BUREAUCRATIC REFORM OF KPKNL MALANG: ITS EFFECT ON PERFORMANCE AND SERVICE QUALITY

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ABSTRACT

Indonesia's public service organizations have been conducted to implement ZI-WBK (Zona Integritas Wilayah Bebas Korupsi) as an effort for bureaucratic reform. The reform is measured by six areas of change: human resource management, change management, performance accountability, public service strengthening, technical arrangement, and supervision strengthening; KPKNL Malang, as a public service organization, is committed to increasing its general performance. This study uses a qualitative approach to know how ZI-WBK affects performance and service quality in KPKNL Malang. Using NVivo 12 Pro to analyze the interview results, this study shows that bureaucratic reform significantly affects performance and service quality in KPKNL Malang. Stakeholder testimonials and service quality scores demonstrate it.

KEYWORDS:

Bureaucratic Reform, ZI-WBK, Public Service Organizations, Performance, and Service Quality.

INTRODUCTION

Government bureaucracy is the front guard in fulfilling essential services for the community to carry out the state's goals, leaving much work to be done thoughtfully. Citing Index Corruption Perceptions (CPI) issued by The Transparency International Indonesia (2022), Indonesia scored 34 out of 100 in 2022 and ranked 110 out of 180 countries surveyed globally. These results, reported by TII, show that the CPI is a composite indicator to measure perceptions of public sector corruption on a scale of zero (very corrupt) to 100 (very clean) in 180 countries and territories based on 13 global surveys and assessments of corruption according to the perceptions of business actors and the judgment of world experts.

The public sector's scrutiny is sharp, especially the increasingly corrupt behavior prominent among officials/employees, abuse of authority (fraud) make the government not close its eyes and try to overcome it by regulating President Regulation RI Number 81 about Grand Design Bureaucratuc Reform 2010-2025 (2010). Grand Design of program implementation bureaucratic reform requires employees/bureaucrats to change work patterns from a bureaucratic model based on regulations (rule-based bureaucracy) towards a performance-based bureaucracy which will eventually shrink and become a dynamic government. These steps must be done to realize good and clean government and good corporate principles governance (GCG), which is a model in governance best practices globally recognized governance (transparency, accountability, responsibility, independence, fairness/equality). Regarding achieving the goals of bureaucratic reform and in line with the principles of good governance, performance appraisal is needed extensively as part of the organization's performance management system.

Quoting the Decree of the Minister of Finance Number: 36/KMK.01/2014 concerning the Blueprint for the Institutional Transformation Program Ministry of Finance 2014-2025, bureaucratic reform process implemented through the Ministry's Institutional Transformation Program Finance, where one of the strategic initiatives that characterize the policy is advancing the development of technology and information and encouraging transformation

office services oriented towards digitizing business processes (Keputusan Menteri Keuangan RI NO.36/KMK.01, 2014)

In line with the bureaucratic reform's goal, Indonesia's government commanded to imply the ZI-WBK (Zona Integritas-Wilayah Bebas Korupsi), which means an integrity zone free from corruption. This commando is contained in the Ministry of State Apparatus Empowerment and Bureaucratic Reform Law, which says:

"The Integrity Zone, now abbreviated as ZI, is a government agency whose leaders and staff have committed to realizing the Free Territory of Corruption/Clean Bureaucratic Area and Serving through bureaucratic reform, especially in terms of realizing clean and accountable government and services excellent public." (PERMEN PAN NO 90, 2021)

As one of the Ministry of Finance institutions, KPKNL Kantor Pelayanan Kekayaan Negara dan Lelang) Malang was designated as one of the ZI-WBK in 2021. As one of the public service institutions, ZI-WBK becomes a challenge for KPKNL Malang as well as the commitment to providing fast, easy, transparent, and services accountable to service users (internal-external) so that organizational performance able to show excellent and good description of bureaucratic services in accordance the aims and objectives of the bureaucratic reform proclaimed by the Ministry of Finance.

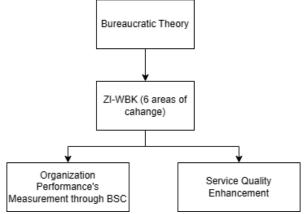
Furthermore, to measure organizational performance, one of the methods is introduced the concept of the Balanced Score Card (BSC) by Robert S. Kaplan, Professor from Harvard Business School, and David P. Norton in 1992. According to Kaplan (2009), the BSC model is a method that it is not just a tactical or operational measurement system. Organizational/innovative companies use scorecards as a strategic management system to manage their long-term strategy. Although initially designed for business organizations operating in the private sector, BSC can be applied in public sector organizations and other non-profit organizations in its development. Public sector organizations' bottom line is the maximization of public service with pedestal placement on the customer perspective.

Based on the description and reasons stated above, the research aims to examine and see the efforts or steps that have been taken carried out and what plans will be carried out by the Malang KPKNL in carrying out bureaucratic reform / achieving the ZIWBK predicate, where in the bureaucratic reform roadmap, it has reached stage 2, namely at the level of Service Quality Improvement, and entered stage 3, namely Improvement of Organizational Performance Capacity and Accountability.

This research is a development of research conducted by Kurniawati et al., (2019); Pribadi (2021). Research conducted by Pribadi (2021), focuses on bureaucratic reform in public service institutions in Yogyakarta. The study said that accountability, work culture, and performance are positively related to community satisfaction. Meanwhile, business processes, human resources, laws, regulations, and supervision do not influence performance. And finally, human resources do not affect the satisfaction public. Furthermore, the research conducted Kurniawati et al., (2019), focuses on how good governance and public service quality affect the relationship between bureaucratic reform implementation and archival institutions' performance in Indonesia. This research shows that bureaucratic reform positively relates to implementing good governance to performance. However, bureaucratic reform has no direct relationship with organizational performance. Knowing that there are differences in the results of these studies, the researchers intend to conduct research development to provide theoretical and practical implications regarding bureaucratic reform in the public sector, particularly the reform of the Malang KPKNL bureaucracy towards the implementation of good governance.

RESEARCH METHODS

This study uses a descriptive qualitative approach. By choosing Malang KPKNL as the research object, the subject of this study consisted entirely of Malang KPKNL staff and associates. At the same time, the sample included 9 KPKNL Malang employees, a Malang KPKNL manager and 4 related persons. The data collection method in this study used interview and documentation techniques. Interview results were processed through data processing using the software application NVIVO 12 Pro. This tool was selected to ascertain the focus of the study, namely the current status and conditions in implementing bureaucratic reforms (six transformational areas) to improve the performance and quality of KPKNL services in Malang. To understand the research concept, Figure 2 show the conceptual framework as follows:





RESULTS AND DISCUSSION

Informants Profile

Before diving into the data, we should understand the respondent's profile and each contribution to this research. Table 1 will describe each respondent briefly as follows:

_	Table 1. Informants Profile								
No	Code	Name	Job Title	ZI-WBK Group					
1	RW	Ridho Wahyono	Head of KPKNL Malang	Tim Leader					
2	ΥH	Yanto Hariadi	Head of HR-GA Section	Secretary of Development Team ZI-WBK					
3	GW	Gatit Wiludjeng	Head of Internal Compliance Section	Evaluation Reinforcement					
4	AD	Agus Dardiri	Head of State Assets Management Section	Public Service Reinforcement					
5	AR	Ali Ridho	Head of Law & Informations Section	Performance Accountability					
6	DS	Diah Sulastini	Head of Valuation Section	HR Management					
7	AP	Agung Purwoko	Head of Auction Section	Arrangement Management					

8	TH	Tri Hardi	First Class Valuation Administrator	Change Management
9	EW	Eny Widiyanti		Leader of Development Team ZI-WBK
10	PA	Putri Anggar	District Court Malang Kota	Partner/ <i>Stakeholder</i>
11	YR	Yusuf Rudiantara	Brawijaya University	Partner/ <i>Stakeholder</i>
12	BN	Bripka Nugroho	Regional Police Station of Malang Regency	Partner/ <i>Stakeholder</i>
13	MM	Moch. Mulyono	Balai Taman Nasional Bromo Tengger Semeru	Partner/ <i>Stakeholder</i>

NVIVO Result

After knowing the respondents, here some result of NVIVO 12 Pro analysis on each interviews answer. The result would be provided in pictures as follows:

Bureaucratic Reform (ZI-V	Performance Output			
	Change Management	Human Resource M.		
Public Service Quality Reinforcement				Hope Service Quality
	Performance Accountability	Arrangment Management		
Evaluation Reinforcement				
	Constraints			

Figure 2. Hierarchy Chart

Through Figure 2, it can be seen that the respondents' answers show continuity in the variables of bureaucratic reform and performance where each node indicates the same dominance, namely on the service dimension both in terms of bureaucratic reform and also performance.



Figure 3. Words Cloud of Bureaucratic Reform

Through Figure 3, it can be seen that on the word Bureaucratic Reform/ZI-WBK variable that appears the most are "activity", "employees", "internally", "changing," and more other words that represent bureaucratic reform/ZI-WBK variables.



Figure 4. Words Cloud of Service Quality and Performance

In Figure 4, it is known that the word dominance is found in "employees", "services", "suitable", "comfortable", "management," "responding," and many other words that represent.

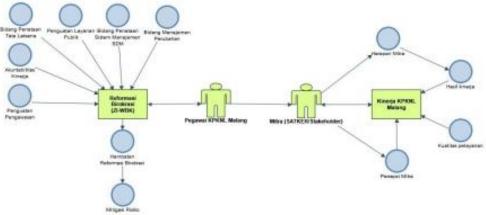


Figure 5. Concept Map of ZI-WBK Implementation in KPKNL Malang

Discussion

The purpose of this research is to understand how ZI-WBK as an effort of bureaucratic reform affect the performance and service quality of KPKNL Malang. This research also explore on how stakeholders perceived KPKNL Malang before and after the ZI-WBK implementation.

A. ZI-WBK Implementation as Bureaucratic Reform

Implementing ZI-WBK as a first step towards ZI-WBBM is an important thing that KPKNL Malang is doing as a form of bureaucratic reform and performance improvement. ollowing the statement of necessity, it is necessary to understand further the role of each area of change on bureaucratic reform/ZI-WBK on the performance of KPKNL Malang. To understand the further contribution of each area of change, then it is explained as follows:

1. Change Management Field:

Based on the guidelines issued regarding ZI-WBK and WBBM, change management is closely related to changing patterns of thinking (mindset, work culture, and individual work mechanisms consistently and systematically. As of 2021, the Malang KPKNL started the implementation of ZI-WBK as part of bureaucratic reform through change management. Management of these changes began with the establishment of a Work Team through KEP-85/51/WKN.10/KNL.03/2021 and compiling the ZI-WBK work plan document and publishing on social media KPKNL Malang (KPKNL Malang, 2021). In addition to establishing decisions and work plans, real fundamental changes are needed to implement the ZI-WBK. The significant changes made by KPKNL Malang in implementing bureaucratic reform are in human resources (HR), where work culture and mindset changes are made. With the implementation of ZI-WBK, internal awareness must also be raised to provide the best for partners. YH also supported the change as Secretary of the Working Team.

Development, YH states as follows:

"...changing the mindset from 'increasing the workload,' which is common, to a 'work culture' to improve services. This is also related to innovation simplify work so that work becomes simpler and service improvements are maintained." (YH/P.ST/29.12.22)

EW also showed a similar perception as the Head of the Working Team Development, EW states the following:

"Yes, not a significant change is seen, but more improvements to the things added to the work culture."(EW/P.KT/4.01.23)

Changes in work culture and mindset are also exemplified by Muslim employees' religious activities, such as completing the Al-Qur'an, according to the distribution on the WhatsApp group. Other changes were also realized through knowledge sharing (KPKNL Malang, 2021). To support the success of change, KPKNL Malang appointed five people to innovate as change agents.

2. Arrangement Management:

Changes in governance are closely related to the use of technology, so the digitalization process is critical in implementing bureaucratic reform/ZI-WBK at the Malang KPKNL. One example has been implemented by the Auction Section, where the auction process has yet to be carried out offline through online through the website. AP, as KASI Auctions and Chair of the Administration Management Sector Group, stated as follows:

"Yes. Since the auction division is already using IT, especially since the pandemic, where strict prokes are at the forefront of services, digitization is carried out. At KPKNL Malang, the auction service has gone through auction.go.id."

Source: AP/P.K2/04.01.23

Apart from the Auction Section, the overall operational process has also implemented innovation. Some examples are the implementation of e-office at KPKNL Malang, such as SIMANTAP V5, SIMAN, HRIS applications, and others (KPKNL Malang, 2021). The service can be done online through a contact person to make it easier if people or work units need help, so they don't have to come to the office. The AP also explained this as follows:

"Indirectly, the way of working is from conventional to digital, where service does not depend on time; it can even be 24 hours. Where the facilities and infrastructure change encourage internal changes in the work system." (AP.P.K2/04.01.23)

In practice, this is only sometimes done with the approval of the Malang KPKNL Head. SOP update has been decided previously through KEP-52/WKN.10/KNL.03/2021 concerning SOP for Superior Services and KEP-34/WKN.10/KNL.03/2021 regarding Service Excellence Innovation. Through the answers given by the AP, he briefly described that implementing ZI-WBK in management change is closely related to technology and SOP updates as a form of performance improvement and service to partners. Utilization of information technology such as e-office and social media as tools for internal and external communication has become a feature of the changes in the Malang KPKNL management.

3. Human Resources (HR) Management:

The HR management system is reformed through planning for needs and internal mutations under the conditions of the organization, crew members, and competencies employees/ In practice, this positioning is considered to be effective but not optimal by DS as KASI Assessment and Head of HR Management System Sector Group. Even so, KPKNL's performance remained the same because the addition of the work culture and mindset that was previously carried out made KPKNL Malang employees able to collaborate and continue to produce services. The best. This is conveyed as follows:

"It is already aligned with each competence but not optimal because several people are placed in inappropriate positions, but it does not affect performance. This is because KPKNI employees are required to be collaborative so that all employees can multitask and their performance is not affected by targets." (DS/P.K3/29.12.22)

Furthermore, it is still closely related to the fundamental changes made by the Malang KPKNL. To improve HR competence, then various pieces of training are carried out according to organizational needs, such as webinars or Tuesday Gathering Workshops (SELARAS).

4. Evaluation Reinforcement:

At KPKNL Malang, strengthening supervision is carried out through periodic internalization of gratuity control through socialization or in tune. The internalization also contains SPIP, a whistle-blowing system, and conflict of interest mitigation. GW, as Head of KI (Internal Compliance) and the Chairperson of the Monitoring Strengthening Group, stated that steps had been taken to strengthen supervision as mentioned above. The statement is submitted as follows:

"Socialization of the exposure of the code of ethics and code of conduct of civil servants, according to PMK No. 90 2018, to all employees, implementing discipline on working hours as a code of conduct, regulating the use of social media, and SIDAK working hours." (GW/P.K4/2022)

Another internal effort to improve supervision is by regular monitoring and evaluation (money) activities generate weekly or monthly reports. The Monev is carried out to monitor the development of various change areas in the ZI-WBK implementation. Apart from GW, other employees in charge of the change group also have the same perception regarding monitoring and evaluation, namely monitoring performance achievements and reminders.

5. Performance Accountability:

Performance accountability is an area of change that focuses on improving performance and accountability internally and externally. Reforms on performance accountability are closely related to aspects of strengthening supervision. Some activities, such as monitoring and evaluation, involve employees, and the Head of Office is a form of accountability realization. AR, as KASI HI (Law and Information) as well as Chair of the Performance Accountability Group, stated the follow:

"Each office must involve the leadership in setting targets because the head of the office will be the owner of the risk and the initiator in achieving performance. Then in setting targets as well Involving mid-level managers and staff because managers and staff are executors, and heads of offices as reviewers. On the other hand, for example, PNBP has been top-down from the head office.KPKNL Malang only implements." (AR/P.K5/19.12.22)

Through this statement, it can be concluded that in all processes of determining work outcomes and implementing programs, especially PNBP, the Head of the KPKNL is directly involved with the mid-level managerial. Those programs are also manifested in various forms of Decrees of the Head of the KPKNL, a concrete manifestation of the guidelines for implementing ZI-WBK or bureaucratic reform within the Malang KPKNL environment. Another effort to increase accountability is publishing performance results through social media after monitoring and evaluation activities.

6. Public Service Quality Reinforcement:

At the Malang KPKNL, this service is strengthened by a formal service notice signed by the Head of the Malang KPKNL and all Section Heads (KPKNL Malang, 2021). AD Head of the Public Service Strengthening Group stated the same thing. It was deemed that the announcement should be published offline and online to the public. The information is given as follows:

"Indeed, it is felt that all the community and work units should know, so service commitments are published offline (installed in several strategic places) and online." (AD/P.K6/27.12.22)

Furthermore, the embodiment of the announcement is in the form of efforts to improve the best service to stakeholders and periodic training efforts for employees. This has previously been proven by the statements of TH, EW, and DS as other informants who stated an increase in employee competence to improve service quality. In this regard, the AD also noted the same as follows:

"In the context of improving services from time to time, it is certainly necessary to improve services involving competent outsiders, especially practitioners." (AD/P.K6/27.12.22)

These forms of internal service strengthening later brought the Malang KPKNL IKPL (Service Satisfaction Index) to 4.7 in 2020. In practice, this achievement is supported by various innovations, including service acceleration and the availability of facilities that support comfort.

Although strengthening public services is the last area of change sequentially, this aspect is the result of the five previous changes. It closely relates to KPKNL performance and partners' perceptions of the services provided. Innovations such as SMART APT, information and complaint services at call centers/social media, and SOP improvements with time efficiency have become a feature of bureaucratic reform in KPKNL Malang from the service aspect. Collaboration between employees is reflected through these things as a manifestation of the ongoing ZI-WBK.

B. Bureaucratic Reform's Hurdles

Obstacles are barriers to achieving something; in this context, obstacles are closely related to what causes them. The implementation of bureaucratic reform in KPKNL Malang could have been more successful.

Thus, in the implementation of ZI-WBK as a form of bureaucratic reform in KPKNL Malang has no significant obstacles. Regarding communication, YH, Secretary of the Development Working Team, stated there were no difficulties coordinating between employees. This is expressed as follows:

"There are no obstacles because, in the end, the service is more optimal supported by service SOP innovation". (YH/P.ST/29.12.22)

This statement indirectly represents that all employees at KPKNL Malang have synergized in efforts to reform the bureaucracy by following the SOP that has been set. So, no difficulty is found in coordination that produces optimal service. Nevertheless, the Head of the Development Working Team and the Head of the Change Areas Group has slightly different opinion. Not to do with obstacles, however, relating to aspects of deficiencies that need to be improved in each area of change as a form of sustainability.

C. KPKNL Malang Performance After Bureaucratic Reform

Performance results in quantity and quality for all forms of productivity. In public service institutions such as KPKNL Malang, accountable, effective, and fair performance results are needed as a benchmark for good governance (Chien & Thanh, 2022; Pribadi, 2021). The bureaucratic reform process that has been carried out must provide precise results in terms of organizational systems, mechanisms, methods, techniques, and implementation of the organization's vision and mission (Pribadi, 2021). As mentioned in implementing bureaucratic reform through ZI-WBK, KPKNL Malang has made many innovations and changes in various aspects. These innovations and changes are a form of the performance results of the Malang KPKNL in quantity. Some of these achievements include the following; SMART APT, SIPINTAR, SIMAS, Information and Complain Center, Guest Card, Featured Service SOP, tangible change such as clean bathrooms, disability access, waiting room, children mini play ground and lactation room. The overall results of the work are in line with the visualization on Figure 4 regarding the word cloud of bureaucratic reform and changes to KPKNL Malang.

Increase in professionalism, change, improvement, synergy, and integrity are a few words that often appear as characteristics of bureaucratic reforms.

D. Service Quality and Perceived Satisfaction

After looking at the quantity, from a quality aspect, the performance of the Malang KPKNL also needs to be taken into account. Aspects of perceived service satisfaction in society are crucial for bureaucratic reform in public service institutions (Pribadi, 2021). In implementing the balanced scorecard as a performance evaluation tool, service satisfaction is also one of the desired outcomes of bureaucratic reform (Brocke et al., 2022; Išoraitė, 2008). Service quality can only be assessed through the perceptions of partners and the community as service users. The goal is to ensure that public service institutions carry out their duties following what has been promised (Chien & Thanh, 2022). At the Malang KPKNL, in broad terms, the work units are aware of the implementation of bureaucratic reform through the 2021 ZI-WBK. This also implies that the performance accountability of the Malang KPKNL has been excellent, with evidence of general information on third parties. Referring to this and the results of physical performance, several work units tend to have positive perceptions, including the following:

"Yes, from the front yard, the parking lot looks clean, and the employees welcome well... in terms of service, the employees are kind and helpful, like respond quickly." (MM/S/2022)

"Yes, it is more comfortable, especially after the pandemic... yes, it is proven by the ease with which employees can be contacted." (BN/S/2022)

"Yes, now it is more comfortable with the waiting room... yes, it is proven by the ease with which employees can be contacted,"

These statements are consistent with the visualization of Figure 4 regarding word cloud performance and service. The frequency of the words "friendly", "synergy", "transparency", "effectiveness," and "socialization" is proof that since the implementation of bureaucratic reform through ZI-WBK, there has been ease for the work units as well as an increase in service quality that is more responsive. Apart from physical changes, synergy and integrity through instilling a code of ethics were considered successful by the Malang KPKNL. The absence of reports on receiving gratuities is one firm proof of how employees have a spirit of integrity.

CONCLUSION

Implementing bureaucratic reform through ZI-WBK in 2021 has brought about fundamental changes following the six areas of change in bureaucratic reform. The ZI-WBK increased performance and service quality at the Malang KPKNL as long as the bureaucratic reform was implemented. Positive partner perceptions and a service satisfaction index that exceeds the target are concrete evidence that reasonable governance efforts carried out through reforms in bureaucracy can be said to have succeeded. In practice, there are minimal obstacles and deficiencies in implementing bureaucratic reform at the KPKNL Malang. So that when there are errors or obstacles, it does not interfere with the achievement of employee performance.

Nonetheless, it is hoped that KPKNL Malang will continue to maintain and innovate according to what partners as stakeholders convey. In addition, efforts to find "red threads" and prevent conflicts from an HR perspective must be avoided by strengthening supervision and instilling employee internal motivation.

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