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**Regional  
Civil Service Management:**  
Policy Issues and Recommendations

**Grand Design of Regional Autonomy**

**November 2011**





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Management:**  
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**Grand Design of Regional Autonomy**

## **DECENTRALIZATION SUPPORT FACILITY**

Indonesia Stock Exchange Building, Tower I, 9<sup>th</sup> Floor

Jalan Jenderal Sudirman Kav. 52-53

Jakarta 12190

Phone: (+6221) 5299 3199

Fax: (+6221) 5299 3299

Website: [www.dsfindonesia.org](http://www.dsfindonesia.org)

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# Regional Civil Service Management: Policy Issues and Recommendations

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Agus Dwiyanto

## I. Background

Regional civil service management reform has been an urgent agenda in the regional autonomy implementation. After more than a decade of the regional autonomy, the facts are that there have been various problems with the regional civil service management. Among these problems are: mismatch between the apparatus' competencies and their functions, politicized civil apparatus, commodification of bureaucratic positions and functions, and ethnically and locally spatial fragmentation, and strengthened values of primordialism.

The accumulation of such problems certainly has negative impacts on regions' performance in public service delivery. Regional autonomy expected to accelerate the reform of public services to enhance public welfare in regions may be inhibited by lack of regional apparatus' professionalism. Citizens' demand for efficient, effective and accountable public services when the government becomes closer to them cannot be fulfilled because its apparatus who serves them is not professional and competent. Consequently, the government's promise of regional autonomy to improve access to and quality of public services is still far from satisfaction.

One major cause of such problems is the inability of regulations on regional apparatus management under Law No. 32/2004 and Law No. 43/1999 and associated regulations to respond to the dynamic of regional governance. Both laws have not clearly governed the position of regional apparatus as part of the national civil apparatus. As a result, it has been difficult to mobilize apparatuses between regions and between levels of government. Spatial and institutional fragmentation of apparatus has been stronger and has caused narrow-minded bureaucratic egotism and culture.

Another cause of such problems is the government's approach to civil service management irrelevant to its challenges and issues of developing a professional civil apparatus. One example is the formation used as the basis for recruiting civil servants (PNS). Such formation-based recruitment has created an obstacle to the effort to recruit civil servants according to their competencies and skills because the positions to be held by candidates are not clear. The civil servants selection system is not based on their skills but their general knowledge.

Such problems are also caused by distorted policy implementation and civil service management in regions. Destructive politicized regional apparatus and commodified positions and functions within regional government organization over the past year are some examples of distorted regional apparatus management. Despite the laws issued to prevent such bureaucratic politicization and functional commodification, the political and economic interests of regional heads and stakeholders have confirmed such implementation distortions.

Such various problems have caused many parties to express their concerns over the prospect of regional autonomy implemented in regions unless they are immediately solved. To better analyze the problems encountered by the government in managing its apparatus in regions the Ministry of Home Affairs has established a Consultant Team to conduct a study on civil service management practices in regions. This study is expected to produce sufficient information to map the problems encountered by the government and regions in managing their civil apparatuses and make recommendations for the reform needed to create a professional, highly-performing apparatus capable of serving as a pillar of the Unitary State of the Republic of Indonesia (NKRI).

Regulatory reform of regional apparatus management will be made in two terms. In the short term, there will be a change of regulation on regional civil service management under Law No.32/2004 to produce the state's civil apparatus in regions with professionalism, high integrity and ability to manage regional government functions efficiently and effectively. The regulatory change of Law 32/2004 is also needed to adapt to the directions and spirits of establishing a National Civil Apparatus (ASN) Law in lieu of Law No. 43/1999. In the long term, regulatory reform will be made through creating a grand design of regional autonomy governing the roadmap of regional apparatus management reform for the next 20 years.

## **II. Methodology**

To achieve these goals, the Ministry of Home Affairs has established a Consultant Team to study the problems encountered by regions in managing their apparatuses and to make recommendations for necessary reform in order that regions may be able to manage their apparatuses to support the implementation of efficient, effective and accountable regional government functions.

The case study covered three sectors, i.e. education, health, and public works. The three sectors were selected because they play a significant strategic role in improving the socioeconomic welfare of citizens and regional development. They also represent the complexity encountered by the government of Indonesia in managing its apparatus in regions. The education and health sectors involve large portions of regional apparatuses, particularly teachers and paramedics. The problems faced in apparatus management in these sectors represent the problems faced by most of the regional apparatus.

The study was conducted in three provinces, i.e. West Java, West Kalimantan and East Nusa Tenggara. The provinces were purposively sampled, each representing regions with relatively developed, average and underdeveloped socioeconomic conditions. In each of the provinces, 2 districts (cities/regencies) were purposively sampled to represent different characteristics of regions, such as regencies vs. cities, newly established autonomous regions (DOHP) vs. existing autonomous regions, and island regions vs. inland regions.

The study was conducted at the provincial and district levels. The Consultant Team conducted an interview with key respondents from selected provincial and district governments. The interview involved regional heads (KDH), regional secretaries (Sekda), assistants to the regional secretaries, BKD Head and staff, Education Office (Dinas) Head and staff, Public Works Office Head and staff, Health Office Head and staff, teachers, doctors and paramedics and relevant professional associations. The focus in each of the regions was on discussing and clarifying findings from reviews and policy recommendations for regional apparatus management reform.

The results of the study from regions were then discussed in a seminar involving stakeholders from MOHA, the Ministry of State Apparatus Empowerment and Bureaucratic Reform, the State Administrative Agency (LAN), and the National Civil Service Agency (BKN). The results of the seminar were deeply discussed in an FGD involving representatives from the above ministries and non-ministerial agencies. The FGD was designed to agree on policy issues of regional apparatus management reform and a follow-up action plan for each policy issue to be implemented by the MOHA, Ministry of State Apparatus Empowerment and Bureaucratic Reform, BKN and LAN.

### III. Policy issues in regional civil service management

#### A. Recruitment of Civil Servants in regions

##### Issue

The recruitment of prospective civil servants is more critical than other processes of the whole civil service management function. Improper recruitment processes have long-term detrimental effects if the civil servants recruited do not have qualifications as required. Unfortunately, the recruitment of regional civil servants has some problems to which the government has not given attention.

The first problem arises from the use of a formation as the basis for assessing the needs for civil servants. The use of a formation, i.e. the number of civil servants and their ranks needed to perform certain bureaucratic functions, has some weaknesses. First, the formation does not represent the expertise/skills required by a certain government organization unit. The recruitment of prospective civil servants is not intended to fill a vacant position but to fill a formation. As a result, the recruitment of prospective civil servants gives less attention to the candidates' skills and competencies. The selection system was not designed to measure their perspective and skills to hold a certain position but only general knowledge. Because recruitment is not attributable to a vacancy, a new problem with government organization, including local government organization (OPD) arises where there is an increasing number of civil servants without function. Such civil servants are categorized as implementing staff ("*staf pelaksana*"), without clear job description, and their proportions are increasing. Some respondents in regions explained that there are increases in the implementing staff, some members of which have even been this kind of staff for more than ten years.

Because recruitment is not related to the need to fill a vacant position, the criteria for assessing the needs for civil servants (PNS) and their qualifications are unclear and provide room for rent-seeking behavior.<sup>1</sup> As explained by respondents in regions, the formation quota allocated to regions have more served as a new arena for corruption, collusion and nepotism among actors involved in deciding the formation and recruitment of civil servants at both the national and regional levels. Unclear criteria for allocating formation quotas to regions have encouraged regional heads and their apparatuses to lobby the National Civil Service Agency (BKN) and the Ministry of State Apparatus Empowerment and Bureaucratic Reform for a PNS formation quota. Especially when they have opportunities to change their quotas, regions seeking greater allocations will work hard to lobby actors in the Ministry of State Apparatus Empowerment for greater formation quotas. This formation quota transaction has become a new arena for both local and central actors to seek rents.<sup>2</sup>

All actors involved in the recruitment process have an incentive to increase formations. Consequently, the number of civil servants in regions has been increasing and made most of the regions sampled difficult to manage their expenditure.<sup>3</sup> Personnel expenditure has accounted for 70-80 percent of the General Fund Allocation and made regions have no sufficient discretion to manage their own governmental functions.

<sup>1</sup> A respondent showed that the qualifications of a PNS to be recruited were changed because the candidate available to pay fees had an educational background different from the qualifications were required. A local BKD Head had to lobby the center to change the formation in order to meet the diploma he held.

<sup>2</sup> An interview with some respondents in regions indicated that, in the recruitment of civil servants holding bachelor's degree, the candidates who were available to "buy" a formation had to pay 100-150 million rupiah depending on the agencies and type of bachelor's diploma they held. Some BKD heads and staff members explained that such a way of seeking and lobbying for a formation was necessary to reach civil servants with preferable qualifications.

<sup>3</sup> Banjar City Government in the last consecutive years refused the formation quota set by the Ministry of State Apparatus Empowerment and Bureaucratic Reform because they are aware that the recruitment of new civil servants would burden their budget. In 2010, Banjar City received a quota of 260 civil servant formations but they did not take them.

## Conclusion

The formation-based recruitment of civil servants contains many weaknesses. First, formations are not always related to vacant positions in government organizations. This implies that the formation-based recruitment tends to engage many civil servants without clear functions. Second, the formation basis makes the recruitment of civil servants on the meritocracy principle difficult to develop. The government has difficulty in identifying the skills needed to fill the positions available in regional government organizations (OPD). Third, the formation-based recruitment creates significant room for rent-seeking behavior in the process of civil servant recruitment.

## Recommendations

“The government should develop a competitive, fair and function-based recruitment system.”

Therefore, there are some actions the government should take:

### 1. *Determine the needs for civil servants in regions based on vacant positions in OPD*

In order that the current organizational structure may become the basis for assessing the needs for civil servants in regions, the government should develop guidelines and standards for the establishment of regional government organizations. The current guidelines under Government Regulation No. 41/2007 are no longer sufficient because the regulation provides a very large scale of regional government organization. Consequently, the government regulation has incentivized regions to choose the maximum pattern and, after issuance of the government regulation, most regions have a larger scale of OPD. Government Regulation No. 41/2007 has contributed to the increase in the regional government structures. So, the Ministry of State Apparatus Empowerment and MOHA should immediately design a new regulation to rightsize these OPD.

The new regulation should provide a basis for regional governments to restructure their bureaucracy. By reforming the bureaucratic structure accordingly, the needs for employees and their qualifications will be easy to determine. Regions should, under the regulation, issue their regulations (Perda) on organizational structures and workings (SOTK). For OPDs established to comply with the government regulation, the Governor as the government's representative should be consulted about draft local regulations (Perda) on SOTK. These draft regional regulations (Perda) can be passed by the regional legislatures (DPRD) after they have been approved by the Governor as the government's representative.

In the case of draft provincial government regulations on SOTK, the provincial DPRD will pass them after they have been approved by the Ministry of State Apparatus Empowerment and Bureaucratic Reform and MOHA. The MOHA is responsible for checking the proposed SOTK in accordance with the regulation on regional function assignment while the Ministry of State Apparatus Empowerment and Bureaucratic Reform is responsible for checking whether the determination of positions in each provincial OPD has complied with the Government Regulation, standards and guidelines they have established.

In assessing the needs for civil servants, provinces and districts will make annual reports on the number of civil servant candidates needed to fill the vacant positions in each OPD. Regions may only propose new appointments if there is a vacant position in their OPD. Districts will make annual reports on vacant positions and estimated needs and qualifications to the governor as the government's representative while annual reports on estimated needs for provincial civil servants will be submitted to the Ministry of State Apparatus Empowerment and Bureaucratic Reform.

In this way, the needs for civil servants nationwide can be assessed easily. The government may recruit national civil servants and distribute them to regions according to the qualifications required. This model may also reduce possible rent-seeking behavior in civil servant recruitment which may result from unclear criteria for assessing the needs for civil

servants and their qualifications. The absence of clear criteria for civil servant recruitment has also created the possibility of those involved in the recruitment process to sell PNS formations to job seekers.

2. *Develop a civil servant test system to measure knowledge, skills and attitudes needed to hold a position*

By recruiting civil servant candidates to hold vacant positions in the bureaucratic structure in regions the government should develop a civil servant selection system to measure knowledge, attitudes and skills needed to hold a vacant position. So far, civil servants have been recruited massively and the suitability evaluation of candidates has been conducted through assessing their general knowledge. This happens because the recruitment is intended only to fill the existing establishment lists (*formasi*). Consequently, each OPD has an abundant implementing staff.

The problem arising from position-based recruitment is different qualities of education among regions. In the case of national recruitment of civil servant candidates, prominently different qualities of higher education among regions may cause different levels of access of populations among regions to the appointment of civil servants. Those who graduated from the best universities mainly located in Java and Sumatra will have an advantage. Graduates from other regions of relatively lower quality cannot compete fairly with those from universities in Java. Consequently, this may encourage a large number of senior high school graduates to pursue university education in Java. To make the test system for recruiting civil servants fairer and take into account different qualities of educational institutions among regions, region-specific recruitment of civil servants is possible. The recruitment of civil servants will remain nationwide but there should be region-specific competition among candidates. This model is considered more able to maintain equal access among candidates from regions with educational institutions of different qualities and with different socioeconomic developments.

**Implementers:** Ministry of State Apparatus Empowerment and Bureaucratic Reform, Ministry of Home Affairs and Governors as government representatives.

## B. Civil Servant Transfer

### Issue

One major civil service problem during regional autonomy has been low mobility of civil servants between regions and between government levels. When the employee transfer has been the full authority of regions and personnel expenditure has been one basic component of the general allocation fund (DAU), it is very difficult to transfer employees. Regional apparatus often complains about this. The complexity to obtain a transfer approval (*lolos butuh*) has been the main obstacle to the transfer of employees between regions and between government levels. Consequently, regional civil servants tend to have a narrow view of their jobs leading to exclusiveness potentially harming their national perspective.

Regional apparatuses that should be one pillar of Indonesia have become increasingly fragmented in a spatial and vertical way. Spatial fragmentation when accompanied by primordial aspects such as the same ethnics and religions may institutionalize narrow-minded primordial values in regional civil apparatuses. Consequently, regional apparatus and governments tend to be more exclusive on the basis of local and primordial values.

The low mobility of civil servants also prevents the government from developing regional civil servants' perspective and competency. Because transfer between regions and between government levels is difficult, transfer between jobs in a government is also limited. A civil servant in the NTT Province explained that he has never had a chance to work outside the administration section for more than 13 years. After graduation from IPDN (Institute of Public Administration), he has never worked outside the administration section. The same thing also

happens in various districts in West Kalimantan and West Java. Such a situation is extremely worrying because it may cause regional civil servants to have a narrow-minded attitude and limited career development.

Interestingly, despite the limited transfer of civil servants between regions, the transfer to outside certain regions, particularly underdeveloped regions, tends to increase. Regions socially and economically disadvantaged tend to experience a negative transfer rate because the transfer to outside their regions is very large but the transfer into their regions is very small<sup>4</sup>. For example, the NTT Province having difficulty in meeting its needs for teachers, doctors, midwives and nurses has to lose many education and health personnel due to transfers to outside the region. Limited socioeconomic conditions make teachers and health workers in NTT prefer a transfer to outside the region. In 2008, the NTT Provincial BKD issued permissions for transfers of health workers and teachers to outside NTT.<sup>5</sup> It is ironic that such an underdeveloped region that is lacking educational and health personnel has to experience a brain drain because the existing personnel move out to more economically promising regions. Corrupt practices in personnel transfers are one cause for this.

### **Conclusion**

The delegation of authority over civil servant transfers to regions and the inclusion of personnel expenditure as part of the basic allocation have made transfers of civil servants between regions and between government levels stagnant. Consequently, transfer as an instrument for apparatus capacity building and national integrity strengthening is very difficult to do. On the other hand, difficult access to obtaining a transfer approval (*lolos butuh*) has created opportunities for public officials authorized to issue such approvals to seek rents. Such approvals can be obtained by paying an illegal fee. Consequently, socially and economically underdeveloped regions less attractive for career development tend to experience a brain drain because many educational and health personnel move out of their regions while the same moving into the regions (including new recruits) are very small in number.

In response to such various problems related to transfers of civil servants between regions and between levels of government, the government should place its transfer policy as part of apparatus capacity building, distribution of development and strengthening of civil apparatus for national integration.

### **Recommendations**

1. Prepare clear regulations on transfer between regions and between levels of government. These regulations should place transfer as part of competency development, national perspective strengthening (NKRI), distribution of civil servants and distribution of national development.
2. Transfers of civil servants at echelon I and echelon II should be made at the national level by the Government/the National Civil Apparatus Commission. And transfers of other civil servants should be made by Governors as government's representatives.
3. Transfers should be based on competencies and competition. Civil servants transferred and holding a position in other regions or levels of government should meet the competencies

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<sup>4</sup> Some cases of transfer into NTT are generally for family reasons. A doctor coming from East Java said that she moved to NTT because her husband is from NTT. The respondent said, "if I were not married to an NTT man, I would not come to NTT. I preferred to work in East Java."

<sup>5</sup> Some key respondents explained that the permissions for transfers to outside NTT for teachers and health workers should not be given because NTT itself is lacking these personnel. This occurs due to corrupt practices in issuing transfer approvals. By paying a fee, they successfully obtain transfer approvals. Opportunities to obtain approvals have created a *modus operandi* where prospective civil servants undergo a test in NTT for greater possibility of being accepted and, after 2-3 years of work in NTT, they seek a transfer approval by bribing BKD officials. More explanation of this can be found in Hoesoda, S and Nurdin N., 2011.

required for the new position. The assignment of civil servants to a certain position should be undertaken competitively.

**Implementers:** Ministry of State Apparatus Empowerment and Bureaucratic Reform, MOHA and Governors as representatives of the government

## C. Promotion

### Issue

The promotion of civil servants in certain functions tends to be a politicized and commodified arena in civil service management after the implementation of the direct regional head election system. Failure to institutionalize a meritocracy system in the governmental bureaucracy in regions has made the promotion and assignment of civil servants to a certain position more based on subjective considerations such as: political affiliation, close relationship and bribery. Performance, competency and qualifications of civil servants that should become key considerations in their promotion and assignment to a certain position have been pushed away by politicization and commodification.

As regards politicization in promotion and assignment in positions, many respondents explained the apparatus' difficulty in expressing their attitude towards regional head elections. In the three provinces selected, provincial and district civil servants generally found that the regional head elections (Pilkada) have placed them in a dilemma. A respondent said that "whatever we do, we will be affected, even though we do nothing". He explained that in the case of Pilkada, regional apparatus is in a difficult position because if they are neutral and impartial they will not be considered supporting one certain candidate. If the regional head is successfully elected his/her success team will treat them as not supportive. But if the apparatus is involved in the success team of a regional head candidate, the apparatus has gambled on their fate.

A subdistrict head (camat) in NTT described how Pilkada has contributed to polarization in bureaucracy. This respondent was a subdistrict secretary in a city in Central Java. He/she explained his/her experience when he/she participated in the Pilkada. Politization was not like in his/her current district. Although she/he did not take sides, the new regional head and his success team considered that those outside the success team were the enemy to be dismissed. Polarization, in addition to bureaucracy, is also strong in the community because family relationships in NTT are relatively strong so that Pilkada is often viewed as a battle between family groups. Unclear arrangements for merit-based and competitive assignments have caused regional head candidates to be bureaucracy as political vehicle and use their function as political instrument.

As regards using a bureaucratic function as political instrument, an official from the NTT Province said that in a district in NTT, after installation of a new regent (bupati), 26 of 31 SKPD heads were dismissed by the new regional head. The massive replacement of SKPD heads after installation of new regional heads is a common practice in many regions. Even, in some regions, the opposite case occurred. The massive replacement of SKPD heads was done by the regional head that would end his term of office shortly. A regional head removed most of SKPD heads only a few days prior to his official handover to the successor. Both cases indicate high intensity of bureaucratic politization through apparatus assignment to a bureaucratic function.

In addition to political affiliations, the breach of meritocracy principles in assignment to a bureaucratic function is also caused by functional commercialization. Some respondents explained that bribery to achieve a bureaucratic position has been more common and open today. A respondent formerly holding the position of a regional secretary in a district explained that "I was asked to provide 250 million (rupiah) if I was to extend the current position of regional secretary." He decided not to extend the position rather than provide that bribe.

Information on the commodification of bureaucratic positions is not new because this practice has taken place for a long time during this era of regional autonomy. Previous research has documented how a regional head sold bureaucratic positions to his apparatus (Dwiyanto, et al, 2004). What makes this different is that such a phenomenon has been a widespread and common practice in regions.

The politicization and commodification of bureaucratic functions in regions have broad implications for professionalism improvement in the regional government bureaucracy. One objective of regional autonomy is to accelerate the improvement of public service delivery. However, when regional autonomy is just accompanied by the widespread politicization and commodification of bureaucratic functions, it is very difficult to hope that the regional autonomy implementation can expedite the reform of public service delivery. When the mismatch between the incumbent's qualifications and competition requirements tends to increase, the opposite may take place.

As regards of the larger mismatch, some respondents explained that one of the causes was that many teachers went into a structural position in regions. Teachers are now often politicized because they generally have considerable influence over the community. Many elected regional heads have made teachers vote getters in the elections and then assigned them to a structural position. It is easier to assign teachers to a structural position because teachers generally have a high rank. Therefore, unsurprisingly, some local legislators in the NTT Province complained because the regional autonomy has contributed the teaching profession to 'political waste' of regional head elections. They said that "one of the best mathematics teachers in a city of NTT is a subdistrict head (camat) and head of the asset and financial management office in this city is also a teacher".<sup>6</sup> The entry of teachers into the bureaucratic compartment has taken place in many regions and resulted in double losses to public service delivery, lower quality of education and worse performance of regional bureaucracy because the bureaucracy is led by an unqualified official.

## Conclusion

The bureaucracy potentially functioning as a vote getter in regional head elections has incentivized prospective regional heads and the incumbent to politicize the bureaucracy. The politicization is pursued through promotion and assignment of apparatus to OPD positions based on political affiliations, participation in campaign, family relationship and other subjective factors. It has created a mismatch between the official's skills and functional qualifications, instability of regional government bureaucracy and corrupt, collusive and nepotistic practices in regional apparatus management. The absence of a merit based system that requires competitive, transparent and competency-based engagement of officials has made bureaucratic politicization widespread in almost all regions.

Unless terminated now, the current promotion system will exacerbate regions' performance in public service delivery. The promotion system reform may be made by introducing a transparent and competitive promotion system based on merit and competency test. The introduction of such a promotion system will encourage the apparatus to improve their skills and competencies.

## Recommendations

1. The Ministry of State Apparatus Empowerment and Bureaucratic Reform and the MOHA should regulate the competency-based, transparent and competitive promotion and

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<sup>6</sup> A respondents happening to be a Public Works Office Head in a city in West Java said that it has been rare to find a Public Works Office (PU) Head in the province of West Java with the educational background of civil engineering. Most PU Heads in regions now have non-civil engineering background. Because the PU Office has many physical projects enabling a rent-seeking behavior and bribery, its Head should have a close relationship with the regional head and join his/her election success team. Many IPDN and IKIP graduates now hold the position of district public works office heads.

assignment of civil servants to positions. For this purpose, the Ministry of State Apparatus Empowerment and Bureaucratic Reform and the National Civil Service Agency (BKN) should immediately establish competency requirements for each civil position. The regulation should also include competency tests for candidates to hold the position of civil apparatus in regions.

2. The promotion and assignment of civil servants in regions to certain positions should be subject to a competency test. The candidates assigned and/or promoted should be ones declared successful in the competency test.
3. Competition to hold the leadership positions of medium and high level (senior executive) should be organized at the national level while competition to hold positions outside the senior executive category should be organized at the provincial level and under the authority of governors as the government's representatives in regions.

**Implementers:** Ministry of State Apparatus Empowerment and Bureaucratic Reform, MOHA, National Civil Service Agency (BKN) and Governors as government's representatives

## D. Performance Management

### Issue

Performance management is a weak point of the management of civil servants engaged not only in regions but also nationwide. The performance assessment system under Government Regulation No. 10/1979 through completing the DP3 form has been subject to many criticisms but to date DP3 (Performance Evaluation Form) is still used as instrument to assess the apparatus performance. The basis for performance assessment only relying on superiors' evaluation without clear indicators to measure various aspects of performance under DP3 has put the performance assessment fully within the subjective domain of superiors. Consequently, the completion of DP3 by superiors tends just to meet the requirement for regulation rather than serve as a tool for measuring subordinates' performance.

In a situation where indicators for measuring each aspect of performance are not formulated clearly, superiors (supervisors) will feel unsafe when they have to fill out the DP3 form seriously. If the leader fills out DP3 seriously, because the performance aspects and indicators therein are not clear, when subordinates feel unsatisfied with the evaluation, it is very difficult for the superior to account for and defend his/her arguments. The assessment of one's DP3 as poor will readily be considered a matter of likes or dislikes and will develop into a personal conflict between the subordinate and his/her superior. Therefore, the leader commonly fills out DP3 to be just a formality and even many fill out DP3 when it is needed for promotion purposes. Even, DP3 that should be filled out annually is often completed for 4 consecutive years in the last year when it is needed for the promotion of the civil servant concerned<sup>7</sup>.

DP3 as a performance assessment tool is no more sufficient to assess the performance of civil servants. All respondents interviewed agreed that DP3 has been no more relevant to assess the apparatus' performance and a new instrument is needed to replace DP3. However, the performance assessment is not only a technical issue of performance measurement tool, but also involves a much wider aspect, i.e. absence of performance management. The poor quality of such instruments as DP3 is just a major issue i.e. absence of apparatus performance management in regions. Many respondents said that "the apparatus performance assessment is fully within the domain of leadership and at the superior's subjective discretion. The apparatus' performance is more determined by what they do to their superior rather than by what they do in their job. Paternalistic bureaucracy tends to strengthen the regional apparatus' perception that the performance assessment is fully under the authority and within the domain of leadership.

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<sup>7</sup> Hoesodo, *ibid.*

When asked about the need for a peer review in assessing the apparatus' performance, respondents made different responses, some agreed and the other did not. Those who agreed commonly considered that the apparatus performance assessment should be the authority of leadership and peer review might lead to conflict when the leadership's review is different from the peer review. However, many respondents agreed with peer review because this would make the performance assessment more objective and thus more transparent and able to promote performance improvement. Regardless of assessment instrument and method issues, the indication that regional governments have not generally applied performance management is of great concern.

Absence of performance management causes the government and its apparatus not to focus on performance achievement. Regional governance becomes a routine activity taking place as usual without clear outcomes benefitting the public. Some respondents in provincial and district governments interviewed confirmed the assumption that governmental activities tend to be routine and unclearly oriented. When asked about why they say so, some respondents from provincial governments said that one reason was unclear functional assignment between provincial and district governments.

Respondents from the provinces of NTT and West Java explained their difficulty in developing a performance contract for SKPD heads in the provinces. Many SKPDs have difficulty specifying their performance indicators because the indicators proposed appear to be the same as performance indicators from district SKPDs. This occurs because the unclear functional assignment between provinces and districts has made duplicate programs and activities between provincial and district governments difficult to avoid. Some respondents from provincial and district health offices said that in planning activities they often looked at what would be done by the central government and provincial governments for health development. So, if the activities were the same, the locations could be changed to prevent duplicate activities in the same locations. They explained that central, provincial and district governments often had the same programs but they always tried to arrange them in different locations.

The unclear division of functions between provincial and district governments makes it difficult for the regions to develop performance management. When there are the same activities carried out by provincial and district governments in a district, who will claim the outcomes of the same program. One example is a village-level poverty eradication program called "red wine" (Anggur Merah) or a budget for people's welfare by NTT Province. The provincial government considers that poverty alleviation is a common function so that it will be okay for the provincial government to give assistance to villages in developing people's welfare activities totaling 250 million (rupiah) per year. But, a former regent in NTT said that the provincial government had intervened district's function, as the old saying goes "the provincial government has sowed fish seed in the district's pond". If poverty reduction is the indicator of both provincial and district governments, which government is eligible to claim the success when the poverty rate in a district can be reduced?

Such a situation certainly inhibits the development of a performance contract for officials in both provincial and district governments. The performance contract can be formulated only when provincial and district performance indicators are defined. To determine appropriate performance indicators of the levels of government, the division of functions between both should be defined clearly. Without clear performance indicators, it is difficult to develop performance management.

## **Conclusion**

The development of regional government performance management requires a holistic policy to define the performance management not only as an instrument but also include the development of work culture and performance-based incentive system. Performance management can be

developed only if the government puts the performance assessment in a broad perspective, not limited to instrument update for performance assessment as perceived all this time. The performance management development also requires clear division of functions between levels of government. Unclear division of functions may inhibit the development of a performance contract as may serve as an instrument for performance management development.

### Recommendations

To develop the performance management in regional governments, the following actions should be taken:

1. The government should clarify the division of functions between levels of government, particularly between provinces and districts. Government Regulation No. 38/2007 on functional assignment between central, provincial and district governments is considered unable to provide guidelines for regions to define governmental functions as the functions of provinces and districts. Duplication of programs and activities among levels of government often inhibits the assessment of regional performance.
2. The government should develop a work culture oriented towards the achievement of performance indicators. Regions should be encouraged and given facilitation to develop a productive work culture oriented towards indicators defined under the Regional Mid-Term Development Plan.
3. The government should develop an output-based, objective and transparent performance measurement system, involving peer review.
4. The government should provide guidelines for regions to develop performance-based incentives.

**Implementers:** Ministry of State Apparatus Empowerment and Bureaucratic Reform, MOHA and BKN

## E. Training

### Issue

A major problem in developing the professionalism of regional apparatuses is low access to training and education. A civil servant candidate recruited for a certain position may have certain technical qualifications. But, in their career development the apparatus requires capacity building and competency improvement to hold another position of higher qualifications. Their education and work experience are no more sufficient to respond to the needs for their career development. Education and training in human resources development are necessary.

Especially when civil servant recruitment is based on formations often not connecting candidates' qualifications and vacant positions, the needs for education and training for apparatuses are larger. Unfortunately, many regions do not allocate their budgets to training except for promotion training (*pelatihan penjenjangan*). In addition to limited budgets, regions' low concern over education and training for their apparatuses is also caused by their wrong perception of education and training for the apparatuses. They generally see apparatus training as costs rather than investments in staff and apparatus to contribute to the achievement of their regions' development vision. Education and training are generally not perceived as key part of regional capacity building. It is not surprising that a BKD head in a district said that training for apparatus was a luxury.<sup>8</sup> So, regions generally do not allocate their budgets to training except mandatory training, such as Leadership Training.

One reason for why regions tend not to define training as part of their capacity building is frequently unclear benefits obtained. A respondent said that the benefits of training were not

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<sup>8</sup> Hoesodo, S and Nurdin, N., Ibid

clear both to trainees and regions. For example, many staff members after undergoing Training in Planning were removed from the Regional Development Planning Agency (BAPPEDA). Such cases were often reported by respondents in regions. So, the benefits of training the regional apparatus has pursued are not clear to regions. Absence of clear career planning and merit-based promotion has made civil servants less interested in pursuing training. If competencies and skills are not key considerations in assigning a civil servant to a certain position, the apparatus' interest in competency building in certain fields is also low.

The benefits of training are frequently unclear because training designed by regions is not to improve their capacity but more to achieve goals irrelevant to capacity building for such regions and their apparatuses, e.g. spending budgets and traveling. Some respondents in various districts interviewed explained that their districts have organized some education and training courses for local legislators in many cities in Java<sup>9</sup>. When training is more designed to allow trainees to travel and spend budgets, the perception that the benefits of training are not clear may be true.

An explicit complaint about unclear benefits of training was also expressed by a regional head in NTT. The regent criticized the Leadership Training that was considered too expensive without clear benefits. Each trainee had to spend 60 million rupiah plus travel expenses from the region to Jakarta. The region had to lose its apparatus for 3 months to pursue the Leadership Training<sup>10</sup>. In his opinion, the government should re-consider the Leadership Training and Functional Training. Because the benefits of the Leadership Training are not clear to the region, it may be better to reduce its intensity and replaced with Functional Technical Training. Criticism of relevancy in the Leadership Training was also expressed by various respondents in the Provinces of West Java and West Kalimantan. The materials and methods of learning from the training are subject to adjustment to the challenges encountered by the apparatus leadership in regions, particularly in promoting innovations in government.

## Conclusion

Regions' tendency towards perceiving training as costs rather than investments has made budget allocations to training very limited. Regions generally budget the training costs for Leadership Training. Meager attention has been given by regions to technical capacity building. This is certainly a great loss due to the significance of this capacity building for those regions. Regional autonomy will be successful only if regions have sufficient capacity to perform their functions. Therefore, regions need skillful and professional apparatuses. Training of apparatuses should be regions' strategic needs and a key part of their capacity building.

## Recommendations

1. The Government should design a policy to ensure regional apparatus' access to different activities to improve skills and competencies in the fields suitable for regional government functions.
2. The government should reform the regulation on Leadership Training, addressing: orientation, substance, methodology, and recruitment mechanism.
3. Technical functional training should be aimed at competency certification. The government in cooperation with professional organizations should provide training and associated competency certificates needed for successful regional governance.
4. The government should establish a regulation on regional apparatus' rights to pursue training as part of their capacity building.

**Implementers:** LAN, all ministries, BKN, Professional Associations

<sup>9</sup> Such a phenomenon is common in training for local legislators across regions in Indonesia. The respondent explained that legislators preferred to pursue training courses in Java in order to travel and receive a larger per diem allowance. Another respondent explained that in his province, the average number of days for a legislator's travel is 221 days.

<sup>10</sup> The discussion of this can be found in Hoesodo and Nurdin, *ibid*.

## **F. Apparatus Profession Development**

### **Issue**

The civil apparatus profession is a key aspect of apparatus capacity building but often overlooked. The widespread politicization of apparatus as an effect of the use of government bureaucracy in regions and their apparatuses as vote getter in regional head elections has exacerbated the image of civil apparatus as a profession. Regional apparatus that should be neutral and impartial towards all regional head candidates often joins the success team of a candidate. A respondent, who joined the Success Team to make the incumbent regional head win the elections, even proudly explained how he was involved in winning in the elections. A respondent, who is also SKPD head, said that all SKPDs have been instructed to use their budgets for grants in the framework of winning the elections, except personnel budgets. One year prior to elections, budgets must not be released except they are related to activities to win the elections. Unsurprisingly, in the year of elections, the budget for grants to the public multiplies. These grants are a form of money politics of the incumbent regional head.

As noted earlier, bureaucratic politicization may obviously be seen from the removal of SKPD heads after replacement regional head. Regional head succession is always followed by the massive removal of SKPD heads. Consequently, the effects of the elections become prolonged and are not easy to remedy in a short term. Bureaucratic fragmentation by regional head candidate often associated with other primordial values such as family relationship, ethnicity and the same political affiliations has increasingly inhibited the development of an apparatus as profession elevating the public interest over collective, family and its own interests.

This politicization has caused the apparatus' orientation towards public services to be lower. On the contrary, orientation towards power has been stronger. Some respondents said that such orientation towards power could be moderated if the government promoted the development of apparatus into a profession. To date, civil servants tend to be put in a position as employees that can be mobilized in the government interest. A respondent referred to Korpri (civil service corps) as an example made by the government its arm because the government assigned structural officials to manage Korpri. According to the respondent, Korpri should be promoted to be a professional organization.

### **Conclusion**

Developing civil apparatus into a profession has not received adequate attention from the government and the apparatus itself. Consequently, civil apparatus as a profession has been subject to intense politicization over the last decade. If this continues, the apparatus profession, that should be neutral about practical politics and dedicated to only public interests, will become fragmented by narrow-minded practical politics. Civil apparatus' orientation towards services will be more removed by orientation towards power. Therefore, it is important to develop a civil apparatus profession if we want to develop a professional civil apparatus, who are concerned about public interests and capable of serving citizens fairly.

If civil apparatus is treated as a profession, it should have a professional organization, under auspices of which the profession will be developed. As other professions, the apparatus profession may, in turn, develop professional values, code of conduct and professional code of ethics. If this can take place, the professional development is expected to reduce pressure over regional apparatus politicization. A professional civil apparatus can serve as a strong fortress against any efforts to promote bureaucracy and apparatus as regional head's political tool. A professional apparatus can also be a strong pillar of achieving justice and equal access to quality public services.

## Recommendations

To develop the civil apparatus profession, the government should take the following actions:

1. Institutionalize basic values and professional code of ethics through training and other capacity building activities for apparatus. The government has overlooked these basic values and professional code of ethics to date. They should be introduced to civil servants from the early time they are part of the civil apparatus. Pre-service training should provide an arena for introducing basic values and professional code of ethics to the civil apparatus. It is important to reorientate and revitalize pre-service training by transforming the training into an arena to introduce and institutionalize such basic values and professional code of ethics.
2. For such basic values and professional code of ethics to be institutionalized in the life and implementation of daily tasks of the apparatus, an internal control unit in each region should be assigned to control the implementation of such basic values and professional code of ethics.
3. Establish clear regulations on relationship between civil apparatus and political officials and political appointees. These regulations are intended to complement such basic values and professional code of ethics and provide guidance for the apparatus to express an attitude and take actions related to the discharge of their responsibilities. So far, the relationship between political officials and political appointees has not been regulated clearly and, as a result, such political appointees intervene in the apparatus' activities in narrow-minded political interests of political groups and/or regional heads.

**Implementers:** Ministry of State Apparatus Empowerment and Bureaucratic Reform, National Civil Apparatus Commission, MOHA and Governors

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