

IMPLEMENTATION OF NEW PUBLIC MANAGEMENT IN IMPROVING BUREAUCRACY REFORM IN THE PUBLIC SERVICES SECTOR IN GOVERNMENT AGENCIES

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ABSTRACT

The role of the government as a public servant has been enshrined in *Undang-Undang Nomor 5 Tahun 2014 Tentang Aparatur Sipil Negara (ASN)* in chapter 10, which states that ASN function as public servants. The essence of the sound of this chapter interprets the state civil apparatus as a position occupied to carry out duties and functions as a public service whose benefits can be felt directly by the community. The relationship obtained from the concept of new public management, which adopts the role of private sector services into Government Agencies with improving the quality of public services, describes a core problem that is essential to be discussed in the current era of uncertainty. This paper aims to obtain an overview of the implementation of New Public Management in all Government Agencies by considering the characteristics of each Government Agency at the Central and Regional levels to increase Bureaucratic Reforms oriented to the Public Service sector. This study uses a qualitative approach through descriptive analysis methods based on literature studies obtained and then used as material for analysis in designing the implementation of new public management in improving bureaucratic reform in the public service sector. The results of this study show that there are six aspects of implementing new public management to improve public service reform, including making service contracts, developing customer satisfaction surveys, optimizing the implementation of E-government in public service management, implementing service quality management systems, performance-based remuneration systems, and establish public-private partnerships.

Keywords: new public management, public services, bureaucratic reforms, private sector, public sector

INTRODUCTION

The paradigm of the public service sector has always been the focus of the government's attention in determining the performance target output of Government Agencies. It impacts the changes in the current era where uncertainty and change are quickly mitigated in social life, which affects changing patterns of community needs for public services. The role of the government as a public servant is enshrined in

Undang-Undang Nomor 5 Tahun 2014 Tentang Aparatur Sipil Negara (ASN) in chapter 10, which states that ASN function as public servants. The essence of the sound of this chapter interprets the state civil apparatus as a position occupied to carry out duties and functions as a public service whose benefits can be felt directly by the community. Meanwhile, ASN is an essential tool in providing public services for the community. New Public Management (NPM) focuses on the strength of its internal organization; in other words, it can be interpreted as the concept of public services carried out through the term New Public Management adopting the concept of existing services in the private sector. The transformation of public services in applying the concept of the private sector raises several paradigms that focus on solving problems in the public sector.

In line with this explanation, public services are also included in one of the change areas in Bureaucratic Reform. Areas of change in the Bureaucratic Reform Road Map are contained in Peraturan Menteri PAN RB Nomor 25 Tahun 2020 Tentang *Road Map Reformasi Birokrasi Tahun 2020-2024*. Efforts to improve the public service sector have become one of the focus areas of change in improving good and systematic governance by minimizing the ideal bureaucratic institutional structure and not overlapping between one institution and another. Portraits of phenomena like this allow the government to take preventive action in responding to existing problems.

According to *Peraturan Menteri PAN RB Nomor 25 Tahun 2020 Tentang Road Map Reformasi Birokrasi Tahun 2020-2024*, where the function of public services makes the creation of good governance by establishing a world-class government system. In changing the dynamics of governance and responding to community needs by the dynamics of technological development, the government is trying to transform in improving the quality of public services. Especially in an era of uncertainty, all technological developments are closely related to the growth of the times.

Public services needed by the community are related to bureaucratic reform planning, which cannot be separated from more principal changes. The existence of this sector of change makes bureaucratic reform a tool for achieving excellent and world-class governance. Public service is an entity used as the basis for achieving performance targets in each Government Agency. In principle, each government agency must be kept separate from the service function carried out by internal and outside agencies, even for comprehensive public services.

Improving service quality also makes the basis for the transformation of each agency to provide an ideal and effective target output in terms of the quality of service produced. The transformation of service quality improvement has flexibility, transparency, and effectiveness elements by prioritizing the public's need for services.

The relationship obtained from the concept of new public management, which adopts the role of private sector services into Government Agencies with improving the quality of public services, describes a core problem that is essential to be discussed

in the current era of uncertainty. Technological developments also make a discussion issue that correlates with developing an effective and targeted service role based on the president's direction regarding work priorities, explaining the deeper substance of simplifying agile and dynamic bureaucracy by changing the electronic-based work system.

The mechanism for changing the electronic-based work system launched in the President's directive has a multiplier effect on the existing service system in each Government Agency. Regarding the tasks and functions carried out in the service provided, it should prioritize the elements of electronic-based services and eliminate technical and administrative procedures that are only used as complete authentic documents in the services offered by each agency.

Based on the entity described above, it can be synthesized that in the current era of digital development, Government Agencies are mandatory more able to adjust the transformation of public services and improve the elements of the new public management concept by observing and modifying existing service concepts in the private sector. Therefore, the theme of this article is the implementation of new public management to improve the quality of public services in Government Agencies.

This paper aims to obtain an overview of the implementation of New Public Management in all Government Agencies by considering the characteristics of each Government Agency at the Central and Regional levels to increase Bureaucratic Reforms oriented to the Public Service sector. Based on the explanation of the background and objectives above, the problem in this paper can be formulated as follows: How is the implementation of new public management to increase bureaucratic reforms oriented to the public service sector?

METHOD

This study uses a qualitative approach through descriptive analysis methods based on the study of literature obtained and then used as material for analysis in preparing the implementation design of new public management in improving bureaucratic reform in the public service sector to answer the formulation of the problem above. The literature sources used are books, research articles, and articles in online mass media related to new public management and increasing bureaucratic reform in the public service sector.

RESULT AND DISCUSSION

Concept of New Public Management

As many problems arise, New Public Management (NPM) can do a lot to make changes to improve to shake up public organizations that have only served themselves through ideas from the private sector. New Public Management (NPM) strongly focuses on its internal organization in the sense that NPM seeks to improve the

performance of the public sector by using methods commonly used by the private sector.

This new Public Management has undergone various orientation changes. According to Ferlie et al., as cited in Keban (2004), namely among others: (1) Orientation of The Drive, namely prioritizing the value of efficiency in measuring performance; (2) Orientation of Downsizing and Decentralization, namely prioritizing simplification of structures, enriching functions and delegating authority to smaller units so that they can function quickly and precisely; (3) Orientation in Search of Excellence, namely prioritizing optimal performance by utilizing science and technology; (4) Orientation of Public Service, namely emphasizing the quality, mission, and values to be achieved by public organizations, giving greater attention to the aspirations, needs, and participation of "users" and citizens, including their representatives, emphasizing "social learning" in the delivery of public services and emphasizing on continuous performance evaluation, community participation, and accountability.

Based on the orientation above, it can be explained that changes in the objectives of implementing new public management adjust to the need for organizational performance achievements. It must be connected to government agencies which continue to be adopted to quickly make changes to achieve excellent quality of public services by looking at various sides of the needs of the dynamic community following technological developments.

Then, there are some essential characteristics in implementing New Public Management. According to Hood (1991), the concept of New Public Management has seven main components: (1) Professional management in the public sector; (2) Existence of performance standards and performance measures; (3) Greater emphasis on output and outcome; (4) Breakdown of work units in the public sector; (5) Creating competition in the public sector; (6) Adoption of business sector management into public sector; (7) Emphasis on discipline and more significant savings in the use of resources. Several principles are mandatory, including (1) Focus more on management, not policy; (2) The existence of clear standards and measurement of the performance achieved; (3) More emphasis on controlling output, not on procedures; (4) A shift towards a greater level of competition in the public service sector; (5) Emphasis on developing management patterns as practiced in the private sector to support the improvement of public service performance; (6) There is a shift towards splitting into smaller organizational units in the public service sector; and (7) Greater emphasis on discipline and parsimony in the use of resources. The description of these characteristics and principles emphasizes that NPM is closely related to the increasing importance of services to service users, devolution, and regulatory reform towards higher quality public services.

New Public Management is a presence in the breakthrough of public services the government provides in responding to the times. As a pilot project for the public

sector, several things that indicate the characteristics of NPM that have been implemented in the Ministry of Finance and the Supreme Audit Agency are:

1. Professional management in the public sector. They implemented it step by step, namely managing the organization professionally, providing a clear definition of the main tasks and functions and a job description, and clarity of authority and responsibility.
2. Emphasis on controlling output and outcome; has been carried out using the performance budgeting designed by the Directorate General of Treasury. This change to the budget system is the most important one related to the emphasis on controlling output and outcome.
3. The breakdown of work units in the public sector; this has been done by the Ministry of Finance and the Supreme Audit Agency for a long time, namely the existence of work units at the Middle High Executive level.
4. Creating competition in the public sector; This has also been done; namely, the existence of a competitive contract and tender mechanism in the context of cost savings and quality improvement as well as privatization, regulated in Keputusan Presiden RI No 80 Tahun 2003 Tentang Pengadaan Barang dan Jasa Pemerintah.
5. Adopting a business sector management style to the public sector; almost all Middle High Executive Officers at the Ministry of Finance have implemented it, with the modernization of offices in Ditjen Pajak, Ditjen Perbendaharaan, nor Ditjen Bea Cukai, also related to the provision of appropriate remuneration *employee job grade*. Likewise, in the Supreme Audit Agency, the relationship between superiors and subordinates is increasingly dynamic, in addition to office modernization and remuneration. Seniority gaps only appear in matters of professionalism that are needed.

Discipline and saving use of resources; in terms of cost discipline, I still wonder about its implementation in these two agencies because assets are still purchased beyond the required specifications. Meanwhile, in terms of employee discipline, the presence of a fingerprint model has been very effective (Anindita, 2009). NPM is a form of reflection that combines normative principles and efforts in mapping institutional development through dynamic changes in stimulating aspects of service needs to the community.

Characteristics of Public Services Quality

In the public service paradigm that requires transformation, it provides a favorable treatment in providing a transformation strategy to reconstruct the dynamics of community needs. Changes that occur in the process of transforming community needs have a significant impact on projecting the submission of community needs.

Zethmal, Berry, and Parasuraman, as cited in Yamit (2005), have researched several types of services and succeeded in identifying five characteristic dimensions used by customers in evaluating service quality. The five dimensions of service quality characteristics are reliability, responsiveness, assurance, empathy, and tangibles. Garvin in F. & A. D. Tjiptono (2003) developed quality dimensions as performance, additional features or privileges, reliability, conformance to specification, durability, serviceability, aesthetics, and perceived quality. Some expert opinions about the dimensions of service quality suggest that several dimensions are credible, namely by fulfilling the requirements for a service to allow for customer satisfaction.

Based on the synthesis of several expert opinions, it can be concluded that the quality of public services is a change in activities that contribute to fulfilling all requirements in meeting customer satisfaction, in this case, e a community service need.

NPM Design in Improving Public Service Reform in the Government Sector

According to Pollit and Bouckaert in Manurung (2010), public service reform is a systematic, comprehensive, and continuous change so that the performance of the public sector is getting better. Public sector reform includes organizational and management elements and human resources. These changes are not only focused on changes in quantity but also quality. According to Islamy in Sinambela (2010), several main principles can be used as guidelines in optimizing the performance of the bureaucracy at the local level, which is also closely related to improving the internal conditions of the organization. These principles include:

1. **Accessibility**
All services must be easily accessible by every service user; this is related to the problem of place, distance, and service procedures.
2. **Continuity**
Efforts to prioritize the type of service must be continuously available to the community, with sure certainty and clarity that applies to the service process.
3. **Technical**
This principle relates to the service process that must be handled by officials who and the service technically based on clarity, determination, and stability of systems, procedures, and services.,
4. **Profitability**
Services as much as possible can be carried out effectively and efficiently, providing economic and social benefits for the government and the wider community.
5. **Accountability**
The production process and the quality of services that have been provided must be accountable to the community because government officials essentially have the task of delivering the best possible service.

The characteristics of NPM provide a pattern that explains that the adopting services in the private sector can be implemented by adjusting how public services are in the government sector. Budget absorption in the management of public services provides a benefit in optimizing the role of the government.

The implementation of NPM is seen as a form of management reform. Depoliticization has an impact on unequally decentralized power and has a significant impact on implementing changes and engineering all forms of change area entities. The application of the New Public Management (NPM) concept has provided a dramatic improvement in the public sector, such as traditional management in personnel management towards the era of digital-based public services. The transformation of these changes resulted in several paradigms determining a new paradigm constructed from the dynamics of society. The philosophy of New Public Management determines the community's response to changes in public services with several essential aspects as the basis of constructivism by determining the direction of appropriate changes in aspects of public service. This paradigm provides overlapping outputs in the implementation process. The implementation process developed in the service system change can be seen from private sector policies.

The mechanism of socialist change is carried out by making a significant stage of changing the dynamics of society. This pattern of change impacts the polarization of community needs in fulfilling those in the community. The existence of a digital-based public service application system provides a polarization of conformity in applying the working mechanism of the state civil apparatus in providing public services. Following up on this, the government's mechanism for delivering public services carries out the main elements according to the regulations provided—the transformation of organizational dynamics formed by the government. In line with this, every change initiated in obtaining excellent public services transparently and quickly through dynamic changes provides a multiplier effect by emphasizing the target orientation set by each organization. The dynamics of changes that occur stimulate each agency in delivering public services. The paradigm of adjusting the work system through the New Public Management mechanism provides a shift in stages by elaborating managerial concepts that affect all countries in the world, although at different levels according to the position level.

In implementing the changing pattern of public services, the duties and functions of the government provide an overview of the diverse patterns of public services and are based on technological developments. The changes that occur with the transformation process maximally increase the quality of public services.

The implementation of bureaucratic reform in each government agency is based on the policies/programs/activities outlined in the Grand Design of Bureaucratic Reform, the Road Map of Bureaucratic Reform, and various implementation guidelines. Some of the actions have been implemented in efforts to reform public services in Indonesia, but these reform actions still need to be fully implemented. It

will be more effective and efficient if the concepts and characteristics of new public management can be elaborated with the public service reforms that have been applied to Government Agencies, including:

1. **Setting Service Standards (SPM and SOP)**
Service standards have a significant meaning in public services. The service standard is a commitment of service providers to provide services with a certain quality, which is determined based on community expectations and service providers' ability. Service standards are determined by identifying the type of service, customer identification, customer expectations, formulation of service vision and mission, analysis of processes and procedures, facilities and infrastructure, service time, and cost.
2. **One-Stop Service**
Peraturan Menteri Dalam Negeri Nomor 24 tahun 2006 Tentang Pedoman Penyelenggaraan Pelayanan Terpadu Satu Pintu regulates services for licensing and non-licensing applications are carried out by Perangkat Daerah Penyelenggara Pelayanan Terpadu Satu Pintu (PPTSP), namely local government apparatus that has the primary task and function of managing all forms of licensing and non-licensing services in the area with a one-stop system. The development of this system is carried out in stages and continuously by the Minister of Home Affairs and Regional Heads according to their respective authorities. The PTSP program has been implemented in several offices/services, such as Licensing and Investment Office (BPPT), which combines services in the licensing and investment fields in one place. It aims to simplify and speed up service. Another goal is to attract capital from investors.
3. **Community Complaint Management System Development**
It is a source of information for the efforts of service providers to maintain the services they produce by established standards consistently. Therefore, it is necessary to design a complaint management system that is effectively and efficiently capable of processing various public complaints into input for improving service quality, such as the suggestions/complaint boxes in the service agency or office, direct complaints to the commission or complaints agencies such as KPK (institution for complaints against acts of corruption) and Ombudsman (institution for complaints against agencies that provide inadequate services).
4. **Pick-up-the-ball service (mobile)**
The current government paradigm is to provide good and excellent public services, including administrative services. You don't have to wait for the ball, but pick up the ball. Government public services must be closer to the people, not away from the people. If you look at the geographical condition of Indonesia, which is dominated by mountains, living in rural areas far from

the city center and government offices, limited facilities and infrastructure make rural communities receive less attention from the government on access to public services. To be able to provide services to all communities, especially rural communities, the government is more aggressive in approaching the community through mobile service programs, namely service providers who come to the community for the sake of creating good governance.

For bureaucratic reform to run well, it is necessary to take change management steps. Change management is diagnosing, initializing, implementing, and integrating individual, group, or organizational changes to adapt and anticipate changes in their environment to continue to grow, develop, and generate profits.

Based on the references and literature review, it can be analyzed that there are seven steps to implementing new public management in improving public service reform so that it is optimal:

1. Mobilize the energy and commitment of the organization's members by determining all members' goals, challenges, and solutions. At this stage, every line in the government agency must know what the agency aspires to, what they face, and how to deal with or solve the problem together. For them to be moved to work on a common solution, they need to be involved in discussions and decision-making.
2. Develop a shared vision. This is done to organize and organize oneself and the organization to achieve what they aspire to.
3. Determine leadership. In government agencies, leadership is usually held by echelon officials. Leadership must exist at all levels to control change. The top leader must ensure that competent and honest people act as leaders at the levels below.
4. Step four, focus on output. This step is carried out by creating an assessment mechanism that can measure the work results of each employee or each team assigned a specific task. Start changing small units in the agency, then push for the change to spread to other units throughout the agency.
5. Create formal rules, systems, and structures to enforce change, including ways to measure the changes.
6. Monitor and adjust strategies to respond to problems during the change process.

In addition to restructuring management, in improving bureaucratic reform, strategic efforts are needed, which are also known as bureaucratic reform strategies, ranging from the policy, organizational, and operational levels. At the policy level, various policies that encourage bureaucracy oriented towards fulfilling citizens' civil rights (legal certainty, deadlines, procedures, participation, complaints, lawsuits) must be created. At the organizational level, it is carried out through improving the competency-based recruitment process, education and training sensitive to the

community's interests, and developing Individual Performance Standards, Team Performance Standards, and Government Agencies Performance Standards. At the operational level, improvements were made through improving service quality, including tangibles, reliability, responsiveness, assurance, and empathy. Government agencies periodically measure customer satisfaction and make improvements.

The current public demand for quality public services will be strengthened. Therefore, the government's credibility is largely determined by its ability to overcome the problems mentioned above to provide public services that satisfy the community according to its capabilities. From the internal side of each agency, things that can be done in implementing new public management to improve public service reform are as follows:

1. Make a service contract (Citizens' Charter). The service contract is an approach to implementing public services that place service users as the center of attention. A service contract is required for several reasons, including to provide service certainty, which includes time, costs, procedures, and service methods; provide information regarding the rights and obligations of service users, service providers, and other stakeholders in the entire process of service delivery; make it easier for service users, citizens, and other stakeholders to control the practice of service providers; to facilitate service management improve the performance of service providers; help service management identify the needs, expectations, and aspirations of service users.
2. Customer Satisfaction Survey Development. To maintain community satisfaction, it is necessary to develop a mechanism for assessing community satisfaction with the services provided by public service providers. In the concept of service management, customer satisfaction can be achieved if the service products offered by service providers meet the quality expected by the community. Therefore, customer satisfaction surveys have an important meaning in efforts to improve public services.
3. Optimizing the implementation of E-government in public service management. In this case, government institutions are increasingly encouraged to develop transaction and communication models that fully utilize the Internet network to reduce costs and transform service providers to the community by reducing face-to-face, which is a source of corruption. The advantages of implementing e-government in districts/cities are (a) improve service quality: 24-hour public services can be accessed anywhere (thanks to internet technology); (b) By using online technology, many processes can be carried out in digital format, this will reduce the use of paper (paperwork); (c) integrated database and processes: higher data accuracy, reduced identity errors and more; (d) All processes are transparent because everything runs online; (5) Reducing KKN (corruption, collusion, nepotism) actions due to limited face-to-face services.
4. Implementation of Service Quality Management System (Total Quality Management/ TQM). TQM is a new paradigm in management that seeks to

maximize organizational competitiveness through continuous improvement of the quality of goods, services, people, and the organization's environment. TQM can be achieved by paying attention to the following: customer focus, obsession with quality, scientific approach, long-term commitment, teamwork, continuous system improvement, education, and training (F. Tjiptono, 1997). Meanwhile, according to Gaspersz (1997), the quality of service must pay attention to timeliness, accuracy of service, courtesy and friendliness, responsibility, completeness, and ease of getting service.

5. **Performance-Based Remuneration System.** Governments in NPM are forced to adopt business administration techniques and business values. These business values include competition, customer choice, and respect for the entrepreneurial spirit. Since 1990, reforms in the public sector have required that the advantages in the private sector are adopted in the public sector management principles. The essence of New Public Management is to bring a profitable business paradigm into the state administration by transforming the performance habits of the public sector into market orientation and being encouraged to compete healthily. Based on the literature review, in adopting a management style from the business sector to the public sector, there is a reward system applied by each agency, namely the incentive and remuneration system. Incentives are given to employees whose performance is good; one of the assessments of employees who manage to save the budget is the provision of allowances based on the burden of responsibility for the main tasks and attendance—incentives in the form of money and promotions. Performance appraisal is carried out every three months using an internal control and supervision system; normatively, the assessment is carried out by direct superiors, colleagues of the same position, and even subordinates. From the results of the performance assessment, it affects the amount of remuneration allowances according to job grade. To improve the performance of each unit, High Executive Officers motivate employees to work through their respective field programs and provide opportunities for innovation and creativity in implementing the program to create community satisfaction. Sanctions are also given to employees who commit violations or disciplinary actions. Sanctions are given after the employee concerned is reprimanded for his disciplinary action. The forms of sanctions range from verbal reprimands, salary reductions, demotion, and even dismissal as civil servants according to the applicable laws and regulations. Apart from giving awards and sanctions, one of the adoptions of the business sector management style is the work environment designed to follow the entertainment style or flexibility so that it doesn't seem stiff like a bureaucratic office in general.
6. **Establishing Public-Private Partnership.** The development of the government paradigm today has changed governance to be more open so that there is a division of roles and cooperation between elements of the government, the private sector, and the community. Public demands for the increasing quality of

public services encourage the government to share roles with non-government elements. The government can only carry out some affairs due to limited funds and human resources, so cooperation and partnerships with other parties must be carried out so that the quality of public services can still meet the community's demands. Various forms of cooperation have been practiced for a long time, including privatization, contracting out, building operation transfer, building own operations, and then model public and private partnership (PPP).

CONCLUSION

New Public Management (NPM) is a decentralized management system with new management tools such as controlling, benchmarking, dan lean management. Meanwhile, for others, NPM is understood as the privatization of government activities as far as possible.

The goal of NPM is to change a rigid public administration into a flexible public administration system to produce effective and efficient service quality and achieve excellent service. The quality of service must always be considered by all service providers, especially for state civil servants in Government Agencies, so that the degree of community needs for public services can be met.

From the internal side of the agency, things that can be done in implementing new public management to improve public service reform include making service contracts, developing customer satisfaction surveys, optimizing the implementation of E-government in public service management, implementing service quality management systems, performance-based remuneration, and forging public-private partnerships.

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