in the organization documentation includes procedures, job descriptions, regulations, and policy manuals. Standardization is the extent to which similar work activities are performed in a uniform manner (1992:13).

The regulation of reporting and accountability aspects is important, especially with regard to its reputation as a democracy and the management of a very large state budget. Article 142 paragraph (1) letter a states that Bawaslu in carrying out its duties carries out financial accountability in accordance with the provisions of the legislation. In addition, Article 142 paragraph (1) letter b states that Bawaslu reports to the DPR and the President regarding the implementation of the tasks of organizing all stages of the election and other tasks. Reporting according to Luther Gulick and Lyndall Urwick is tracking and communicating the progress of the work within the organization (Hughes, 1994: 41).

The dimensions of the organization's size can be seen in the regulation of the number of Bawaslu members, and this is important for the smooth implementation of their duties, authorities and obligations, as stated in Article 92. With regard to the size of the organization, Daft stated that size is the organization's magnitude as reflected in the number of people in the organization (1992:14). Likewise, it is appropriate to regulate the number of members that are not uniform for Provincial Bawaslu and Regency/City Bawaslu, but are proportional based on the population and working area. This proportionality is regulated in Article 92 paragraph (2) letter b and letter c, and shows that there is fair regulation in the regulation of organizations.

The existence of a regulation regarding the secretariat element as an element of the support staff and the operating core of election organizers, is important and strategic for the achievement of organizational goals and performance. As an organizational element that supports the smooth running of Bawaslu's duties and authorities, the existence of the General Bawaslu Secretariat is regulated as mentioned in Articles 147 to 154. Henry Mintzberg as quoted by Robbins stated that the operating core as employees who perform the basic work related to the production of products and services. The support staff as people who fill the staff unit, who provide indirect support services for the organization (1990: 278). This is in line with Siagian's opinion about the existence of two groups of employees, namely those whose main task is to carry out activities that are translating main tasks into activities, and those whose duties are to carry out supporting activities for the smooth running of the wheels and organizational mechanisms (2008:68).

Based on the duties, authorities, and obligations attached to its institutions, Bawaslu can be called a political organization, according to Talcot Parsons that political organizations are concerned with ensuring that society as a whole achieves its objectives (Narayanan and Nath, 1993:4). In the context of organizational norms, the existence of arrangements regarding its authority as part of the EMB is an important factor to support so that its duties and functions can take place effectively. According to Surbakti, authority is power. However, power is not always in the form of authority, because authority is legitimate power, while power does not always have legitimacy. Authority is a moral right to make and implement political decisions. In this case, moral rights are in accordance with the values and norms of society, including laws and regulations (1992:85).

Its independence as an element of election management to oversee the implementation of elections is a fundamental factor for the realization of elections that are fair and with integrity as referred to in Article 4. Politically, it is very important and strategic to have provisions in the law concerning the obligation of all elements of election organizers to be free from any influence, to support the figure of an election organizer who is guaranteed to be independent, impartial, neutral and with integrity. This arrangement of organizational characteristics does not appear at all for Bawaslu (Article 89 to Article 154),

even though the same aspect is regulated for the KPU as stated in Article 7 paragraph (3). Supposedly, because it is an integral part of the election administration as referred to in Article 1 point 7, this affirmation as an independent organization is explicitly regulated. This is very essential as a characteristic of the organization, because it will contribute greatly to the achievement of the goals of political development, namely an increasingly democratic political system. This independence according to Harianti et al. demands three things, namely institutional independence, functional independence, and personal independence (2019: 378).

The nature of the organization that appears from the term "independent" as referred to in Article 1 point 8 in general for election organizers, as well as the phrase "free from any influence" is very important to ensure as an organization that is not only capable, but also credible and with integrity. However, this phrase does not appear in the regulation regarding the Bawaslu organization (Articles 89 to 154) not as regulated for the KPU in Article 7 paragraph (3). In fact, the affirmation in the law regarding the characteristics of such an organization will be very supportive of the efforts to create an election management organization that is at the same time accountable and acceptable.

Its image and reputation as part of the election administration through excellent institutional performance will greatly contribute to the formation of Indonesia's predicate as a democratic country substantially. In Ardipandanto's view, the idealism of holding simultaneous elections in 2019 has not been matched by the strength and ability of election organizers and the lack of strong awareness that changes in electoral systems and techniques require extraordinary capabilities and professionalism of organizers (2019: 28). There are public expectations as well as demands and challenges to Bawaslu up to the lowest organizational apparatus, to be able to show maximum performance achievements. So far, there has been a public perception that Bawaslu is only an institution that looks for faults so as to marginalize objectivity in carrying out its duties, functions, authorities and obligations, it must be proven by the performance of all elements of the organization. Puspitasari's research shows that organizational commitment, work ethic and team work have a positive and significant impact on Bawaslu's performance (2021: 150).

This assertion of independence and independence is from time to time more important, due to the fact that there are too many attitudes and behaviors of election management organization apparatus, including Bawaslu, which actually degrade efforts to establish an independent and with integrity election management body. For example, many Bawaslu officials at various levels of the organization are involved in legal cases or codes of ethics, so that some of them have to serve sentences and end their careers as part of the election administration. The interaction of Bawaslu as a very strong element of election organizers with various components of political power, especially political parties, including those currently holding power at various levels of government, confronts them with various temptations that can lead them astray.

In this context, the issuance of DKPP Regulation Number 2 of 2017 concerning the Code of Ethics for Election Organizers is a very strategic matter to fortify each Bawaslu apparatus from potential ethical and moral violations. As an integral part of state administration in a broad sense, Keban mentions that moral ethics is one of the six strategic dimensions of public administration (2004:10). For the presence of Bawaslu and its staff down to the lowest level, the role of DKPP as the guardian of ethics and morals is very strategic, but it cannot be separated from various challenges. The challenges, according to Gusfa et al. include the view that there is no need for DKPP (2019: 16), so that there is no other way for DKPP except to improve its performance in enforcing the code of ethics for election organizers.



It is important and strategic to have an arrangement in the law concerning the obligation of all elements of the election organizers to be free from any influence, to support the figure of an election organizer who is guaranteed to be independent, impartial, neutral and with integrity. Supposedly, because it is an integral part of the election administration as referred to in Article 1 point 7, this affirmation as an independent organization is explicitly regulated. This is very essential as a characteristic of the organization, because it will contribute greatly to the achievement of the goals of political development, namely an increasingly democratic political system. This independence according to Harianti et al. demands three things, namely institutional independence, functional independence, and personal independence (2019: 378).

#### 4. CONCLUSION

The regulation of the organizational dimensions of Bawaslu in Law No. 7 of 2017 reflects the existence of state policies related to the public interest for the implementation of increasingly quality elections. This is charged with the public interest for the realization of a more democratic political life. Several organizational dimensions have been adequately regulated, although there are some aspects that need to be improved. Evaluation of the substance of policies related to organizational dimensions is very necessary.

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# EFFECTIVENESS KREDIT USAHA RAKYAT (KUR) POLICY TO FULFIL POLICY OBJECTIVES IN CENTRAL JAVA PROVINCE

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## ABSTRACT

The small proportion of KUR to economic activity causes bias in macroeconomic analysis. The assumption of the ineffectiveness of KUR on economic growth and reducing unemployment and poverty must be proven in this study by exploring micro-data from the microeconomic side qualitatively. KUR contribution on economic growth and reducing unemployment and poverty relate with KUR policy objectives that has stated on government regulation. Pre-research data shows that the distribution of KUR in the production sector is low. This research aims to: 1)How is the effectiveness of the KUR program in terms achieving the objectives of KUR Policy?, and 2)Does the low KUR distribution in the production sector potentially hamper the KUR effectiveness in achieving the objectives? This research used qualitative research methods, with research approach to public policy studies. The research has concluded : 1)Implementing of KUR Policy was effective in achieving the KUR Policy objectives, 2)The KUR policy had not been able to provide guidance, assistance and helping The Micro and Small Business to hold marketing network, which has the potential to hinder the KUR policy effectiveness, and 3)The low distribution of KUR in the production sector did not result the KUR policy effectiveness failing. On the literature review, the author find that there is no research that examines the effectiveness of public policy objectives in the economic sector as stipulated in the implementing regulations on KUR Policy. The research contributes to the didactic point of view of public administration in assessing the effectiveness of the KUR policy.

**Key Words:** *Effectiveness, Evaluation, KUR, Policy, UMKM*

## 1. INTRODUCTION

### **Terms and Preliminary Data**

The KUR (Kredit Usaha Rakyat) program is a policy of the government of the Republic of Indonesia, in which the government assigns tasks to banks and financial institutions to provide financing to micro, small and medium enterprises (MSMEs) by providing interest subsidies from the government. Thus, part of the interest charged to MSMEs is paid by the government. The urgency of the research is located in Central Java Province, because the distribution of KUR in Central Java was the highest in Indonesia, where as many as 3,480,104 KUR debtors (MSME businessman who received KUR) received KUR with a total disbursement value of IDR 71.2 trillion. National data are 17,426,630 MSME businessman who have received KUR, with a total distribution value of IDR 406.67 trillion. In percentage terms, KUR debtors in Central Java accounted for 19.97% of the total KUR debtors in Indonesia, and the value of KUR distribution in Central Java was 17.5% of the total national KUR distribution value. (sources : [www.sikp.kemenkeu.go.id](http://www.sikp.kemenkeu.go.id))

The objectives of implementing KUR was set by the government in article 2 of the Regulation of the Coordinating Minister for the Economy Number 8 of 2019 concerning Guidelines for the Implementation of Kredit Usaha Rakyat (KUR), namely:

- a) Increasing and expanding access to financing for productive businesses;
- b) Increasing the competitiveness capacity of micro, small and medium enterprises; and
- c) Encouraging economic growth and employment.

The KUR policy is said to be effective if it is able to fulfill the three objectives of implementing KUR as stated in article 2 of the regulation that be stated above.

Table 1. Third Party Funds, Credit, and KUR in Indonesian Banking Statistics  
2012-2019

Third Party Funds, Credit, and KUR in Indonesian Banking Statistics (In Trillions IDR)							
Year Position	End	Third Funds	Party	Credits	National Distribution	KUR	Percentage of KUR to Credits
	2012		3.225	2.725		0	0,00
	2013		3.563	3.319		0	0,00
	2014		3.943	3.526		0,0003	0,00
	2015		4.238	3.903		22,7	0,58
	2016		4.836	4.199		94,2	2,24
	2017		5.289	4.781		95,8	2,00
	2018		5.630	5.358		121,1	2,26
	2019		5.998	5.683		140,3	2,47

Source: Indonesian Banking Statistics, 2012-2019, data processed

One of the objectives of the KUR policy in the regulation is to encourage economic growth, but in fact, the economic growth has not improved significantly as long as the KUR program is implemented from 2015 to 2019. Economic growth in 2016 was 5,25%, in 2017 by 5.26%, in 2018 by 5.32%, and in 2019 by 5.41%. Economic growth as long as KUR was implemented, namely from 2016-2019, was lower than economic growth before KUR was implemented, which was 5.47% in 2015 (source: [www.jateng.bps.go.id](http://www.jateng.bps.go.id)). In general, it can be said that economic growth in Central Java did not grow significantly as long as the KUR program was implemented. The factors driving economic growth consist of many economic

sector policies, which simultaneously aim to encourage economic growth. Therefore, the small proportion of KUR to economic activity causes a bias in macroeconomic analysis. The assumption of the ineffectiveness of KUR on economic growth must be proven in this study by exploring micro data from the microeconomic side.

Employment is one of the objectives of the KUR policy stated in the regulation. In this regard, KUR is considered quite effective or contributes to reducing unemployment and poverty. Although KUR is only a small part of the factors that drive the decline in unemployment and poverty in Central Java, the proportion of KUR to third party funds disbursed by banks is very small, which is around 2%. The proportion of KUR in economic activity is certainly much smaller. This assumption must be proven in this study, whether it is microeconomically confirmed that KUR contributes to reducing unemployment and poverty.

Unemployment in Central Java in February 2015 (before KUR was implemented) was 4.99% and decreased to 4.2% in 2016, 4.15% in 2017, 4.23% in 2018, and 4.22% in 2019 (source: [www.jateng.bps.go.id](http://www.jateng.bps.go.id)). The decline in the unemployment rate in Central Java occurred as long as the KUR program was implemented. The poor also decreased as long as KUR was implemented, from 13.58% in 2015 to 10.8% in 2019 (source: [www.jateng.bps.go.id](http://www.jateng.bps.go.id)). The reduction in the poverty rate in Central Java occurred as long as the KUR program was implemented.

Table 2. Composition of Central Java GRDP Based on Business Fields in 2015-2019 (%)

<b>Business Field</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Agriculture, Forestry and Fisheries	14,11	13,70	13,23	12,89	12,42
Mining and Excavation	2,02	2,28	2,28	2,22	2,17
Processing industry	35,24	34,86	34,55	34,23	34,16
Electricity and Gas Supply	0,11	0,11	0,11	0,11	0,12
Water Supply	0,07	0,07	0,07	0,07	0,07
Construction	10,08	10,20	10,38	10,45	10,41
Wholesale and Retail Trade, Car and Motorcycle Repair	14,31	14,36	14,47	14,52	14,59
Transportation and Warehousing	3,32	3,31	3,34	3,41	3,51
Provision of Accommodation and Drinks	3,11	3,14	3,17	3,26	3,37
Information and Communication	4,09	4,21	4,53	4,83	5,13
Financial Services	2,68	2,77	2,77	2,72	2,67
Real Estate	1,84	1,86	1,89	1,89	1,89
Company Services	0,34	0,36	0,37	0,38	0,40
Government Administration, Defense and Mandatory Social Security	2,75	2,68	2,61	2,59	2,52
Education Services	3,63	3,71	3,77	3,86	3,93
Health Services and Social Activities	0,78	0,82	0,84	0,87	0,89
Other Services	1,52	1,56	1,62	1,70	1,75
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

Table 3. Distribution of KUR by Sector in Central Java 2015-2019 (Trillions IDR)

Year Sectors / Business Fields	2015		2016		2017		2018		2019	
	IDR	Percent	IDR	Percent	IDR	Percent	IDR	Percent	IDR	Percent
Agriculture and Hunting	0,350	11,82	3,102	18,69	3,606	21,81	3,932	19,30	5,259	21,57
Fishery	0,029	0,97	0,147	0,89	0,147	0,89	0,163	0,81	0,253	1,04
Mining	0,000	0,00	0,001	0,00	0,000	0,00	0,000	0,00	0,001	0,00
Processing industry	0,251	8,47	0,887	5,35	1,133	6,85	1,458	7,16	2,346	9,62
Construction	0,000	0,00	0,000	0,00	0,001	0,00	0,013	0,06	0,020	0,08
Wholesale and Retail Trade	2,123	71,74	11,497	69,29	10,288	62,24	12,807	62,88	13,668	56,07
Provision of Accommodation	0,024	0,80	0,309	1,86	0,249	1,51	0,357	1,75	0,608	2,50
Transportation	0,020	0,68	0,221	1,33	0,140	0,85	0,231	1,13	0,290	1,19
Financial services	0,000	0,00	0,014	0,09	0,010	0,06	0,000	0,00	0,000	0,00
Real Estate	0,019	0,64	0,254	1,53	0,107	0,65	0,148	0,73	0,234	0,96
Administration	0,129	4,34	0,000	0,00	0,000	0,00	0,000	0,00	0,000	0,00
Education Services	0,002	0,07	0,027	0,16	0,014	0,08	0,016	0,08	0,002	0,09
Health Services	0,002	0,06	0,003	0,02	0,010	0,06	0,020	0,10	0,046	0,19
Community Service	0,011	0,37	0,122	0,74	0,811	4,91	1,196	5,87	1,631	6,69
Personal Services	0,001	0,04	0,009	0,05	0,015	0,09	0,026	0,13	0,000	0,00
<b>Total</b>	<b>2,961</b>	<b>100,00</b>	<b>16,593</b>	<b>100,00</b>	<b>16,531</b>	<b>100,00</b>	<b>20,367</b>	<b>100,00</b>	<b>24,358</b>	<b>100,00</b>

Source: sikip.kemenkeu.go.id, 2015-2019 (Ministry of Finance Program Credit Information System, data processed)

The next problem is the low distribution of KUR in the production sector. The production sector is an economic sector that directly encourages added value in economic activities. The production sector is dominant in the structure of Gross Regional Domestic Product (GRDP). Production sector which includes agriculture, forestry, fishery, mining, quarrying, processing industry, electricity and gas supply, water supply, and construction; dominates the regional gross domestic product (GRDP), amounting to 65-70% of GRDP, while the trade and service sector as a whole is only 30-35% of GRDP. Even the trade sector alone is only 14-15% of GRDP.

The production sector contributes the largest to Central Java's GRDP, amounting to 65-70%, so that the low distribution of KUR in the production sector has the potential to hamper the effectiveness of the KUR program on economic growth. The dominance of the production sector in Central Java's GRDP, which reflects the dominance of the production

sector in the economic activities of the people in Central Java, is not comparable to the distribution of KUR in that sector. The largest distribution of KUR in Central Java from 2015-2018 was in the trade sector, followed by agriculture, then the manufacturing industry. In 2015 the trade sector received IDR 2.12 trillion (71.74%) of a total IDR 2.96 trillion, in 2016 it received IDR 11.50 trillion (69.29%) of a total IDR 16.59 trillion, in 2017 it received IDR 10.29 trillion (62.24%) of the total IDR 16.53 trillion, in 2018 it was IDR 12.81 trillion (62.88%) of the total IDR 20.37 trillion, and in 2019 it was IDR 13.67 trillion (56.07%). ) of a total of IDR 24.38 trillion, while the production sector was very low, for example, the manufacturing and agricultural sectors (summing up distribution in both sectors) as the backbone of the production sector in Central Java, only received IDR 601 billion in 2015 (20.29%) , IDR 3.99 trillion (24.04%) in 2016, IDR 4.73 trillion (28.66%) in 2017, IDR 5.39 trillion (26.46%) in 2018, and IDR 7.61 trillion (31 ,19%) in 2019.

### ***Research Questions***

Research questions can be formulated : 1) How is the effectiveness of the KUR program in terms of achieving the objectives of implementing KUR as stipulated in article 2 of the Regulation of the Coordinating Minister for the Economy Number 8 of 2019 concerning Guidelines for the Implementation of KUR? 2) Does the low distribution of KUR in the production sector hinder the effectiveness of the KUR policy in achieving the objectives of KUR implementation?

## **2. LITERATURE REVIEW**

### ***Based on Anderson's theory***

James E. Anderson (1982) argues, "Policy evaluation can be briefly defined as the appraisal or assessment of policy\_including its content, implementation, and impact\_to determine whether it is accomplishing its goals or what other effects it may have"

Evaluation of KUR policies is carried out by looking at regulations (content), what happens in the implementation of KUR (implementation), and the impact after KUR is implemented (impact). Therefore, the researcher determines that regulation (content) becomes secondary data that is used together with data that occurs (implementation) and data on results (impact) based on the results of observations, questionnaires, and interviews as well as relevant secondary data.

Until now (this research was conducted), the KUR program is still running (on going), in Anderson's approach, policy evaluation can be carried out without waiting for the end of a policy or program so that the policy evaluation study in this research, in theory, can be categorized as a policy evaluation.

This research as a policy evaluation study describes and explains the driving factors and inhibiting factors of the effectiveness of KUR. This, in accordance with the rules of Anderson's theory, that the evaluator must estimate and compare the possible impacts where a policy is directed.

Policy implementation (monitoring) is an on-going evaluation so that the same theory can be used for public policy evaluation studies or in ex post evaluations. This is in accordance with Government Regulation Number 39 of 2006 concerning Procedures for Control and Evaluation of the Implementation of the Development Plan. The Government Regulation.

### ***Based on Dunn theory***

Dunn (2000) explains that effectiveness (effectiveness) is related to whether an alternative achieves the expected result (effect), or achieves the goal of taking the action. Effectiveness, which is closely related to rationality, is always measured by the unit of production or service or its monetary value. Furthermore, Dunn (2000) adds that effectiveness is an evaluation criterion that questions whether the desired results have

been achieved. The desired result is the goal. The implementation of KUR has a goal set by the government in article 2 of the Coordinating Minister for the Economy Number 8 of 2019 concerning Guidelines for the Implementation of KUR.

### ***Previous Research Studies***

On the basis of a review of the literature, the authors find that there is no research that examines the effectiveness of public policy objectives in the economic sector as stipulated in the implementing regulations on KUR Policy.

Most of the previous researchers focused on the relationship of KUR to profit and/or income, which was measured quantitatively based on assumptions/hypotheses that were built on the basis of business theories (business practices). All researchers who make KUR the object of research only quantitatively examine the effect/relationship of KUR on income, profit, turnover, and/or performance of MSMEs. Some examples are Anggraini (2013), Fitriyanto (2015), Ikhsan et al (2016), Inayah et al (2014), Atin (2018), Lastina and Budhi (2018), Maheasy (2015), Marantika (2013), Mayuni and Rustariyuni (2015), Putra and Saskara (2013), Riawan and Kusnawan (2018), Ruauw (2015), Saragih and Nasution (2015), Putri (2016), and Sujarweni and Utami (2015). Several other previous researchers focused on examining the relationship of KUR to banking performance such as Israk (2017), Lailaa and Kurniawati (2018), Niko (2013), Novania and Khudin (2012), Nuraini and Purnama (2015), Prihartini and Dana (2018), Ratnaningtyas et al (2016), Suhari (2009), Sahrir (2008), and Wulandari (2019).

Several researchers are almost as focused as this research, namely Jannah and Bowo (2018), however they tested quantitatively using linear regression the relationship between KUR variables, turnover, labor, and the number of MSMEs on the processing industry in Central Java. The research locus is the same as the author's, but differs in many ways, both in terms of problems and methods used. Siwar and Talib (2001) have the same goal of overcoming poverty, but examine different variables. Siwar and Talib (2001) tested all loans in the MSME segment (when the study was conducted there was no KUR program) for their effect on efforts to overcome poverty. Siwar and Talib (2001) differ from this research in terms of focus, research method, locus and time of research.

### **3. METHOD**

This research uses a policy research approach with a focus on evaluating policy effectiveness. The research method used is a qualitative research method, with primary data collection techniques through questionnaires, interviews, and observations; and secondary data collection techniques through internet access, literature study, and reading the results of KUR monitoring of relevant government agencies. Questionnaires accompanied by interviews with MSMEs that became KUR debtors were conducted by random sampling in nine regencies/cities in Central Java, namely Semarang City, Pekalongan City, Surakarta City, Magelang City, Kendal Regency, Batang Regency, Grobogan Regency, Pati Regency, and Banjarnegara Regency. Interviews with KUR policy stakeholders consisting of local governments, vertical units of central government agencies, and KUR channeling banks, were selected by purposive sampling based on the list of KUR distributions per Regency/City, where the sample were selected in the Regency/City with the largest and smallest distributions. Observations were made on MSME business activities (KUR debtors) at MSME business locations (KUR debtors). Qualitative analysis is also supported by secondary data, in the form of official online releases as well as news media from government institutions/agencies, relating to KUR policies in particular, and economic sector policies in general.



Informants consist of : 1) Officials and/or employees of financial institutions distributing KUR, who are directly involved in the distribution of KUR, selected by purposive sampling. 2) KUR debtors selected by random sampling. 3) Officials and/or employees of the Regional Office of the Directorate General of Treasury of Central Java Province, who are tasked with monitoring the distribution of KUR in Central Java, selected by purposive sampling. 4) Local government officials and/or employees in the Economic Section of the Regional Secretariat in Pati Regency, Magelang City, and Pekalongan Regency, who are tasked with monitoring the distribution of KUR in each district/city, selected by purposive sampling.

#### 4. RESULT AND DISCUSSION

Table 4. Recapitulation of Answers to KUR Debtors Questionnaire on Increasing Turnover, Profits, and Labor

No	Regency (Kabupaten) / City (Kota)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Kota Semarang	19	16	1	15	2	8	9	2
2	Kabupaten Kendal	3	2	0	2	0	2	0	1
3	Kota Pekalongan	9	7	0	7	0	4	3	2
4	Kabupaten Batang	5	3	2	3	2	3	2	0
5	Kabupaten Grobogan	9	9	0	8	1	4	5	0
6	Kabupaten Pati	16	14	2	14	2	10	6	4
7	Kota Surakarta	3	3	0	3	0	2	1	0
8	Kabupaten Banjarnegara	11	7	3	7	3	6	4	1
9	Kota Magelang	5	4	1	4	1	3	2	0
<b>Total of Informans</b>		<b>80</b>	<b>71</b>	<b>9</b>	<b>69</b>	<b>11</b>	<b>48</b>	<b>32</b>	<b>10</b>
<p>Description :</p> <p>Column (1) = Number of KUR Debtor Informants</p> <p>Column (2) = Number of Informants who answered that there was an increase in turnover</p> <p>Column (3) = Number of Informants who answered fixed turnover</p> <p>Column (4) = Number of Informants who answered that there was an increase in profits</p> <p>Column (5) = Number of Informants who answered fixed profits</p> <p>Column (6) = Number of Informants who answered that there was an increase in workforce</p> <p>Column (7) = Number of Informants who answered permanent workers</p> <p>Column (8) = Number of Informants who answered that there was a decrease/loss</p> <p>Explanation :</p> <p>1. A total of 71 informants from 80 informants stated that they had experienced an increase in turnover after getting KUR.</p> <p>2. A total of 69 informants from 80 informants stated that they had experienced an increase in profits after getting KUR</p>									

3. A total of 48 informants from 80 informants stated that they had added workers after getting KUR

4. As many as 10 informants out of 80 informants stated that there was no change in KUR and even experienced losses after getting KUR.

5. A total of 27 informants out of 80 informants are engaged in the production sector, consisting of 15 informants in the manufacturing sector, 5 informants in the agriculture/fishery sector, 6 informants in the restaurant/restaurant sector, and 1 informant in the production services sector.

6. A total of 53 informants out of 80 informants are engaged in the trade and service sector.

### ***KUR Policy Effectiveness Criteria 1 : Achieving KUR's Objective To Improve And Expand Access To Financing For Productive Businesses***

#### ***Sub Criteria 1 : Distribution in the Production Sector***

##### ***Interview result***

One of the obstacles to the distribution of KUR in the production sector is the issue of collateral. MSMEs engaged in the production sector generally do not have assets that can be guaranteed, and the production machines used are self-produced by being assembled so that they do not have invoices, licenses, and proof of ownership that can be guaranteed. The difficulty of distribution in the production sector is caused by the absence of sufficient collateral, some production machines cannot be collateralized due to their own production (without invoices) and uncertain production times, as is the case in the agricultural sector, which waits for harvest in installments.

Another obstacle is that most MSME actors who apply for KUR to distributors are engaged in the trading sector. In fact, for example, in Pekalongan Regency, where the livelihood structure of the community is dominated by the agrarian sector, it is found that data that apply for KUR to banks are mostly engaged in the trade sector.

The doubts of KUR distributors regarding business licenses are also the cause of caution for KUR distributors in the production sector. KUR distributors are of the opinion that IUMK (Micro Small Business Permits) from sub-districts are generally trustworthy. However, the KUR distributor village certificate was careful. KUR distributors suspect that there are kelurahan elements who, because of their proximity to someone, easily issue a certificate. KUR distributors found from the results of an on-the-spot survey of several samples of sub-district certificates that their businesses did not exist or did not match the information provided by the kelurahan.

##### ***Observation Results***

Most of the MSMEs who come to Bank Jateng to apply for KUR are engaged in the trade sector. The same thing happened at Bank Rakyat Indonesia and Bank Mandiri. The author observes that the majority of KUR applicants at KUR distributors are individual businesses and have just started a business. The findings of the observations made by the author are confirmed by information from informants at the Central Java Bank Branch Office, which states that most of the KUR applicants are engaged in the trading sector, and banks only select applications that are accepted.

#### ***Sub Criteria 2 : There is an increase in added value and income***

### **Questionnaire Results**

The regulation stipulates that one of the benchmarks for productive business is 1) there is added value, and 2) income is obtained for KUR debtors. (Article 3 paragraph (2) of the Coordinating Minister for the Economy Number 8 of 2019. There has been an increase in value added and income of KUR debtors, primary data shows: 1) A total of 71 informants from 80 informants stated that they had experienced an increase in turnover after getting KUR. 2) A total of 69 informants from 80 informants stated that they had experienced an increase in profits after getting KUR. 3) A total of 48 informants from 80 informants stated that they had added workers after getting KUR.

### **Interview result**

KUR helps MSMEs provide working capital. Working capital is an instrument to become an input cost in producing goods and services. Goods and services produced are additional outputs in the community's economic activities, which are referred to as added value, which are then sold and have the potential to generate profits for MSMEs. KUR debtors in the trading sector also experienced an increase in turnover, which is an indication of added value and has the potential to increase MSME income. In general, MSMEs that become KUR debtors experience an increase in added value with an indication of an increase in the number of goods and services produced or sold.

### **Observation Results**

The researcher visited the business locations of KUR debtors in various regencies/cities in Central Java. Everything seems to be fine and even his business is progressing. In general, MSME business activities run smoothly and are able to increase the inventory of goods sold at their kiosks after receiving KUR. All KUR debtors that I met experienced business progress after receiving KUR.

### **Triangulation Technique**

Based on monitoring carried out by banks, channeling banks claimed to have found an increase in the business of KUR debtors. In addition to increasing business, which is indicated by increased turnover and profits, the success of KUR debtors can also be indicated by: 1) low NPL, and 2) tendency to apply for commercial credit, after paying off KUR. Information or information obtained by the author in questionnaires, interviews, and observations that there was an increase in added value and income, was confirmed by the KUR distributor informant. KUR distributor informants stated that almost all KUR debtors were able to pay off KUR. The ability to pay off KUR is an indication that the KUR debtor has excess financial resources known as income/profits.

## **KUR Policy Effectiveness Criteria 2 : Achievement of KUR's Objective to Increase the Competitiveness Capacity of Micro, Small, and Medium Enterprises**

### **Sub Criteria 1 : Guidance and training for MSMEs**

#### **Interview result**

KUR stakeholders admitted to conducting business coaching and training for MSMEs. However, when examined with questions about what to do, the author found that the KUR channeling bank only monitored installments, and only conducted bookkeeping training with limited participants. The local government also admitted that it held KUR socialization to MSME business actors in its area, but it was only limited to delivering information on the existence of KUR policies, to a limited number of participants.

#### **Observation Results**

The local government provides technical guidance and training to MSMEs selected as MSMEs with several criteria, which are carried out by the relevant technical offices. The number of MSMEs that are included in the list of MSMEs assisted by the Cooperative Service and local government MSMEs is very small compared to the number of MSMEs that receive KUR. The Central Java Province Cooperatives and MSMEs Service released information that as many as 133,679 MSMEs in Central Java had become MSMEs assisted

by the Central Java Provincial Government from 2008 to 2019 (source: [www.data.go.id](http://www.data.go.id), the government's official virtual data source). Almost all MSMEs assisted by the Central Java Provincial Government are engaged in the production sector. Data on MSMEs assisted by the Central Java Provincial Government as a percentage of 3.8% of all MSMEs that received KUR throughout 2015-mid 2019.

### ***Triangulation***

Almost all KUR debtors admit that they have never received any socialization or training. KUR debtors expect assistance and guidance, which so far have not been received. Guidance and training for MSMEs is something that is rare or does not occur in the KUR policy (program), which is inherent in the KUR program as a complementary policy. The guidance or training carried out by the regional government is coaching and/or training which is a separate policy in the form of a policy for the formation of the assisted SMEs at the Cooperatives and UMKM Service in each local government, but the reach of MSME participants involved in coaching and training is very small compared to the number of MSMEs receiving KUR.

### ***Sub Criteria 2 : Establishment of marketing network***

#### ***Interview result***

The formation of a marketing network is expected to be a bridge between consumers and producers. KUR debtors really hope that the government and KUR distributors help with marketing. The formation of a marketing network has not been optimally carried out by KUR stakeholders, especially KUR distributors. Informants channeling KUR, generally stated that they did not make programmatic efforts in building a marketing network for MSMEs that became KUR debtors. Exhibition activities are carried out but have not been able to accommodate all KUR debtors.

#### ***Observation Results***

The Central Java Provincial Government in 2017 launched e-commerce, which is planned to be used by MSMEs in Central Java to market their products, with a site called [www.cyberumkm.com](http://www.cyberumkm.com). However, observations in this study found that the site was not active or not operated according to the initial planning during its development. The Central Java Provincial Government did not give up, until in May 2020, in collaboration with [www.blibli.com](http://www.blibli.com), to organize an entrepreneurship training webinar for MSMEs, and to facilitate MSMEs in Central Java to market their superior products through [www.blibli.com](http://www.blibli.com). The government and KUR distributors have not carried out marketing network formation activities, but temporary and tentative activities in the form of holding exhibitions or exhibitions are often carried out.

In 2020, the Central Java Provincial Government activates [www.umkmcenter.jatengprov.go.id](http://www.umkmcenter.jatengprov.go.id) as a medium to introduce MSME products/outputs to the public or market. The Central Java Provincial Government also built the MSME Center building which accommodates 40 tenants for MSMEs to display their products. In addition, CJ Mart and CJ Craft have been built, namely supermarkets that are used to sell MSME products in Central Java.

The marketing facilitation policy for MSMEs is not related to the KUR policy, but has a complementary impact on the effectiveness of the KUR program. Any policies related to increasing entrepreneurial capacity and ability as well as increasing marketing networks will have an impact on the success of the KUR program.

### ***KUR Policy Effectiveness Criteria 3 : Achievement of KUR's Objective to Promote Economic Growth and Employment***

#### ***Sub Criteria 1 : Increased workforce in KUR debtor businesses, after receiving KUR***

#### ***Questionnaire and Interview Results***

A total of 48 informants from 80 informants stated that they had added workers after getting KUR. More than 50% of KUR debtor informants admitted to adding workers after receiving KUR. KUR has an impact on increasing the absorbed workforce. With the absorption of labor from the existing workforce, it will reduce the open unemployment rate. Of course, how big the influence is on a macro basis is determined by the proportion of the IDR value of KUR distribution compared to the total third party funds collected by financial institutions. The debtor admitted that the push to increase the workforce was initiated by an increase in customer demand (or an increase in turnover). The increased turnover has increased the need to recruit workers.

### ***Observation Results***

Observations of informants who stated that they added workers after getting KUR in the questionnaire provided, have found new workers at the KUR debtor's place of business. The author found that all KUR debtors who stated that their business was successful in the questionnaire, had more than two workers. Some of the workers still have relatives or relatives.

### ***Sub Criteria 2 : Increased turnover in the business of KUR debtors, after receiving KUR***

#### ***Questionnaire and Interview Results***

80 KUR debtor informants who filled out questionnaires and were interviewed, 71 of them stated that they had experienced an increase in turnover after getting KUR. One of the KUR debtors in Kendal Regency, which is engaged in the manufacturing sector, stated that sales and production turnover continues to increase, and has been able to switch from KUR credit to upgrade to non-KUR credit, to increase working capital because of the increasing turnover.

### ***Observation Results***

The author is a customer in several food stalls owned by KUR debtors who claim to have increased turnover after receiving KUR. The author saw many customers who came, and in the evening, the author found the food sold in the food stalls were sold out. Some debtors sell chicken penyetan, chicken opor, meatballs, chicken noodles, and some even have angkringan business.

### ***Sub Criteria 3 : Increased profits on the business of KUR debtors, after receiving KUR***

#### ***Questionnaire and Interview Results***

The 80 KUR debtor informants who filled out the questionnaire and were interviewed, 69 of them stated that they had experienced an increase in profits after getting KUR. In Pati Regency, researchers got success stories from MSMEs engaged in the fisheries sector and the processing industry sector, who claimed their business was growing well, and stated that they were greatly helped by the existence of KUR. Another debtor, working in the livestock sector, admitted that his cattle business was increasing.

Testimonials from KUR debtors stating "satisfied", "happy", "business increased", "profitable", and the fact that the debtor was able to pay off his debt. The debtor's ability to pay off KUR, evidenced by empirical data on the low NPL of KUR, as well as information from channel informants, that KUR debtors who have paid off KUR, will apply for higher commercial credit. The ability to pay off KUR and the ability to get commercial credit after paying off KUR, shows that the KUR debtor's business is profitable.

### ***Observation Results***

The author observes that the business of KUR debtors is going well. Every day the business activities of KUR debtors are carried out with many customers coming and production activities are constantly moving. Of the 10 informants who claimed to be losing money, the authors found that at the business location of the KUR debtor who claimed to have lost, they did not actually lose. Business activities are still running, but they are not

able to pay off their installments on time. The problem faced by them is the large number of sources of non-formal financing (quasi credit) received by KUR debtors who claim to be losing money. For example, in the case of fishermen in Kendal Regency, they did not experience business losses, but were only stuck in paying installments. After conducting in-depth interviews, it turned out that he was in debt to moneylenders and several "bakuls" (the names of the perpetrators of rent-seeking and monopolies in the fishermen's circle).

Observations of KUR debtors who claim to be profitable in the questionnaire, found that their business activities can be said to be "selling". KUR debtors who sell "penyetan", almost every late night, the food sold is sold out. Likewise, KUR debtors who produce banana chips and various snacks have been able to sell and receive orders from outside the city.

### ***How the impact of Low KUR Distribution in the Production Sector on the Effectiveness of the KUR Policy***

The problem of the MSME structure which is dominated by businesses in the trade sector is the cause of the low distribution of KUR in the production sector. Based on information and testimony from banking informants, most of the applications that enter the bank are dominated by MSMEs engaged in the trade sector. An informant at the Bank Jateng Kajen Branch Office stated, "Although Pekalongan Regency is dominated by the agricultural sector, the data we receive is mostly in the trade sector. We have been advised by the head office to prioritize the production sector, but all we can do is select incoming applications, which are mostly the trade sector." Furthermore, an informant at the Bank Jateng Pati Branch Office, also stated almost the same thing, "We are not picky about customers in which sector, but what we have seen has given us confidence that their business is productive, prospective, and has the capacity to pay installments. ". The sectoral proportion of MSMEs can be estimated from the proportion of the number of informants of KUR debtors, which are selected randomly. A total of 27 informants (33.75%) of the 80 informants observed and interviewed, are engaged in the production sector. The proportion of samples observed and interviewed is proportional to the proportion of KUR distribution in the production sector of 37.04% (Table 3. Distribution of KUR Per Economic/Business Sector in 2015-2019 in Central Java).

Almost all channeling banks interviewed stated that the majority of applications received were in the trading sector. This is different from previous research. Harefa (2015) argues that the development of small businesses is closely related to the economic activities of a region. In reality, it is difficult for MSMEs to compete with large businesses which are generally engaged in the production sector. For example, Pekalongan Regency is a district with an agrarian economic structure. There are tea plantations and agricultural land, but the land owners are owned by only a few people or companies, while the working farmers are only sharecroppers so that only the trade and service sectors are of interest to MSMEs. In addition to competition with large companies in the production sector, the need for capital, machinery, and technology in the production sector is also a challenge for MSMEs that will move in the production sector.

The problem of collateral is the second cause of the low distribution of KUR in the production sector, in addition to the problem of the MSME structure which is dominated by businesses in the production sector. MSMEs engaged in the production sector generally do not have assets that can be guaranteed, and the production machines used are self-produced by being assembled so that they do not have invoices, licenses, and proof of ownership that can be guaranteed. An informant at Bank Jateng's Magelang Branch stated, "So this... customer data collection for all incoming requests, whether it's from trade or production. In the past, there was an application for KMJ (Central Java Partner Credit), the production sector that submitted 30 applications that could be approved only 5." Furthermore, the informant stated, "It was hampered by BI Checking (Central Bank Credit

Data). There are those who claim to have a business, but it turns out to be just a cage." An informant at the Economic Section of Pekalongan Regency stated, "The low confidence of banks in the production sector, especially agriculture, is triggered by the lack of financial security in the agricultural sector, where most farmers have limited land with low selling values".

The results of questionnaires and interviews show that the distribution of KUR in the trade sector is able to increase the output of goods/services that are absorbed in the market as turnover. MSME profit margin on turnover is a component of added value which accumulatively becomes a domestic product which is the basis for calculating economic growth. Profit margin is income for MSMEs. For micro-scale MSMEs, which are mostly new businesses and individuals, income is a tool to overcome poverty. The increase in turnover encourages MSMEs to add workers. The absorbed workforce will reduce unemployment in the available labor force. Therefore, the phenomenon of KUR distribution in the production sector which is lower than the trade sector, which is suspected to have the potential to hamper economic growth, has not been proven to have an impact on inhibiting economic growth and the goal of alleviating poverty and absorbing labor (overcoming unemployment), so that in general the distribution of KUR is low. in the production sector has no impact on the effectiveness of the KUR policy.

#### **4. DISCUSSION**

##### ***Comparison with Assauri, and Mubyarto research results about subsidies***

Data on the increase in labor, turnover, and profits of KUR debtors after obtaining KUR in Pati Regency, Pekalongan Regency, Magelang City, Semarang City, Surakarta City, Kendal Regency, Grobogan Regency, Banyumas Regency, and Banjarnegara Regency, became the basis for the conclusion that KUR debtors experienced increase in labor, turnover, and profits after getting KUR. This shows the achievement of better conditions.

The KUR interest subsidy fulfills Assuri (2008) concept, where in this study the data on the increase in labor, turnover, and profits of KUR debtors after getting KUR in Pati Regency, Pekalongan Regency, Magelang City, Semarang City, City In Surakarta, Kendal Regency, Grobogan Regency, Banyumas Regency, and Banjarnegara Regency, debtors stated that they experienced an increase in turnover after getting KUR. Turnover is the amount of goods/services produced and sold or absorbed by the market, both in terms of currency and quantity so that an increase in turnover indicates that the number of goods or services that can be purchased by the public is greater. Thus, the KUR interest subsidy fulfills the concept of a subsidy as stated by Assauri.

Interest subsidies on KUR are a political economy to stimulate economic actors to increase or achieve the targets set. The subsidy policy, in whatever form, is a political-economic approach, as Mubyarto referred to, which aims to provide a stimulus for economic actors in the community to increase productivity.

##### ***Comparison with Sibarani et al, Lastina et al, Sudrajat et al, and Riawan et al research results.***

The conclusions of Sibarani et al (2011) state that KUR is linear to business finance, business production, and operating profit. Likewise, the conclusion of research by Lastina et al (2008) states that KUR is effective (positive influence) on increasing productivity and business income of KUR debtors at BRI Unit Blahkiuh. Sudrajat et al (2018) conclude that KUR has a positive and significant effect on sustainability profit. Riawan et al (2018) conclude that the value of income earned before and after the use of loan capital is increasing.

The phenomenon in this study confirms previous research that KUR is effective in increasing labor, turnover (business production), and profits (income/operating profit) of KUR debtors after getting KUR, as follows : 1) KUR debtors experience an increase in workforce, turnover, and profits after getting KUR. 2) Low KUR Non Performing Loan (NPL) and positive public response to KUR.

#### ***Comparison with Herri et al research results***

In this study, channeling banks and debtors stated that they carried out coaching and training, but in the study it was found that coaching by channeling banks was only limited to monitoring installments while the training was carried out by Bank Jateng, but limited to bookkeeping training and product promotion activities, the focus of the training was ensuring KUR debtors were able to Pay installments with good bookkeeping.

This is different from the partnership model or foster father, where the foster father will provide capital assistance, training, technical production, marketing, etc. because a symbiosis of mutualism is built or an ecosystem condition that is interrelated from upstream (capital) to downstream (marketing). Herri and Edward's (2006) research is juxtaposed in this study, to be an alternative policy that is better implemented by the government than the interest subsidy policy on KUR program credit. Therefore, the limited entrepreneurial capabilities of MSMEs that become KUR debtors and are not developed with guidance and assistance by both the government and KUR distributors, become the weak point of the KUR program in empowering MSMEs. The weakness of the KUR program is an advantage in the Adoptive Father or Business Partnership program.

#### ***Comparison with Aziz et al and Harefa research results***

Data from KUR monitoring results by the Regional Office of the Directorate General of Treasury of Central Java Province and several local governments in Central Java, show that KUR is not right on target, where one of the causes is:

1) Only select incoming applications. This is supported by information from an informant at the Bank Jateng Kajen Branch Office, who stated that the bank only accepts and selects incoming applications. If an area is dominant in the trade sector, the applications submitted are also mostly from the MSMEs in the trade sector. The bank only selects incoming applications. These are the authentic findings of this study, which were not the findings of previous studies, both Aziz et al (2016) and Harefa (2015)

2) Bank's lack of understanding of installments in the production sector. This was found in the monitoring carried out by the Regional Office of the Directorate General of Treasury of Central Java Province, which found that the distributors rejected the post-harvest installment model, which was permitted by the regulation of the Coordinating Minister for the Economy. This confirms the conclusion of Harefa (2015) that channeling banks are still very difficult to implement in accordance with the criteria and requirements set out in the KUR program.

3) There is no collateral. The Economic Section of the Regional Secretariat of Pekalongan Regency stated that the low distribution of KUR in the agricultural sector, which is the dominant and leading sector of Pekalongan Regency, was caused by the absence of collateral owned by farmers. Farmers do not have land titles or assets that can be pledged as collateral. The Coordinator Branch Office of Bank Jateng Pati also revealed the same thing, that Bank Jateng is still considering collateral to provide confidence for the bank that the debtor will repay the loan. This confirms the research of Aziz et al (2016) and Harefa (2015), that banks apply the precautionary principle.

4) The dominant economic sector in a region does not determine the dominant sector among MSMEs. In general, the distribution of KUR by sector is in accordance with the main economic sector of the livelihood of the population of a region. All local government and bank informants are of the same opinion. However, this is in general business actors. In fact, MSME business actors are mostly engaged in the trade sector. Most MSMEs are



engaged in the trade sector, so MSMEs in the trade sector mostly apply for KUR to KUR distributors. Thus, although the agricultural and production sectors are the dominant sectors in Central Java, they do not receive the largest distribution. This finding is different from the findings of Harefa (2015) which concludes that the dominant economic sector in an area affects the distribution of KUR in that area.

### ***Comparison with Takashino and Fukui Research Results***

Takashino (2009) argues that one of the considerations for lenders and borrowers in credit in the community, both in the formal (institutional) and non-formal (traditional) sectors, in general are: 1) investment opportunities, 2) consumption needs such as housing expenditures, and level of asset ownership. In addition to these considerations, lenders and borrowers also pay attention to: 1) material interest rates, and 2) psychological costs or relationships of trust.

Fukui (2002) also conducted research related to credit, especially quasi-credit, where Fukui concluded that quasi-credit loans are loans not from formal institutions, generally without interest, and based on trust and belief in the teachings of goodness. However, not all families can get trust, where for poor households with limited assets, it is difficult to get quasi-loans from friends or relatives. In this study, asset ownership of prospective borrowers becomes very important for lenders. In the practice of formal credit, it is no different from quasi credit, assets as a guarantee or collateral become a must for prospective borrowers to at least show potential lenders.

In the practice of disbursing KUR by KUR channeling banks, it was revealed in the study, informants stated that although they were not required in the micro-KUR regulations regulated by the government, banks still required it to be shown and/or in the control of the bank, even though it was not agreed upon in a fiduciary agreement. The monitoring findings of the regional government and the Regional Office of the Directorate General of Treasury of Central Java Province also found the same thing, namely the conclusion that there are internal banking regulations that are different from government regulations, one of which is related to collateral.

Takashino's (2009) conclusion is confirmed by the findings and research data, where the character and collateral ownership of prospective KUR debtors are considered by KUR distributors:

1) Data based on information from KUR debtors in Kendal Regency, Semarang City, Pekalongan City, Batang Regency, Grobogan Regency, Pati Regency, Surakarta City, and Banjarnegara Regency, information from informants at the Coordinator Branch Office of Bank Jateng Pati, and information from informants at the Bank Coordinator Branch Office Central Java, Magelang, shows that dealers only distribute KUR and other credit to prospective debtors who are known and have a good character record.

2) Based on information from KUR debtors in Kendal Regency, Semarang City, Pekalongan City, Batang Regency, Grobogan Regency, Pati Regency, Surakarta City, and Banjarnegara Regency, information from the Economic Section of the Regional Secretariat of Pekalongan Regency, information from informants at the Coordinator Branch Office of Bank Jateng Pati, and information from the informant's Coordinator Branch Office of Bank Jateng Magelang, showing that channeling banks require collateral, even for Micro-KUR which is in accordance with regulations without collateral, banks still ask debtors to submit BPKP or certificates they have, without being bound in a fiduciary agreement.

In Takashino's research (2009) that:

1) The amount of public loans to formal financial institutions is determined by one of the levels of asset ownership. Takashino's (2009) research is confirmed in the findings of this study, where the channeling bank still pays attention to collateral ownership.

2) This study also finds that the character of the prospective debtor (borrower) is considered by the KUR channeling bank. In contrast to Takashino (2009) who concludes

that borrowers choose lenders based on either psychological costs or a relationship of trust. In this study, it was found that the opposite or different from the research of Takashino (2009) and research of Fukui (2002), namely this study found that only prospective lenders chose prospective borrowers based on character (psychological cost or level of trust).

In the study of Fukui (2002), it was stated that poor households with limited assets had difficulty in obtaining quasi-loans. This is consistent with the findings of Takashino (2009) and the findings in this study. Although the focus in this study is formal credit. This study found that MSMEs that do not have assets will have difficulty getting KUR. As is the case with poor households who do not have assets, in the quasi-credit research by Fukui (2002).

## **5. CONCLUSION**

### ***Conclusion 1***

The KUR policy is effective in achieving the objectives of the KUR implementation, as follows: a) KUR increases the working capital of MSMEs. Working capital is used for business activities and results in an increase in MSME turnover after obtaining KUR. An increase in turnover is an indication of an increase in output or the number of goods/services produced and sold in the market. The increase in MSME output means that MSMEs move working capital to productive businesses (achievement of the first KUR implementation objective).

b) The addition of output is an element of economic added value which accumulatively and simultaneously with the output of non-KUR economic activities, can encourage economic growth (achievement of the third KUR implementation objective).

c) Profit is the impact of increasing turnover with the selling price above the cost of production. The increased turnover was due to the increasing demand for output. The increasing demand is the impact of the increasing competitiveness of MSMEs among business competitors/competitors (the achievement of the second KUR implementation objective).

d) Research has found that there has been an increase in the number of workers absorbed by MSMEs. As a result of the increase in turnover (output demand), MSMEs require additional labor and other production factors (the achievement of the third KUR implementation objective).

e) The study found micro data that provide confidence to conclude that even though the proportion of KUR is small compared to overall economic activity, it is effective in achieving the objectives of implementing KUR, which has an impact on increasing development and social welfare. An increase in turnover is an increase in output, which implies an increase in the number of goods/services produced in the economy. The increase in goods/services produced is an element of economic value added, which contributes to development. In terms of social welfare, the increase in turnover encourages the formation of MSME profits which will increase the social level of MSME business actors and their families. In addition, the increase in turnover encourages the need for additional workers so as to reduce the unemployed and poverty workforce.

### ***Conclusion 2***

The KUR policy has not been able to provide guidance and assistance as well as form a marketing network, which has the potential to hamper the effectiveness of the KUR policy in achieving the goal of increasing the competitiveness of micro, small and medium enterprises.

### ***Conclusion 3***

The low distribution of KUR in the production sector has no impact on the effectiveness of the KUR policy.

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# CORRUPTION, DEMOCRACY AND BUREAUCRATIC REFORM (A REFLECTION ON THE INDONESIAN LITERATURE AND SITUATION REVIEW)

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## ABSTRACT

Although often not able to solve problems satisfactorily, democracy is generally believed to reduce corruption. However, both Transparency International and the World Bank continue to place a high risk of corruption on the democratic process. The results of the author's analysis show that the level of democracy and citizens' assessment of government justice have a positive impact on corruption.

**Key Words:** *Bureaucratic Reform, Democracy, Corruption, and Indonesia.*

## 1. INTRODUCTION

Corruption is a complex and multi-dimensional phenomenon. This encourages academics to divide corruption into three types based on the actors and their interests, namely administrative corruption, political corruption, and actions taken by both the private and public sectors in influencing policy making so as to provide personal benefits to these actors. These various forms of corruption have also caused Indonesia to become one of the most corrupt countries in the world. Based on Transparency International's research, Indonesia ranks 90 out of 176 countries in the Corruption Perceptions Index ranking (Transparency International, 2020). At the regional level, Indonesia also lags behind neighboring countries in the Corruption Perceptions Index.

Table 1. Corruption Perception Index (CPI) Indonesia 2009-2020

Year	Indonesia	
	CPI	Rank
<b>2009</b>	2.7	111/180
<b>2010</b>	2.8	110/178
<b>2011</b>	3	100/182
<b>2012</b>	3.2	118/198

<b>2013</b>	3.2	114/198
<b>2014</b>	3.4	107/198
<b>2015</b>	3.6	88/198
<b>2016</b>	3.7	90/198
<b>2017</b>	3.7	96/198
<b>2018</b>	3.8	89/198
<b>2019</b>	4	85/180
<b>2020</b>	3.7	102/180

Source: transparency.org

This CPI figure can be seen positively, but this index is not optimal, because in the course of the fight back against corruption eradication efforts continue to occur; political corruption is on the rise; State budget funds and natural resources are corrupted through the policies and conspiracy of the oligarchic elite, and the legal institutions of reform products are systematically weakened through democratic means hijacked by the elite. (Ruslan, 2017). The sectors that are considered the most vulnerable to corruption have actually not experienced significant changes since 2013 until today<sup>1</sup>. More details can be seen from table 2 below:

Table 2. Global Corruption Barometer (GCB) Indonesia 2013-2020

Year	I	II	III	IV
<b>2013</b>	Court	Political parties	Utilitis	Police
<b>2014</b>	political parties	Parliament	Customs	Court
<b>2015</b>	political parties	Parliament	Police Customs	Excise
<b>2016</b>	Parliament	Police	Court	political parties
<b>2017</b>	Police	Parliament	Court	political parties
<b>2018</b>	Parliament	Court	Public service	political parties
<b>2019</b>	Parliament	political parties	Police	Court
<b>2020</b>	political parties	Parliament	Judge	Police

Source: transparency.org

Of the 4 sectors most infected with corruption above, they can generally be grouped into two, namely: the Political sector and the Law Enforcement sector. How are these law enforcement institutions judged by the public? Based on the survey results of the Indonesian Survey Institute (LSI) in 2019, we found interesting and relatively linear data with the corrupt sector approach carried out by Transparency International (TI) through the GCB. LSI reads the level of public satisfaction with the corruption eradication efforts carried out under the leadership of President SBY, then lowers it by photographing the integrity of

<sup>1</sup>KPK Annual Report 2020, p. 23

law enforcement from four approaches: First, prevention of internal corruption. The score for policing turned out to be (-18.3); Prosecutor's Office (-17.6); Court (-15), and KPK +15. Second, independent law enforcement from politics. Police (-11); Prosecutor (-14), Court (-14), and KPK +15. Third, independence from entrepreneurs. Police (-18); Prosecutor's Office (-21); Court (-21), and KPK +12, Fourth, Independence from corruption. Police (-26), Attorney (-18), Court (-20), and KPK +19.<sup>2</sup>

The numbers above are not a good value let alone satisfactory. It can be seen from all indicators that only the KPK received a positive rating although it only ranged from a score of 15-26, while the Police, Prosecutors and Courts all scored negative. The most influential factor of the four indicators used by LSI is the independence of law enforcement from entrepreneurs and corruption.<sup>3</sup>This can be interpreted, law enforcement in Indonesia is still not maximally able to convince the public that they are independent and not influenced in carrying out their duties either by political power or intervention, seduction by businessmen or internal corruption in their own institutions. In the context of strengthening the eradication of corruption through the implementation of coordination and supervision tasks, the portrait shown by the LSI survey above, of course, still needs to be interpreted critically by the KPK.

Bureaucratic reform, is a program that has long been launched, and is still being rolled out and is predicted to be the main step in efforts to restore the prestige of the state and its institutions. This is also in line with the mission of the Corruption Eradication Commission (KPK).<sup>4</sup>who will continuously monitor the administration of government in order to reduce corrupt practices in the bureaucracy. This is certainly not without reason, as it is known that there are many involvements of state officials, both officials and ordinary employees, to corrupt practices or acts. Based on data released by the Corruption Eradication Commission during 2011-2014, it shows the extent of involvement of state officials as actors or perpetrators of corruption cases in government projects. The variety of cases that are included in grand corruption or become public attention are bribery and procurement of goods and services within the state administration, followed by cases that fall into the usual categories such as budget abuse and levies in public services.<sup>5</sup> This condition further worsens the image of state administrators, be it regional heads, civil servants to employees of state-owned companies.

Historically, various efforts to eradicate corruption (anti-corruption policies) have been carried out long ago, even since the Old Order era until now. Briefly shown in the following table.

Table 3. Anti-Corruption Policy in Indonesia since the Old Order until now

No.	President	The Policies of Each Era and Indications of the Problem	The substance of the policy problem
1	Soekarno	<b>Old Order Era</b>	

<sup>2</sup> LSI (2019)

<sup>3</sup>KPK Annual Report 2020, p. 34

<sup>4</sup>The Commission's 2011-2015 missions are as follows: 1) Coordinate with agencies authorized to eradicate TPK. 2) Supervise agencies authorized to eradicate TPK. 3) Conducting investigations, investigations, and prosecutions of TPK. 4) Take steps to prevent TPK. 5) Monitor the implementation of state government. [acch.kpk.go.id/](http://acch.kpk.go.id/)

<sup>5</sup> <http://acch.kpk.go.id/statistik>

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The Old Order had an anti-corruption policy in the late 1950s under the name of the Dangerous Circumstances Act, but in its implementation the Retooling Committee (Paran) which was an anti-corruption agency at that time was immediately abolished because it was deemed to be contrary to the President's authority to eradicate corruption.

In 1963, President Soekarno issued Presidential Decree No. 275 of 1963 became the basis for the establishment of the Operation Budhi institution which was tasked with ensnaring companies and state institutions that carried out acts of corruption. The initial performance of Operation Budhi was seen as promising because it managed to save state money of Rp. 11 billion. Operation Budhi was disbanded when it was about to ensnare the Director of Pertamina and replaced with a new institution, namely the Supreme Command for Retooling the Revolutionary Apparatus (Kontrar). Kontrar did not have a significant record in eradicating corruption and was dissolved when Soekarno was no longer president.

Based on the description of the policies of each era since Indonesia's independence, the policy of eradicating corruption has not been successfully achieved. With indications of the causes are: first, law enforcement in the country is still weak. There are still systematic efforts to weaken the existence and role of anti-corruption institutions, particularly the Corruption Eradication Commission (KPK); second, there is overlap and lack of cooperation between state institutions in efforts to eradicate corruption, both by the police, the prosecutor's office, and the KPK; third, there are indications of political intervention from both the executive and legislative branches in corruption cases involving public officials or certain political parties; and fourth, the anti-corruption culture has not yet grown and developed, both within the bureaucracy and in society.

Thus, it can be concluded that corruption is related to the problem of democratic practice.

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2     Suharto  
       (1995-1997)

**New Order Era**

Suharto formed the Corruption Eradication Team (TPK) led by the Attorney General. The TPK was considered to have failed in eradicating corruption when the corruption case at Pertamina by the TPK was not processed. Weak TPK. Orderly Operations (Opstib) to eradicate corruption. This optib became



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		inoperative due to an internal dispute.
<b>3</b>	BJ Habibie (1998-1999)	<b>Reformation Era</b> Starting with TAP MPR
<b>4</b>	Abdurrahman Wahid (1999-2001)	XI/1998 concerning the administration of a clean state free of corruption, collusion and nepotism (KKN). Then it was strengthened by TAP MPR
<b>5</b>	Megawati Soekarnoputri (2001-2004)	VIII/2001 on the policy direction of eradicating and preventing corruption, collusion and nepotism (KKN).
<b>6</b>	Susilo Bambang Yudhoyono (2004-2014)	Then Law no. 28 of 1999 concerning the Implementation of a State that is Clean and Free from Corruption, Collusion, and Nepotism along with the establishment of the anti-corruption agency, the State Official Wealth Supervisory Commission (KPKPN), the Business Competition Supervisory Commission (KPPU), and the Ombudsman. Born during the leadership of President BJ Habibie. However, this institution is considered not yet capable of eradicating corruption in Indonesia, this is due to the tendency to only carry out administrative functions and institutional rules.
<b>7</b>	Joko Widodo (2014-present)	In the era of President Abdurrahman Wahid, PP No. 19 of 2000 for the formation of the Joint Team for the Eradication of Corruption Crimes (TGPTPK). The TGPTPK was dissolved through a judicial review of the Supreme Court on the grounds that the TGPTPK was contrary to the existing law. UU no. 31 of 1999 is considered by the Supreme Court to be contrary to PP. 19 of 2000. At this time the only anti-corruption agency in Indonesia was the KPKPN, but the KPKPN was not

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supported by a strong legal infrastructure so it did not have sufficient authority. In the era of President Megawati in 2002, Law No. 30 of 2002 was issued along with the birth of a new anti-corruption agency, the Corruption Eradication Commission (KPK). Along with this law, the KPKPN became the KPK.

During the time of President Susilo Bambang Yudhoyono, Law 6/2007 was ratified by the United Nations Convention Against Corruption (UN CAC) which was ratified in 2003. In UN CAC, the definition of corruption is much broader than the Anti-Corruption Law 31/1999 jo 20/2001, because it includes including corruption by the private sector. Although Law 6/2007 provides the legal basis for UN CAC, however, there is no regulation under the law that provides a technical basis for the implementation of UN CAC in Indonesia.

President Joko Widodo signed Presidential Instruction Number 10 of 2016 concerning Actions for Prevention and Eradication of Corruption. The Minister of National Development Planning/Head of Bappenas, Bambang Brodjonegoro, emphasized that ministries, institutions and local governments must implement the Presidential Instruction.

In the era of President Joko Widodo, there was Presidential Instruction Number 10 of 2016 concerning Actions for Prevention and Eradication of Corruption in which all Ministries/Agencies and local governments had to implement this Presidential Instruction. Jokowi ratified

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Presidential Regulation Number 54 of 2018 concerning the National Strategy for Corruption Prevention. This Presidential Regulation mandates the formation of a National Team for Prevention of Corruption. The team is tasked with coordinating the implementation of the national strategy for eradicating corruption as well as submitting reports to the President.

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Source: Processed by the author from various sources (2021)

The above phenomenon indicates that there are interrelated conditions between democracy and corruption, especially in Indonesia. This is as stated by Ackerman (2006) stating that "corruption as a Political Problem: Kleptocracy. Democracy as an electoral system (voting) and a way of campaign financing". Ackerman implied that as part of the democratic process, the general election turned out to be a bridge to open corruption.

Similarly, Bayar (2005) also stated that the cause of corruption is below subsistence level wages of government officials; Culture and social structure; Existence or non-existence of democracy, free media, independent judiciary system; Education and income levels; Characteristics of legal sanctions; and Externality of existing social structure (Below subsistence level wages of government officials; Culture and social structure; Presence or absence of democracy, free media, independent judicial system; Education level and income; Characteristics of legal sanctions; and Externalities of the existing social structure ).

This means that the condition of democracy is also part of a reflection of the level of corruption in a country. The logic is that with democracy, there is information disclosure which automatically makes the government run more democratically through community involvement in the government process.

In line with the above opinion, Snape (1999) also stated that the causes of corruption are political factors: the gap in accountability, transparency, democratic institutions and a free press; economic factors: extensive government intervention in the economy; Javanese cultural factors: have roots in Indonesia's past cultural traditions, especially the prevailing culture in Java. A number of KKN practices are rooted in ancient Javanese customs so that they are then considered as something natural. These habits include the custom of giving gifts to rulers; loyalty to family is stronger than to the state; and the concept of hierarchical, permanent and patrimonial Javanese power.

Corruption practices will be highly developed when cultural attitudes do not support democratic institutions, especially in countries that tend to be authoritarian and dictatorial. Corruption practices will also develop in a particularistic culture that negotiates the law and enforces the law and in countries where "pork barrel" politics is common. In these countries, there is usually a marked lack of public pressure on politicians to behave responsibly. Corruption will also grow in people who have a pattern of patron-client relationships and in

countries that do not have clear or transparent criteria in determining public officials (Bull & Newell (2003).

Regarding political culture factors, corrupt practices can be highly developed when cultural attitudes do not support democratic institutions, especially in countries that tend to be authoritarian and dictatorial. Corruption practices can also develop in a particularistic culture that negotiates the law and enforces the law as well as in countries where “pork barrel” politics is common. In these countries, there is usually a marked lack of public pressure on politicians to behave responsibly. In addition, corruption can also grow in people who have a pattern of patron-client relationships and in countries that do not have clear or transparent criteria in determining public officials.

The patterns mentioned above occur in Indonesia, and in this paper the author reviews the relevant literature on the relationship between democracy and corruption which is set out below.

## **2. RESULT AND DISCUSSION**

Democracy has multiple and varied relationships with corruption (Doig and Theobald, 2000; Johnston, 2005; Warren, 2004). Several studies claim a negative causal relationship between democracy and corruption (Lambsdorff, 2005). In a sample of 64 countries, for example, Treisman (2000) finds that democracy reduces corruption: however, while the current level of democracy is not statistically significant, lower levels of corruption are favored by longer exposure to democracy. Similar results were obtained by Gerring and Thacker (2004; 2005), based on the cumulative number of years a country has been a democracy since 1900 (see also Blake and Martin, 2006; Thacker, 2009). Adserà, Boix and Paine (2000), finally, found that electoral participation affects corruption.

Democracy reduces corruption by facilitating the discovery of corrupt practices and the punishment of dishonest officials: the opposition seeks to expose corrupt practices by incumbents and voters will not re-elect politicians who pursue private interests over the public interest. First, democratic competition urges politicians to pursue re-election by strengthening their public goods delivery performance, rather than expanding their rents or their clients (Carbone and Memoli, 2013). Because in a democracy, politicians cannot guarantee that they will remain in power to protect the interests of rent-seekers, rent-seekers will be less likely to bribe them, and corruption will be contained (Montinola and Jackman, 2002: 151). Other than that, Corrupt behavior is exposed and pressure is placed on elected governments to eradicate corruption and respect the law and the public interest (Sen, 1994; Carothers, 2007). Checks and balances also make it difficult for officials to deviate from impartial practices (Manzetti, 2000). Democratic societies, in the end, discredit corrupt and dishonest practices more. In short, “democracy and consequent accountability increase the cost of corrupt behavior and possibly deter bribery, thereby limiting the number of opportunities presented for corruption” (Bohara et al, 2004: 484). Democratic societies, in the end, discredit corrupt and dishonest practices more. In short, “democracy and consequent accountability increase the cost of corrupt behavior and possibly deter bribery, thereby limiting the number of opportunities presented for corruption” (Bohara et al, 2004: 484). Democratic societies, in the end, discredit corrupt and dishonest practices more. In

short, “democracy and consequent accountability increase the cost of corrupt behavior and possibly deter bribery, thereby limiting the number of opportunities presented for corruption” (Bohara et al, 2004: 484).

The second group of thinkers asserts that there is a link between democracy and corruption. Paldam (2002) finds a large correlation between democracy and corruption, but this is lost when per capita GDP is added to the model. In a similar vein are contributions by Persson, Tablelini and Trebbi (2003) and by Sandholtz and Koetzle (2000). Democracy can encourage corruption because election campaigns require funding, and competitive elections expose parties and candidates to pressure from contributors (Rose-Ackermann, 1999). Bac (2001) argues that transparency makes it easier to identify which officials to bribe, thereby encouraging rather than suppressing corruption under democracies. Others have observed that institutions of accountability and control are often chosen and financed by governments, which reduces incentives and capacity to fight government corruption (Kolstad and Wiig, 2011: 3). Also, when corrupt values and behaviors are widespread in society, the emergence of democracy may not be enough by itself to bring about a radical change in corrupt attitudes and activities. In fact, the introduction of democracy can strengthen existing patron-client relationships, leading to the 'democratization' of corruption rather than its reduction, as in Italy, Japan, India and the United States. Moreno, for example, analyzes trends in the relationship between democracy and corruption during the 1980s and 1990s, when democratization took place in a large number of countries in Latin America, South Asia, Africa, and the post-Communist world. the emergence of democracy may not be enough by itself to bring about a radical change in corrupt attitudes and activities. In fact, the introduction of democracy can strengthen existing patron-client relationships, leading to the 'democratization' of corruption rather than its reduction, as in Italy, Japan, India and the United States. Moreno, for example, analyzes trends in the relationship between democracy and corruption during the 1980s and 1990s, when democratization took place in a large number of countries in Latin America, South Asia, Africa, and the post-Communist world. the emergence of democracy may not be enough by itself to bring about a radical change in corrupt attitudes and activities. In fact, the introduction of democracy can strengthen existing patron-client relationships, leading to the 'democratization' of corruption rather than its reduction, as in Italy, Japan, India and the United States. Moreno, for example, analyzes trends in the relationship between democracy and corruption during the 1980s and 1990s, when democratization took place in a large number of countries in Latin America, South Asia, Africa, and the post-Communist world. India and the United States. Moreno, for example, analyzes trends in the relationship between democracy and corruption during the 1980s and 1990s, when democratization took place in a large number of countries in Latin America, South Asia, Africa, and the post-Communist world. India and the United States. Moreno, for example, analyzes trends in the relationship between democracy and corruption during the 1980s and 1990s, when democratization took place in a large number of countries in Latin America, South Asia, Africa, and the post-Communist world.

A third group of thinkers supports the non-linear nature of the relationship between democracy and corruption. Montinola and Jackman (2002) find that moderate levels of democracy do not reduce corruption: however, beyond a certain threshold, the positive effects of democracy become apparent. Manow (2005) and Rock (2009) reached a similar

conclusion: he found that corruption was higher in intermediate democratic regimes than in authoritarian regimes. However, beyond this threshold, democracy is effective in eradicating corruption. Sung (2004), finally, claims that the cubic functional form best explains the relationship between democracy and corruption. In summary, the current results show that the relationship between democracy and corruption. It remains controversial and whether democracy reduces corruption is ultimately a question that must be answered empirically (Kolstad and Wiig,<sup>6</sup>

The second cluster of critical determinants of corruption relates to support for democracy, namely satisfaction with the way democracy works and the government's assessment of justice. Satisfaction with democracy has been defined as: "a basic evaluative orientation towards government based on how well the government operates in accordance with the normative expectations of society" (Hetherington, 1998:791). In general, it is believed that low levels of satisfaction with democracy foster corruption: lack of trust in government appears to hinder acceptance of the universal ethos and promote an instrumental and individualistic approach to problems and opportunities. Della Porta (2000: 205) claims that "a lack of trust in government actually supports corruption to the extent that it turns citizens into clients and bribes seeking personal protection to gain access to decision makers". A similar conclusion was reached by Cleary and Stokes (2006). Guerrero and del Castillo highlight the weak political trust in Mexico, combined with perceptions of corruption within certain institutions: they conclude that the view that "everyone does it," significantly reduces the risk of disclosure and sanctions, thereby deterring from following the law (2003: 2 ). In a similar vein, Morris and Klesner empirically explore the relationship linking perceptions of corruption and trust in political institutions in Mexico, based on data from the 2004 American Barometer survey,

An important dimension in this regard is expectations regarding the efficiency and fairness of government and public administration: whenever these expectations are thwarted, corruption is likely to grow stronger. Difficulties in obtaining certificates or permits, multiple procedural controls and delays in administrative processes are often associated with the development of political corruption because, in such circumstances, corrupt politicians and civil servants can provide, in exchange. bribery, quicker and more complete attention to specific cases, favorable interpretation of rules and application of simpler procedures (Della Porta, 2000: 222; Della Porta and Vannucci, 1999). Correspondingly, as inefficiency and corruption grow, partial and unjust, determined to protect the interests of those who have access to privileged channels of communication, through which to obtain special favors and benefits at the expense of other citizens. This can encourage even those who initially refuse to be part of corruption because of the lack of viable alternatives.

**Bureaucracy** The study of public administration reform is hampered by the absence of a universally accepted definition. The concept of administrative reform is interpreted differently from one scholar to another. Caiden described the reform of state administration as:

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<sup>6</sup>Our democracy indicators are based on the Polity IV data set (Polity IV, 2012). Political performance scores range from -10 (full autocracy) to +10 (full democracy). We consider democracy as a political regime that scores higher than 5.

"The term used to designate various activities such as: organizational improvement activities, administrative checks, ... treatment of all kinds of organizational irregularities, ... means to create a cleaner government, and the style of an organizational reformer." Ezekel Dror said that "a reform of the state administration is a planned change to the main aspects of the organization". The Malaysian government and EUROPE (Eastern Regional Organization for Public Administration) agree that the reform of state administration is not only an improvement in the organizational structure, but also includes improving the behavior of the people involved in it. "Jose Veloso Abueva, stated that the reform of state administration is an emphasis on changes in institutional and behavioral aspects". (Caiden, 1991).

- a. Bureaucratic structures and procedures (reorganization or institutional/institutional aspects);
- b. Attitudes and behavior of bureaucrats (behavioral aspects), in order to increase organizational effectiveness or create a healthy administration and ensure the achievement of national development goals.

Reform of state administration, as well as public administration and policy, goal setting is very important. Reform programs are rarely designed with a single goal in mind. The multiplicity of objectives of state administration reform:

- a. Intra-organization, which is intended to improve the administration of internal organizations, including:
  - Administrative efficiency, Elimination of administrative weakness or disease,
  - The introduction and promotion of the merit system,
  - management transformation,
  - Paradigm transformation or law or basic provisions.
- b. External organizations include the role of the community in the organizational system. Includes:
  - Adapting organizational systems to increasing public complaints;
  - Changing the division of labor between the public organizational system and the political system, such as increasing the professional autonomy of the public organizational system and increasing its influence on a policy;
  - Changing the relationship between public and population organizational systems such as relocation of centers of power (centralization vs. decentralization, democratization etc.).

Hahn Been Lee (in Susilo Zauhar, 1996) categorizes reform into 3 (three) agendas, namely:

- a. Order Reform Procedure Reform

Traditional and modern societies are very fond of order, especially in transitional (prismatic) societies that are carrying out major reforms. In this situation, people like to reminisce on the old order.

To overcome these problems, reforms need to be directed at creating procedures and establishing routines. Reforms must be oriented to setting up procedures and controls to prevent reform agents from causing chaos.

- b. Method Reform Technical Reform

The perfection of the order is a product of chaos, while the urge to perfect the method arises because of the stimulus from society. If society favors technical administrators over status then administrators must be fanatical about methods. Public administrators in technologically advanced societies are required to be increasingly fanatical about the development of techniques and methods.

#### c. Performance Reform Program Reform

The improvement of performance is more nuanced in the substance of its work program than the improvement of regularity and the refinement of administrative technical methods. The main focus is the shift from form to substance, from efficiency and economy to work effectiveness, from bureaucratic prowess to public welfare. Not only aiming at law and order or procedural, or the search for new methods and techniques, but focusing on outcomes.

To implement the reform agenda, a strategy is needed. There is still a dichotomy in determining organizational reform strategies, namely:

##### a. Macro vs Micro Approach

The macro approach is based on a comprehensive rational view that the reform strategy must be carried out comprehensively and for the long term. The complexity and dependence of administrative factors necessitates a comprehensive reform.

The micro approach is more selective, achieving goals requires a break-through and a partial or incremental approach. Merging the two approaches for the better, namely the overall refinement becomes the basis for partial and incremental improvements.

##### b. Structural vs Behavioral Approach

This approach to the behavioral aspect emerges very strongly as a critique of the static and fanatical structural approach to organizational dogma. But the behavioral approach also has a weakness, namely it is difficult to explain how individuals should adjust their behavior in an established organization. The orientation to the individual often makes this approach called the micro approach and the structural approach as macro.

Facing these challenges, reform of state administration needs to be carried out and can be started at the policy level, as stated by Nicholas Henry (1989) that the first dimension that is the main concern of state administration is identical to public policy that occurs in the era and atmosphere of techno bureaucratic big democracy. Miftah Thoha (1992) also states the same thing that public policy in the form of the process of forming government problems, solving them, determining policies, implementing and evaluating policies is the first dimension that is the main concern of state administration.

The appearance of the state administration is represented by the appearance of the bureaucracy. At present, the bureaucracy has not been able to formulate public policies that are fully in favor of the public interest. Eradicating corruption is an effort to reform the bureaucracy by changing the appearance of the bureaucracy.

Bureaucratic reform efforts to eradicate corruption can be carried out through a combination of Order Reform-Procedural Reform, Method Reform-Technical Reform, Performance Reform-Program Reform, with the strategy used is a combined strategy of Macro vs Micro Approach, Structural vs Behavioral Approach.

Corruption is endemic, so it must be eradicated with a comprehensive model and strategy. Quah (1992) suggests three (3) models of eradicating corruption as an effort to



reform the bureaucracy that has been practiced in several countries and has succeeded in reducing corruption in these countries, namely:

- a. Anti-Corruption Legislation with no Independent Agency. The Mongolian practice.
- b. Anti-Corruption Legislation with Several Agencies. This model is practiced in India and the Philippines.
- c. Anti-Corruption Legislation with an Independent Agency. This model is applied in Singapore and Hong Kong.

The three Quah models can help the government to eradicate corruption. However, among the three models, the third model is the most effective in eradicating corruption. Quah's success in assisting the Singapore and Hong Kong governments has been investigated by Volg et al. Volg and friends even recommend the Hong Kong model as "Hongkong SAR as a Model. (Pope, Jeremy and Frank Volg, 2000).

The specialty of the Hong Kong Model lies in the principle of independence and professionalism of the anti-corruption agency, namely the Independent Commission Against Corruption (ICAC). There are plenty of staff at ICAC with high salaries to ensure their professionalism. (Volg, *ibid*)

This model was imitated in Indonesia with the establishment of the KPK, but the number and salaries of staff were not as high and high as ICAC so that the professionalism of the KPK was doubted.

### **3. CONCLUSION**

Based on the explanation above, it clearly shows that democracy clearly influences/reduces corruption. For the case of Indonesia, based on the description of the policies of each era since Indonesia's independence, the policy of eradicating corruption has not been successful. With indications of the causes are: first, law enforcement in the country is still weak. There are still systematic efforts to weaken the existence and role of anti-corruption institutions, particularly the Corruption Eradication Commission (KPK); second, there is overlap and lack of cooperation between state institutions in efforts to eradicate corruption, both by the police, the prosecutor's office, and the KPK; third, there are indications of political intervention from both the executive and legislative branches in corruption cases involving public officials or certain political parties; and fourth, the anti-corruption culture has not yet grown and developed, both within the bureaucracy and in society. Corruption tends to be seen as a mere political and legal problem so that aspects of values, morals, and civility receive less attention from the public. Thus, it can be concluded that corruption is related to the problem of democratic practice.

Bureaucratic reform, which has become a mainstay program to bring in reliable bureaucrats, has not been successful. It is proven by the number of corruption crimes, especially in the field of public services. The new era government, which is commanded by President-elect Joko Widodo, has explicitly and concretely declared war on public services that have a bad image. To realize this desire is certainly not easy, but we must have the courage to start now by carrying out bureaucratic reforms that incorporate the method of mental revolution into its programs and policies. Policy, government programs and activities in the future leadership era are directed and positioned correctly as a strategy for implementing bureaucratic reform in eradicating corruption to create a good public service system. Bureaucratic reform has really become an ideology that is internalized or well transformed in the form of government policies or programs. Not only became a lively discourse but there were no real steps. The urge to regulate the auction system for positions, speed in the public service system and electronic public services can be used

as the initial momentum to internalize the mental revolution into the system of bureaucratic reform and public services. Bureaucratic reform has really become an ideology that is internalized or well transformed in the form of government policies or programs. Not only became a lively discourse but there were no real steps. The urge to regulate the auction system for positions, speed in the public service system and electronic public services can be used as the initial momentum to internalize the mental revolution into the system of bureaucratic reform and public services. Bureaucratic reform has really become an ideology that is internalized or well transformed in the form of government policies or programs. Not only became a lively discourse but there were no real steps. The urge to regulate the auction system for positions, speed in the public service system and electronic public services can be used as the initial momentum to internalize the mental revolution into the system of bureaucratic reform and public services.

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# Simplify the Bureaucracy

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## ABSTRACT

The impact of the COVID-19 pandemic has led to a large-scale social restriction and the implementation of activity restrictions policy. Services needed digital technology support not to meet face-to-face to build an agile bureaucracy. Administrative documents need to go to less paper. The method in this writing is library research that the aim was to inform about simplifying the bureaucracy. This paper reviews papers about simplifying the organizational structure of government in Indonesia. In a theoretical context, the relevant literature explains the simplification of bureaucracy described as an integral part of bureaucratic reform. In the context of this study, it is illustrated that the simplification of bureaucracy as one of the changes expected to reform the bureaucracy and has been regulated in various related regulations still leaves some areas that have not simplified their organizational structure. It implies the importance of organizational efficiency (reform) in order to create an environment conducive to economic growth. Simplification of bureaucracy as an anti-corruption strategy can start from simplicity or avoid waste, excessive and mental cleansing from corruption can start from the cultivation of simple attitudes of life that can be created by being simple in our daily lives as commanded by God Almighty.

**Key Words:** *Bureaucracy, Policy, Agile, Simplifying Of Organizational Structure*

## 1. INTRODUCTION

The leverage factor of bureaucratic reform in Indonesia is caused by the phenomenon, first, of increasing employee spending. Ineffective recruitment of employees and expansion of the organizational structure of government bureaucracy. Indonesia's Evaluation Budget Transparency Forum (2011), where 124 local governments tend to use budgets inefficiently. Lumajang is one of the districts where Lumajang Regency Apparatus spending swelled to 83% of the total budget. These numbers show more or less 2% of employees may take employee spending; that's the remaining 17% reserved to 98% of the community in shape of capital production and development.

Recruitment of incompetent employees and an inclination to develop central organizational structures and local governments impact budget deficits. Second, the high cost of elections. Ironically, the electoral process did not achieve the goal of decentralization by producing good leadership. Large election budgets have an impact on budget deficits. The size of the election budget and its effect on the government result in the bureaucracy being somewhat overwhelmed in controlling the budget deficit. Bureaucracy at the local level is experiencing a fragmentation concentration of loyalty dilemmas in elections. Third, high passion. State bureaucratic organizations fatten up without reviewing needs organizations that facilitate the financing and recruitment of employees more than the original plan. The final impact is that the local bureaucracy is overloaded, with the opposite condition in other areas, especially in the outer regions of Java. On the other hand, the local community is low. On the other hand, the local community is low. Third, Income dependence on the central government is accompanied by a high organizational burden and inefficient local government expenditure. Fourth, corrupt behavior causes bureaucracy to lose trust as public servants. Fifth, the tendency of local governments to act consumptively, wastefully, arbitrarily, and less transparently due to weak supervision. Overall, this is also supported by poor bureaucratic behavior in service. Society is slow, reactive, arrogant, nepotistic, troublesome, wasteful, works instinctively, reluctant to change, and lacks immunity. (Labolo & Indrayani, 2019).

The policy of bureaucratic simplification as the State Ministry's Organizational Structuring Program and Structural Arrangement Program in President Joko Widodo's administration was implemented at two levels and replaced with functional positions that respect expertise and competence. Two policy directions for the bureaucratic model 2020-2024, namely the transformation of digital bureaucracy and the management of the New Normal state civil apparatus based: first, changes in the development policy/development of the talent management infrastructure of the state civil apparatus based on the current system and human resources conditions. Second, the implementation of automation and flexible working arrangements to realize effective and efficient governance (*Penyederhanaan Birokrasi Akan Dilakukan Dalam Tiga Tahap*, 2020)

The road map of bureaucratic simplification is divided into 3 stages, among others: *first*, short-term, which includes: issuing a Circular Letter of State Ministry's Organizational Structuring Program and Structural Arrangement Program, identification and study of Government agencies, mapping of positions, and policy formulation; *second*, medium-term includes the alignment of functional position policies for functional position performance assessment, adjustment of functional department policies and curriculum of leadership training of National Institute of Public Administration as well as the implementation of the appointment/transfer of administrative positions to functional in Government agencies; *third*, long-term phase, the implementation of Smart Office Bureaucracy through Electronic-Based Government Systems (e-Government) nationally and monitor and evaluate its implementation. Simplifying the bureaucracy as the President's mandate is an executive order, streamlining the organization and carrying out the work.

As many as 11% of structural officials, 52% of functional officials and 37% of the implementation of the total number of civil servants throughout Indonesia, it is expected that this reform will make the bureaucratic body leaner, dynamic, agile, focused on functional work, job transformation and supervision and control. Among the actions that

have been implemented are holding a meeting on the maturation of policy formulation from the Ministry of Utilization of State Apparatus - Bureaucratic Reform (or Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi/KemenpanRB), The State Staffing Agency of the Republic of Indonesia (or Badan Kepegawaian Negara/BKN-RI), National Institute of Public Administration (or Lembaga Administrasi Negara/LAN-RI), the State Civil Apparatus Commission of the Republic of Indonesia (Komisi Aparatur Sipil Negara/KASN) and the bureaucratic reform team and also invited the Provincial Secretary and district/city secretary, and issued a Circular Letter No. 384, 390 and 390 of 2019 on Strategic Steps of Simplification of Bureaucracy to Advanced Indonesian Cabinet (Kabinet Indonesia Maju) Ministers, Governors, Mayors, and Regents as well as all central and regional agencies to identify work units and structural positions that will be simplified including echelons III, IV, and V to be transferred according to the map of each agency's position..

The implementation is begin with shifting the positions of the administrator (echelon III) becomes an intermediate expert functional position, supervisor (echelon IV) and implementer (echelon V) becomes a functional position and young experts, which respect expertise and competence following the criteria for equalization of positions (*Penyederhanaan Birokrasi Akan Dilakukan Dalam Tiga Tahap*, 2020).

Bureaucratic simplification is scheduled in 11 clusters in the Job Creation Act, including simplification of licensing, investment requirements, employment issues, land acquisition, ease of doing business, research and innovation support, government administration, imposition of sanctions, ease of empowerment, and protection of MSMEs, government investment and projects, regional embodiment. integrated economy and tourism areas (*Penyederhanaan Birokrasi Di Kementerian Dan Pemda Selesai 80 Persen*, 2020).

The face of the new bureaucracy will be a world-class bureaucracy, with high flexibility, lean but performance-based, capable of both breakthroughs and innovations for the betterment of the nation and creating anti-corruption and performance-oriented culture Overall this requires a change in the way of working with the digital transformation of human resource development and the transfer of the nation's capital.

As a result of development, change, and political arrangements make bureaucracy as a tool of the state to maintain bureaucratic power and services the cause of rampant corruption, collusion, and nepotism. This has further implications, the government bureaucracy is more as a servant of the state than as a public service. Accountability of public services and eradication of corruption are one of the indicators of the success of bureaucratic reform. However, the lack of optimal bureaucratic reform in Indonesia is evidenced by the involvement of ministry officials and regional heads as suspects throughout 2020 by the Corruption Eradication Commission (or KPK) of 109 people (CNNIndonesia, 2020). This is suspected because developing countries generally do not have factors that developed countries have according to Caiden (Nugroho, 2013); 1) a well-run administrative system between generations, 2) society and bureaucracy conducive to productive relations, 3) strong government institutions, because citizens respect government institutions, 4) sufficient resources to drive bureaucratic reform, from people, technology and budgets.

The juridical basis for simplifying the bureaucracy is regulated through the Draft Government Regulation Amendment to Government Regulation Number 11 of 2017 concerning Civil Servant Management, followed by Circular Letter of the Ministry of Utilization of State Apparatus - Bureaucratic Reform (or Kementerian Pendayagunaan Aparatur Negara – Republik Indonesia/ Kemenpan RB) Number 382 to d. 393 of 2019 as of November 13, 2019, concerning Strategic and Concrete Steps to Simplify the Bureaucracy and Regulation of the Ministry of Utilization of State Apparatus - Bureaucratic Reform Number 28 of 2019 concerning Equalization of Administrative Positions into Functional Positions. It is also an indicator of the Bureaucratic Reform Index assessment (*Penyederhanaan Birokrasi Jadi Momentum Penting Pemerintah*, 2020). From implementing bureaucratic reform by December 2020 to August 7, 2020, the bureaucratic structure has been simplified in 41 ministries and institutions. Simplifying the bureaucracy starts from the ranks of echelon III by 53 %, echelon IV by 51 %, and echelon V by 70 % in 41 ministries and institutions. Currently recorded about 59% or approximately 24,644 simplified organizational structures starting from the ranks of echelon III by 53%, echelon IV by 51%, and echelon V by 70% in 41 ministries and institutions. Streamlining bureaucracy in local governments is focused on licensing and investment because the principle of central and local bureaucracy is to provide public services and shorten bureaucratic pathways (*Penyederhanaan Birokrasi, Semua Instansi Harus Tegak Lurus Laksanakan Visi Misi Presiden Dan Wapres RI*, 2020).

The target for bureaucratic simplification in ministries/institutions has only been achieved by around 70%, including echelon III positions initially around 8,786. Now they are reduced to 5,106. Echelon IV positions which were originally 30,123, were reduced to 19,130, and echelon V positions initially numbered 19,865, now only 5,072 remain (*Penyederhanaan Birokrasi S Udah 70%*, 2020). Where is the data from? Currently, less than 11 local governments have not completed the simplification of the bureaucracy by mid-2020, including the city of Surabaya and several regions in Papua. Phase I is directed at the regional apparatus in charge of licensing and investment so that only echelons two and three remain at the district/city level.

Simplified of bureaucracy in the local government (Purbolaksono, 2021) based on data from the Ministry of Home Affairs, there are 493 out of 508 districts / cities have submitted simplification of the organizational structure as of December 21, 2021. As many as 15 remaining areas are in Sumatra as many as 2 local governments and Papua as many as 13 local governments; and two provinces namely Papua Province and South Sumatra Province (okezone.com, 22/12/2021). as well as hundreds of thousands of positions of the state civil apparatus in the Local Government that have been simplified, Among them 140,474 positions from the target of 143,115 positions that have been simplified. This figure is equivalent to 94.86% of the target of 100% simplification of organizational structure for local governments (viva.co.id, 22/12/2021). Minister of State Apparatus Utilization and Bureaucratic Reform (Menteri Pendayagunaan Aparatur Negara dan Reformasi Birokrasi), Tjahjo Kumolo explained that the simplification of bureaucracy is aimed at strengthening the implementation of the duties of the State Civil Apparatus based on expertise or skills in functional positions in accordance with the direction of President Joko Widodo (Jokowi). This is intended so that public services run more optimally and organizational performance increases. In addition, the transformation of apparatus management into a nimble and

professional apparatus as one of the efforts to realize the professionalism of the apparatus (koran-jakarta.com, 16/12/2021).

Delaying the disbursement of performance allowances for civil servants / apparatus after coordinating with the Ministry of Finance becomes a consequence of sanctions given to ministries/institutions/local governments that have not carried out bureaucratic reforms in this case the simplification of bureaucracy and transfer of positions (Hamdani, 2021).

About 77% of the total civil servants, or 4.3 million served in local government agencies, both provinces and districts / cities so that local governments were most "affected" by echelon cuts. Although the benefits are budget efficiency and quick decision making, it is not easy to implement echelon cutting policies, especially in the regional/area (TjahjoKumolo, 2021).

Bureaucratic reform shows the benefits of more effective and efficient public services. One of the latest is the simplification of positions by cutting echelon by leaving echelon 1 and 2 and transferring structural positions of echelon III, IV, and V to functional positions. However, this step has been criticized as a burden on the state budget. Therefore, simplifying the bureaucracy is carried out to change structural positions to functional and aims to encourage leadership from echelon I and II to move a lean bureaucracy, be fast in making decisions, and provide fast services in ministries/agencies/local governments.

## **2. METHOD**

The research method in this paper uses a qualitative approach because many describe the analysis in the form of words and is literature research. In contrast, conducting this library research is only based on written works, including research results, both published and unpublished. Although library research is research, this research is not required to go out in the field and meet with informants. Library research can be obtained data from library sources or documents. Therefore, it is not only for the initial step of preparing a research design but also for utilizing library sources (Mestika Zed, 2008).

## **3. RESULT AND DISCUSSION**

Plato says that one can not be an excellent public administrator without being first a philosopher. According to Plato, to be a good administrator of the state, one must first become a philosopher. Because then he will love the truth, all his decisions are based on correct philosophical considerations, so the decisions taken are not detrimental to the people. This is because a fair decision is full of policies and policies owned by a philosopher. Also, to speed up bureaucratic reform, bureaucracy must work with a priority scale, clear size, and follow the existing stages it has been determined. Public services with much less budget or efficiency as a keyword in community service. The idea of Entrepreneurial This bureaucracy makes Government officials think, behave and Act innovatively and creatively to repair public services without improving the budget. Increase Bureaucratic performance without improving the economic burden of society (Irawati, 2017).



In principle, bureaucratic reform seeks to create a professional government bureaucracy with adaptive characteristics, clean and free from corruption, collusion, nepotism, integrity, high performance, service-oriented, neutral, prosperous, dedicated, and adhering to the basic values and principles of the state apparatus code of ethics. However, bureaucrats at all levels have not fully supported efficient, effective, productive, and professional bureaucracies (Eko Prasodjo et al., 2013).

Bureaucratic reform is more devoted to structural and capacity reforms in realizing bureaucratic functions and encouraging good governance. First, organizational (structural) reforms are designed based on needs, not the political interests of a particular group. At the hierarchical level, pruning is necessary for more efficient and effective services and flexible functional organs. The organization is built on work analysis and workload outcomes instead of political compromises. Fat organizations are loaded with elite political interests and local regimes rather than answering the problems facing society. Not only in the region, this phenomenon also occurs at the central level, namely the expansion of government organizations such as ministry departments, as well as dozens of organizational levels of institutions, institutions, and commissions. Ironically, this downsizing of organizations and rich functions is preferred at the local government level through government regulatory policies, but fails to create efficient organizations at the central government level. Among them are many budgets to improve skills, the recruitment of employees who have ideal competencies as teachers, policy analysts, doctors, pharmacists, and nurses. The fat posture of local government organizations sucks up more apparatus spending than construction spending. Examples of this can be found in several districts such as Lumajang, Tasikmalaya, Sragen, Palu, Ambon, and Bitung, where more than 70% of the budget is spent on personnel costs (FITRA: 2011). Second, there needs to be adequate capacity reform to improve the ability of the apparatus to serve the community. This capacity reform is an effort to increase the ability of bureaucratic resources in service. The capacity of bureaucratic reform is demonstrated by the ability of individuals or groups to be good at translating visions and missions, programs and activities. Focus on aspects of education and experience in bureaucratic professionalism as well as minimum certification proof of professionalism from primary education to a higher level (Labolo & Indrayani, 2019).

"Due to synergistic effects, positive or negative institutional changes can lead to significant changes in the economy and society at large. The main task of institutions is to reduce transaction costs, thereby creating a framework for productivity growth, increasing competitiveness, and creating an environment conducive to economic growth. This study proves a significant positive influence of institutional quality on the economic growth of World Bank countries in 2012-2016." (Nedić et al., 2020).

The results (Harits & Bhagya, 2021) showed that the competence of the state civil apparatus and bureaucratic reforms affected organizational performance. In other cases (Supriyono et al., 2015), the Wonosobo regional experience of the government shows that bureaucratic reform concerns not only technical and administrative capacity in conducting institutional arrangements but also concerns political aspects, namely visionary leadership, the strong political will to reform, and the effective use of influential tactics to gain political support for reform. This research illustrated the practical experience of some countries that bureaucratic reform is mainly influenced by the political interaction of bureaucrats and

politicians, and local governments are generally conservative in carrying out downsizing policies due to financial, legal, and political challenges. However, the political process of bureaucratic reform focuses on the use of influence tactics by pro-reform bureaucrats in carrying out extreme bureaucratic downsizing is rare.

Dugget (in Rewansyah, 2012) bureaucratic reform is undertaken to redesign bureaucracy in a government environment. Different from (Boniface .S. Mgonja & Charles Tundui 1, 2012), reform bureaucracy is the institutional affairs of local governments towards regional Good Governance programs to improve the country's socio-economic conditions. Therefore, it takes an anti-corruption strategy and local government reform where there are worse institutions in the system of government so that reforms are expected to improve good governance through local institutional reform and autonomy.

Looking at the success of policy reforms in several countries, including more than ten years since policy reforms in America took effect, there has been a decrease in poverty rates, an increase in the employment of some low-income mothers, an increase in the collection of child benefits, the economic boom in the late 1990s and other policy changes such as minimum wage increases and expansion of income tax credits (Celeste Watkins-Hayes, 2009).

The success of educational reform is driven by strong leadership and technical capacity; bureaucratic entrepreneurship becomes important in maintaining innovation policies from time to time, bureaucratic entrepreneurship is created by creating an organizational climate that is conducive to innovation, learning and encouraging group problem-solving, encouraging team entrepreneurship when a group of individuals is combined with work to produce innovation, as well as the substantial role to be played by state education departments in shaping public education policy (Fisk, 1999). Public management reform is a change to the structure and processes of public sector organizations to run better. Reform almost certainly has two different objectives and different priorities in achieving policy objectives. Is it between making the organization run more efficiently or ensuring that the public services provided are more responsive, minimizing taxpayers' money spent on each activity, and so on? (Christopher Pollit and Geert Bouchaert, 2011)

Recent research from (Christopher Pollit and Geert Bouchaert, 2011) describes the phenomenon of reforms in the 1980s and early 1990s that tended to divide public sector organizations, with fewer large multi-purpose forms and more single-purpose or few-purpose organizations. Then the agency is often deliberately placed not far from the minister or to provide greater freedom for managers. Finally, multi-complex problems emerge, including coordination problems (different public sector organizations work together to pursue the same overall policy goal) and political accountability issues (it is more difficult for ministers to control, but in many cases, if they do things that are not popular, remains the minister to blame from the media and the public). Hence, it becomes a political agenda with strategy, joining, and inter-service coordination.

The slogan 'e-government' has also become a trend that explains how rapidly developing information technology can change public sector productivity, improve citizens' access to information and services, and even usher in a new wave of participatory democracy. Government spending includes significant investments in new computer systems and web-based communication systems. While this brings substantial benefits,

there are also many cases of cost and inflated systems that performed poorly or failed to work at all. The development of Information and Communication Technology (ICT) has also changed the pattern of government work, but e-government is not a model in itself. Much depends on the particular context in which specific electronic technology is introduced, for what purpose, and so on. A more managerial way of thinking more importance on leadership and innovation and more trust in the creativity inherent in staff, if only they are properly led and motivated (Christopher Pollit and Geert Bouchaert, 2011).

Changes in organizational structure are often a key feature of public management reform, but usually, such changes are linked to outputs and outcomes only with relatively long causal chains. (Abubakar & Holidin, 2013) explains that the rationalization of organizational structuring is urgent in developing a dynamic, responsive, and efficient bureaucracy to realize public services as the most fundamental impact of reformist change. The fat bureaucratic structure makes it difficult for the bureaucracy to change according to environmental demands, affecting the low performance and quality of public services. With the first stage of preparation for rationalization, the next stage is a review of the capacity of the apparatus' resources; decision-making hierarchy; implementation of procedural standard; the last stage is restructuring based on the level of complexity of affairs and the depreciation of the functional structure of the organization (skills and task forces).

(Christopher Pollit and Geert Bouchaert, 2011) described that the form of political executive could influence change at some stage in the reform process. First, it affects the level of influence that can be created to launch a reform program. Second, it can affect the stability of reforms, once implemented (agreement-based innovation is hypothesized to have a higher life expectancy than single-party-based innovation, which is more likely to be cancelled when a rival party returns to power). Third, there may also be an impact on the sense of 'ownership' over reform measures. So far seen as emerging from a broad-based consensus of political opinion, they can take legitimacy among the civil servants who have to carry it out. However, if certain reforms are regarded as doctrinal instruments of a single party or group, then civil servants may refuse to take any 'ownership', regarding them with hatred, as foreign coercion that may be delayed or diluted as much as possible. This kind of resistance may be more likely if independent senior civil servants, high-status 'guardians' rather than politically protected 'agents' the nature of executive government can influence not only perceptions of wants and feasibility but also the content of the reform package, the implementation process, and the extent to which reforms are ultimately achieved.

The entrepreneurial government model no longer prioritizes organizing (organizations or institutions) but pays attention to the market (the market, the balance of the people). The government and bureaucracy only direct (facilitating), not all fields. Focus on community empowerment, compete to provide the best service, driven by nation-driven rule, able to finance themselves instead of waiting for the budget, controlled by taxpayers, and pay attention to savings, are preventive rather than curative (Soebhan, 2000).

Creating a new bureaucratic climate is the goal of bureaucratic simplification, not cutting the office level. A more dynamic bureaucracy accelerates the work system, focusing on functional work, encouraging performance effectiveness and efficiency, and increasing the professionalism of the apparatus itself (Republika, 2020). Building bureaucratic professionalism, increasing government performance accountability, shortening decision-

making processes, creating an agile, effective, and efficient bureaucracy that supports public service performance (KEMENPANRB-RI, 2020); (LANRI, 2021). The goal of simplifying the bureaucracy itself is to build a dynamic, agile, high flexibility, capable, superior culture, and performance-based organization to produce adaptive policies integrated into each unit (Evi Kurnaesih, 2020).

The simplification of the bureaucratic structure is expected to create an agile, dynamic, innovative, and professional bureaucracy and increase effectiveness and efficiency in supporting the performance of public services, both in central and regional agencies. The simplification of the bureaucracy is essential to respond to the current bureaucracy's weaknesses: first, a fat bureaucratic structure results in slow policy and decision making, plus frequent miscommunication and wrong coordination, which makes bureaucratic work increasingly inflexible and expensive. Second, to create government accountability. This departs from the phenomenon of corrupt bureaucratic culture, and the use and abuse of office are still every day. The expected implication of this simplification of structure is that the performance of the bureaucracy is more efficient and effective. After all, a fat bureaucratic structure costs a lot (Evi Kurnaesih, 2020).

Poor public service in Indonesia, among other things, because there is no law. Instruments that regulate standardization Public services must be fulfilled. That Obstacles to bureaucratic reform are also coming. The bureaucratic organization itself the average tends to show corrupt behavior. In other words, corruption prevents bureaucracy from performing public services. Government efforts to fix internal through bureaucratic reform in various strategic areas such as strict employees recruitment, improved welfare, Transparent mechanism of work reward merit system (rewards and pay rewards for performance) does not damage the system, Discriminatory) has not been able to do public-oriented bureaucratic construction service effectively and efficiently. The context of reform is defined as radical changes for improvement across the range in a society or country. So bureaucratic reform is a radical change in the system of government. That the bureaucratic structure of the government is not only filled by career bureaucrats but also political officials. According to liberal theory, the government bureaucracy implements government policies that direct access to people through the mandate obtained election. Thus, the government bureaucracy is filled by bureaucrats, but certain sections are occupied by political officials (Irawati, 2017).

These case studies illustrate the role of bureaucracy in reforms that show that international donors cannot impose the idea of change through the provision of funds. Policy reform can only be meaningful if the concept of reform represents the interests and path of organizational development from several segments in the bureaucracy. For better or worse, reform cannot begin without knowledge, conscience, and bureaucratic experience (Suhardiman et al., 2014).

If current bureaucratic reform is identified with the simplification of bureaucracy, (Matei & Bujac, 2016) considers that innovation is a dynamic process which changes the overall architecture of government, identifies problems, challenges, develops new methods, creative, and selects and implements new solutions with general the characteristics of innovation largely coincide with the reform process. An important factor in innovation is the creative mindset. To improve the efficiency of the public sector and to provide quality and competitive public services required innovation process although

innovation is seen as the result of the change, cannot equate it with any form of change because change must qualify as innovation, it must have a certain level of desire and intentionality. Value-added for customers is a differentiator of change and innovation; change can positively or negatively impact the organization, while innovation, by definition, must be positive. Therefore, although all innovation can be seen as change, any change cannot be seen as innovation. The relation between reform and administrative innovation in a public sector context lies in flexibility and adaptability in response to society's needs as innovation lever values. An essential aspect of public administration reform is ensuring proper management in implementing it. The government is increasingly making innovation a significant issue on the current political agenda; given the considerable potential for innovation to bring up economic growth and face social and environmental challenges, successful reform must be innovative because innovation is good.

Adaptation to change is critical to maintaining the quality of a public organization's services. (Faedlulloh et al., 2021). This research predicts two aspects that Jokowi put forward in his "Vision Indonesia" speech: structural reform and mindset reform. Bureaucracy is fast and agile in providing public services as the goal of structural improvement while revamping the mindset by adapting the capacity of the mindset in dynamic governance, which encourages bureaucrats to think ahead, think again, and think cross-to-face productive, innovative, and competitive bureaucracy. However, the principle of structural change must be solely in the public interest. Modernization of personnel management, restructuring, downsizing and size adjustment, management and organization of change, building government administration processes, performance-based budgeting participatory planning processes, and fostering new relationships between government and society in government development. Also, digital technology can drive innovation in the public sector.

The focus of bureaucratic Reform in Indonesia is a review of (1) the existing bureaucratic structure; (2) analysis of governance and development processes; (3) changes in the management of the apparatus's resources; (4) changes in the relationship between government and society equally; (5) changes in the surveillance system; and (6) financial changes in management (Kamaruddin et al., 2017). In the context of this research, it is illustrated that the simplification of bureaucracy as one of the changes expected to reform the bureaucracy and has been regulated in various related regulations still leaves some areas that have not simplified their organizational structure. So this consequently delays the disbursement of performance allowances of the regional apparatus.

#### *The implication of the research*

In a theoretical context, the relevant literature explains the simplification of bureaucracy described as an integral part of bureaucratic reform; even the simplification of this organization is also one of the indicators of the assessment of the Bureaucratic Reform Index.

In the context of this study, it is illustrated that the simplification of bureaucracy as one of the changes expected to reform the bureaucracy and has been regulated in various related regulations still leaves some regional government that have not simplified their organizational structure. So this consequently delays the disbursement of performance allowances of the regional apparatus. It implies the importance of efficiency (reform) of organizations formed based on the results of analysis and workload, not based on political

compromise. Its goal is to create an environment conducive to its economic growth. It is due to bureaucratic reform's synergistic and simultaneous effect on organizational performance. However, will catch this phenomenon in the populist choice between efficiencizing organizations or making public services more responsive.

#### **4. CONCLUSION**

This research shows that simplifying bureaucracy, primarily simplifying the organizational structure, is as important as increasing the resource capacity of the apparatus, patterns of public relations and government, and so on. But bureaucratic reform won't work if it starts with one step.

Based on the results of previous research, simplifying bureaucracy as an anti-corruption strategy can start from simplicity or extravagance, or exaggeration and the mental cleansing of corruption can begin from the cultivation of a simple attitude of life. "Live simply, so that others can live," perhaps a message from Mahatma Gandhi this is full of meaning. Simplicity does not bring harm; on the contrary, it brings happiness to all sides; happiness is "the attainment of the will to find meaning in a simple life," - Viktor Frankl -. The essence of public administration is that it can be understood as a functioning government that takes care of the public interest; thus, state administration aims to improve the welfare and prosperity of the people by carrying out public services. Good public services and the community satisfaction from these services are keywords and bureaucratic challenges.

According to Plato, to be a good administrator of the state, one must first become a philosopher. Because then he will love the truth, all his decisions are based on correct philosophical considerations, so the decisions taken are not detrimental to the people. This is because a fair decision is full of policies and policies owned by a philosopher. The commandment of simplicity also comes from the Owner of the Universe: "Indeed, Allah does not like those who are excessive" (al-A'raf: 3). Simplicity is a condition, neither too much nor less. This simplicity covers all aspects of life. When eating, drinking, dressing, walking, speaking, fasting, celebrating joy, or lamenting sorrow –hatta- in power. "Make it simple (you) in walking." As a reminder, the feet can't penetrate the ground, and the head can't reach the sky. Don't be arrogant, but don't be too humble either. Quraish Shihab once said, "a measure in terms of excess, can be taken as a benchmark to the local community, or the conditions that are being faced."

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# AGILE GOVERNMENT IN REALIZING PRIMARY SERVICE AT THE POPULATION AND CIVIL REGISTRATION DEPARTMENT OF PALEMBANG CITY IN THE PANDEMIC ERA

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## ABSTRACT

Prevention of the spread of COVID-19 through limiting direct interaction and avoiding crowds of many people is a very big challenge for the Indonesian state, both at the center and in the regions. The government must pay attention to sectors that have a direct impact on society due to this policy of limiting activities, public sectors such as the economy, education, tourism, and other public services have decreased significantly. The community's demands for the fulfillment of their needs, bring the government is required to produce excellent performance in the public sectors. The Agile concept is a new offering for bureaucratic performance. Agile Government will be realized because of the ability to respond quickly to sudden changes in meeting the tensions and desires of the community. This study aims to investigate however the Agile Government is in realizing glorious service at the Population and Civil Registration workplace of Palembang town within the Pandemic Era. This study uses a descriptive qualitative research design to describe how the Agile Government in realizing excellent service at the Population and Civil Registration Office of Palembang City in the Pandemic Era. The online system is a breakthrough in public services for population administration and civil registration in the city of Palembang. This concept is needed because at this time the environment of the Indonesian nation is changing. The development of data technology public services can bring advantages to the community, by presenting population administration services while remaining unchanged, population data can be a style of Agile Government managed by the government in the pandemic era. Agile Government will understand wonderful service if it can produce legislation and policy development, Service delivery, Environmental Management, and implementing laws and regulations. This article is an original scientific work and has not been submitted to any journal. This article is purely our idea unless it is clearly stated in writing as a reference in the manuscript by mentioning the name of the author and the title of the article and included in the bibliography.

**Key Words:** *Agile Government, Service, Primary Service*

## 1. INTRODUCTION

The Covid-19 outbreak was declared a pandemic by the World Health Organization (WHO) in March 2020. The virus has spread in 123 countries from Asia, Europe, the US to South Africa. This virus infected more than 126,000 people in a matter of three months (Kompas.com). At the start of the pandemic, the number of cases and deaths changed every hour. Symptoms that appear in people infected with the COVID-19 virus include fever, dry cough, and feeling tired. Another symptom of this disease is that the patient experiences some symptoms that are mild and appear gradually. Symptoms include nasal congestion, sore throat, headache, and loss of sense of smell. And there is a change in the color of the fingers or toes. This disease has claimed many lives, this can be seen in Table 1 below:

Table 1. Covid Disease in Province

No	Province	Positive	Recover	Pass Away
1	Aceh	10814	9367	432
2	Bali	44236	41608	1317
3	Bangka Belitung	12822	11272	201
4	Banten	47101	43892	1200
5	Bengkulu	6630	5743	172
6	Daerah Istimewa Yogyakarta	38703	33636	948
7	DKI Jakarta	406205	393166	6625
8	Gorontalo	5355	4990	161
9	Jambi	7407	5987	108
10	Jawa Barat	277553	243650	3678
11	Jawa Tengah	183027	162823	8001
12	Jawa Timur	146808	134525	10600
13	Kalimantan Barat	7503	6548	43
14	Kalimantan Selatan	32612	29518	937
15	Kalimantan Tengah	19780	16577	442
16	Kalimantan Timur	68136	64718	1631
17	Kalimantan Utara	11702	10978	186
18	Kepulauan Riau	9381	8801	230
19	Lampung	10838	9581	253
20	Maluku	7515	7056	116
21	Maluku Utara	4414	4117	120
22	Nusa Tenggara Barat	10291	7750	373
23	Nusa Tenggara Timur	14200	12468	366
24	Papua	20308	11223	207
25	Papua Barat	8879	8371	147
26	Riau	42698	37374	1050
27	Sulawesi Barat	5443	5251	118
28	Sulawesi Selatan	61419	60164	931
29	Sulawesi Tengah	12125	11109	325
30	Sulawesi Tenggara	10396	9818	209
31	Sulawesi Utara	15638	12961	504
32	Sumatera Barat	36268	33058	783
33	Sumatera Selatan	20068	17712	979
34	Sumatera Utara	29198	25952	965

Sumber: Update: 30 Sep 2021. <https://www.okezone.com/covid-19>

Based on the table, the highest number of people who died due to exposure to COVID-19 was East Java with 10600 people and the lowest was West Kalimantan with 43 people. The number of positive victims exposed to COVID-19 was DKI Jakarta, amounting

to 406205 people and the lowest was North Maluku with 4414 people. The more cases that are exposed, the more impactful it becomes and becomes a crisis in itself. Global health experts predict that the increase in COVID-19 cases will have economic, political, social consequences and will directly touch the bottom of society. The spread of Covid-19 which has spread to various countries has made countries take extreme policies, namely isolating areas, whether it is migration or emigration. This policy has had a profound impact on people's lives. Indonesia as one of the countries that geographically borders directly with countries affected by the spread of this virus, the Indonesian government must be prepared to take precautions. The government is required to respond quickly and appropriately. The role of government is very important to be agile and stop the spread of the Covid-19 virus. If the government is not swift in responding to this case, then it is possible to face worse conditions than other countries. Uncertainty and a critical situation have brought the government into a dilemmatic position, on the one hand, if the government does not limit people's activities, the spread of this virus will expand and if it limits people's activities, it will have a bearing on the community's economy and alternative public sectors. Prevention of the spread of COVID-19 through limiting direct interaction and avoiding crowds of many people is a very big challenge for the Indonesian state, both at the center and in the regions. The government must pay attention to sectors that have a direct impact on society due to this policy of limiting activities, public sectors such as the economy, education, tourism, and other public services have decreased significantly. The community's demands for the fulfillment of their needs, bring the government is required to produce excellent performance in the public sectors. However, the irony is that public problems are not served well by the government, both at the center and in the regions, so that people judge the government's performance to be bad. These conditions make the government play an important role in responding, managing, and making decisions based on situations and changes that occur from day today. A quick and precise response from the government is a must. Based on the opinion of Lusch et.al. (2009) the state as an organization must respond quickly and appropriately, this is because the longer the organization acts, the more challenges and other environmental changes will occur. Responding to these conditions, the government must carry out agile supervision (Agile Government).

The policies taken by the central government in preventing the spread of the COVID-19 virus are to limit social relations (social distancing), encourage people to work at home (work from home), eliminate worship activities, and ask people to reduce activities outside the home. As a result of these restrictions, many agencies providing public services have experienced a decline in performance and some have even eliminated temporary services. This phenomenon applies since the issuance of the PSBB policy to the PPKM policy. The implementation of work from home also hampers public services, this is because some service sectors cannot serve the community directly. The government's call to stay at home for a few months resulted in the public sector experiencing a significant reduction in benefits. The right of the community to obtain public services is difficult to create in the era of the pandemic. Before the pandemic, the community's demands to fulfill their need for excellent public services have long been touted by the public. The classic issue of public services in the state has not shown improvement, starting from the uncertainty of time, cost, and how to produce services that satisfy the community, this can be seen from the unclear flow of services, State Civil Apparatus (ASN) services. equipment

(ASN) is slow and convoluted the general public is "*dipimpong*" thanks to a lack of knowledge of the terms of service provided by the government. respectively in the middle and within the regions.

Problems in Indonesia are increasingly complex, without realizing that these problems are intertwined so that it is difficult to find the real root of the problem. This nation needs people who are diligent and free from personal interests in solving this national problem. One of the problems that until now there is no solution is population data. Indonesia's population data always has errors in the amount. This problem will have an impact on poverty data, election data, birth and death data, aid fund data, and other data related to the population. This issue is a key policymaker. Any policy taken by the government will fail only because of an error in population data, therefore a credible and professional statistical agency is needed to carry out periodic censuses with a high level of confidence. This institution is also not sufficient, for that it must be supported by local government officials at the sub-district and sub-district/village levels. This government apparatus is the spearhead to ensure the identity of the real citizens. For the accuracy of the identity of the community at a very cheap level, it's well-trying by creating an associate degree ID card that's following the identity submitted by the village head / RT head within the space wherever the population is domiciled. From time to time, the strategic program of e-KTP (computerized population data) did not run as smoothly as expected. In fact, with e-KTP, the results of the census on the characteristics of residents can be integrated so that the central and local governments know with certainty the number of residents and the actual conditions of these residents. The failure of data collection and the non-integration of e-KTP shows that the nation's problems are not only about the lack of budget and human resources, but also the weak commitment of government officials to solve problems from the root. Indonesia needs a breakthrough in bureaucratic culture, namely an agile government which is now better known as "Agile Government". This concept is interpreted as a government apparatus that can adapt to change. Agile is a new concept introduced in the late 1990s. This concept emerged to overcome the difficulties and stiffness felt when carrying out service activities to the public. This concept was adopted from a private organization that defended its company in a wave of crisis so that the company could bounce back.

In the 21st century, a manager must be able to see the world to survive. Whatever the conditions that occur, whether positive or negative for a company when a crisis occurs, what is needed is for an organization to quickly change its strategy with the competitive advantage that the organization has. In the study of strategic management, this capability is called strategic agility. This term was coined by Roth (1996), According to him, companies that produce Agile goods or services must be able to create the right product in the right place at the right time at the right price. This concept is generalized by Long (2000) as an organization's ability to maintain flexibility to respond quickly to changing circumstances and emerging opportunities while still concentrating on clear strategic goals. In the early 2000s, agile organizations (Organizational Agility) became a frequent study. Turbulence in the business environment has become a major cause of failure in the industrial world (Lin et al., 2006). Surviving in a state of turbulence is possible if organizations can recognize their changing environment and can respond appropriately to these unexpected changes (Sharifi & Zhang, 2001). This situation according to Khoramgah

(2012), gave rise to organizational agility as a way to manage unexpected organizational changes and manage risk. This statement is supported by Nijssen & Paauwe (2012) who say that this concept allows organizations to survive in conditions of economic crisis. Organizational Agility is a new measuring tool for evaluating performance and a new form of commercial relationship (Zain et al., 2006). According to Brown & Bessant (2003), an agile organization can create a competitive advantage.

Today, the world is faced with a pandemic that has changed many sectors. The environment is forced to change. Organizations are changing in many directions. Organizations operate in a state full of uncertainty, turbulence, dynamism, and hostility which are neither safe nor reliable (Bhamra et al., 2011). These literature are Agile studies that are used in the private business world, but in the dialectic of state change, the government is also forced to take the opportunity to use this concept in the public sector. This compulsion is due to the current pandemic conditions that have awakened the government to make changes. This government awareness was conveyed by President Joko Widodo at the launch of the Indonesian Ombudsman's 2020 annual report. According to him, our public service model is still very rigid, very procedural, very administrative. Even though the public has been transformed by rapid technological changes.

Agile conception can be a new provision for functional performance. Agile Government may be defined for its ability to respond quickly to surprising changes in response to public pressures and desires. This concept is needed because at this time the environment of the Indonesian nation is changing. This change is caused by the COVID-19 pandemic which has had an impact on changes in work patterns in all sectors, especially the public service sector, especially in the field of population administration (Adminduk). The administrative policy in the form of laws and regulations is a reference to overcome the administrative problems faced. The legislation is Law no. 24/2013, this law mandates each district/city to properly administer its regional affairs. Technical guidelines implemented in 2019 include Permendagri No. 7/2019 concerning Online Admin Services; and Permendagri No. 96/2019 concerning Information Segregation and Provision of Population Documents for Vulnerable Residents of Adminduk. This policy is a form of Agile Government. The government's agility through these regulations is cutting-edge thinking on public sector reform. These regulations pave the way for improvements in public services so that they can face any changes in an increasingly complex environment. The agile government will perceive and meet public wants within a short time, be oriented to the present and problems in the medium term, and formulate public needs in the long term. It acknowledges the importance of current reforms and diversifications to deliver government policies, regulations, enforcement, and services that still meet and anticipate community needs. In practice, Agile will look different across several complicated governance functions. however Agile manifests can depend upon the character of the environment, whether or not there are compelling modification drivers, or the necessity for stability within the operational environment. Response speed can depend on the nature of the task at hand. However, all elements of the general public sector want the ability to capture and respond to short-term stimuli, adapt to escalating problems in the medium-term, and monitor their role in shaping the long-term. According to Parker and Bartlett (2008), there are four areas of state acts as an example the forms which will be taken from Agile, specifically Legislation and policy development, service delivery, environmental

management, and imposing laws and regulations. This concept is very relevant to be applied within the Population and Civil Registration Office of Palembang City in the pandemic era. Based on this, the Ministry of Home Affairs issued a letter No. 443.1/2978/Dukcapil dated March 16, 2020, regarding Adminduk Services and Covid-19 Prevention. Based on the decision, the Head of the Provincial, Regency/City Dukcapil Office must prioritize online-online administrative services and COVID-19 prevention. This activity is a way for the government to respond quickly to the public's need for population services. Based on this description, the aim of this study is to research however the Agile Government is in realizing glorious service at the Population and Civil Registration workplace of Palembang town within the Pandemic Era.

## **2. METHOD**

This study uses a descriptive qualitative research design to describe how the Agile Government in realizing excellent service at the Population and Civil Registration Office of Palembang City in the Pandemic Era. Every research requires data that supports the truth revealed in each study. Data is a source of information that provides the main picture of whether there is a problem in a study. Based on this explanation, the source of data in this study is data obtained by researchers from the subject to be studied. Data sources are divided into two, namely: primary data and secondary data. Primary data is the source of data collected by researchers directly by using in-depth interviews with key informants regarding excellent service at the Palembang City Population and Civil Registration Office. Secondary data is the source of data collected by researchers through manuscripts and documentation in the form of records of events that occurred at the Prima Service at the Population and Civil Registration Office of Palembang City both online and offline as well as literature in the form of journals on Agile Government and excellent service.

The data collection technique is carried out to describe the Agile Government in realizing excellent service at the Population and Civil Registration Office in Palembang City by using interviews and documentation. Informants who become primary data sources are authorized actors in excellent service, therefore the determination of informants is carried out using the snowball method and the purposive method. So that the results of the research can be accounted for, it is necessary to check the data, whether the data presented is valid or not, therefore data validity techniques are needed.

According to Moleong (2004), to determine the validity of the data, an examination technique is needed based on the degree of trustworthiness of transferability, dependence, and certainty, so that in this study the triangulation technique is used, namely a technique of checking the validity of the information that utilizes one data store for a checking function or as a differentiator to the data. The triangulation can be carried out by examination techniques that utilize the use of sources, methods, investigators, and theories.

This study uses a triangulation technique, where this technique is one approach in collecting data and analyzing data to obtain findings and interpretations of data that are more accurate and credible. The findings in this study will be confirmed with other sources of information so that the findings become valid truths. The sources of information are in the form of interviews and documentation. The first step to triangulation in this research is that the first information is collected using information from one informant confirmed through interviews with other informants. If the source of information from these two stages has not convinced the researcher, it will be confirmed through documents in the field, either published by the government or published by the competent authorities. The approach used in this research is the descriptive research technique. Miles et al. (2014) say that qualitative data analysis focuses on events that occur in a natural environment so that research has a strong grip supported by local groundedness, the fact that data is collected close

to a particular situation. Technical data analysis is carried out through: (1) data collection; (2) data condensation; (3) display data; and (4) conclusion drawing/verification.

### **3. RESULT AND DISCUSSION**

There is no standard definition of the meaning of public service, so experts in the field are trying to find an established definition that might serve as a "basic" understanding of the concept of crystallized public service. The definition of any term depends on how it is used and how it is understood in practice, so the process of understanding what a "public service" is must begin with an examination of its use, in other words, the understanding here of what constitutes a public service: includes education, health, police, and defense. According to Gronroos (1990), service is usually an intangible activity but does not have to occur in the interaction between the customer and also the service supplier as an answer to customer problems. It is tough to spot clear expressions of those principles within the recent literature on public services, however Titmuss (1974), writing in the 1960s and 70s, centered his argument on the blurred distinction between public and social services. Public services related to social services have differences, the difference lies in the approach taken by the client. Public service is an "institutional" welfare model, in which the availability of socially recognized wants is accepted as an institutional part of social life (Titmuss 1971).

The definition of service in the Indonesian dictionary is an effort to serve, while serving is helping to prepare (take care of) what someone needs. Public service based on the Indonesian Dictionary is defined as serving the needs of people or communities who have an interest in the organization following the basic rules and procedures that have been set. The explanation is interpreted as a service provided by the government to the community in its jurisdiction, either directly (through the public sector) or through the implementation of private services. Public services are often identified with the provision of public goods (non-rivalrous and non-excludable), but most of them are social norms that are not provided by the market. This concept is an activity that is very important for a social life so that it cannot be interrupted for a moment is something very clear and precise. However, what is certain is that the nature and number of collective interest activities that present this character are very diverse. Three concepts need to be understood about Excellent Service, namely Public Service, Public Service Provider, and Supervisor of Public Service Provider. Referring to Law no. 25/2009, Public Service could be a series of activities within the context of fulfilling service has to each citizen by the laws and regulations, for goods, services, and/or body services provided by public service suppliers (Article one paragraph 1). While the service providers are carried out by administrative institutions, corporate institutions are formed by legislation to provide public services (Article 1 paragraph 2). This indicator focuses on the availability of service standards in public service delivery units. The assessment of public services must be based on the operational standards of public services that have been set by the government. The benchmark for assessing the service is seen from the quality, speed of service, ease of providing services, and the affordability and measurability of the services provided by the service provider. This component is the obligation and promise of service providers to the community. Components of Public Service Standards are regulated in Article 21 of Law no. 25/2009 on Public Services. The best service must be supported by employees who are

credible, competent, understand, and carry out the main tasks by their authority. In addition, the importance of public services is stated in Law No. 23 of 2014 concerning Regional Government articles 12 paragraphs 1 and 2 which state that mandatory government affairs relate to two services:

1. Basic services which include:
  - a. education,
  - b. health,
  - c. public works and spatial planning,
  - d. public housing and residential areas
  - e. peace, public order, and community protection social
2. Services that are not included in basic services
  - a. employment
  - b. women empowerment and child protection
  - c. food
  - d. land
  - e. environment
  - f. population administration and civil registration
  - g. community and village empowerment
  - h. population control and family planning
  - i. communication
  - j. communication and informatics
  - k. cooperatives, small and medium enterprises
  - l. capital investment
  - m. youth and sports
  - n. statistics
  - o. cipher
  - p. culture
  - q. library
  - r. record management

Based on these regulations, population administration and civil registration services are public services that must be provided by local governments. Improving services to the community in facing the era of globalization which is full of challenges and opportunities, the government is required to be able to provide the best service and be oriented to the needs and satisfaction of service recipients. Quality service or so-called excellent service is the best service that meets service quality standards. Service is the main task that is essential from the figure of the apparatus, as a servant of the state and public servant. The development of the implementation of public services is one of the strategic choices for developing good governance in Indonesia. This is because one of the benchmarks for the implementation of good governance can be seen from the implementation of quality public services that are oriented to the satisfaction of state administrators who have a role that determines the success of carrying out general government tasks, as well as building service tasks to the community. This can be achieved by realizing the goals and objectives of the development of the State apparatus which functions to serve in a professional, efficient, productive, transparent manner and free from corruption, collusion, and nepotism and capable of implementing and realizing good governance. The conceptualization and



measurement of service quality have been debated in various ways over the last few years. Therefore, service quality for service organizations can achieve the important goal of finding and retaining satisfied or repeat customers. Zeithaml (1988) says that service quality is defined as the customer's assessment of the superiority of government agencies in providing overall services. Other experts say that the assessment made by customers on service quality depends on the discrepancy between employee performance and customer expectations. Recipients of public services see service quality through five criteria, namely physical evidence, responsiveness, assurance, reliability, and empathy. The five criteria that are considered important by service recipients are the dimensions of reliability, while those that are not considered by customers are the dimensions of physical evidence (Parasuraman et al, 1985;1988). Finally, this author developed an instrument known as SERVQUAL to live service quality. it's become the foremost wide used tool in measuring client perceptions of service quality in organizations.

The conceptualization and measurement of service quality have been debated in various ways over the last few years. Several researchers conducted the SERVQUAL model in various sectors in different countries where some studies confirmed the SERVQUAL model (e.g. Gabbie & Neill, 1996; Bojanic & Rosen, 1994; Mehta & Durvasula, 1998; Brown, Churchill & Peter, 1993; Ryan & Cliff, 1996)

Based on the literature the concept of service quality includes technical and functional quality (Gronroos, 1984). Rust & Oliver (1994) looked at the service quality of service products and service delivery. Service quality is seen from the interaction, physical environment, and quality of service results (Brady & Croin, 2001). The literature that has been submitted has not been able to produce excellent quality public services, especially coupled with the pandemic of public services throughout Indonesia, including public services at the Population and Civil Registration Service in Palembang City, which has decreased. This service decline was overcome by Agile Government. Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 7 of 2019 concerning Online Population Administration Services is issued by the government. This regulation requires all population administration services to use the internet until the pandemic ends. Four areas of government focus on describing the various forms of government agility: (Parker and Bartlett, 2008).

### ***First, Legislation and Policy Development***

The development of the world is very fast due to globalization and free trade. Indonesia is a country that has very strategic geography that allows all elements of world civilization to enter Indonesia, including the Covid-19 virus. The emergence of Covid-19 has an impact on the lives of Indonesians, either directly or indirectly. This impact affects the cycle of balance and order of life. There are several policies taken by the central government, one of which is Work from Home (WFH) which gives rise to online-based services. The purpose of this policy is to fulfill the basic needs of citizens in the form of public services. This policy is a form of government agility (Agile Government) in ensuring that public services in government agencies can continue to run effectively. The

government's agility (Agil Government) in dealing with the global pandemic of this virus by increasing high alertness by increasing the number of places to accommodate people who are indicated as positive for COVID, in addition to hospitals and terms of government equipment, has provided equipment for countermeasures with international standards including a special budget. allocated as an effort for prevention and treatment. Various efforts have been made by the central and regional governments with various policies that have been issued and carried out. In addition, to follow up on the Circular Letter of the Minister for State Apparatus Empowerment and Bureaucratic Reform Number 58 of 2020 concerning the Work System of State Civil Apparatus Employees in the New Normal, Decree of the Minister of Health Number HK.01.07/MENKES/328/2020 concerning Guidelines for Prevention and Control of Corona Virus Disease 2019 (COVID-19) in Office and Industrial Workplaces in Supporting Business Continuity in a Pandemic (COVID-19) Transmission in Places Service and Trade Sector Work (Public Area) in Supporting Business Continuity, the Minister of Finance Circular Letter Number SE-22/MK.1/2020 concerning the Ministry of Finance's Work System during the Transition Period in the New Normal was issued on 04 June 2020. Following up on the circular letter, several government agencies carried out work from home (WFH) activities. The implementation of WFH will almost certainly have a direct impact on public services. One example is that public services have become somewhat hampered due to several factors in the service sector that cannot serve the community directly. So public service providers are challenged to always make innovations in providing services so that public services are not hampered, by making a breakthrough in the form of innovations in providing services so that services are not hampered such as providing services through an online system.

The Director-General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs (Kemendagri) Zudan Arif Fakrulloh said that as many as 467 districts/city Dukcapil Offices had implemented online population administration services (Adminduk). "A total of 467 Dukcapil Services provide online services with applications that can be downloaded via Playstore, via the website, as well as services via Whatsapp and SMS," said Zudan in a written statement, Friday (17/4/2020). Through this online service, Dukcapil can at the same time break the practice of brokering and extortion to prevent corruption (Kompas.com, April 19, 2020). Still, according to Zudan, the Head of the Dukcapil District/City Office who does not yet have an online service application should develop it immediately. online services also apply to regions that are implementing the status of large-scale social restrictions (PSBB). This online service will continue until the pandemic ends (Kompas.com, April 19, 2020).

One that implements the policy is the Palembang City Population and Civil Registration Office. Following up on March 16, 2020, Letter of the Director-General of Population and Civil Registration of the Ministry of Home Affairs No: 443.1/2978/DUKCAPIL regarding Population Administration Services and Corona Virus Prevention (covid-19), the Palembang City DISDUKCAPIL provides administrative document services to the public via online, to Urgent and emergency interests such as recording of electronic ID cards can be handled specifically by checking body temperature for officers and applicants. The equipment used must be disinfected, officers, use gloves and masks, the applicant's hands must be washed with soap/use hand sanitizer.

The legality of this online public service policy was confirmed by the Regulation of the Minister of Home Affairs of the Republic of Indonesia No. 7 of 2019 concerning Online Population Administration Services. According to this regulation, the Online Population Administration Service is the process of managing population documents that send data/files for their purposes using web-based electronic media. This regulation is also used as a legal umbrella to legalize all activities carried out by DISDUKCAPIL Palembang City to produce excellent public services during the pandemic and at the same time as a form of Agile Government.

### ***Second, Service Delivery***

Agile Government is defined as a type of project management that focuses on the delivery of products and services. The concept of failing quickly, learning quickly, and adapting is central to Agile. Agile is a new approach to government service delivery that makes it easier and faster to get things right for users. 'Agile approaches to service design and delivery help to put users at the center of the work.' It is critical to communicate this new way of working to decision-makers and team members. We can help everyone understand why we should stick to the process if we do this. During this phase, the service begins with what the user requires, rather than what the government requires. Historically, governments have built services in response to policy requirements. The team will gather requirements, acquire the necessary resources, and then build and launch the applications. Once built and completed, user requirements will be discovered.

Service design and delivery processes shift this, to begin with, the needs of the user. The team conducts user research at all stages to ensure that they are creating and improving the right thing. Based on this, the Palembang City DISDUKCAPIL carries out its duties and functions to provide services to the community during the COVID-19 pandemic, which is carried out online. Online administrative services are carried out through SIAK. SIAK is an abbreviation of Population Administration Information System, the purpose of this system is an information system that utilizes information and communication technology to facilitate the management of population administration information at the level of organizers and implementing agencies as a single unit. This system must be supported by internet technology. Applications are submitted online, and documents are emailed to residents in pdf format, which they can print at home. Sending documents via the employee WhatsApp application designated by DISDUKCAPIL Palembang City.

### ***Third, Environmental Management***

The public service environment and the way the government responds to service requests from citizens are no longer the same as at any other time in the history of our public sector. The bureaucracy itself must be transformed into a learning organization regional heads must develop themselves as leaders of change. To them the fate of the citizens in accessing the protection and services of the state depends. These concepts, methods, and practices are not new. IT organizations practice various forms of development standards and one of them is Agile, while non-IT organizations have practiced Lean. Governments must adapt to changes in their internal and external environments by developing systems that enable them to follow trends, identify changing times, estimate their potential impact on organizations, and quickly learn how to keep up with the changing

times on their standard operating procedures. To address changes in the internal and external environments of government organizations, we first observe organizational, structural, managerial, procedural, and technological changes. Environmental changes in this pandemic era have brought the DISDUKCAPIL of Palembang City to change in terms of public services. Before the DISDUKCAPIL pandemic, the city of Palembang carried out services manually. People come to the office to record both ID cards, family cards, and birth certificates, but since the pandemic has provided online services via Whatsapp to appointed employees based on what product they want to request.

#### ***Fourth, Enforcing Laws and Regulations***

Enforcement is the proper execution of the process of ensuring compliance with laws, regulations, rules, standards, and social norms. The government seeks to streamline the successful implementation of policies by enforcing laws and regulations. Enforcement of laws and regulations helps protect people from getting their rights as citizens. This important service is implemented through review and evaluation. In this phase, public services through the online system must be adhered to well by all elements of society so that the COVID-19 virus does not spread widely. Health protocols must be adhered to so that everything can be safe and under control. The value of public services is determined from how well the attitude and treatment of state administrators/government institutions in carrying out their duties and authorities to the community and the level of community satisfaction are marked by increasing community welfare from time to time. Based on this, the Head of Palembang Disdukcapil Dewi Isnaini said that the Palembang City Disdukcapil office was still open. "But we prefer that residents take care of everything online. We serve the community through WhatsApp which is directly connected to the officer," said Dewi Isnaini, Friday (15/5/2020). Public services at the Dukcapil Palembang So far, many have been dominant in taking care of ID cards and birth certificates. According to him, even though the service is not direct or face-to-face, it ensures that the community can still consult and communicate clearly regarding any complaints and needs needed. The rules that have been set must be obeyed by all elements of society so that people have rights as citizens.

#### ***Discussion***

Agile governments can comprehend and meet short-term public needs, adapt to medium-term trends and challenges, and shape long-term public needs. Based on this description, reforms to policies, regulations, law enforcement, and government services that meet and anticipate community needs are required (Parker & Barlett, 2008). In developed countries, public services are a priority for the government. The concept of Agile Government for high-performance public sector services is being driven by the future of the public sector. The future uncertainty necessitates the public sector being agile in its systems and structures to deal with future constraints. The emergence of the concept of Agile Government because the government failed to manage the country. This failure is caused by management (Drucker, 2001). According to Drucker (2001), the world bank created a new paradigm in government known as good governance. After a decade of world literature examining good governance, however, these studies have resulted in the weaknesses of good governance. This weakness was corrected by scientists and gave rise to a new concept, namely dynamic governance. This study focuses on adaptive policies

and tends to direct government officials to think ahead, think again, and think across sectors (Neo and Chen, 2007). The world is changing with the industrial revolution 4.0. In this era, Schwab and Davis (2018) introduced a new concept towards good governance, namely Agile Governance. In an era that is changing very rapidly, the government sector must not be the party that always lags behind other sectors, especially the corporate sector. It is said that because the government is given the power to regulate the wider community, including the business world so that the life of the nation and state can run harmoniously and progress well. The sector that people often complain about is public services. Various literature that examines public services produce outputs that are not optimal, therefore Agile Government is the answer to solutions for improving public services. In practice, agility can look different across many complex government functions. This agility will be realized in terms of environmental conditions, are there conditions that urge the environment to make changes? Based on this, there are four forms of Agile (Parker and Bartlett 2008):

**First Legislation and Policy Development** The public sector's agility in legislation and policy-making require a willingness to pursue innovation at the highest levels of government. Such significant changes require strong ministerial and Cabinet support. Agility requires a willingness to challenge the status quo, requires evidence for decision making, applies business and communication values, and makes difficult decisions that may not satisfy everyone.

**Second Service Delivery.** The description describes population administration and civil registration services, which must be flexible enough to meet the needs of service users but must also listen to public aspirations. Therefore, the service must be able to identify and prevent problems that will arise due to changing environmental conditions. The face of public service depends on the freedom of front-line staff and the motivation to respond quickly to use. An agile government reduces regulations that limit the space for service providers, and instead supports front-line staff to make decisions based on situations and conditions in the field so that they are relatively autonomous to carry out professional assessments.

**Third Environmental Management.** Public and private sector institutions hold the key to being productive. In an all-digital era, a regional head must be able to do the right thing and in the right way. This breakthrough must be done by combining the potential of the region, the vision of the regional head, and the creativity of all parties. This Agile concept is to improve the ability of an organization by utilizing technology and communication by looking at the changing environment. Agile (agile), Governance (governance), so Agile Government is agile governance, or in another sense is the government's ability to keep up with the times and can meet the demands of society quickly. Agile Government is an estuary for the development of governance in the current era, a benchmark for the success of a region.

**Fourth, Enforcing Laws and Regulations.** This form requires that laws and regulations that have been made by the government must be clearly and consistently enforced in all elements of society. The method of enforcement must be adaptable and dynamic. Monitoring and enforcement must account for a changing environment, such as the introduction of new technologies. Agile monitoring and enforcement are about more than just the latest technology; it also includes how agencies interact with one another and

with society. The technology used in population administration and civil registration services must be safe from fraud committed by unscrupulous public servants. The rules made must be obeyed by all parties. Check the authenticity of correspondence sent via the internet and applications must be ensured that there is no forgery of identity so that there is no double identity. The security of using the online system must maintain the stability of the information. If the stability of public services can be improved then public services will be excellent.

This study has limitations in aspects related to the government's agility in realizing public service, this is because it is constrained by sources of informants who object to being interviewed directly so that this study only gets data online, namely via WhatsApp. This limitation makes this scientific work not analyzed in-depth but does not reduce the scientific nature of the process of seeking knowledge. Researchers hope that in the future there will be researchers who can conduct a more comprehensive research.

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#### **4. CONCLUSION**

Based on the discussion above, the agile government's ability to provide excellent service to the Palembang population and civil registration office during the pandemic era changed. Public services lead to an online system. Agile Government is expected to be a solution to the government's speed in dealing with public services during the pandemic. The government's intelligence in making policy changes from face-to-face services to an online system is a breakthrough in public services for population administration and civil registration in the city of Palembang. The advancement of information technology in public services will benefit the community by providing population administration services without changing the elements of residents' data, which is a type of Agile Government practiced by the government in the pandemic era. Agile government can provide excellent service if it can develop legislation and policies, deliver services, manage the environment, and enforce laws and regulations.

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# KEMARO ISLAND PALEMBANG EMPOWERMENT: AN ALTERNATIVE POLITICAL SYSTEM MODEL

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## ABSTRACT

The Palembang City Government has an agenda to develop Kemaro Island as a tourist attraction. However, the Palembang city government's agenda has not yet received a positive reaction from the community, especially those involved with the development of Kemaro Island. This study aims to analyze the development of Kemaro Island, Palembang City in the tourism sector through analysis of the Palembang City Government's policy agenda and public perceptions of the Palembang City Government's policy agenda in relation to the development of Kemaro Island as one of the tourism objects in Palembang City.

**Key Words:** *Public Policy, Community Participation, Collaborative Governance*

## 1. INTRODUCTION

Kemaro Island is a delta located on the Musi River, and is well known as one of the tourist destinations in the city of Palembang. There are at least three things that make Kemaro Island known, first because of the construction of its legend, namely the story told by word of mouth about the love story between Tan Bun An, a Chinese merchant and Siti Fatimah, a Palembang princess, which ended tragically. Second, because on this island there is a 9-story pagoda that was built in 2006. This pagoda is part of the Hok Tjing Rio Temple which was built in 1962 with an architectural style that is very thick with Chinese culture (Agustiawan, 2020). This pagoda is often visited for religious rituals during Chinese New Year and Cap Go Meh celebrations. Third, because in the city of Palembang itself there are still very few tourist attractions to visit that are quite representative for tourists, so Kemaro Island is an alternative tourism that is almost always offered to tourists.

In early 2021, Kemaro Island attracted more attention, because the Palembang City Government put forward the idea of wanting to develop Kemaro Island as a water tourism object. Quoting the online news media *Republika*, the Mayor of Palembang said the city government (pemkot) is committed to making Kemaro Island a tourist destination for Ancol Dreamland Park in DKI Jakarta. He said that in 2021 acceleration will begin, starting from branding (labeling), promotion, infrastructure development and others. The city government wants Palembang to have a new icon, namely water tourism and restore Palembang's nickname as the Venice of the East. The Palembang City Government hopes that with the destination that will be featured, it can boost tourist visits to 6 million people per year. So far, Kemaro Island has been visited by 40 thousand tourists during the calculation of the annual Cap Goh Meh celebration. Of course, through this, it will be an income for the APBD which is quite promising.

According to the Chairperson of the Palembang City Social Environmental Responsibility Forum (TJSL), for the development of the water tourism center (Kemaro Island), the City Government will use Corporate Social Responsibility (CSR) funds from SOEs, such as Angkasa Pura, Pelindo, Pusri, Pertamina, PLN. And the Palembang City Government will also invite investors to invest in

Kemaro Island area which requires funds of around 1.4 trillion. Because relying on APBD funds alone will not be sufficient to build apartments, culinary hawker centers, children's water rides, resorts, and others (Ramadhan, 2020).

The City Government's plan was not immediately welcomed by some people with enthusiasm. Some community groups criticized the plan because first, the claim to the status of Kemaro Island which historically belongs to the late Ki Marogan based on Supreme Court Decision No. REG.3863K/PDT/1987 ([beritapagi.co.id/2021/03/05](http://beritapagi.co.id/2021/03/05)). Second, as stated by the Chairman of the South Sumatra Agrarian Reform Committee (KRASS), even if Kemaro Island wants to function, the reference is the history of Kemaro Island as a defense fortress of the Palembang Sultanate, not the Sriwijayaan concept. Third, the desire for the City Government to coordinate with elements of the community, historians, academics and related stakeholders.

The idea of developing Kemaro Island by the government is part of the government's function as a political actor to achieve a better life. Politics is a desire to realize *en damonia* or the good life, referring to Plato and Aristotle (Setiawan, 2016). Peter Merkl stated "Politics in its best form is an effort to achieve a good and just social order (Politics, at its best is a noble quest for a good order and justice). Politics, according to Budiarjo (2016), is an attempt to determine regulations that are well accepted by the majority of citizens, to bring society towards a harmonious coexistence.

Efforts to achieve the good life can be done with a variety of activities or ways which include the process of determining goals, choosing alternatives, and also prioritizing the goals that have been determined to be achieved. Because politics is involved in determining goals, achieving justice, and choosing alternatives and priorities for goals, towards the good life, or a harmonious life together, it is also related to the process of formulating public policy. In a sense, efforts to determine regulations or policies that are acceptable to the majority of citizens.

This paper wants to offer a solution to the empowerment of Kemaro Island through the process of formulating public policies with a political system model. The political system

analysis model, which in the input process includes elements, both demands and support, can be a relevant solution in a pluralist society with various interests, and Indonesia's democratic atmosphere.

From the reviews that have been done related to the problems of Kemaro Island, the researchers are interested in researching the extent to which the development of Kemaro Island, which is located in Palembang City, uses a political system approach.

**Aims/Objectives:**

1. Analyzing the policy agenda of the Palembang city government in the development of Kemaro Island.
2. Analyzing community participation in the tourism development of P. Kemaro.
3. Analyzing the Pentahelix Model as the basis for Collaborative Governance in the tourism development of P. Kemaro

## **2. METHOD**

This study used qualitative research methods. Primary data was obtained through interviews with informants using interview guidelines. The informants used in this research are stakeholders related to the development of Kemaro Island. Data collection techniques also use the Forum Group Discussion (FGD) so that the information is expected to be more comprehensive. Informants are also possible to be obtained through the snow ball technique so that more optimal data and information are obtained. In order for the data to be valid, data triangulation is also carried out through reconfirmation of the information that has been obtained. To support the primary data obtained through surveys, an observation method is also carried out so that this research study becomes more in-depth and comprehensive.

## **3. RESULT AND DISCUSSION**

### **3.1 Result:**

Kemaro Island used to be a fortress. In addition, the history of Kemaro Island cannot be separated from the name Ki Merogan. The Palembang City Government has tried to increase the use of Kemaro Island as a tourist attraction.

### **3.2 Implications:**

The results of this study are useful for policy makers in the Palembang city government regarding the development of Kemaro Island.

### **3.3 Originality:**

Provide information to the Palembang city government related to the development of Kamaro Island based on the political system.

### **3.4 Discussions:**

#### **1. Overview of Kemaro Island as a Fortress**

Kemaro Island or in Akib's writings (2020) is called the Kembara Island as well as by Johan Hanafiah in his book *Kuto Gawang* (1987), or on the map written as "Gombora". P. de Roo de la Faille in 1928 called the "Travel". He narrates:

"On the banks of the Musi River deep in, immediately after the curve that inspired the name Sungsang for the Musi River (i.e. "against the current") and where Ogan and Komering empties near Kembara Island, lies Palembang which is divided in two by a wide water surface, which built in a place chosen based on careful considerations, where the traffic of all Batanghari tributaries is controlled (p.1)"

Kemaro Island is a delta on the Musi River. The area of this delta is about 80 ha, some call it 83 ha, some say 87 ha, and some say 24 ha. This delta was not completely fused, but divided in two. The location of the delta is very strategic, because it is not directly connected to the mainland (separated by the Musi River) and is also at the mouth of the Komering River. Ships entering the Musi River through the Bangka Strait can be detained around Kemaro Island before advancing further inland. This position made Kemaro Island used as a defense fortress of Palembang in the past, at least a fortress against foreign invasions that wanted to enter the Palembang area or even to the ulu-an. As revealed by Farida (2012), the existence of forts in the Palembang Sultanate was related to the threat from the Dutch colonialists in October 1819.

Akib (2020) who wrote the book *History of the Struggle of Sri Sultan Mahmud Badaruddin II* in 1979 recounted,

"The location of the city of Palembang which is far inland on the left and right banks of the river downstream is overgrown by thickets and swamps whose only road connection from the sea gives this city an excellent natural protection against enemies who will enter the river. current will also be taken into account.

... then Palembang in 1658 and before had been able to build a very strong and strategic defense complex. It is located downstream of the city of Palembang, which is a fort complex, a combination of water forts and land forts on Kembara Island and Muara Plaju along with the piles of sapwood covering the Musi River and Komering River with iron chains, thus becoming a barrier to naval traffic. enemy." (p. 39).

The forts that were built during the Palembang Sultanate were told by Farida (2012), as strong forts.

"Despite being hampered, the Dutch troops continued to move closer to the capital city of Palembang. On October 17, 1819, in the fort of Salanama Island, another battle took place. After the situation subsided, the Dutch fleet slowly managed to approach the center of Palembang defense, Kemaro Island. Kemaro Island's fort defenses are very strong."

"In 1659 the fleet under van der Laan sailed to Palembang and after a fierce battle the defenses near Muara Plaju and on Pulau Kembara were captured, where Senopati Palembang and his sons died, in the city surrounded by fences. tall bamboo, which is firmly defended by using a bottle cannon in a weak place, -there was a one-on-one fight, the Dutch burned houses; the enemy fled; near the "dalem" the Dutch army found their homeland comrades, who were taken prisoner in 1658, had died in pasung killed with a dagger. Palembang became a sea of fire. (p.20)"

There are recorded at least twelve fortifications built along the Musi River. These fortifications were placed in various positions from Sungsang to Muara Rawas in the north, in the south to the upper reaches of the Ogan and Komering rivers (Hanafiah, 1986: 8-9).

The forts of the sultanate, namely: 1. The fort at Muara Sunsang; 2. Fort in the Borang Strait; 3. Fort on Anyar Island; 4. Tambak Bayo Fort (in Muara Plaju); 5. Fort on the island of Kemaro; 6. Fort Martopuro; 7. Kuto Besak Fort; 8. Kuto Lamo Fort; 9. Fort in Bailangu Hamlet; 10. Fort at Muara Rawas (Ujung Tanjung); 11. Fort in Kurungan Nyawo Hamlet (near Muncak Kabau Hamlet); 12. Forts along the Musi River (Nawiyanto et al, 2016).

In general, the construction of the Palembang Sultanate Fort was built with various materials. Some of the forts were built with stone wall construction, others in the form of embankments. There is also a fort in the form of a thorn aur fence. On the walls of the fort are usually given holes for a place to open fire. In addition, the corners of the upper wall are usually equipped with a place for reconnaissance. (Nawiyanto et al, 2016).

Referring to the literature above, it reflects the function of Kemaro Island in the past Palembang Kingdom/Sultanate (between 1500 until the collapse of the Palembang Sultanate (1821), at which time Palembang was facing the arrival of foreign invasions, as well as political conflicts in the relationship between the Sultanate of Palembang and the rulers of both Mataram and Demak, in an attempt to escape the influence of Mataram and Demak. Kemaro Island at that time clearly functioned as one of the fortresses of the Sultanate's Defense. While in the Srivijya period which is estimated to have started in 683 AD (Ki Agoes Mas'Oed, 1941), not many sources are known about the function of Kemaro Island. As a defense fortress of the Palembang Sultanate, it means Kemaro Island literally.

So it is clear that during the Sultanate period the land was controlled by the King, and the land could not be claimed as belonging to a certain person, he only had the right to take advantage of it/empower it. People/persons are not allowed to rent or give them to others let alone sell them.

The period of the Palembang Sultanate ended in 1821. Palembang lost the battle against the Dutch colonials, and its King (Sultan Mahmud Baddarudin II) was exiled and died in Ternate in 1852. With the end of the Palembang Sultanate period, the rules that prevailed during the Sultanate period, of course changed following the rules of the government that came to power after that. Regarding this, a few opinions can be quoted from the Chairman of the South Sumatra Customary Council, Albar Subari. According to Albar Subari, the legal status of Kemaro Island's land is nyurung land (delta). When referring to the Simbur Cahaya Law, nyurung land is a communal right that can be used together. The term nyoeroeng (nyurung) is found in article 19 of the hamlet rule regarding farming (Doesoen en Landbouw Verordeningen). However, the provisions of article 19 in the Simbur Cahaya Act, a compilation of the Netherlands published in 1999

1854-1856, legally it is no longer used (revoked). What now applies is the Basic Agrarian Law (UUPA), land law is based on customary law (at 5 paragraph 1). According to experts, with the enactment of the UUPA, it has become a state right.

Albar, the land of Nyurung (Kemaro Island) was immediately controlled by the state. In Government Regulation No. 410-1293 dated May 9, 1996, controlling the status of nyurung land is controlled by the government. <https://beritapagi.co.id/2021/03/01/polemic-island-kemaro-albar-selesaikan-saja-dalam-baik-baik.html> However, regarding the reference to the Simbur Light Law, it needs to be investigated more deeply, because there is also an opinion that the Simbur Cahaya Law in the context of its implementation does not apply in the Palembang Darussalam Sultanate but applies only in the uluan area of the Palembang country (Adil, 2011:26).

## **2. Kemaro Island after the fall of the Palembang Sultanate until now**

After the Palembang Sultanate ended, or in the writings of Anisah et al (2013) after the destruction of the Kuto Gawang Palace by the VOC, Kemaro Island became an empty and uninhabited island. Its function and use were vacuumed between 1660 and 1961. Somewhat different from Anisah's findings, based on Burhan's statement to the Kemaro Island Fact-Finding Team when his parents entered in 1947 there had been built a pagoda made of wood, then permanent in 1960, and it was completed in 1962. According to Burhan, there used to be Malay Arabic script but the meaning was not removed, but the Topekong Kramat Island Kemaro Foundation was changed and in 1975, 1976 the Arabic script was changed to Malay on advice from the Ministry of Religion. They say this is not a mosque but a temple, don't think that this person is a mosque, (even though) it is a temple. Burhan claimed to have been on Kemaro Island since 1969, when his parents brought him to Kemaro Island (Ariana, 2021). Referring to Anisah's writings, in 1969 the Kemaro Island worship complex began to be managed regularly by an administrator who was sent by the Foundation (Toa Pekong).

Entering 1965, Indonesia experienced the G30S/PKI incident. This incident also affected Kemaro Island. Kemaro Island at that time was used to set up a camp to detain anyone who was considered involved and as a PKI sympathizer. However, before the 1965 incident, the island was occupied by PT Waskita Karya, which was used to store scrap metal. There are two beds measuring 7 x 20 meters, L-shaped, with sparse clapboard walls, rough cement floors, one door, and no ceilings. However, after the events

In 1965, the bunk that had been used as a place for workers to live was converted to detain political prisoners (political prisoners) who were accused of being members or sympathizers of the PKI (Anisah,2013).

After the release of political prisoners from the Kemaro Island camp, in 1968 the number of residents living permanently on Kemaro Island increased to ± 23 houses, most of which were located on the edge of the island with semi-permanent buildings. Entering the year 1990 settlements have reached ± 70 houses and began to spread to the central part of the island (Anisah, 2013).

Visitors who come to Kemaro Island are not only from within the South Sumatra region, but also from Jambi, Bangka, and other cities outside the island of Sumatra. The life of the people on Kemaro Island in the period 1998-2007 has improved a lot. The land area of 6 hectares which is located in the upper reaches of Kemaro Island (is it considered?) is land owned by a foundation that is functioned by the indigenous people of Chinese descent who are supported by the Palembang City Government as a Ritual Tourism Object under the management of the Tridharma Toa Pekong Foundation. In 2008 or in conjunction with the completion of the construction of the Pagoda, Kemaro Island was inaugurated by the Palembang Government as a Ritual Tourism Object.

Another story comes from Azim Amin, Zuriat Merchant Yu Ching 3-4 Ulu, the tomb on Kemaro Island is the tomb of Kapitan Bongsu. It was written in a manuscript copy in 1838 and then copied again in 1910 and then copied in 1971. In the copy it was stated that the King of China was friendly with the King of Palembang then his three sons were friends with the Palembang Susuhunan as Teku (Syahbandar?). Teku Sunan in Bangka named Kapitan Bela, died in Bangka and was buried in Bangka. Kapitan Foreign or Un Foreign,

buried in China. And Kapitan Bongsu who died when he was still single, drowned in the Hijuk Ship and the wangkang of his men. They are buried on Kemaro Island. The king of China, including his 3 sons, are Muslims (Ariana, 2021).

### **3. *Ki Merogan and Kemaro Island***

Ki Merogan is the name for Kiai Haji Masagus Abdul Hamid. Called Ki (Kyai) Merogan because the mosque and then his tomb is located at the mouth of the Ogan River (Lesmana,

2019). Ki Merogan lived from 1811-1901. There is also a mention that he was born in 1802. Ki Merogan is a Palembang cleric and descendant of the Prophet Muhammad SAW through Husein AS. He is also a descendant of the Palembang Sultans from the Susuhunan Abdurrahman Walang line. (Kurniawan, 2017).

In the context of relations with Kemaro Island, it was reported that Kemaro Island was originally owned by a Palembang resident named Ajudin. In 1880, Ajudin pawned the island to Ki Marogan, however, Ajudin was unable to fulfill the pledge agreement, so in 1881 Kemaro Island changed hands to Kimarogan. Secretary General of the South Sumatra Agrarian Reform Committee (KRASS) Dedek Chaniago as the companion of zuriyat Ki Merogan, revealed the origin of Kemaro Island which is claimed to be the ownership of zuriyat Ki Merogan (Yuantisya, 2021)

In 1880 the land owner of Kemaro Island, Adjidin Bin Syafi'i, borrowed some money from Ki Merogan, with a certificate of land certificate for Kemaro Island. However, after six months, the loan could not be returned, so Adjidin Bin Syafi'i gave up the land. In 1881, Adjidin Bin Syafi'i handed over the land certificate with additional money from Ki Merogan. Then, Ki Merogan ordered five people to work on the Kemaro Island land, which was evidenced by an official signed Arabic agreement. In 1887, the five envoys deposited the proceeds from the land on Kemaro Island to Ki Merogan. In 1898 Ki Merogan died and the inheritance was handed over to his descendants.

In the course of time the land wanted to be controlled by the 5 people, and then in 1985 when his grandson sued the court it was decided that the land belonged to Ki Marogan. However, the 5 people made an appeal to the PT (High Court?) level, even up to the cassation level in 1987, the decision upheld the PN (District Court?) decision. Then the land was seized by PT Intan Sekunyit and sued the 1987 decision, because there was a right to build the judge's decision to postpone the execution instead of canceling the Supreme Court's decision. In 2004 Dzuriat Kyai Marogan made an offer of compensation to the temple, but there was no response so Dzuriat Kyai Marogan put a stake on the land, even the pagoda had reported it to the police, but after showing the letter evidence the police finally did not respond to the report. The chronology of zuriyat Ki Marogan's version is at (<https://petisirakyat.com/zuriyat-kiai-marogan-claims-owner-sah-hak-all-island-kembara-kamaro/>).

Apart from the problem of buying and selling land on Kemaro Island, there is a story about the great soul of Ki Marogan which of course also needs to be investigated for its source and truth. This story is about the sincerity of land use for the benefit of the community. However, it is not clear, in this case the land of Ki Marogan (perhaps Kertapati Station now). It is said that in his youth, Ki Marogan was known to be active in the saw-mill or timber business. He owns two sawmills. At that time in 1911, during the Dutch colonial

era, one of the Dutch soldiers said to Ki Marogan, "The land for this train must be expanded." Ki Marogan replied, "The land will replace the land of our timber factory." The Dutch envoy said, "We know, sir, but the expansion of this land is for the benefit of many people. Ki Marogan nodded his head, "well, we are sincere about this for the benefit of society and the state, please." After that the wood factory owned by Ki Marogan was moved to Kampung Karang Anyar, and this factory was given to Mgs. H. M. Abumansur. The waqf land owned by Ki Marogan has until now belonged to PT Kereta Api Indonesia (-, 2019).

#### **4. Palembang City Government and Kemaro Island.**

Palembang City Government in 2014 has tried to increase the use of Kemaro Island as a tourist attraction, namely by building bungalows which cost Rp3.75 billion (Putri, 2014). The construction was carried out by the Public Works Department of Cipta.

The work that built a ship dock, 10 units of bungalows connected by a connecting bridge between buildings. It is also planned that at that time several souvenir shops, restaurants and museums will be built as well as other public facilities to complement this tourist area. The development of the tourist area is targeted to be completed by the end of 2015. Another source stated that the development budget reached Rp. 4.8 billion, sourced from the Palembang City Budget (admin, 2016). However, the utilization of bungalows is still constrained. At least based on the Kemaro Island structuring meeting in September 2019, information was obtained that this was because Kemaro Island's infrastructure was not adequate, such as electricity and clean water that were not maximized. (MC Palembang City, 2019).

In early January 2021 the Palembang City Government socialized the agenda to stimulate tourism in Palembang. One of the targets is the development of Kemaro Island as a water tourism which is targeted to be completed in 2023 (Apriani,

2021). In an effort to make this happen, the Palembang City Government has obtained a Charter/Certificate from the Association for the Tourism Sector in an effort to make Kemaro Island Tourism Destination a leading Destination in South Sumatra, which was submitted by the Head of Culture and Tourism of South Sumatra and received directly by the Secretary of the City of Palembang (Provincial Disbudpar, 2021).

Kemaro Island (which in this source), is said to have an area of 25 hectares plus 5 hectares owned by the South Sumatra Provincial Government. The city government will cooperate with many investors and ask for assistance from the Ministry of Tourism for its development. Kemaro Island will be built inns, water rides such as water parks, recreation centers, and hawkers centers both typical of Palembang and the archipelago. The Palembang City Government's short-term program, namely carrying out mutual cooperation focused on Kemaro Island, building embankments, and adding public facilities. Investors who are starting to be interested in developing are PT Prana Bumi Lestari, which will develop Kemaro Island tourism with the Bandar Sriwijaya concept (admin, 2021). Meanwhile, in terms of Bappeda, in 2021 the Kemaro Island concept becomes an integrated tourism. This Kemaro Island area with an area of 25 hectares still needs to be followed up. There will be a resort, four two-story houses, integrated IPAL, agropolitan rice fields, fishing grounds, vehicle parking, outbound and playground, animal cages, waste bank, agropolitan education center, 2-4 storey entertainment center, hotel/apartment. 8



floors, commercial (mall) 2-4 floors, fishermen's houses, golf and fishing docks (Rahmadani, 2021).

#### 4. CONCLUSION

The number of tourism objects in Palembang, one of which is the bungalow on Kemaro Island which has the potential for absorption of Regional Original Revenue (PAD) until now has not been able to be optimized by the City Government (Pemkot). Sadly, the row of buildings that lack supporting facilities seem neglected and neglected.

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# Is Leadership A Crucial Factor In Determining Success Of Collaborative Governance? A Case In Small Regional Technical Management Unit Of Firefighting In Magelang District, Indonesia

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## ABSTRACT

Collaborative governance is unquestionable in fire disaster management. However, few researchers study on leadership as influential factors to shape local governments involvement in the collaborative fire disaster management. The regional technical management unit of firefighting in Magelang District is able to manage excellent services despite inadequate personnel and fund. The authentic leadership style is crucial for the head of this unit to work efficiently and effectively. The aim of the study is to reveal the authentic leadership role in enhancing volunteerism in fire prevention management. The qualitative case study is used as research method of this study. This study found that authentic leader shaped the incentive to join the collaboration as well as institutional arrangement for all institutions and actors. The authentic leadership style is helpful in leading this institution by combining self-knowledge, self-regulation, and self-concept with strong relational relationship with his followers. He pushed all actors to secure the funding of fire prevention by implying their responsibility if there are causalities. He always leads in training and education to secure the trust between him and his followers. In order to perform fast response from society, private and government, any leaders need to found their authentic style. It is suggested to repeat interaction between technical experts to foster informal yet effective collaboration. This study is among the first to study authentic leadership to influence local commitment in collaboration. The result indicates that the knowledge, skill, and moral judgment influence follower to recharge commitment in firefighting and fire prevention.

**Key Words:** *Collaborative Governance, Authentic Leadership, Fire Prevention Management, Small Public Institution Unit, Public Trust.*

## 1. INTRODUCTION

The global warming has shaped more hazardous fire disaster than ever before, therefore any administrator is required to implement good governance. The effective public administration can be seen through success implementation of governance. Governance comprises all of the processes of governing to include activities performed by the government of a state, by a market, or by a network using a social system (family, tribe, formal or informal organization, a territory or across territories) and support system through the laws, norms, power or language of an organized society (Bevir, 2012). This activity urges collaboration between all actors involved in the process.

Collaboration is the process of two or more people, entities or organizations working together to complete a task or achieve a goal (Marinez\_Moyano, 2006). Rubin (2009) claimed that "collaboration is a purposeful relationship in which all parties strategically choose to cooperate in order to accomplish a shared outcome." Many conclude that collaboration is similar to cooperation. Other scholars such as wiliam (2006) argued that most collaboration requires leadership, although the form of leadership can be social within a decentralized and egalitarian group.

Furthermore, Wagner and Leydesdorff (2005) emphasized the benefit of using collaboration where team work in collaborative process often access greater resources, recognition and rewards when facing competition for finite resources. Other scholars also highlighted the benefits of collaboration where structured methods of collaboration encourage introspection of behavior and communication that in the long term such methods aim to increase the success of teams as they engage in collaborative problem-solving (Rubin, 2009).

Despite many difficulties arouses in performing collaboration, the inter-institutions of collaborative governance have been received importance due to complex, unpredicted and hazardous situation take place especially during the disaster. However, studies on collaborative governance confirm that culture shift from individual competition to collaboration that is crucial in emergency is not only difficult but somehow almost impossible to perform (Waugh & Streib, 2010). These conditions are to include: need to share financial resource and risk, leadership style, disposition to collaborate, high interdependency, and trust (Bryson, Crosby, and Stone 2006). On the institution aspect, Anshel and Gash (2008) highlight the incentive to participate, institutional design and power and imbalance to form a better collaboration. Ansell and Gash (2008) stated that face to face dialog to build commitment and trust is the key of successful collaborative governance in public sector. Additionally, they posed several factors to influence the collaboration success, i.e. the existence of previous conflict or cooperation, the incentives for stakeholders' participation, power and resources imbalances, leadership, and institutional design.

This new approach of governance has been introduced to enhance collaboration. Lynn, Heinrich, and Hill (2001) as one of the proponent scholars of traditional governance bring to light the laws, rules, judicial decisions, and administrative practices to support or inhibit the public provision. On the other hand, Stoker (1998) proposed the importance of agreeable governance and collective decision making between public and private to

enhance the collaboration. This definition implies an important point in collaboration is to have communication between public official and society that allow each participant to negotiate over the need and demand to reach collective goals. This move has flourished more collaborative governance which allow true public participation take place through though public official leader intervention or design. However, this requirement is somehow difficult to apply especially due to high political aspects in public service provision.

The importance of collaborative governance in disaster management is unquestionable. The large scope area, possibilities of death toll and social-economic problems during and after the natural disaster have led the urgent need of using collaborative governance. As the community involvement and voluntarism are the key of collaborative governance at local level (Waugh, and Streib 2006), the leadership style is crucial in forming these activities to ease the catastrophic consequences of natural disaster. The volunteerism and community programs are crucial because in time of crisis the government assistance may take long to arrive at scene. The leadership style also determines the quality of networking process in achieving the common goal by multiple organizations (Sylvia 2011). The nature of high complexity and urgency in fire management required the highest level of integrity and high task complexity awareness as core of leadership competencies (Mau 2017).

Instead of significant role of leadership to nurture volunteerism, some studies still observe the ineffectiveness of natural management disaster cause by leadership. Aoki (2011) found that decentralization affect the public leaders' command and control on disaster management. Complicated hierarchy, standard operation procedure and rank in public sector (Waugh and Streib 2006), vertical and horizontal collaboration (Aoki 2011, McGuire, and Silvia 2010), and political blame game (Boin, and 't Hart 2010) decrease the effectiveness of leadership style in managing the emergency management. In conclusion, the complex public agency structure leads to less collaborative action (McGuire, and Silvia 2010). However, the high political influence on leadership can be reduced through repeated technical communication (Cabral, and Krane 2016).

The complexity of the fire management can be ease by the presence of proper leadership. On the authentic leadership is best understand by elaborating character of and factor to determine an authentic leadership. Chan (2005) introduced three viewpoints on authentic leadership which include intrapersonal perspectives, intrapersonal process, and developmental perspective. On the first viewpoint, the leadership is shaped by interpersonal characters such as leader's self-knowledge, self-regulation, and self-concept. On the second viewpoint, Eagly (2005) suggested that leadership is nurtured by relational relationship created by leaders and followers. On the last viewpoint, the leadership is growing through the leader's positive psychological qualities and strong ethics (Avolio & Gardner, 2005; Gardner, Avolio, & Walumbwa, 2005; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Hence, any monumental and challenging events can shape the better authentic leadership style due to strong willingness and ability to cope with the challenges.

As the authentic leadership can be nurtured, a leader must possess some quality to secure its ability to cope with complex challenges. Every leader who aim to develop authentic leadership must have understanding on purpose, strong values about the right thing to do, establishing a trusted relationships, demonstrating self-discipline and act on

their values, and passionate about their mission (George, 2003). Those leaders who possess these characteristics should be able to seek through solution for any defiance they face.

This study is established to overcome challenges face by leader. After examining the challenges encountered with volunteerism in collaborative governance, this research explores how to form such collaboration can be achieved in practice and how to advance research on this topic. The discussion ultimately provides new insight on factors to influence community role in collaboration that has been the core of fire disaster management. Past studies inform about the community preparedness and organization to face hurricane (Kapucu 2008), local culture and any geographic information to form better information technology system (Goldstein, and Butler 2009; Schafer, Carroll, and Haynes 2008), social capital to influence community preparedness (Bihari, and Ryan 2012). Simo, and Bies (2007) found that non-profits organization in collaborative emergency management have been crucial especially in filling the gap of bureaucratic and formal public organization response in emergency situation. This study is different with those studies for it uses leadership perspective as the leading factor of community volunteerism.

Leadership is crucial in planning and executing a policy especially policy with in emergency in nature. In term of emergency, community volunteerism is crucial to mitigate the disaster especially during the response. The unexpected nature of disaster required community to step in helping those who need the most. The distance between central government and local government as well as local government and community who suffer from disaster add to the complexity of the disaster management. Therefore, this study focus on elaborating authentic leadership as a tool to increase effectiveness in leading the emergency situation embedded in fire prevention management. This study is aimed to enhance understanding on how leader can influence public policy and increase public participation to deliver better fire prevention policy.

The fire management is a huge and complex task in any country, including Indonesia. Indonesia is located in ring of fire or Pacific Ring of Fire. This means that as a region around much of the rim of the Pacific Ocean where many volcanic exist, Indonesia is very vulnerable to eruptions and earthquakes. Indonesia has Furthermore, as many eruptions take place, it will trigger fire both natural and man-made. Some region in Indonesia prone to disaster management due to additional characteristic such as population density and fast and massive land use change. Most of the region in Java Island meets those additional characteristics'. Therefore, the fire prevention and firefighting is a must activity to be performed in countries like Indonesia to prevent bigger victims and damages caused by disaster.

Magelang district is one of disaster prone areas in Indonesia that is selected as object of study due to its unique characteristic. This district is huge in term of area of 1,085.73 square kilometers, has big number of population compare to other district in Indonesia, and has an active volcanic mountain. According to Magelang district Statistic (2021) Magelang district is divided into 21 sub-districts that consist of 372 villages which consist of 2,700 backwoods, 45 orchard, 3,448 community areas and 10,981 neighborhood areas. On the population, there are 1,299,859 people living in this district which consist of 654,989 male and 644,870 female and also has population density of 1,197 people per sq.km (Magelang district Statistic, 2021). The high population density led

to massive land se change that is unavoidable to meet the demand of the citizen in housing, school, industry, hospitals, etc. With such a high population density Magelang district is considered as high priority area to be alert for it frequently is having natural disaster that will lead to high casualties and damages. Additionally, there is high frequency of eruption due to existence of Merapi Mountain, one of the most active volcanic mountains in Indonesia. The risk is even bigger because 36.56% of villages in Magelang Regency are located on slopes/ peaks.

The high risk of disaster can be mitigated by the specific and designated program created by this specific unit. The existence of Magelang district firefighting management unit is important to prevent and minimize the lost caused by the disaster. This unit has been promote a sustainable program to mitigate the bigger damages caused by fire. Magelang district regional firefighting management unit published their activities on web which include free training on the fire drill management and free training to mitigate gas leak and explosion. These trainings have been periodically provided to not only public office, and health public institutions but also schools from kindergarten to junior high school (to include both public and private schools) in Magelang district, along with fire evacuation training for fire fighter (<https://satpolpp.magelangkab.go.id/>). However, despite all the effort, the number of fire occurrence, casualties and damages still exist (table1).

Table 10 Number of fire occurrences, losses, casualties in Magelang District from 2017-2020

Peristiwa Kebakaran	2017	2018	2019	2020
Fire occurrences	60	155	91	62
Building and land lost	60	155	91	62
Building and land lost (houses)	32	94	76	50
Building and land lost (other)	28	61	15	10
Material losses (million rupiah)	1.947	8.168	30.020	37.020
Dead people	1	-	-	-
Victims of Injuries	-	-	-	-

## 2. METHOD

The study is conducted using descriptive qualitative method. In this research, the researcher analyzes the data using descriptive qualitative approach. Mack (2005:1) states that qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts in particular populations. She also explained that analytical objectives of qualitative research are to describe variation, to describe and explain relationships, to describe individual experiences, and to describe group norms.

Cases studies is selected to represent a unique characteristic of Magelang district Regional firefighting technical unit. The site of research is located in the unit and its

surrounding. This small unit is able to perform its huge responsibility despite its few number of officials, and limited authorities as well as limited funding.

This study focusing on two research question using combining theory developed by several scholars:

1. Why authentic leadership is important for fire prevention management in regional firefighting technical service unit of Magelang district?
2. How is authentic leadership shape the collaborative fire prevention management in regional fire management and firefighting technical service unit of Magelang district?

In order to answer these questions, the research uses George (2003) on several characteristic that shape the authentic leadership: understanding on purpose, strong values about the right thing to do, establishing a trusted relationships, demonstrating self-discipline and act on their values, and passionate about their mission. It also studies intrapersonal perspectives, intrapersonal process, and developmental perspective (Chan, 2005; Eagly 2005; Avolio & Gardner, 2005; Gardner, Avolio, & Walumbwa, 2005; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Those theories from several scholars are used to gather more comprehensive knowledge and information that will be help the researcher to answer the researched question posed earlier.

The interview is performed based on characteristic of and factor of authentic leadership. The study is conducted to dig out the factors that lead the head of fire prevention and firefighting management of Magelang district is able to surpass the difficulties and challenges in managing fire management that required big funding and resources even though it only construct of very small unit.

The informants are selected using snowball sampling. The snowball sampling or chain-referral sampling is defined as a non-probability sampling technique in which the samples have traits that are rare to find. This is a sampling technique, in which existing subjects provide referrals to recruit samples required for a research study.

This study conducts field work that enables to collect data from several important activities i.e. Fire Prevention and Management training, fire drill training, evacuation training, etc. Using the snowball sampling, the informant is selected. The total informant is 24 people. First is to locate the key informant who led the researcher to the other important informant. The head of fire prevention and firefighting management of Magelang district is selected as the key informant. The key informant suggested the other informant including officials from Directorate of Disaster and Fire Management, the head of head of subdivision, officials in the unit responsible for the operational services, firefighters, local government officials, head of the public health center, head of public hospital, head of schools and head of government-owned apartment as well as village officials. The fire fighter is selected based on several categories including length of services, gender, and training followed. This selection method is important as it will minimize bias that will distract the validity and reliability of the interview.

### **3. FINDINGS**

This study showed that the regional fire management and firefighting technical service unit of Magelang district has established collaborative governance with help of the



authentic leadership style. The finding can be summarized into two sections, why authentic leadership is important and how authentic leadership is performed.

1. Why authentic leadership is important for fire prevention management in regional firefighting technical service unit of Magelang district?

The study contributes to the theory of authentic theory by selecting small unit with limited authorities, fund and personnel yet responsible for immense task. Therefore, it is crucial for the leader to know exactly what types of training needed for volunteers. The difficulty in performing training during covid-19 pandemic is risen. Therefore, the head of the unit claimed that he has to think through a way to conduct trainings since the physical trainings and services are restricted but have to be performed with strick health protocols.

The fire fighters who interviewed stated that it is the knowledge, skill, and empathy of the head of the institution to lead their willingness to help other in need. Fire fighters said that it is the leader decisive action that selected proper training with limited fund that lead to effective action in combating fire, reducing damages and saving lives. They even stated that they are surprised to know that they are successfully provided various emergency services for dense population and large area despite their unhealthy condition for they lost family member due to covid-19. Interestingly, there are quiet huge number of successful taking the beehive services from houses and public offices. The fire fighters stated that are not complaining with this additional working since they are equipped with some tools and equipment to help those in needs. Interestingly, Red Cross members claimed that the reason of their willingness to contribute in providing first aid for the fire fighter who received training is the quality of moral decision made by the head of the unit.

Some interesting finding on happy and productive officials despite limited staff available is found in the unit. The officials claimed that the reason of their sincerity to work hard with intense workload and hours to facilitate the training, and funding as well as to manage emergency call is the presence and example from the head of institutions. They said that they are still willing to accept the call even though some are prank calls because they are instructed to serve the community. They said that all officials are willing to work with intense workload for two things: enough skill and knowledge from training provided and accompany as well as example from their leader. They claimed that they inspire to work beyond duty as it is given example by their leader.

Although limited officials and fund available, there are many actors in public health centers, public hospitals, schools, public offices and government-owned apartment that need to be educated and be serviced. The head of the public hospital, head public health centers, head of schools and government-owned apartment as well as head of villagers which are prone to fire agree that they are success in minimizing casualties and damages from fire related accident in their institutions after receiving training and facilitation from the regional firefighting technical unit in Magelang district. Interestingly, these informant found benefits from training provided not only in term of reducing casualties and damages but also entertainment since many trainings given in such

entertaining way to increase the understanding on fire prevention and firefighting techniques.

Understanding the benefits from receiving the training is the reason why so many institutions are willing to be patient in lining up to receive the training due to limited equipment and officials that is more restricted during covid-19 pandemic. The head of the unit in Magelang district has designed training that is tailored for different customer. For example, drill training for kindergarten students is different with high school students. The head of school stated that the waiting list is longer due to Enforcement of restrictions on community activities. However, they claimed that they are still eager to join the training as soon as the restriction is lifted. The head of the public hospital, head public health centers claimed that they have realized the benefits of Fire Prevention and Management training after receiving the training and therefore they will wait until the condition is allowing them to conduct the training.

Hospital and public health center are the densest institutions in term of giving services and therefore the risk of fire must be better managed to avoid larger casualties and damages as well as increase safety and working comfort. The worker claimed that knowing the fire extinguisher and evacuation route has been placed properly increase the safe and comfort feeling that in turn easy their physical and mental fatigues due to overwork load during covid-19 pandemic. The existence of better fire management enhance assurance that over-crowded hospitals and health center many patients, families' and relatives of sick people.

The head of government-owned apartment that is happened to be a secretary of village even convinced to allow the fire evacuation training for fire fighters is conducted in the building. He claimed that the benefits and trusted relationship with the head of unit are the reason of issuing a permit for training location. The benefits includes the casualties and damages reduction through live education to tenant on fire prevention and fire education as well as free inspection on building safety on fire extinguishers and evacuation. He stated that the head of regional firefighting technical unit in Magelang district supervised him on proper knowledge and understanding on the building risk of fire due to structure of storey building and density of people living in the building. the The quality of intergovernmental relationship determines fire fighter and fire prevention effectiveness. The head of Directorate of Disaster and Fire Management is the officer in the central level who responsible directly to secure the better firefighting and fire prevention at local level. She responded that the head of the unit in Magelang district has provided leadership and cooperation needed to establish better coordination in firefighting and fire prevention activities. She stated that it is the example, knowledge and skill of the head of unit to determine the successful coordination.

The local officers and private actors in Magelang district are not equipped with proper knowledge on fire prevention and fighting. These activities are emergency and complex in nature yet they do not have the knowledge, skill and capacities to meticulously allocate resource to mitigate the damages and casualties. The public officers and private actors are the one who have direct need to protect their building as well as people who use and visit the building. They claimed that after given frequent and detail direction and briefing by the head of regional firefighting technical unit, they realized the importance of proper resource allocation to fund fire prevention and fighting

activities. Every time they tried to avoid the allocation, the head of regional firefighting technical unit is successfully leading to bring back their commitment on proper resource allocation. They also stated that it the pressure from the head of the unit that innovatively and skillfully maximized online meetings during covid-19 pandemic that recharge their commitment in allocating the resources. They stated that some negotiation is always present in more complicated manner due to competition of allocation with health and social need related with covid-19 pandemic, but the head of unit is always able to come out with best alternative solution.

2. How is authentic leadership shape the collaborative fire prevention management in regional fire management and firefighting technical service unit of Magelang district? The head of regional firefighting unit in Magelang District has shown tremendous fit of authentic characteristic. Most of the informant stated that the head of unit has charisma along with knowledge and skills that may influence other to contribute more to fire prevention and firefighting.

The interview of the head of the unit can best describe his authentic leadership style. He claimed that he leads the planning of fire prevention and fire head of unit in Magelang district. He claimed that it is not easy to push the local officers to fund the holistic fire prevention by providing draft on 5 year fire prevention plan (2017-2022), but the plan is successfully ratified. He showed that plan to include establishing 13 Fire Management Area, conducting training in Fire Emergency Action Plan making, and training in fire-fighting techniques as well as training in fire evacuation in Magelang district. He claimed that he leads every training and meeting wherever he could. He claimed that the formal and important meeting he attend always success in securing funding of programs needed in fire prevention and firefighting. Whenever the local officials said no money to fund a program, he always reminds them on the consequences i.e. causalities and damages of unprepared and firefighting. He even gave them specific and frequent briefing based on data and regulation. He described the correlation of training, equipment, skill, and knowledge as well as responsibilities written in the regulation and connected it with the impact in reducing casualties and damages as detail as possible to encourage better commitment of the public officials and private actors, even though their focus is split into other priorities, saving lives due to covid-19.

It is important to note that the commitment can only be secure with frequent and detail meetings. The head of regional firefighting technical unit in Magelang district always attend formal meetings to bring about refreshing commitment. Even though attendance of a head of small unit is not necessary since his place can be represented by head of police and civil service units and firefighters where the unit came under, head of regional firefighting technical unit in Magelang district always presence and lead the meeting. He even established preliminary contacts and informal meetings with some difficult officials or actors to assure that the funding needed for the program is secured. He claimed that by establishing strong and intense connection with the local officers using social media increase the chance that his voice to be heard whenever needed. The knowledge, capacities, and moral of the head of this unit are crucial in determining the quality of collaboration with public and private schools, hospitals and health centers. They stated that he always persistence in leading the training and supervising

the trainer to assure that the schools, hospitals and health centers could achieve the outcome prescribed from the trainings. They added that the leader established preliminary contact with some difficult head of hospitals or health centers to assure that the trainings needed for those institutions can be performed. They concluded that many health institutions and schools are willing to put commitment on effort in mitigating the fire risk because of the personal quality of the head of unit which include knowledge, skill, capacities and moral judgment.

A proper intergovernmental coordination has lead to increase the collaboration. The head of Directorate of Disaster and Fire Management, Ministry of Home Affairs, claimed that the head of unit always established proper coordination with the to minimize maladministration that may occurs during the implementation. She stated that according to the regulation, the Ministry of Home Affairs has the legal right to supervise the firefighting and fire prevention activities. She claimed that she frequently informed and updated about the activities in the unit by the head of unit. She concluded that the personal capacities and moral judgment of the head of unit that bring about the better intergovernmental relationship.

The trust of the follower can only be built by establishing formal and informal relationship. The official in the unit and fire fighters stated that the proper moral judgment, knowledge and skills of head of the unit that inspire their daily work and recharge their motivation whenever their face difficult works activities and immense workload. They said that he always turn up on trainings especially the crucial trainings for fire fighters and officials to make sure the training is properly conducted which include making sure the catering and equipment are provided for them. They also argued that the head of unit always finds solution for any difficult problems arise related with trainings and firefighting activities, such as locate national level training providers and scholarships as well as locate qualified instructors. The observation from data showed that many of the fire fighters have received advanced training certificate despite limited funding. The observation form the interview showed that officials in the unit are sincere yet skillful and nimble in providing the service due to example given by the head of the unit.

#### **4. DISCUSSION**

This study confirmed the use of authentic leadership to increase firefighting and fire prevention management. This study has supported Chan (2005) on interpersonal characters. The head of unit is able to persuade the local officer and private actors to fund the programs despite the more current crucial condition caused by covid-19. He knew that his responsibility of saving lives and reducing damages are considered as high priority by the law and regulation and therefore can be shifted to other parties who has higher authorities such funding to secure the firefighting efforts. He knew that by giving them detail descriptions on amount of funding with saving lives and reducing damages, the chance of bigger commitment is established. The head of the unit also supported nurtured leaders and followers relationship (Eagly, 2005). He, most of the time, has performed supervision and find alternative solution to the problems whenever needed as well as accompany and example to his follower. The head of the unit has been persistent in finding solution rather than complaining on problem which allows the follower to inspire by his action. This study

supported leader's positive psychological qualities and strong ethics (Avolio & Gardner, 2005; Gardner, Avolio, & Walumbwa, 2005; Walumbwa, et.al, 2008). He builds a strong connection with every actor without asking for personal return even though he has chance to do it. He has prioritized subordinate and fire fighters as well as institution and community for his entire decision making. He is not underestimating network building but focus on increasing with strong believe that he can increase the chance of saving lives and reducing damages by maximizing it.

The study supported the need of authentic leadership that secures ability to cope with complex challenges which surrounded fire management practices. The head of unit is best example of interpersonal characteristic (George, 2003) on having understanding on purpose, strong values about the right thing to do, establishing a trusted relationships, demonstrating self-discipline and act on their values, and passionate about their mission. He gave example of being supportive to his follower by his presence in office, trainings and meetings. He showed do not mind to established contact with someone in lower position than him. He always enthusiastic and easy to talk with related with his responsibilities. Most importantly, he has no regret in spending more time beyond office hours and involving in live saving effort that can take his lives.

Specifically this study supported the Walumbwa, et.al (2008) on Authentic Leadership Questionnaire [ALQ]) which consist on leader self-awareness, relational transparency, internalized moral perspective, and balanced processing. As the leader of a small institution, the head of regional firefighting unit in Magelang District is aware of his role in shaping the collaboration through his presence in every situation especially in emergency regardless of the time, condition and situation. His action where he always leads in the discussion by providing detail data and information related with past, present and future need to mitigate the fire disaster lead to trust between local officials, private actors and volunteers to secure the commitment needed in the collaborative firefighter and fire prevention. His perseverance in finding the solution for every difficult situation i.e. finding the location for evacuation training for multilevel storey buildings even where there is no funding available result in admiration and respect of his follower includes firefighters and local officers to better serve the community.

This study is not without limitation. The pandemic restricts the interview and document collection. The interview conducted using media social. There are limitation on this model of interview, such as possibility of misunderstanding and incomplete interview due to technical (connection) problems. In order to collect necessary document, the researcher rely on willingness of the informant, especially the head of regional firefighting technical service unit of Magelang district and his direct officials from subsection of public and staffing as well as subsection finance and programs. Therefore, some important document is not received due to his busy schedule and some misunderstanding on data needed. Fortunately, much information is available on the internet, therefore, additional document collected from internet including website and social media. The information provided on the internet is collected and filtered according to theory selected. The direct observation is absence. Therefore, the researcher relies on indirect observation from documents and interviews.

The researcher proposed some possible future researches that may enhance authentic leadership development. The future of study can be conducted at central level to

find out the relationship of authentic leadership with institution performance at better funding, personnel and capacities condition. Other study can be performed with locus in natural fire management activities.

## 5. CONCLUSION

The leader is consider as authentic where he/she has ability to gather all necessity and strategic information that lead to individual and organizational development. The key is the ability to process information based on morality that results in decisive yet high in moral decision. This study showed that implementing authentic leadership is important to secure firefighting and fire prevention efforts in district level. The study is conducted on district level, where the large area and population density are present yet infrastructure and officials' capacity are limited. The leader of the institution selected in this study provided extraordinary example on understanding and updating complex information including regulation needed to secure fire prevention provision. This action lead to decisive decision that enhances official and society capacity as well as infrastructure to mitigate man-made fire related disaster. This study showed that without awareness on the importance of knowledge, skill and empathy, the firefighting and prevention which is emergency in nature, cannot be performed effectively. A leader must truly aware that his knowledge, skill and empathy determine quality of relationship among actors through internalized moral perspective, and balanced processing of information.

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# Can Stakeholder Collaboration Model being used for controlling the land use change of Rice Fields in Bone Regency, South Sulawesi Province?

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## ABSTRACT

There is increasing land use change of paddy fields as population growth and development growth increased in Bone Regency, South Sulawesi Province. As the stakeholders is diverse, there is a need to use collaborative model of governance to minimize the land use change. This study examines the collaborative model of stakeholders controlling the conversion of paddy fields in Bone Regency, South Sulawesi Province. This study use descriptive qualitative method. Using the collaborative governance of Anshell and Gash (2007), the study showed that the rapid paddy land use change can be minimized using the collaborative perspective. However, the collaboration must be performed in 3 aspect include paddy land map making, paddy preservation incentives and community empowerment. The paddy preservation land use policy can be enhanced using collaborative governance. If the government is able to lead the paddy land map making, paddy preservation incentives and community empowerment, the success of preservation policy can be better guarantee. The results of the study indicate that the collaboration of stakeholders in controlling the conversion of paddy fields can be carried out based on 3 (three) collaboration models, namely collaboration of maps making of protected paddy fields, collaboration in providing incentives and collaboration for community protection and empowerment. These three models are expected to be able to answer the challenges of controlling the conversion of paddy fields and be able to maintain national food security.

**Key Words:** *Paddy Land Preservation, Collaborative Governance, Map Making, Incentive Of Preservation.*



## 1. INTRODUCTION

Indonesia faces huge challenges in paddy land preservation. Paddy is the wet form of rice, the main staple of Indonesian people. The country has tried to impose an independent rice policy as one policy to achieve food security. However, some obstacles have obstructed the policy implementation. The country has over 250 million people to be feed and over 17.000 islands among those only five big islands and two islands that are highly inhabited. As the country has entered G20 in 2021 after 76 years independence from colonization, the rice self-sufficiency policy is not yet achieved. This can be assumed that there is massive economic growth cannot secure rice self-sufficiency policy. In fact, there is rapid agricultural land conversion due to competition in land use between the agricultural sector and the non-agricultural sector. Competition in land use arises due to limited land resources, population growth, and economic growth. In each area, the available land area is relatively fixed or limited so that population growth will increase the scarcity of land that can be allocated for agricultural and non-agricultural activities. Meanwhile, economic growth tends to push the demand for land for non-agricultural activities at a higher rate than the demand for land for agricultural activities because the demand for non-agricultural products is more elastic to income. The increasing scarcity of land (due to population growth), coupled with the relatively high demand for land for non-agricultural activities (due to economic growth) eventually led to the conversion of agricultural land (Irawan, 2005).

As the rice producing area in west part of Indonesia, South Sulawesi province urgently needs a proper policy to match with the competition of land use. Bone Regency is one of the main rice-contributing districts in South Sulawesi province. Data from the Bone Regency government as of July 2020, the contribution of Bone rice reached 225,632 tons, followed by Pinrang as much as 172,630 tons, then Sidrap 144,765 tons, Wajo 137,214 tons and Gowa Regency as much as 135,941 tons. In addition to the provincial level, based on the results of the BPS calculation using the KSA method in 2019, Bone Regency is included in 10 districts in Indonesia as a rice producer, precisely in 7th position with a rice harvest area of 169,471.29 hectares. Its rice production is 772,874 tons of Milled Dry Grain or its rice production is 443,398 tons. As rice producer region, Bone Regency has no choice but to ascertain its position. As one of the rice producer, most of the job comes from the related sector. However, the paddy land conversion is massive and almost uncontrollable. The increasing trend of legal land conversion can be seen from the paddy land conversion application in Land Technical Considerations Land Office at Bone Regency. There is 90 applications in 2015, but in 2016 and 2017 there is increase from 141 to 126 applications. Even though in 2018, there is decreased to 73 application, in 2019 the number increased to 100 application. This data shown that farmer is not willing to join the paddy land preservation policy.

The paddy land preservation is therefore needed to assure the Bone Regency role as the largest rice producer. There is a need to involve stakeholders in the policy. The concept of stakeholders was first introduced by the Stanford Research Institute in 1963 which defined stakeholders as groups that would not exist without organizational support (Friedman & Miles, 2006). The beginning of the emergence of this concept is to classify and evaluate the concept of company performance (Carroll, 1991). Furthermore, Freeman

(1984) argues that understanding the relationship between groups and individuals who influence or be affected by organizations is a means of analyzing organizational effectiveness in achieving goals. This concept has been debated in the literature on strategic management functions, such as corporate planning, performance, systems theory and corporate social responsibility.

As the complexity of preserving paddy fields is increase all time and therefore, it required the government and various parties to preserve paddy land in a collaborative framework. Collaboration is needed in terms of combining expertise, human resources and financial resources. As Collaborative governance according to Ansell and Gash (2007:544) is a series of arrangements in which one or more public institutions directly involve non-governmental stakeholders in a formal, consensus-oriented and deliberative policy-making process that aims to make or implement public policies or manage public programs or assets.

On governance, some scholars have provided definition. Leach and Smith in Sumarto (2009: 2) provide an overview of the differences between the concepts of government and governance as follow: government implies politicians and the government that regulates, does something, provides services and while the rest of the elements of a country are passive. Meanwhile, governance blends these meanings, by loosening the rigidity between the government and the governed (the passive part of the state), so that the passive part has a role and share from the government part. From that definition it can be learned that government is more as the government or the bureaucracy itself in carrying out its duties and functions whereas governance prioritize openness to the public and non-governmen Other scholar prescribed governance characteristic. According to Rhodes (1996) the meaning of governance is broader when compared to government because governance involves parties outside non-states in running the wheels of government which makes there an interdependence relationship. Additionally, Rhodes (1996) characterized governance as Interaction between members is based on the need for exchanging resources and negotiating to share together which allows for a sustainable relationship, negotiations and agreements are regulated by rules and has a significant degree of independence or autonomy from government.

On collaboration, some scholar has provided definition. "Collaboration is the mutual engagement of participants in a coordinated effort to solve a problem together. Collaborative interactions are characterized by shared goals, symmetry of structure, and a high degree of negotiation, interactivity, and interdependence" (Lai in Person (2011: 2)). Raharjo (2010) defined collaboration as the concept of relationships between organizations, relationships between governments, strategic alliances and multi-organizational networks. From these scholars can be understood that collaboration is the collaboration of two or more stakeholders in order to achieve common goals through the management of shared resources. The cooperation that is built must be clear, mutual trust and committed, complemented by an institutional structure. t/private sectors in the administration of government.

In order to implement collaboration, some principle must be adhered. Djumara (2008) prescribed principle of collaboration includes: Respect for people, Honor and integrity, Ownership and alignment, Consensus, Full responsibility and Accountability,

Trust-based Relationship, and Recognition and Growth. Only by implementing these principles, collaboration can achieve its success.

Therefore, collaborative governance can be defined in a certain way. "Collaborative governance is therefore a type of governance in which public and private actors work collectively in a distinctive way, using particular processes, to establish laws and rules for the provision of public goods" (Ansell and Gash, 2007:545). While, Agranoff and McGuire in Chang (2009:76-77) defines collaborative governance as places much emphasis on voluntary horizontal collaboration and horizontal relationships between multi-sector participants, as the demands of clients often go beyond the capacities and roles of a single public organization, and require interaction among the various organizations involved and involved in public activities collaboration is needed to enable governance to be structured so as to effectively meet the increasing demands arising from management across government, organizational, and boundaries.

As collaborative governance is already defined, hence, a model must be researched to locate the appropriate collaborative governance. Anshell and Gash (2007) provide a model of collaborative governance. The model includes variables that determine the collaborative process: starting conditions, institutional design, leadership, and collaborative process. Under starting points variable there are Power-Resource Knowledge, Incentives for and Constraints on Participation Asymmetries and Prehistory of Cooperation or Conflict (initial trust level). Under the Institutional Design there is Participatory Inclusiveness, Forum Exclusiveness, Clear Ground Rules, and Process Transparency. Under Collaborative Process, there are Trust-Building, Face-to-Face Dialogue and Intermediate Outcomes. Under Facilitative Leadership there is empowerment.

In order to assure the paddy land preservation policy in Bone Regency, the collaborative governance model proposed by Anshell and Gash (200) is researched on three different collaboration aspects mentioned in government regulation no 59/2019: paddy land map making, paddy preservation incentives and community empowerment. The adjustment is made to make sure there are no aspects left in the study. This study is aimed to elaborate Anshell and Gash model to be easier implemented in small district as rice producer region.

## **2. METHOD**

The research approach used in this study is descriptive qualitative. In this research, the researcher analyzes the data using descriptive qualitative approach. Mack (2005:1) states that qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts in particular populations. She also explained that analytical objectives of qualitative research are to describe variation, to describe and explain relationships, to describe individual experiences, and to describe group norms. Moreover, according to Lodico (2010:143) qualitative research has few characteristics.

This research is focused on finding a collaborative model for controlling the conversion of paddy fields in Bone Regency, South Sulawesi Province. The data used in this study were in-depth interviews with stakeholders controlling the conversion of paddy fields including the Head of the Land Office of Bone Regency, Head of the Section for

Arrangement and Empowerment of the Land Office of Bone Regency, Staff of the Section for Arrangement and Empowerment of the Land Office of Bone Regency, Head of the Land and Irrigation Section of the Land Office Food Crops, Horticulture and Plantation of Bone Regency and rice farming community.

In addition to interviews, data was obtained from supporting documents including the Report on the Control of Rice Land Transfer from the Land Office of Bone Regency, Procedures for Preparation of LP2B Data from the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency 2019, Technical Instructions for Controlling Rice Land Transfer 2021, Ministry of Agrarian and Spatial Planning /National Land Agency.

The data is then analyzed using an interactive model from Miles, Huberman and Saldana (2020: 10) consisting of data condensation (data condensation), data display (data presentation) and conclusions: drawing/verifying (drawing conclusions or verification)

### 3. FINDINGS

Managing the preservation of paddy fields is a long and complex process that has been carried out by the government. Through policies that do not support the rate of conversion of paddy fields. Controlling the conversion of paddy fields is a national issue so that its handling involves various stakeholders from the central level to the regional level. At the central level, the conversion of paddy fields is carried out through the establishment of national regulations and the implementation of national control. Meanwhile, at the regional level, control can be carried out by referring to national policies. This study has categorized the finding based on two research questions.

#### 1. Stakeholder Collaboration Model

##### 1.1. Stakeholder Collaboration Model for Controlling the Rice Field Land preservation through Protected Rice Fields Map Making in Bone Regency.

Several stakeholders are involved in controlling the conversion of paddy fields through the creation of protected paddy fields. The stakeholders involved are dominated or even less involved in the involvement of the private sector and the community which, according to the author, requires the involvement of the private sector in this case as actors who need land. For example, investors in making a map of paddy fields are deemed necessary as parties who need land. This is considered very important when the conversion of paddy fields is caused by the desire of investors for paddy fields to be converted into non-rice fields.

Based on research conducted in collaboration with stakeholders controlling the conversion of paddy fields through the creation of a map of protected paddy fields, it can be described as follows in the following table.

Table 11 Collaboration of Stakeholders in Controlling the Transfer of Rice Fields through the Making of Protected Rice Fields Map

No	variables	Component	Explanation
1	Starting Conditions	Past collaboration	Cooperation between stakeholders has often been carried out so that there is a

			strong emotional bond in collaborating
		Dependency	Protected Rice Fields Map Making cannot be carried out by certain institutions. It requires the involvement of various stakeholders with their respective duties and functions
		incentives	Incentives do not affect collaboration, but collaboration is based on a sense of responsibility from stakeholders
2	Institutional Design	Ground Rules of Collaboration, and Stakeholders involved	The institution is based on Presidential Regulation Number 59 of 2019 concerning the Control of the Transfer of Rice Fields. Stakeholders involved include the Coordinating Minister for Economic Affairs, Minister of ATR/Head of BPN, Minister of Public Works and Public Relations, Minister of Agriculture; Minister of Home Affairs; Minister of LHK; Minister of Finance; the Minister of PPN/Head of Bappenas.
3.	Facilitative Leadership	Facilitative Leadership in protective paddy land use	Leadership is directed at facilitating all stakeholder interests by building coordination between stakeholders in verifying and synchronizing data related to protect paddy fields.
4	Collaborative Process	Face to face meeting	Face to face meeting is conducted in form of formal meeting, and focus group

	discussion and usually performed in paddy fields
Trust creation	Trust created use intensive formal and informal meetings
Commitment	The commitment can be seen by stakeholders responsibilities implementation in the preparation of data mapping in accordance with the main tasks, and respective functions
Shared understanding	Every meeting in the meeting a joint decision is obtained so that the work is carried out with full responsibility
Outcome	Even though the paddy field protective map is not yet implemented at national level, the conversion of paddy fields has been protected through a map of raw rice field land (which is the basis for making LSD) and taking into account the RTRW and RDTL of Bone Regency.

From the table above it can understood that in Institutional Design Variables, the involvement of the private sector and the community has not become a priority in the implementation of collaborative control over the conversion of paddy fields through the creation of protected paddy fields maps. The involvement of the private sector as a stakeholder who needs land needs to be a concern, because whether we realize it or not, the private sector is one of the actors in the transition from paddy fields to non-rice fields. Beside the private sector involvement, the involvement of the farmer who owned the land and the community are required. By knowing the protective paddy fields maps, the owner and community can increase the success of the protective land preservation.

The protected paddy fields maps making is led directly by the Coordinating Minister for Economic Affairs. The Minister of ATR/Head of BPN with assistance from the relevant ministries/institutions prepares related data with land and spatial land data. The data is coordinated directly vertically with the regional office at the provincial level and the land office at the district level through synchronization and verification. Cooperation is also carried out with the ministry of agriculture by preparing data related to rice field printing. Rice field data is needed in order to get the area of non-rice fields converted into rice fields. Irrigation data is also very important in the implementation of protected paddy fields maps making to ensure the availability of irrigation for agriculture.

- 1.2. Stakeholder Collaboration Model in paddy preservation incentives in Bone regency  
Controlling the conversion of paddy fields through the provision of incentives is a collective work that cannot be confined to a single institution/institution but requires the involvement of various stakeholders. The involvement of various stakeholders is not only a result of the many incentives given to farmers but is understood as a common problem so that it requires joint work.

Various forms of incentives to farmers are: (1) Agricultural infrastructure development, (2) Financing research and development of superior seeds and varieties (3) Ease of accessing information and technology, (4) Provision of agricultural production facilities and infrastructure, (5) Guarantee issuance of certificates of land rights on rice fields, (6) awards for high achieving farmers, (7) land and building tax relief assistance.

Collaboration in providing incentives to farmers is carried out by various stakeholders from business, academia, community and government. The Department of Food Crops, Horticulture and Plantation of Bone Regency as the leading sector facilitates all activities to provide incentives to farmers. Collaboration with the Department of Highways, Cipta Karya and Spatial Planning of Bone Regency in realizing the construction and improvement of irrigation networks as well as the construction, development and rehabilitation of farm roads. The role of the Bone Regency Environmental Service is to carry out soil and water conservation as agricultural infrastructure development. The involvement of the Land Office of Bone Regency in the certification of paddy fields is considered as an effort to legalize the assets of farmers/land owners. Cooperation with the Regional Revenue Agency of Bone Regency to provide land and building tax relief guarantees to rice farmers. To produce seeds with superior varieties, the collaboration is carried out by collaborating with the Research Center for Agricultural Technology (BPTP) Balitbangtan. The involvement of the Agricultural Extension Center (BPP) assists agricultural extension and collaboration with the Bone Regency Irrigation Operation and Maintenance Organization in an effort to maintain, manage and improve irrigation networks.

Collaboration with the business sector in this case bank institution is performed. The collaboration is aimed to distribute cash intensives to farmers, Cooperation with fertilizer producers for work areas in South Sulawesi, including PT Pupuk Sriwidjaja Palembang, PT Petrokimia Gresik, PT Pupuk Kalimantan Timur, to maintain the availability of subsidized fertilizer for farmers. In addition, the

existence of distributors and retailers in the context of smooth distribution of fertilizers is also one of the determinants of the sustainability of rice cultivation in Bone Regency. Another business sector that is assisting in the provision of incentives is contractor companies in the context of implementing incentives for the construction of irrigation and agricultural roads.

The involvement of academics in this case is Hasanuddin University, Alauddin State Islamic University, Indonesian Muslim University, Muhammadiyah Bone University through LP2M (Institute for Research and Community Service) carrying out research to support the success of agricultural production and community service to farmers through counseling, courses on quality agriculture, Through the field study program, students participate in providing understanding to farmers, helping farmers innovate to increase agricultural production and developing quality rice seeds.

No	Variables	Component	Explanation
1	Starting Conditions	Past collaboration	Cooperation between stakeholders has often been carried out so that there is a strong emotional bond in collaborating
		Dependency	Incentive for paddy fields preservation cannot be carried out by certain institutions. It requires the involvement of various stakeholders with their respective duties and functions
		incentives	Incentives to farmers are based on government regulation No. 12/2021, the provision of incentives is carried out with the involvement of various actors includes government, business, academic and community stakeholders
2	Institutional Design	Ground Rules of Collaboration, and Stakeholders involved	The Department of Food Crops, Horticulture and Plantation of Bone Regency facilitates all forms of incentives given to rice farmers, provides



			farmer data, and individual who entitled to incentives
3.	Facilitative Leadership	Facilitative Leadership in protective paddy land use	Leadership is directed at facilitating all stakeholder interests by building coordination between stakeholders in verifying and synchronizing data related to protect paddy fields.
4	Collaborative Process	Face to face meeting	Face to face meeting is conducted in form of formal meeting, and focus group discussion and usually performed in paddy fields
		Trust creation	Trust created use intensive formal and informal meetings
		Commitment	The commitment can be seen by stakeholders responsibilities implementation in the preparation of data mapping in accordance with the main tasks, and respective functions
		Shared understanding	Every meeting in the meeting a joint decision is obtained so that the work is carried out with full responsibility
		Outcome	The existence of incentives for rice farmers encourages improvement and provides encouragement to rice farmers in order to increase agricultural productivity which affects the control over the function of rice fields.

1.3. Stakeholder Collaboration Model in community empowerment in Bone regency.

Collaboration of community protection and empowerment needs to be done in an effort to increase community productivity. In addition, collaboration is formed as a manifestation of government programs and policies in order to strengthen agricultural production. Collaboration is pursued in the context of protecting and empowering farming communities as an effort to explore the enormous potential of farmers but lack of stakeholders who contribute to agriculture.

Farmer Protection Strategy is carried out through: agricultural production infrastructure and facilities; business certainty; Prices of Agricultural Commodities; elimination of high cost economic practices; compensation for crop failure due to extraordinary events; early warning system and response to climate change impacts; and Agricultural Insurance, while the farmer empowerment strategy is as follows: education and training; counseling and assistance; development of systems and means of marketing agricultural products; consolidation and guarantee of agricultural land area; provision of financing and capital facilities; easy access to science, technology, and information; and strengthening Farmer Institutions.

As the agency responsible for agriculture, the Department of Food Crops, Horticulture and Plantation of Bone Regency cooperate with various stakeholders in efforts to control the conversion of paddy fields through the protection and empowerment of farmers. Cooperation with the Department of Highways, Cipta Karya and Spatial Planning for the Development of agricultural infrastructure such as irrigation canals and farm roads. Developing cooperatives institution is done by collaboration with the Office of Small and Medium Enterprises Cooperatives to build and develop the potential and economic capacity of rice farmers. It is necessary to ensure food quality and security, collaboration with the Bone Regency Food Security Service is needed. Licensing agriculture and food crops businesses is also a priority in collaboration with the One Stop Integrated Licensing and Investment Service. Increasing agricultural production through distribution, promotion, and registration of agricultural products is done by collaboration with the Trade Office. In addition, it is necessary to increase the agricultural product industry as a support in improving the quality of agriculture which can be collaborated with the Department of Industry. Health insurance for food production can be better performed by collaboration the issuance of health permits for production with the Health Office.

No	variables	Component	Explanation
1	Starting Conditions	Past collaboration	Cooperation between stakeholders has often been carried out so that there is a strong emotional bond in collaborating
		Dependency	Protection and empowerment of farming communities, especially rice farmers, is a shared responsibility and requires the involvement of various stakeholders.

		incentives	Incentives do not affect collaboration, but collaboration is based on a sense of responsibility from stakeholders
2	Institutional Design	Ground Rules of Collaboration, and Stakeholders involved	Based on Law Number 19/ 2013 concerning the protection and empowerment of farmers. Various state helpers are involved in protecting and empowering farmers from the government, business, academics and the community
3.	Facilitative Leadership	Facilitative Leadership	Leadership is directed at facilitating all stakeholder interests by building coordination between stakeholders in the protection and empowerment of rice farmers
4	Collaborative Process	Face to face meeting	Face to face meeting is conducted in form of formal meeting, and focus group discussion and usually performed in paddy fields
		Trust creation	Trust created use intensive formal and informal meetings
		Commitment	The commitment can be seen by stakeholders responsibilities implementation in the preparation of data mapping in accordance with the main tasks, and respective functions
		Shared understanding	Every meeting in the meeting a joint decision is obtained so that the work is carried out with full responsibility
		Outcome	Protection and empowerment of rice farming communities can improve the rice farmers income have an impact on avoiding the conversion of paddy fields

#### 4. DISCUSSION

Control of land use change is directed at suppressing the control over the conversion of paddy fields through the establishment of a map of protected paddy fields and an emphasis on the desire of paddy land owners not to divert paddy fields because paddy fields can provide a decent life and livelihood. Therefore, the analysis must be performed to locate gap between finding and theory.

The study supported Ansell and Gash (2007) proposed model. According to them, collaboration starts from the initial conditions where collaboration is absolutely necessary because of the dependence of the resources owned. In addition to the initial conditions, there is a need for leadership so that a collaboration process can take place smoothly. In this study, the initial conditions in collaboration are crucially needed to equalize the vision, mission and goals of the collaboration. Collaboration cannot be formed without an

understanding of direction and without dependence from various stakeholders. It is very important to control the conversion of paddy fields through the establishment of a map of protected paddy fields. This is considered necessary because there is a need for a combination of resources in determining protected rice fields. It is true that protected paddy fields maps accommodate various kinds of data, including raw rice field data, regional spatial plan data and detailed spatial plans as well as new paddy field print data, and therefore, equate the data is crucial to have better protected paddy fields maps.

The initial conditions of collaboration are also influenced by the incentives received by each actor. However, this incentive does not apply in controlling the conversion of protected paddy fields. This can be understood from the results of several interviews which emphasized that the incentive to collaborate is not the goal. Incentives are obtained according to the rules that have been set, besides that collaboration is built by stakeholders from the public who already have salaries and benefits so that collaboration does not expect incentives but collaboration is expected to be able to meet the goals.

The study confirmed Anshell and Gash (2007) argument on the leadership, where facilitative leadership determines the quality of collaboration. Leadership is needed in order to control a program/activity. The presence of a leader can also provide comfort in collaboration. An ideal leadership is able to have an impact on the completion of every task and responsibility. Leadership in making maps of protected paddy fields is centralized so that coordination and synergy with local governments are needed. Synergy and coordination takes place between central institutions and regional representatives.

Institutional design according to Anseh and Gash (2007) refers to the basic rules of collaboration. The basic rules determine which stakeholders can participate in collaboration. In addition to determining who can be involved, it also determines the procedures in collaboration. The control over the conversion of paddy fields through the creation of a map of paddy fields is based on the rules of Sustainable Food Agricultural Land as stipulated in Law No. 41 of 2009 concerning Sustainable Food Agricultural Land. In this regulation, in addition to containing efforts to increase food crop productivity, it also emphasizes the need to control the conversion of agricultural land, especially rice fields.

An institutional linkage in the implementation of collaborative control over the conversion of paddy fields is performed in 3 stages. The first stage is the verification process. The second stage is synchronization. The last stage is determination of protected paddy fields.

The collaboration process is a series of activities in order to achieve the goals of collaboration. Starting from the face-to-face dialogue until the achievement of results, in this study is controlling the conversion of paddy fields. The collaboration process is the core in a collaboration because at this stage stakeholders work together to achieve a goal.

Face to face meeting is carried out in the context of developing mutual communication, giving opinions, agreeing on joint decisions and carrying out with full responsibility. Young eyes are carried out by related parties in order to maintain the harmony of the stakeholders. Besides being able to meet fellow stakeholders, face-to-face meetings can also build the trust of each stakeholder. Build self-confidence so that in carrying out duties and responsibilities it can be carried out properly. Protected paddy fields maps' making is carried out face-to-face in order to synchronize data, elaborate data and analyze data and verify data with existing conditions in the field.

Collaboration is built in order to help each other in the framework of cooperation. In this case, there is a need for interdependence between stakeholders. Trust is needed in order to trust each other in the tasks carried out by each stakeholder. In making a map of protected paddy fields, the trust of stakeholders is very high because every work carried out by each stakeholder has become their respective responsibility.

Mutual understanding in collaboration is needed so that there is no mistake in the direction of collaboration. A shared understanding of each collaboration action can give a good picture of collaboration. Understanding each appropriate action to take is critical to healthy collaboration. Protected paddy fields map making is a process in order to combine data related to the map of paddy fields. This process certainly requires understanding from various stakeholders. Shared understanding can improve the outcome of collaboration.

All collaborative processes need results. The results are indicators of collaboration that has been implemented well. The existence of results can also provide enthusiasm in collaboration. Controlling the conversion of paddy fields through the provision of maps of protected paddy fields has an impact on maintaining the conversion of paddy fields through prudence in granting permits related to the conversion of paddy fields. Control by carefully analyzing land use change permit activities, technical considerations for a location permit. If they enter protected rice fields, they will immediately be refused.

## **5. CONCLUSION**

The study supported the Anshell and Gash (2007) model of collaborative governance. On the Starting Conditions, all components include Past collaboration, dependency and incentives are confirmed to influence the collaboration governance of paddy field preservation policy. On Institutional Design, element of Ground Rules of Collaboration, and Stakeholders involved is legitimated in the study. The Facilitative Leadership is also valid in describing the collaborative governance. On Collaborative Process, all elements of Face to face meeting, Trust creation, commitment, Shared understanding and outcomes are confirmed to influence the collaborative governance.

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# Analysis of Public Service Quality Based on the Road Infrastructure Service Satisfaction Index in Lamandau District, Central Kalimantan

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## ABSTRACT

Public administration or government is judged by the community on the degree to which public services meet the demands, needs and expectations of the community. The measurement of success is needed by the government in providing services in the infrastructure sector to define and evaluate community satisfaction with the government's performance in the provision of infrastructure. The Road Infrastructure Service Satisfaction Index is a feedback measure to determine the level of community satisfaction with infrastructure development by the Government. The purpose of this research is to objectively measure the public's perception of the performance of road infrastructure services and to analyze and describe the factors that influence the achievement of the road infrastructure service satisfaction index in Lamandau Regency. The research method uses mix-methods with explanatory sequential design analysis. Explanatory sequential design is a research design that uses two research methods (quantitative and qualitative) with a sequence. The results of this research yielded a community satisfaction rate of 68.51 for highway infrastructure services at Lamandau Regency. This value describes community satisfaction from infrastructure services in Lamandau Regency in Satisfied condition, but still needs to be improved to achieve excellent service quality to the community. This is supported by qualitative data that the community is satisfied with the infrastructure services provided by the government. Regional apparatus organizations that are the *leading sectors* in infrastructure services, can choose village road repairs as a priority program for the improvement and improvement of the infrastructure service quality index.

**Key Words:** *Public Service, Service Satisfaction Index, Infrastructure*

## 1. INTRODUCTION

The performance of public organizations has changed the orientation of bureaucrats to service to the public. Osborne and Plastrik (1997:10) with the concept of reinventing government change the operation of public organizations must be based on professionalism like business organizations. The fundamental change in the transformation of the public service system must be efficient, effective, fast, and quality in serving the public by placing community satisfaction as a stakeholder into the organization's goal. Public service organizations have the characteristics of public accountability. Public accountability means that every citizen has the right to evaluate the quality of service received (Zumofen, 2016:11). The quality of a service is very difficult to assess without considering the role of the community as the recipient of the service.

Lamandau Regency is one of the regencies in Central Kalimantan Province with an area of 6,414 km<sup>2</sup> (Lamandau Regency in Figures 2021). Lamandau Regency has enormous economic growth potential. Various natural resources owned by Lamandau Regency include agriculture, plantations, livestock, fisheries, mineral and coal materials, and tourism objects, but the infrastructure supporting the economy is still very limited, thus hampering community economic activity (Sugiyanto and Successi, 2010:202). The following is the potential of Lamandau Regency's natural resources.

Table 12 Natural Resources Potential of Lamandau Regency

Natural resources	Bulik	Bulik Timur	Semat Jaya	Methobi Raya	Lamandau	Belantikan Raya	Batang Kawa	Delang
Agriculture	3.98	3.66	3.01	1.96	4.85	3.37	5.00	1.92
Plantation	10.00	4.30	4.06	5.81	9.10	4.85	1.60	1.20
farm	3.00	1.65	2.45	1.59	1.63	1.51	1.35	2.80
Fishery	3.00	1.67	1.55	1.30	1.92	1.70	0.95	1.51
Minerals	0.00	0.00	0.00	0.00	1.75	7.00	1.75	1.75
Tourism site	0.22	0.22	0.00	0.221	0.89	2.00	0.00	0.67
Total	20,20	11.49	11.08	10.89	20.14	20.43	10.64	9.85

Infrastructure development is still the main focus of development in Indonesia. This is stated in the Presidential Regulation of the Republic of Indonesia Number 18 of 18 2020 concerning the National Medium-Term Development Plan for 2020-2024, as a strategy in implementing the Nawacita mission and achieving the targets of Indonesia's Vision 2045. One of these directives is infrastructure development. Infrastructure development is one of the missions of Lamandau Regency to improve quality infrastructure development as well as equitable and sustainable development (the Lamandau Regency Medium-Term Development Plan 2018-2023).

Infrastructure is needed as the most primary public infrastructure in supporting a country's economic activities (Diwan, 2014:7). Infrastructure is a form of public capital



(public capital) which is formed from investments made by the government (Mankiw, 2003:38). The facilities needed by the public are infrastructure, so that government functions are needed in providing roads and transportation to facilitate economic or social goals (Mega, 2019:22). Infrastructure as a service derived from a series of public works is supported by the public sector to increase private sector production and enable household consumption (Fox, 1994:7). Economic growth results in the increasing need for socio-economic infrastructure and facilities,

Quality is a dynamic condition related to products, services, people, processes, and the environment that can meet or exceed one's expectations. Assessing service quality will be very difficult, if it does not involve or consider the role of the community in receiving these services (Kurniawan, 2016:573). There are three quality orientations that should be consistent with one another, namely customer perceptions, products, and processes (Trilestari, 2004:5). Customer satisfaction is a society's perspective from the reality of the existing reality compared to people's expectations (Fitzsimmons, 2001:2).

The road infrastructure service satisfaction index is a feedback to determine the level of community satisfaction with local government infrastructure development. In addition to measuring community satisfaction, the service satisfaction index will also take stock of the wishes and expectations of the community for infrastructure development. The road infrastructure service satisfaction index is expected to be a tool that produces an overview to find out the community's perspective in an objective, comprehensive, and credible manner, both in terms of physical development and aspects of benefits. The road infrastructure service satisfaction index is a measure used to determine the level of community satisfaction with infrastructure development by the Central Government and Regional Governments. Based on the systems theory approach, effective criteria limits in measuring the development of each type of infrastructure, namely: physical availability, physical quality, suitability, utilization, and contribution to the economy. In addition to measuring community satisfaction, it can be used to accommodate the wishes and expectations of the community towards infrastructure development in an area. Indicators of the Road Infrastructure Service Satisfaction Index according to Gibson, Donely and Ivancevich (2012:15) with a systems theory approach, namely:

1. Physical availability (*availability*) is that in every shopping activity that is intended for physical activities, it will certainly produce output in the form of physical goods. This means that physical availability absolutely must be met by physical shopping activities;
2. Physical quality (*quality*) is the quality of the output produced. Where the effectiveness aspect will be more real if the scope is wider, namely not only physical fulfillment but also supported by good and optimal output quality;
3. *Appropriateness* is the compatibility between the policies set by the government and the needs of the community. This is based on the premise that the compatibility between policies and needs will provide optimal benefits for the community as beneficiaries;
4. Utilization (*utility*) is the level of utilization of the output that has been produced, namely the greater the utilization of the output, the greater the level of effectiveness;

5. Contribution to the economy, one form of contribution to the economy is the contribution to the world of work or employment (*job creation*). So that the existence of infrastructure will encourage a contribution to the economy.

Research on the satisfaction index of infrastructure services has previously been studied by Valianto (2020) with a research focus on infrastructure satisfaction in Malang City with descriptive quantitative methods. The results showed that the level of infrastructure satisfaction obtained a value of 4.14. Another research conducted by Riani (2018) focused on the satisfaction of infrastructure development in Cileungsir Village, Rancah District, Ciamis Regency using descriptive qualitative methods. The results of the research show the answers. Most of them stated that infrastructure development was not carried out well. The results of the observation of the community satisfaction index in infrastructure development are still low. Siregar (2012) conducted a research focusing on evaluating the level of community satisfaction with the construction of environmental roads in Dwikora Village, Medan Helvetia District, Medan City with descriptive quantitative methods. Research shows the results of community satisfaction of 3.03 or good category. The difference between this research and previous research is the focus of research on community satisfaction with the roads provided by using the mix-methods method. Mix-methods were used in the research to gain a more complete understanding of the problem formulation by comparing different perspectives drawn from quantitative and qualitative data, explaining quantitative results by collecting and analyzing qualitative follow-up data. The difference between this research and previous research is the focus of research on community satisfaction with the roads provided by using the mix-methods method. Mix-methods were used in the research to gain a more complete understanding of the problem formulation by comparing different perspectives drawn from quantitative and qualitative data, explaining quantitative results by collecting and analyzing qualitative follow-up data. The difference between this research and previous research is the focus of research on community satisfaction with the roads provided by using the mix-methods method. Mix-methods were used in the research to gain a more complete understanding of the problem formulation by comparing different perspectives drawn from quantitative and qualitative data, explaining quantitative results by collecting and analyzing qualitative follow-up data.

Analysis of Public Service Quality Based on the Calculation of the Road Infrastructure Service Satisfaction Index in Lamandau Regency in order to determine the achievement of community satisfaction from the policies of the programs that have been carried out in that one year. This research will be taken into consideration in implementing the program in the following year. In addition, this evaluation is also to measure community satisfaction and as a form of inventory of the wishes and expectations of the community towards infrastructure development in Lamandau Regency.

## **2. METHOD**

The research method uses mix-methods with the type of research explanatory sequential design. Explanatory sequential design is a research design that uses two research methods (quantitative and qualitative) with a sequence. This method is carried out one by one (not simultaneously) in two different research phases. This phase is known as a two-phase design (Creswell, 2017: 299). The first phase in the research is the

collection of quantitative data. Quantitative data was obtained by survey method. Results were calculated using a 4-category Likert scale. The second phase of qualitative data collection using the interview method.

The first phase is the collection of quantitative data. Quantitative data was obtained by distributing questionnaires using the following variables.

Table 13 Research Variables Infrastructure Service Satisfaction Index

No	Dimension	Aspect	Indicator
1	Road infrastructure	1. Availability	District Street
		2. Quality	
		3. Suitability	
		4. Utilization	
		5. Contribution to the Economy	
		1. Availability	Village Road
		2. Quality	
		3. Suitability	
		4. Utilization	
		5. Contribution to the Economy	

The number of quantitative research samples is determined by the slovin formula. The total population of Lamandau Regency is 97,101 people. Sampling with a sampling error rate of 5% and a confidence level of 95%, the number of samples obtained is 398.35 rounded up to 400 samples. Sampling with proportional random sampling technique. Proportional random sampling is a sampling technique that provides equal opportunities for each element (member) of the population to be selected as a member of the sample (Sugiyono, 2015: 118). The following are the locations for distributing the questionnaires.

Table 14 Random Sampling Proportional Sample Distribution

Districts	Village	Status
Bulik	Bumi Agung	Developed village
	Guci	Developing village
	Batu Kotam	Left behind
Lamandau	Panopa	Developing village
	Sungai Tuat	Developing village
	Cuhai	Left behind
Menthobi Raya	Modang Mas	Proceed
	Mukti Menunggal	Developing village
	Topalan	Left behind
Belantikan Raya	Nanga Belantikan	Developing village
	Sumber Cahaya	Left behind

In calculating the infrastructure service satisfaction index using the weighted average value with the following formula.

$$\text{Weight Average value} = \frac{\text{Total Weight}}{\text{Total Item}}$$

To obtain the index value, the weighted average value approach is used with the following formula

$$\text{The average value divided by the elements} = \frac{\text{Total of perception per item}}{\text{Total items filled}} \times \text{weighing value}$$

The second phase is the collection of qualitative data using the interview method. Qualitative interviews can be conducted face-to-face with participants, by telephone, or in focus group interviews (Creswell, 2017:254).

Validity is used to measure the accuracy of an instrument. An instrument is said to be valid if the instrument can be used to measure what should be measured (Sugiyono, 2015:363). To measure this validity using the Pearson Product Moment Correlations technique with the following formula.

$$r_{xy} = \frac{N \sum XY - (\sum x)(\sum y)}{\sqrt{\{N \sum X^2 - (\sum X)^2\} \{N \sum Y^2 - (\sum Y)^2\}}}$$

Information :

$r_{xy}$  = correlation coefficient X and Y

X : The number of values of the variable X

Y : Total value of Y . variable

N : Number of respondents / samples studied.

Test The validity of the research on the satisfaction index of road infrastructure services uses the Statistical Package for the Social Science (SPSS) application. The validity test can be seen in the table below.

Table 15 Test the Validity of the Lamandau Regency Road Infrastructure Service Satisfaction Index

No	Question	$r_{table}$	$r_{count}$	Value Significance	Information
A1	Availability				
1	What do you think about the availability of <b>district roads</b> in your village?	0.361	0.622	0.000	Valid

2	What do you think about the availability of <b>village roads</b> in your village?	0.361	0.521	0.003	Valid
<hr/>					
A2	Quality				
1	What is your opinion about the condition of district roads in your village?	0.361	0.423	0.013	Valid
2	What do you think about the condition of the village roads in your village?	0.361	0.713	0.000	Valid
<hr/>					
A3	Suitability				
1	What do you think about the suitability of district roads with the roads you need?	0.361	0.898	0.002	Valid
2	What do you think about the suitability of village roads with the roads you need?	0.361	0.691	0.000	Valid
<hr/>					
A4	Utilization				
1	What is your opinion about the usefulness of district roads in the village?	0.361	0.849	0.002	Valid
2	What do you think about the usefulness of the village road in the village?	0.361	0.528	0.003	Valid
<hr/>					
A5	Contribution to the Economy				
1	What is your opinion on the contribution of district roads to the economy?	0.361	0.386	0.032	Valid
2	What do you think about the contribution of village roads to the economy?	0.361	0.441	0.013	Valid

The validity test of the infrastructure service satisfaction index is used as an instrument to determine whether the question is valid or not. Validity test using 30 samples with r table 0.361 (Sugiyono, 2015). Road infrastructure has an r value of more than 0.361. This shows that all questions are valid. The road infrastructure reliability test resulted in a value of 0.687, which is greater than the value of Cronbach's Alpha of 0.6. So that the questionnaire is reliable.

### 3. FINDINGS

#### Quantitative Data

The percentage of the availability of district road infrastructure services in Lamandau District shows that 89.0% of respondents in Lamandau District stated the availability of district roads, then 8.3% of respondents stated that district roads were not available, 2.0% of respondents stated that district roads were less available, and the remaining 0.8% stated that district roads are very available. In addition to district road infrastructure services, there are village road infrastructure services. Its existence is very important for the village community in Lamandau Regency. The availability of village road infrastructure services in Lamandau Regency 95.0% of respondents in Lamandau Regency stated the availability of village roads, while 4.8% of respondents stated that village roads were less available and the remaining 0.3% of respondents stated that village roads were very available.

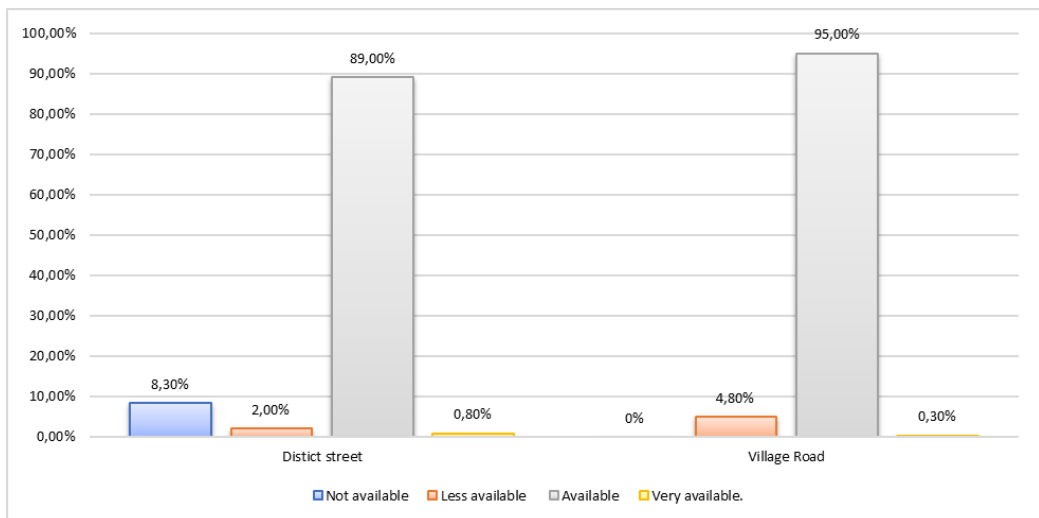


Figure 5 Physical availability of Road Infrastructure

Quality is defined as the level of good or bad something, the degree or level of quality. The quality of road infrastructure services measured in the Lamandau District IKLI is district roads and village roads. Good quality district roads will facilitate the accessibility and mobility of the community so that it can affect the welfare and economic conditions in the district.

The quality of district road infrastructure services in Lamandau Regency shows that 44.8% of respondents stated that the condition of district roads was not good, 41%

said the quality of district road infrastructure was in good condition, 13,3% said the condition of district roads was not good condition and the rest was 0, 3% said district roads were in very good condition. The second quality of infrastructure services assessed is village roads. Village roads are public roads that can support connecting areas and/or between settlements within the village, as well as environmental roads. The percentage of quality of village road infrastructure services in Lamandau Regency is 60,0% of respondents stated that village roads are not good condition, then 27,8% of respondents

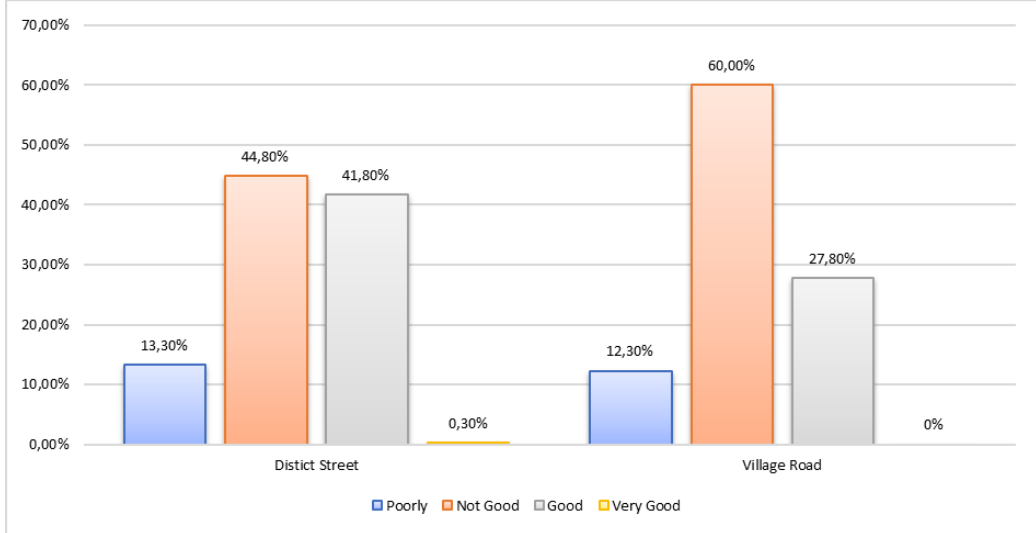


Figure 6 The quality of district road infrastructure

stated that village road infrastructure services are in good condition, and the remaining 12,3% said road conditions village is in poor condition.

The suitability of the road infrastructure is a harmony between the needs of the community with the provision of infrastructure and policies set by the government so that it can provide optimal benefits for the community. This study shows the percentage of suitability of district road infrastructure services in Lamandau Regency shows that 57,8% of respondents stated that the existence of district roads was felt to be in accordance with the needs of the community, then 27,8% of respondents stated that district road infrastructure services were still less in accordance with the needs of the community, 9,3% of respondents stated that district roads inadequate in accordance with the needs of the community, and the remaining 5,3% of respondents stated that the condition of district roads was very in line with the expectations and needs of the community.

The implementation of village road infrastructure services is part of the district government's authority to show the percentage of suitability of village road infrastructure services in Lamandau Regency, where 54,8% of respondents stated that the existence of village road infrastructure was considered to be in accordance with community needs, while 36,5% of respondents stated that it was inadequate. Appropriate, 7,5% of respondents stated that the existence of village road infrastructure was considered not in accordance with the needs of the community, and 1,3% of respondents stated that the existence of

village road infrastructure was considered very suitable to the needs of the relevant village community in Lamandau Regency.

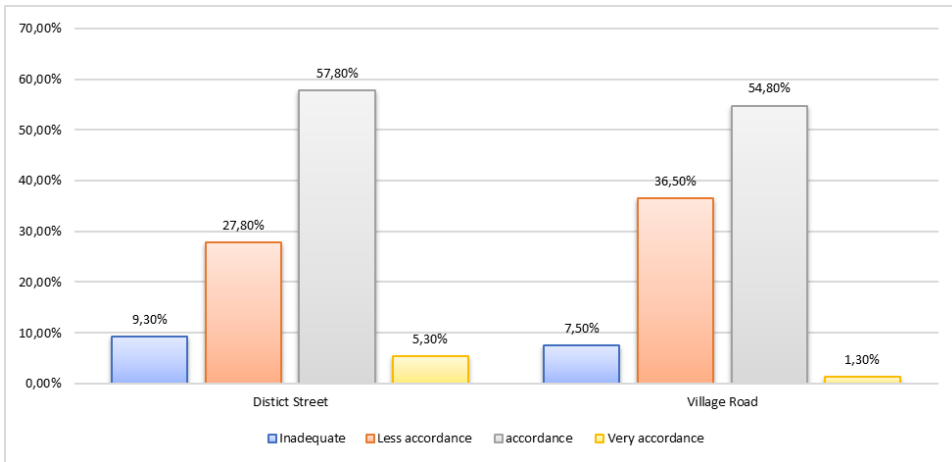


Figure 7 Suitability of the road infrastructure

Infrastructure utilization is the level of utilization of existing roads. The greater the utilization of roads and bridges, the greater the level of effectiveness. This study shows the percentage of utilization of district road and bridge infrastructure services in Lamandau Regency shows that 64.8% of respondents in Lamandau Regency state that the existence of district road infrastructure has provided benefits to the community, then 23,3% of respondents stated that the existence of district road infrastructure very beneficial to the community, while 6,8% of respondents stated that the district road infrastructure is not beneficial to the community, and the remaining 5,3% stated that the district road infrastructure does not provide benefits to the community.

Utilization related to village road infrastructure services by 72,3% of respondents in Lamandau Regency stated that the village road infrastructure had provided benefits,

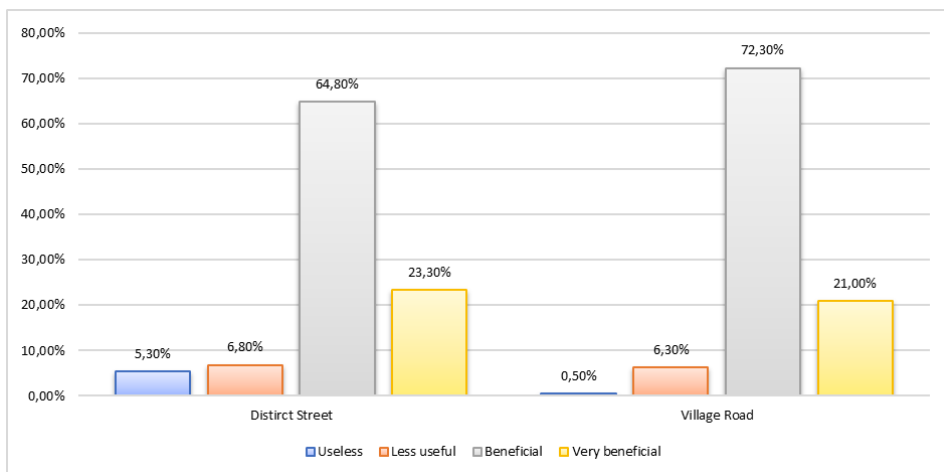
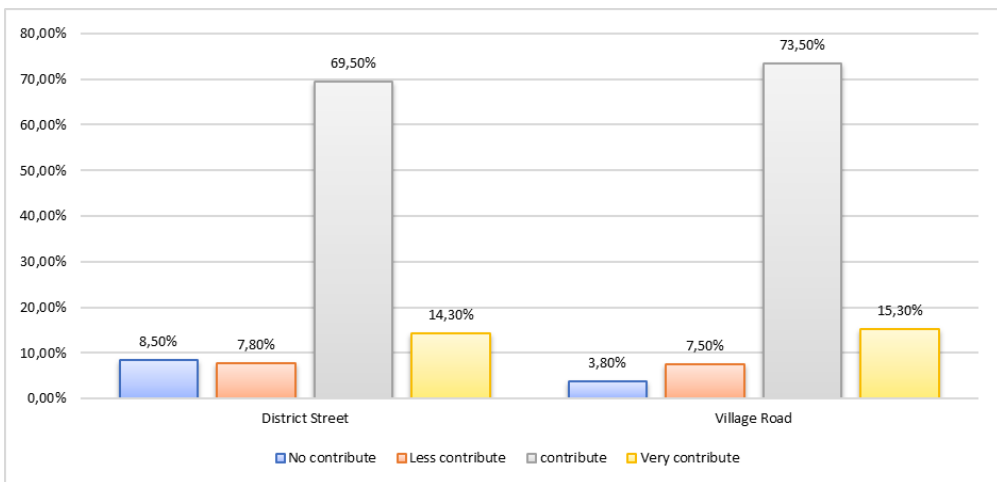


Figure 8 Utilization of the roads infrastructure



then 21,0% of respondents stated that the village road infrastructure was very beneficial for the community, while 6,3% of respondents stated less useful, and the remaining 0,5% of respondents stated that the village road was deemed not to provide benefits.

Infrastructure development is carried out to support various economic activities, so it is necessary to assess how much infrastructure contributes to increasing regional economic activities. The percentage contribution of district road infrastructure services in Lamandau Regency shows that 69,5% of respondents in Lamandau Regency stated that the existence of district roads was felt to have contributed to the community's economy, 14,3% said they were very contributing, 8,5% said they did not contribute and 7,8% stated that they did not contribute. This study shows that the percentage contribution of village road infrastructure services in Lamandau Regency shows that 73,5% of respondents in Lamandau Regency stated that the village road had a contribution to the community's economy, 15,3% said it was very contributing, 7,5% said it was less contributing and 3,8% stated that the existence of village road infrastructure did not contribute to the economy.



This research uses indicators, namely district roads and village roads. Indicators are measured on a Likert scale of 1-4. To obtain the index value, a weighted average value approach is used with the following formula:

$$\text{Weight average value} = \frac{\text{Total weight}}{\text{Total item}}$$

$$\text{Weight average value} = \frac{1}{10} = 0,100$$

On the calculation of the satisfaction index of infrastructure services is calculated by considering the number of questions as many as 10, with a total of 400 respondents. The satisfaction index of road infrastructure services in Lamandau Regency is 68.51.

#### *Qualitative Data*

Interviews were conducted with six respondents. All respondents are natives of Lamandau Regency. Two of the respondents came from indigenous people who had never left the island. The other two respondents are indigenous people and students who have received education in Java. The next two respondents came from elements of the Lamandau Regency government. From the results of interviews that have been triangulated with data, it is found that people are satisfied with road infrastructure services but need to improve their services.

#### **4. DISCUSSION**

Infrastructure is a facility that enables economic and market activities, such as transportation, communications, utilities, water, waterways, and energy supply systems. Mega (2019:22) argues that infrastructure is a physical facility needed by the public, so that government functions are needed in the provision of water, electricity, waste disposal, transportation to facilitate economic and social goals. Infrastructure is a public good that is *non-exclusive* (no one can be excluded), *non-rival* (consumption of an individual does not reduce the consumption of other individuals) and generally the *marginal* cost of production is zero. Infrastructure is generally also (*non-tradable*). Infrastructure can also be used as a driving force for national development and become connectivity between regions in Indonesia. Improvements in the infrastructure sector can certainly encourage foreign and domestic investment.

Roads are land transportation infrastructure which includes all parts of the road, including complementary buildings and equipment intended for traffic, which are on the ground surface, above the ground surface, below the ground and/or water surface, and above the water surface, except for roads, railroads, lorries, and cableways. The road network system is a unified road segment that connects and binds growth centers with areas that are under the influence of their services in a hierarchical relationship which includes special roads and public roads (Hendarsin, 2000:1).

The satisfaction index for infrastructure services is closely related to the development of infrastructure development in an area. The scope of infrastructure that is the target of measuring infrastructure service satisfaction is a measure used to determine the level of community satisfaction with infrastructure development by the Central Government and Regional Governments (Valinto, 2020:29). The measurement of the infrastructure service satisfaction index in Lamandau Regency consists of 400 respondents. Respondents consisted of 199 male respondents and 201 female respondents. The age of the selected respondents is spread from the age of 17-60 years

and above. The selection of sub-districts in the research took into account the geographical location of the sub-districts and the selection of villages by considering developed villages, developing villages, and left behind villages.

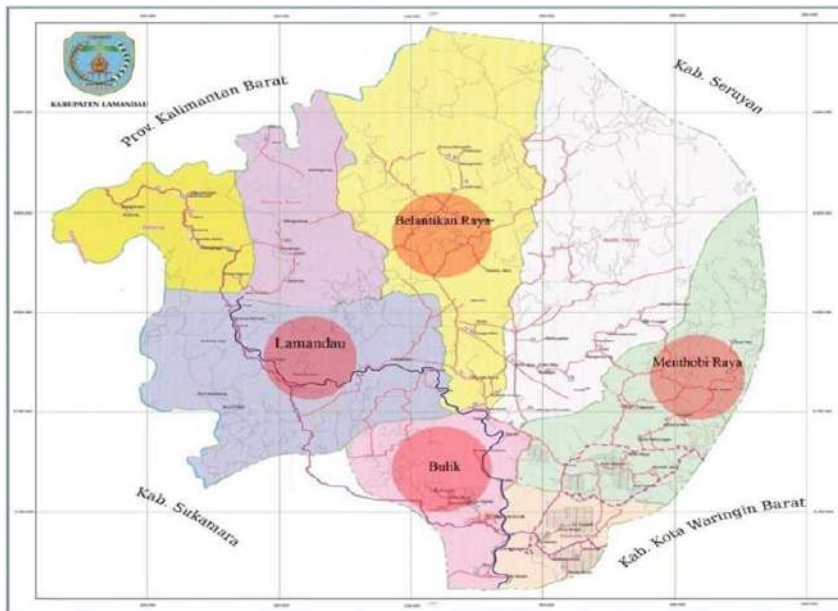


Figure 9 Research Site Pictures

The assessment uses a base value of 25 because the survey uses a Likert scale of 1-4, with consideration of 10 questions and a total of 400 respondents. The calculation results found that the satisfaction index value of road infrastructure services is 2.74. The index is converted by multiplying by the base value (25) to obtain a value of 68.51. This value describes community satisfaction from road infrastructure services in Lamandau Regency in a Satisfied condition.

In the achievement of road infrastructure development performance in Lamandau Regency, the length of roads in good condition has increased from 2019-2020. The length of roads in good condition in 2019 is 203,314 Km to 294,868 Km (Lamandau Regency in Figures 2021).

This is in line with Yoana's statement "Roads are better than the previous 5 years, but if you enter remote areas you must use a good vehicle because there are still roads from the ground, so during the rainy season there will be puddles and traffic jams." From the data and statements above, it shows an increase in the availability and quality of roads in Lamandau Regency. The suitability of the road is felt by the community to be right because it facilitates access for mobility to other areas. The suitability of the road increases the benefits for the community, so as to improve the economy of the community. One of them was felt by Yohanes Sugenk "Roads and bridges are in good condition, but there are

still some areas where the road conditions are potholes and not asphalted. The existence of this road makes it easier for us to carry out activities and can come to work on time.” This shows that the existence of good roads and bridges can increase productivity at work, so that it can improve the community's economy. The current condition of roads and bridges has satisfied the community, but still needs to be improved in the future. The existence of this road makes it easier for us to carry out activities and can come to work on time.” This shows that the existence of good roads and bridges can increase productivity at work, so that it can improve the community's economy. The current condition of roads and bridges has satisfied the community, but still needs to be improved in the future. The existence of this road makes it easier for us to carry out activities and can come to work on time.” This shows that the existence of good roads and bridges can increase productivity at work, so that it can improve the community's economy. The current condition of roads and bridges has satisfied the community, but still needs to be improved in the future.

The lowest average value for road and bridge infrastructure is found in the 5th question item, namely the quality of village roads with a value of 2.16. Village roads in poor condition were found during direct observations in Batu Kotam Village and Topalan Village. At that time, the researcher's car had difficulty carrying out the survey because of the dirt road conditions and after the rain, so that the research car had difficulty getting into the village. From the beginning, using an Avanza car, you had to change to a Hilux car to be able to adjust to road conditions. The results of the observations can be seen in the following figure.



Figure 10 Picture of Lamandau Regency Village Road Condition

The data above shows that the road infrastructure services in Lamandau Regency for the community are satisfied, but still need to be improved so that the services provided by the government can be more felt by the community and get very satisfied scores. The priority of improvement in road bridge infrastructure is the improvement of village road infrastructure services. Village roads are very important to be repaired because they will make it easier for people to carry out mobility.

The level of satisfaction is caused by various influencing factors. Service satisfaction can be defined as the degree of quality of the services produced, where service satisfaction is developed internally, meaning that the development of service quality is determined by the service provider. According to Zeithmal (1990:12) service quality is the level of excellence to meet consumer expectations and service quality is formed by the comparison of ideals and perceptions of quality performance. The community is a part that is closely related and cannot be separated from the services provided by the government. Service quality is a comparison between public expectations and government performance perceived by the community (performance). The government must be able to identify the expectations of the community, in order to have an impact on the community.

Infrastructure services are carried out based on needs and levels of importance, so that a priority scale of development is needed. Infrastructure development should be considered enough to be carried out once with ongoing maintenance, but also some that are dynamic and have the opportunity to develop. Every type of infrastructure development cannot be separated from existing infrastructure as well as its possibilities for future development plans. Sometimes the developer only builds just fulfilling the requirements for completeness (not feasibility) and the government is less concerned, so that what happens is only the emergence of a building whose quality cannot be accounted for and includes vital buildings such as electricity distribution centers, telecommunications towers, access roads and others (Sanjaya, 2018:8). So, Analysis of the performance of infrastructure services through the satisfaction index becomes very important or in other words has a very strategic value. Information about the performance of public organizations and the factors that influence organizational performance is very important to know, so that its measurement can be used as an evaluation activity to assess or see the success and failure of the implementation of tasks and functions imposed by the organization. Therefore, the evaluation of organizational performance is an analysis of the interpretation of the success and failure of achieving organizational goals. In this connection, there are many factors that influence the performance of the organization, including the extent to which the organization carries out its service function to the public.

Road and bridge infrastructure has a high level of satisfaction. The results of the interview show that the factor of community satisfaction with road and bridge infrastructure services is due to differences in user experience in road and bridge services that have been obtained. This is in line with Yoana's statement "**The road is better than the previous 5 years**, but if you go to remote areas you have to use a good vehicle because there are still roads from the ground so during the rainy season there will be puddles and the car is stuck." This experience is different from that felt by Yolanda Simatupang who stated "**Road conditions are very different from conditions in Java.**" There are still many village roads that have not been paved, so access to the village is very difficult because it is still a dirt road. Recently there was a flood around the shop, so that a bridge collapsed, previously the bridge was in good condition. It is necessary to repair roads so that villages and bridges that are affected by flooding can be repaired immediately." The two statements show that there is a difference in experience between Yoana and Yolanda Simatupang, Yoana is a native of Lamandau Regency who has never experienced

infrastructure services on the island of Java, while Yolanda Simatupang is a native who has studied in Java. This difference is due to differences in experience between people.

One of the factors that influence customer perceptions and expectations is the *past experience* in using services that affect the level of customer expectations, thus affecting customer satisfaction (Para Suaraman, Zeithaml, Berry, 1985:44). Most of the population surveyed by the survey researchers are indigenous people of Lamandau Regency who on average have never left the island of Kalimantan. This condition can be seen in a survey conducted by researchers with 48.80% of the sample of respondents having the latest elementary school education and having never left the island of Kalimantan. This causes the satisfaction level of road infrastructure services in Lamandau Regency to have the highest value. This is also supported by the improvement of village roads carried out by the government. The performance of road infrastructure development in Lamandau Regency, the length of roads in good condition has increased from 2019-2020. The length of roads in good condition in 2019 is 203,314 Km to 294,868 Km (Lamandau Regency in Figures 2021). Factor Past experience in using services that affect the level of customer expectations is the main factor that influences satisfaction of Lamandau Regency Road infrastructure services. In addition, the causes of satisfaction with road infrastructure in Lamandau Regency include the gap between service quality specifications and service delivery to the community and the gap between community expectations and the reality of infrastructure services received.

## 5. CONCLUSION

Infrastructure development is the focus of development that is being carried out by Indonesia until 2024. Infrastructure development is also the focus of the development of Lamandau Regency. This is due to the potential of Lamandau Regency's natural resources so that they can be distributed throughout the region. The road infrastructure service satisfaction index is used as a tool to measure the level of community satisfaction with government performance. The measurement of the satisfaction index of road infrastructure services in Lamandau Regency obtained the results of 68.51 (Satisfied). Several factors that affect the infrastructure service satisfaction index in Lamandau Regency, among others, the existence of differences in past experiences in using services that affect the level of community expectations, the gap between service quality specifications and service delivery to the community, and the gap between customer expectations and the reality of infrastructure services received. This is supported by qualitative data that the community is satisfied with the infrastructure services provided by the government, but there is still a need for improvement. Regional apparatus organizations that are the *leading sectors* in infrastructure services, can choose village road repairs as a priority program for the improvement and improvement of the infrastructure service quality index.

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# THE INTERRELATION OF CORPORATE BRANDING TOWARD COMPETITIVENESS AND MODERATING OF CUSTOMER RELATIONSHIP MANAGEMENT

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## ABSTRACT

Research of The Interrelation of Corporate Branding toward Competitiveness and Moderating of Customer Relationship Management is intended to analyze the influence of corporate branding on competitiveness, analyze the influence of customer relationship management on competitiveness and analyze the moderating function of Customer Relationship Management on the relationship between corporate branding and competitiveness. The population of this study are medium and large industries in East Java, Indonesia with locations in industrial centers in the Gerbang Kertausila area (Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo and Lamongan). The sampling technique used a proportional random sampling. While the research instrument used a questionnaire that had previously been tested for validity and reliability. The questionnaire was then broadcast to the management as a respondent. The data analysis technique uses Smart PLS. Based on the results of primary data analysis, it was revealed that corporate branding effect significantly on competitiveness, customer relationship management effect also significantly on competitiveness, however, customer relationship management does not moderate the effect of corporate branding toward competitiveness.

**Key Words:** *Corporate Branding, Customer Relationship Management, Competitiveness.*

## 1. INTRODUCTION

Corporate branding is defined as a brand/symbol that represents a company where corporate values are extended to various product/service categories. Corporate branding also concerns the alignment between the core values of the company's brand, added value and organizational values. It even includes intangible elements that are not directly related



to the product, such as social responsibility, employee relations and company trust. Sallam (2016) states that corporate branding has an impact on consumer decisions in choosing products. The results of the research were then strengthened by Farid & Faridha (2017) and also Ashraf & Naeem (2017) and Andriyanto (2018) in their research results revealing that corporate branding affects purchasing decisions. It is even reinforced by the results of the latest research by Changchenkit (2019) that corporate branding affects competitiveness as well as purchasing decisions.

Several studies have been carried out related to corporate branding innovation with competitiveness including, Pulungan, Fauzi & Rini (2018) that these innovations affect competitiveness. A recent study conducted by Setijani, Sumartono and Sugito (2019) also found that innovation affects the product life cycle, which reinforces that innovation contributes to competitiveness and business continuity.

Unfortunately, research on corporate branding has not been done much, and there are even inconsistencies in findings. Likewise, research that includes customer relationship management and supplier relationship management variables has not been studied empirically. Especially if it is associated with corporate branding with business competitiveness. Whereas customer relationship management plays an important role in competitiveness. It was revealed in the results of research by Bashir (2017), Sugito & Kamaluddin (2014) and also Pohludka & Stverkova (2019) that customer management has a significant influence on the formation of competitiveness. Even supplier relationship management contributes greatly to competitive advantage. This opinion was revealed in the research articles of Al Abdallah et (2018) & Nyarku & Oduro (2019) that supplier relationship management mediates corporate social responsibility in terms of marketing management performance. This means, collaborating with suppliers provides many benefits in increasing competitiveness. Therefore, the urgency of this research is to obtain new findings that contribute to the enrichment of management science. Based on these findings, the research objectives are (a) to analyze the effect of corporate branding on competitiveness, (b) to analyze the influence of customer relationship management on competitiveness and (c) to analyze the effect of corporate branding on competitiveness through moderating variabel of customer relationship management.

Corporate branding as one of the many aspects that are extremely necessary in the company's overall marketing strategy. Due to this important role, it is merely natural that companies should set up a number of branding actions, strategies and guidelines that serve as a unique identity for brands and products. Corporate branding is also interpreted as an activity in which marketers use the company's brand name as an advertiser's effort for business identity on all communication channels as a whole. The attitude and spirit that is well manifested behind the company's products and services are able to give an impression that is able to differentiate the company's identity in the market and in the minds of consumers as well.

Although corporate branding is still within the scope of the marketing team's work, this strategy actually has a much broader concept and purpose than just promoting the company's products and services. If it can be formed properly, then this strategy is able to provide a competitive advantage for the company. In addition, sales of products and services in the market can increase drastically, because consumers are aware of the

company through a strong identity and brand name. In addition, a good branding strategy will also form a separate emotional feeling from consumers. If this good relationship has been formed, then the potential loss of consumers can be minimized because a sense of brand loyalty has arisen in each of their minds.

Marketing and branding experts often formulate an explanation of corporate branding based on the goals of their respective companies. But apart from this, the real purpose of corporate branding is differentiation. That means, corporate branding that is focused on corporate is expected to be able to differentiate the company or product from its competitors in the market.

The first work process of corporate branding is doing brand audit work. Based on the search engine journal page, the company's management and marketing team must analyze the advantages and disadvantages of each persona that has been created on all communication channels. In fact, you have to check the brand message, company website, visual identity, print collateral, and others. After that, the new marketing team can determine which personas must be addressed and maintained. Of course, this must be done with the approval of every stakeholder in the company.

The next work process is to determine the company's vision and mission. The marketing team must have a discussion and discuss all the values and also the mission of the brand. In determining this vision and mission, the important role of the leader of the discussion will be very necessary. This person can be from the founding team of the company or professional outsourcing workers who are experts in the field of branding. Later, this person will help advise on all the opinions that are channeled into the company's main brand message.

As previously explained, the corporate branding strategy is more than just a tagline that is able to attract new customers. The main goal is of course to give identity to the product and also the company. For this reason, after successfully establishing corporate branding, every employee must respect and also follow the principles of the company. why? Because so that the identity of a company is not underestimated by competitors and the public. In fact, generally the marketing team will create brand guidelines that other employees can follow later.

In fact, a corporate branding strategy that is carefully formulated and carried out will be able to help increase the company's brand equity by forming a positive perception in the minds of customers. In addition, there are several other factors that make corporate branding very important for companies. Reporting from the Chron page, there are several important factors including (a) corporate branding is able to provide very large profit margins, (b) able to increase the return on marketing investment, (c) increase the value of company shares, (d) help provide long-term plans and (e) facilitate marketing efforts. , some research stated that corporate branding implementation empirctly improve competitiveness of products as well as services in the competitive market.

Meanwhile, Customer Relationship Management (CRM) as a business strategy that combines processes, people and technology, helps attract sales prospects, convert them into customers, and retain existing, satisfied and loyal customers. The purpose of CRM is to find out as much as possible about customer needs and behavior, to further provide an optimal service and maintain existing relationships, because the key to the

success of a business really depends on how far you know about customers and meet their needs. It is difficult for a company to achieve and maintain leadership and profitability without the ongoing focus that can be placed on CRM. CRM spans many areas within an organization, including sales, customer service and marketing.

Furthermore, in line with the rapid development of IT technology in Indonesia, which has universal synergy. Software As a Services (SaaS) based on the cloud has become an advancement and a necessity for business people. Where currently the use of the internet is a standard consumption among business people, a condition where you want something fast-paced, flexible, online, updated, anytime and anywhere.

There are four goals that need to be known, including (a) improving the relationship between the company and its customers so that revenue can shoot up, (b) there is consistency from both customers and companies in conveying information, (c) when getting customer information, can use it to find out what what customers need at that time and (e) complete information becomes the best means to increase sales, both from up selling and cross selling. Therefore, it is very important to implement customer relationship management in a business entity in the dynamics of changing customer lifestyles lately.

Customer relationship management relates to the three phases or dimension of the customers. The three phases are (a) Acquire: Acquiring customers has always been the first important step in establishing business relationships. CRM software tools and databases help acquire new customers by doing a superior job of contract management, sales prospecting, selling, direct marketing, and fulfillment. This knowledge allows for optimized targeting to avoid bottlenecks and to facilitate relationship-building activities, (b) Enhance: CRM helps keep a customer happy by supporting superior services from a responsive network team of sales and service specialists and business partners. A simple perspective is that satisfying a customer during one buying experience increases the likelihood of a follow-up visit and (c) Retained: CRM analytical software and databases help a company to retain and expand their business via targeted marketing and relationship marketing programs. Effective data analysis, regular and systematic follow-up communication with contacts, and well-serviced accounts help you reduce your company's churn rate.

In addition, CRM has become an essential part of business, especially large enterprises, and it is gaining increasing interest from smaller and mid-sized businesses (Buttle & Maklan, 2019). CRM concentrated on relationship management, lifetime marketing esteem, "marketing loyalty, and one-to-one marketing (Baran & Galka, 2016). Having seen at the three words: Customer, Relationships, and Management that made the acronym CRM, what then is CRM? CRM is new diffusion in marketing, contended to have supplanted the database marketing of the 80 percent. It is a business strategy that expects to comprehend, anticipate and manage the requirements of company's present and potential customers (Ogbadu & Usman, 2012). According to Schierholz, Sinisalo, Salo, Karjaluoto, and Leppaniemi, (2007) describe that CRM as an ongoing process, which provides seamless integration of every area of business that touches the customer, for the purpose of building and maintaining a profit-maximizing portfolio of customer relationships. Also, CRM an interactive approach that achieves an optimum balance between corporate investments and the satisfaction of customer needs in order to generate maximum profits (Geib, Reichold, Kolbe, & Brenner, 2005).

According to Wang and Feng (2012), extant research of customer relationship management has shown that many organizations do not succeed to effectively deploy and manage their customer relationship management programs. For example, organizations the world over are burning lost billions of dollars on CRM, but about 70 percent of CRM projects did not succeed to accomplish expected primary concern change in business performance (Reinartz, Krafft, & Hoyer, 2004).

Furthermore, CRM is built on the foundation of incorporating people, processes, and technology in various organizational levels so as to have a better understanding of delivering on the needs of customers with value as the main concern. Consequently, the focus of CRM is to optimize customer satisfaction and retention so as to build lasting relations (Raina, 2017). In view of the above, organizations should focus discovering who its best customers are and how to get new customers who will be similarly loyal and profitable (Alqershi et al., 2019).

Other insights CRM is mainly concerned with automating most of the enterprise. The further add that an effective CRM program makes it possible for customers to access needed information without hassle at any time (Almarshad, Al-Nawafah, & Tahrawi, 2020), also enables better business understanding and good knowledge of business market and its customers (Schierholz et al., 2007). Others in regard to the above positions are Buttler and Maklan (2019) who noted that CRM is made up of two necessary aspects of being a business strategy and a combination of software applications, hardware tools and technologies. Also, Chou (2019) noted that the benefits of CRM adoption are to encourage the repurchase ratio, improve customer brand loyalty and collecting beneficial customer data.

Similar to of argument, Richey, Morgan, Lindsey, and Adams (2016) claimed that inaccurate and erroneous customer data/information is frequently cited as the argument behind failed CRM initiatives as it leads to poor data analysis and ultimately, poor decision-making. This is also supported by Mahanti (2019) who stated that shortage of sufficient and quality data prevents successful CRM initiatives. Zerbino et al. (2018) stated also that successful initiatives require a significant investment in improving the quality of data and the basic infrastructure of data aligned with the required CRM initiatives.

According to Weinstein (2018) customers who are committed are long term profits to a business entity. The commitment is formed when the hope of customer is satisfied and such customers recognize fair value from a relationship with the organization. Additionally, Becker, Greve and Albers (2009) conducted a research to investigate the effect and the relationship of the CRM organization toward the customer relationship management success focusing in four different industries, namely, financial services, retail, information technology and utilities from ten European countries. Many scholars and managers highlighted the failure of the CRM implementation. The result from the research demonstrated that the companies or organizations have significant relationship toward the CRM success. Therefore, it is suggested that the companies should identify their CRM objective first whether is to acquire new customers, maintaining or retaining the existing customers. However, regardless what objective is set by the company, of course still need the management support from the company. The management support consists of top management support and employees support.

Therefore, it is necessary enough for the top management to deliver the vision and CRM strategy to their employees. Further, the interaction between the top management and employees are also required in order to ensure the CRM process can be successful and meet

the objectives and improve organization performance. The success of CRM implementation can improve customer's satisfaction and retaining ratio, increase employee's satisfaction and subsequently improve company performance as well (AlQershi et al., 2019).

Several efforts to improve competitiveness are the main goals of every business entity. Even as a classical thinking strategy approach to achieving long term sustainability. For that management needs various efforts to make it happen. Kingsnorth (2019) states that several strategic approaches to realizing business continuity from a marketing perspective can be done through corporate branding. Babcanoa et al. (2015) in their research article stated that corporate branding has an effect on consumer behavior. This opinion is complemented by the results of Sallam's research (2016) that corporate branding influences consumer decisions in determining product/service choices. It is even in line with the research findings of Nufansa & Ali (2017 and also Mostofa & Elseidi (2018) which revealed that consumer perceptions affect consumer desires in determining product choices. Of course the findings of these research results have an indirect relationship with the continuity of business entities. This is because such consumer behavior will contribute to business performance as well as to its sustainability. Several indicators of business continuity can be measured using sales turnover, market share, profits, asset value, share value, tax amount, corporate social responsibility, management quality, number of employees, organizational structure, equity, investor confidence and foreign capital.

In other research results, corporate branding also has a direct effect on business continuity. Some of the research results that state that are revealed from the research findings of Emmanuel et al. (2015) that corporate branding contributes to increasing business competitiveness and business continuity. Brooman (2017) in his article with the title promoting business sustainability through corporate branding, also emphasized the importance of the role of corporate branding. Even corporate brands contribute to sustainable business performance. Grobur & Miloanov (2017) have almost the same research findings that corporate brand strategy has a major impact on business sustainability. Subsequent research also supports it, as revealed by the research article Batmanathan & Hironaka (2018) that green corporate brands have a positive impact on business continuity and is also supported by the results of recent research conducted by Na, Kang & Yeong (2019) that corporate branding contributes greatly to the existence of an entity of business.

Murray, Grice & Mulgan (2010) & Hit, Ireland & Hoskisson (2017) reveal that in order to continue to increase competitiveness, it is necessary to combine several other approaches, for example by innovating through corporate branding. The experience of Toyota and Daihatsu Motor Industry is a new reference for increasing market competitiveness. Moreover, there is now a shift in strategy in fighting for market share from a partial competitive strategy to a collaborative competition. The studies that have uncovered this phenomenon are found in the research article Hanif et al (2018) in their article that collaborative innovation as an industrial strategy in China, Salisu & Bakar (2018) strengthens the results of this study which states the importance of implementing collaborative innovation management.

Buttle & Maklan (2015) state that what is no less important is the need to implement customer relationship management. Its functions are many and some of them can be a

moderation in increasing business competitiveness. This was revealed in the research results of Bashir (2017) and Bojanoska (2017) in their research article, Improving the competitiveness of enterprises through effective customer relationship management, expressing opinions that strengthen previous research that competitiveness can be increased through customer relationship management. Similarly, the results of previous research conducted by Sofi & Hakim (2018) in their article Customer Relationship Management as a Tool to Enhance Competitive Effectiveness: Revisited Models reveal that customer management is an important tool to build the effectiveness of business competitiveness.

Also, Ungerman et al (2018) revealed that customer relationship management is moderating on the influence of marketing innovation on market competitiveness. An empirical evidence that the role of customer management is very important especially in achieving long-term goals. This means that corporate brands will be more effective in realizing their goals when backed up with effective customer management. All of these previous studies were strengthened by the results of the latest research conducted by Pohludka & Stverkova (2019) that customer management has a significant influence on the formation of competitiveness.

Meanwhile, according to O'Brien (2018) suppliers who are corporate partners on the upstream side must also get a touch of supplier relationship management. A management approach aimed at building long-term collaborative partnerships with suppliers. This needs to be done because it empirically contributes greatly to competitive advantage. This opinion was revealed in a research article Toledo et al (2016) in their article "Reducing lead times in the supplier relationship management process: A process-centric approach, revealing that supplier management can actually reduce supply delivery waiting times, which will certainly increase efficiency and at the same time productivity as an important component in increasing competitiveness. Chary (2016) in his article The significance of supplier relationship management in industry competitiveness reveals the significance of supplier management in increasing industrial competitiveness. Kosgey (2016) also revealed in his article "Effect of Supplier Relationship Management on Organizational Performance" that supplier relationship management has an effect on organizational performance. Subsequent researchers Centenaro & Laimer (2017) in their publication "Cooperative relationships and competitiveness in the supermarket sector" also revealed that cooperative cooperation with suppliers has contributed to the competitiveness of supermarkets.

Furthermore, the latest research conducted by Al Abdallah et (2018) & Nyarku & Oduro (2019) that supplier relationship management mediates corporate social responsibility in terms of marketing management performance. that collaborating with suppliers provides many benefits including increasing business competitiveness. Furthermore, the Garchia (2019) research article further emphasizes that relationship management with suppliers is very important in supporting the improvement of long-term industrial competitiveness. Therefore, based on several previous studies on the determinants of business competitiveness, the hypothetical formulations in this study are (a) corporate branding significantly effect on competitiveness, (b) customer relationship management significantly effect on competitiveness and (c) corporate branding

significantly effect on competitiveness through moderating variabel of customer relationship management.

## 2. METHOD

This study uses a survey approach with an online questionnaire as a primary data collection tool. Before being broadcast, the research instrument is tested first, both for validity and reliability. While the operational definition of the research variables are (a) Corporate branding is defined as the process of maintaining, continuing and creating a positive corporate reputation and association by using the power of a brand, which in turn is a promise to stakeholders and consumers in particular, where the brand has formed a set of perceptions about a product, service or business (Kingsnorth, 2019), (b) Customer relationship management is an activity carried out to actively seek new information by using various media and making customers as analytical materials for decision making (Buttle & Maklan, 2015) and (c) Competitiveness is the company's ability to provide the same benefits as competitors but at a lower cost, or provide benefits that exceed the benefits of competing products (Hit, Ireland & Hoskisson, 2017).

Table 16 Indicators of Research Variables

Research Variables	Indicators	Notations
<i>Corporate Branding (CB)</i> Kingsnorth, 2019)	Famous Logo	x1
	Popularity Slogan	x2
	Corporate Reputation	x3
	Product Image	x4
	Service Impression	x5
<i>Customer Relationship (CRM) Management</i> (Buttle & Maklan, 2015)	Value-added	
	Customer Service	x7
	Response Time	x8
	Technological Support	x9
Daya Saing (DS) (Hit, Ireland & Hoskisson, 2017)	One to One Marketing	x10
	Cost Advantage	x11
	Differentiation Advantage	x12
	Something new	x13
	Something Unique	x14

The population in this study were all medium & large business actors in region of Gerbang Kertausila, East Java. Based on the results of the initial surey, the industries in the Pintu Kertausila area were determined, East Java. Furthermore, based on the calculation of the Smart Partial Least Square criteria, the number of samples is at least 30 and in this study 64 samples were determined. By google form qusioner was broadcasted directly to the respondents. All primary data were then edited and tabulated before analyzed by Smart Partial LeasrSquare.

While the data analysis technique used in this study is a structural equation model technique with the help of the Smart Partial Leasquare (PLS) data processing program with SmartPLS 3 software, in the following order. First, test the quality of the measurement model. The quality test of this measurement model aims to determine the validity and

reliability of the measurement by considering several aspects including (a) convergent validity test, (b) discriminant validity test and (c) reliability test. While the rule of thumbs for each test of the measurement parameters is described in table 2 as follows

Table 2 Indicators of Research Variables

Uji	Parameter	Rule of Tumbs
Convergen Validity	Factor Loading	> 0.70
	Average Variance Extracted (AVE)	> 0.50
	Communality	> 0.50
Discriminant Validity	√ AVE & Correlation of Latent Variable	√ AVE > Correlation of Latent Variable
	Cross Loading	> 0,70 at one variable
Reliability	Cronbach Alpha	> 0,60
	Composite Reliability	> 0,60

Source : Buddha, 2016

Second, after the measurement test is carried out and after all the parameters of the measurement model are declared robust, it is continued by testing the good of fit (GoF) index and testing the hypothesis. The good of fit index test on PLS-SEM uses the Tenenhau (2014) standard, if the GoF value is small = 0.1, the GoF medium = 0.25 and the GoF is large = 0.38. Further, thirdly, continued by testing the research hypothesis by criteria if p-value is less than 0.05 accepted and otherwise rejected.

### 3. FINDINGS

Based on the results of the analysis primary data through the Smart Partial LeastSquare program, there are 2 (two) kinds of outpu analysis that will be elaborated at tables and figures are as follows.

#### 1. Result of Measurement Test (Outer Analysis)

The outer model is the measurement of research variables based on the indicators. The outer loading value shows the weight of each indicator as a measure of each latent variable. The largest indicator of outer loading means that the indicator is the strongest measuring variable. The results of outer loadings are used to measure the convergent validity of the measurement model. In this case, the results of the outer loadings test showed a high score that exceeded the rule of tumbs 0.70 (Chin, 1998). Thus, all research variables were included in the hypothesis testing. This is revealed in table 3 regarding outer loadings.



Table 3 Outer Loadings

	<b>CRM</b>	<b>Competitiveness</b>	<b>Corporate Branding</b>	<b>Moderating Effect</b>
Corporate Branding				
X10	0.884			
X11		0.701		
X12		0.700		
X13		0.831		
X14		0.880		
X2			0.751	
X3			0.708	
X4			0.788	
X5			0.705	
X6			0.809	

Source : Processed Primary Data, 2021

Furthermore, according to the calculation of cross loading (discriminant validity) in table 4, it can be concluded that all variables have the highest correlation on themselves compared to the correlations on other variables. Thus, the conditions for discriminant validity in the case of this study have been met.

Table 4 Discriminat Validity

	<b>CRM</b>	<b>Competitiveness</b>	<b>Corporate Branding</b>	<b>Moderating Effect</b>
CRM	0.788			
Competitiveness	0.775	0.774		
Corporate Branding	0.791	0.771	0.738	
Moderating Effect	0.200	0.071	0.065	1.000

Source : Processed Primary Data, 2021

Also, as shown at table 5 that construct reliability and validity are stated to be robust and good. It means, both convergent validity, discriminant validity and reliability meet the rule of thumbs criteria which require greater than 0.600. Therefore, the data obtained really represents the actual empirical facts.

Table 5 Discriminat Validity

<b>Matrix</b>	<b>Cronbach's Alpha</b>	<b>Rho_A</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted</b>
CRM	0.706	0.813	0.827	0.651
Competitiveness	0.775	0.810	0.855	0.598
Corporate Branding	0.792	0.809	0.856	0.545

Moderating Effect	1.000	1.000	1.000	1.000
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Source : Processed Primary Data, 2021

Additionally, table 6 about the fit test reveals that the model developed in this study has met the requirements for analysis. Because all measurement items have values that exceed the rule of thumbs It means, the analysis can be continued at the next stage.

Table 6 Model of Fit

	Saturated Model	Estimated Model
SRMR	0.103	0.103
d_ ULS	0.835	0.831
d_ G1	0.405	0.405
d_ G2	0.348	0.348
Chi-Square	112.541	112.535
NFI	0.713	0.713

Source : Processed Primary Data, 2021

Moreover, based on the results of the first PLS Algorithm analysis as shown in Figure 1, that there are still two loading factors that have coefficients less than 0.600, namely x1 and x7. Thus, the two loading factors must be dropped because they do not match the criteria in the rule of thumbs. While the results can be seen in Figure 2

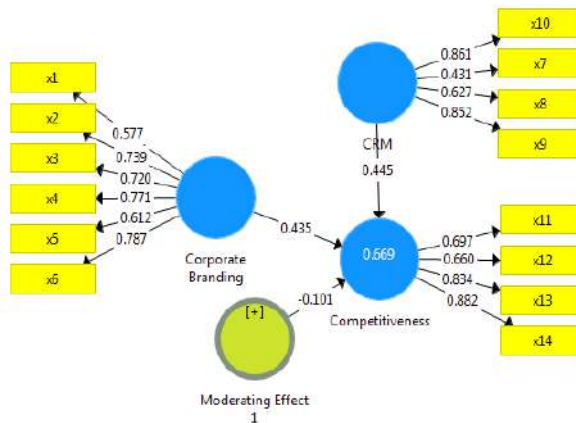


Figure 1. Path Diagram (First Calculation)  
Source: Processed Primary Data, 2021

Based on figure 2, which is the result of the second analysis of the PLS Algorithm, it turns out that all loading factors already have a value greater than 0.600. This means that the analysis can be continued with bootstrapping calculations, for the purposes of testing the research hypothesis as the last stage in the Smart Partial Least Square analysis technique

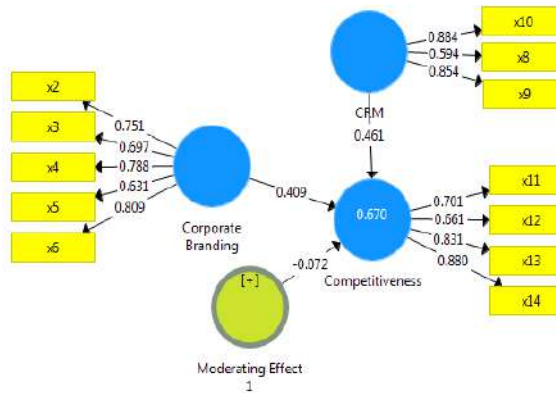


Figure 2. Path Diagram (Second Calculation)  
Source: Processed Primary Data, 2021

## 2. Structural Model (Inner Analysis)

The contribution of corporate branding to the formation of competitiveness can be seen at table 5 below. The results reveal that corporate ebranding contributes to the formation of competitiveness by 0.670 or 67%, and the rest is influenced by several other factors not examined in this research.

Table 7 R square

	R square	R Square Adjusted
Competitiveness	0.670	0.653

Source : Processed Primary Data, 2021

From the results of bootstrapping calculations as an analytical tool to test the research hypothesis, it is revealed at table 6 about path coefficients. Based on the table, it is demonstrated that corporate branding significantly effect toward competitiveness with a coefficient of 0.461 and p value of 0.002 <0.05. Then, CRM significantly effect toward competitiveness with a coefficient of 0.409 and p value of 0.004 <0.05. While customer relationship management does not moderate the influence of corporate branding toward competitiveness dur to it has p value of 0.544 > 0.005

Table 8 Parh Coefficients

Matrix	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted
CRM	0.706	0.813	0.827	0.651
Competitiveness	0.775	0.810	0.855	0.598
Corporate Branding	0.792	0.809	0.856	0.545
Moderating Effect	1.000	1.000	1.000	1.000

Source : Processed Primary Data, 2021

#### **4. DISCUSSION**

Some of the empirical findings in this study are in line with some previous research findings and Only one are contradictory. Corporate branding effect toward competitiveness, supporting the research results of Emmanuel et al. (2015) that corporate branding contributes to increase business competitiveness and business continuity as well. also in line with research finding of Kim, Hur & Yeo (2015) that corporate branding contribute to sustainable business performance This research finding in line with Naatu (2016) research that corporate branding plays an important role in improving comprtitive advantage. In addition, it is also in line with the research findings of Brooman (2017) in his article which emphasizes the importance of the role of corporate branding. Supporting research result of Suwartini et al (2017) that brand equity can improve marketing performance in the bottle water business industry in Indenonesia. Besides, also support research of Goldring, D. (2017) that brand value contributee to the competitiveness of product. Also, in line with the research finding of Sinclair, R., & Keller, K. L. (2017) that corporate branding plays a significant role in increasing comprtitiveness. In addition, Radpour, R., & Honarvar, A. R. (2018) in their research findings also states that competitiveness was being effected by corporate branding.

The second research finding that customer relationship management effect competitiveness also strengthen many previous research results. Jocovic, Melovic, Vatin & Murgul, (2014) that customer management effect significantly toward comprtitiveness. In line with Foltean, Trif, Tuleu, (2018) that stated that customer management is extremely important to improve comprtitiveness. Abu & Zabadi, (2020) finds that customer relationship management promote comprtitiveness. Additionally, Dehghanpouri, Soltani & Rostamzadeh, (2020) stated that e-CRM can improve customer satisfaction as well as comprtitiveness. Also in line research finding of Ghatak, R. R. (2020) that said that customer relationship management impact toward customer loyalty and competitiveness as well. Also in line with Negoita, Purcarea & Popescu, (2018) article that customer relationship management effect customer satisfaction as well as comprtitive advantage. Furthermore, customer relationship management which in this study does not function as a moderator contradicts the opinion of Pohludka & Stverkova (2019) which states that corporate brands will be more effective in realizing their goals when backed up with effective customer management. Meanwhile, customer relationship management has an effect on competitiveness, supporting the results of previous research conducted by Sofi & Hakim (2018) in their article Customer Relationship Management as a Tool to Enhance Competitive Effectiveness: Revisited Models revealing that customer management is an important tool to build the effectiveness of business competitiveness. Also, Ungerman et al (2018) which revealed that customer relationship management is moderating on the effect of marketing innovation on market competitiveness. An empirical evidence that the role of customer management is very important especially in achieving long-term goals.

#### **5 CONCLUSION**

Based on the results of the research hypothesis test, it was revealed that corporate branding significantly effect on competitiveness. Then, CRM also significantly effect on

competitiveness. However, customer relationship management does not moderate the effect of corporate branding on competitiveness. These findings of this research certainly contribute to enriching the repertoire of management science, especially marketing management. However, the inconsistency of the moderating function of customer relationship management certainly needs further research and study. Other researchers can use other research objects that are different from what many researchers have done so far. Or it could be done by expanding the research population in several other countries.

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