



Structural and Cultural Reforms in the Indonesian Bureaucracy

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Abstract

Bureaucratic reforms carried out in Indonesia at present has five main goals and objectives, namely a clean bureaucracy, bureaucracy is efficient, transparent bureaucracy, bureaucracy that serves well as a decentralized bureaucracy. The five targets and objectives are more directed at the implementation of structural reforms in the bureaucracy, but bureaucracy is a form and order which contains the structure and culture. Structure refers to the arrangement of a temporary order that contains the value of culture, systems, and custom made by the principals that reflect the behavior of human resources. Therefore, institutional reform of the bureaucracy including the composition of a government bureaucracy, as well as the values of reform, governance systems and procedures of the behavior of human resources. In connection with the reform of the bureaucracy that should be done with reference to the two aspects are equally important, namely the institutional aspects that lead to the reform of its structure, levels of hierarchy and management system; and reform of aspects of culture, namely rearranging organizational culture that had been executed.

Introduction

The decade of the 2000s is an era where in Indonesia there is a very fundamental change in governance management. In this decade was the start of reform of Indonesian governance with the main goal of creating clean, corruption-free, collusion and nepotism, accountable and transparent governance. In general, governance reform of the Republic of Indonesia has three fundamental objectives namely, the structuring of state governance, decentralization of government, and state financial reform.

The scale of reforms undertaken by the Indonesian government is considered to have a very wide scope. In fact, it is often seen as too broad and too fast when compared with what has been done by many countries in the world. Indonesia is also seen to have made radical changes in the relationship between the center and the region through government decentralization programs that have not been pursued by any country in the world.

However, such broad reforms and such radical changes have not succeeded in creating good governance in Indonesia. It is well known that the vision of reformation, especially the reform of bureaucracy, is the realization of good governance, while the mission of bureaucracy reform is to build, rearrange, refine, nurture and curb the government bureaucracy, to be able and communicative in carrying out its roles and functions.

The targets and objectives of bureaucratic reform are five things. *First*, the establishment of a clean bureaucracy, which includes anti-corruption bureaucracy, collusion and nepotism and reduced corrupt behavior of civil servants. *Second*, efficient and cost-efficient bureaucracy in the use of limited resources. *Third*, a transparent bureaucracy is a bureaucracy whose entire

policies and activities are known to the public and the community can access them easily. *Fourth*, the bureaucracy that serves, the bureaucracy that does not ask to be served, but the bureaucracy that serves the community. *Fifth*, decentralized bureaucracy, which refers to the authority of decentralized decision-making to the leadership of the leading work unit.

The five targets and targets of the bureaucracy reform have not been able to be realized by the government. This is according to Thoha (2002) because the government bureaucracy is increasingly co-opted and intervened by political parties preparing for the election victory for their party. The interests of the party's subjectivity are getting stronger to master the government bureaucracy. This resulted in government bureaucracy compartmentalized as a plot of political parties. Political parties are building blocks in government bureaucracies for the benefit of their party. The neutrality of the government bureaucracy against the power of political parties is difficult to avoid.

The presence of political parties in government can no longer be avoided. But the need to create a system of government bureaucracy that is neutral, professional, and steady cannot also be avoided. Both are essential needs that the government should be aware of. Institutional government bureaucracy should get the first attention before everything is fixed.

The conditions mentioned above should be used as one of the strategies for change or reform of the bureaucracy. This strategy can be initiated by institutional reform of the government bureaucracy. According Thoha (2002) bureaucratic institution is a form and order that contains structure and culture.

Structure refers to the order of an order, while the culture contains values, systems, and habits perpetrated by the actors that reflect the behavior of its human resources. Therefore, the reforms of bureaucratic institutions include the composition of a bureaucratic government structure, as well as the reform of the values, system, and behavioral system of its human resources.

From the description it is seen that there are two important aspects in the implementation of bureaucratic reform. *First*, is the reform of the institutional aspect, in which the government bureaucracy must reorganize the existing institutions. This arrangement can be done either from the aspect of structure, hierarchy level or management system. *Second*, is the reform of the cultural aspect. Namely reorganizing the bureaucratic culture that is applied so far.

Organizational Culture

Organizational culture has a broad meaning. According to Luthans (1998) organizational culture is the norms and values that direct the behavior of members of the organization. Each member will behave in accordance with the prevailing culture to be accepted by the environment. Meanwhile Stoner, Freeman & Gilbert (1995) defines organizational culture as a cognitive framework that includes attitudes, values, behavior norms and expectations contributed by members of the organization.

Schein (1992) defines organizational culture as a pattern of the basic assumptions found, created or developed by a particular group with the intention that the organization learns to overcome or overcome its problems arising from external adaptations and internal integration that have been running well enough, so it needs to be taught to new members as the right way to understand, think and feel with regard to the issues.

Sethia and Glinow (in Collins & Mc Laughlin, 1996) distinguish between four different organizational cultures:

Apathetic Culture

In this type the attention of the members of the organization to the relationships between human beings and the performance of task execution, both are low. Here awards are given primarily based on political play and manipulation of others.

Caring Culture

Organizational culture of this type is characterized by low attention to performance and high attention to human relationships. The rewards are more based on team cohesion and harmony, and not based on the performance of the task.

Exacting Culture

The main characteristic of this type is that attention to people is very low, but attention to performance is very high. Here the economic rewards are very satisfactory, but the punishment for failure is also very heavy. Thus, the security level of the job is very low.

Integrative Culture

In organizations that have an integrative culture, attention to people as well as performance, both are very high.

From the above description if bureaucratic organizations in Indonesia are analyzed using four types of culture, it can be concluded that most bureaucratic organizations in Indonesia have a Caring organizational culture. In general, bureaucratic organizations in Indonesia usually have very low attention to the performance of task implementation, but have a very high attention to the relationship between humans. This is evident from the characteristics of bureaucrats as follows; (1) More concerned with the interests of the leadership rather than the interests of clients or users of services; (2) More to feel as a servant of the state than a public servant; (3) Minimize risk by avoiding initiatives; (3) Avoiding responsibility; (4) Refuse challenges; (5) Do not like to create and innovate in carrying out its duties.

This caring culture is not suitable in a public service-oriented organization; therefore it is necessary to adopt a new organizational culture that is more suitable and conducive to public service management.

Hofstede, et.al (1990) further divides organizational culture into six practical dimensions: (1) process-oriented versus result-oriented; (2) employee-oriented versus job-oriented; (3) parochial versus professional; (4) open system versus closed system; (5) loose control versus tight control; (6) normative versus pragmatic. These six dimensions are attached to each organization. For more details about the six dimensions can be seen in the following table.

Table 1. Characteristics of Organizational Cultural Dimensions

Process-oriented	Result-oriented
1. Avoid risk 2. Limited effort 3. Monoton from day to day	1. Take risks 2. Maximum effort 3. Dynamic from day to day
Employee-oriented	Job-oriented
1. Organizational responses to the welfare of employees 2. The decisions are made by the group	1. The organization is only concerned with the employment of employees 2. Decisions are made individually
Parochial	Professional
1. The organizational working norm as well as the norm in the household	1. Organizational Life based only on job competence

2. Operation organization is based on social and family background (employee) 3. Do not look far ahead 4. Low level of employee education	2. Thinking far into the future
Open System	Closed System
1. The organization and its people are open to new views and outsiders 2. Almost everyone feels comfortable in the organization 3. New employees only need a few days to adjust	1. The organization and its people are closed to outside parties 2. Only certain people feel comfortable in the organization 3. New employees need a relatively long time to adjust.
Loose Control	Tight Control
1. Nobody thinks about cost 2. Time of meeting in time 3. Frequent humor	1. The work environment is aware of the cost 2. Time of meeting on time 3. Rarely humor
Pragmatic	Normatif
1. Emphasis on consumer needs, results are more important than the correct procedure 2. Ethics are more pragmatic than dogmatic	1. Emphasis on the correct procedure, procedure is more important than result 2. Standard units are felt very high

Source: Hofstede, G., et.al. 1990. *Measuring Organizational Cultures: A Qualitative and Quantitative Across Twenty Cases*, Administrative Science Quarterly, Vol. 35, p. 286-316.

Meanwhile Kotter & Heskett (1992) mentioned that the current literature is sufficient to support the assumption that strong culture leads to higher performance, so more important is to conduct further study.

This "further study" perspective is important, at least for three reasons: (a) it may be the first major effort to link organizational culture to long-term economic performance; (b) for highlighting the effects of a strong culture on alignment of goals, motivations and controls; and (c) for winning the attention of many. This perspective says that strong culture leads to strong performance, but on the contrary, it also happens that strong performance can help create a strong culture (Schein, 1992).

Bureaucratic Reform

The word "reform" has become a kind of commodity in the context of national and state life in Indonesia lately. Everywhere we must hear the reforms, whether we attend discussions, seminars or daily conversations. Widespread talk of reformation has led to various interpretations of the meaning of reform itself. The word reformation comes from the English word "reform" which means improvement or renewal.

Dwiyanto, et.al (2006) said that bureaucracy reform in organizing government activities and public services is directed to create professional and accountable bureaucracy performance. The bureaucracy in conducting various service improvement activities is expected to be more oriented towards customer satisfaction or the service user community.

Meanwhile Hardjapamekas (2003) argues that bureaucratic patterns that tend to be centralized, and less sensitive to the economic, social and political development of society should be abandoned, and directed in line with the demands of society. An open, professional and

accountable bureaucracy must be created. Furthermore, it is said that bureaucratic reform becomes an urgent effort considering the vast implications for society and the state. It needs serious efforts to make bureaucratic reforms smooth and sustainable.

Bureaucratic reform in Indonesia, according to Sarundajang (2003) is an act of change or renewal with dimension of restructuring, revitalization and refunctionalization. Restructuring is the act of changing structures that are deemed to be incompatible with the demands of the times and are considered ineffective in furthering the organization. Revitalization is an effort to provide additional energy or power to an organization or institution in order to optimize the performance of the organization. Therefore revitalization will be related to the re-formulation of task description, the addition of authority to strategic units, the increase of budget allocation, the addition or replacement of various supporting instruments in carrying out the duties of the organization. While refunctionalization is more related to the action or attempt to re-function something previously not working. In this case refunctionalization leads more to the sharpening of organizational professionalism in carrying out its mission.

From the above description then the bureaucracy reform will lead to the three dimensions of the reform. In this connection bureaucracy reform is done to form a bureaucratic organization that can truly meet the demands of the people with faster, cheaper, and better service.

Relationship Between Organization Culture with Bureaucratic Reform

In the previous description it has been mentioned that one of the causes of the lack of successful bureaucratic reforms to support the implementation of a trustful governance is because the government has not paid serious attention to changes in organizational culture.

Organizational culture is very influential on the success and death of an organization. That's why a company is willing to spend enormous funds to change its culture to keep up with its ever-changing environment. In contrast, state government bureaucracy lacks attention to environmental change for two reasons. First, conceptually when Max Weber formulated the concept of bureaucracy approximately 140 years ago, bureaucratic organizations were assumed to be an organizational form suitable for a stable environment and to perform massive but redundant tasks. Thus the shape and culture of the organization must change when the task of the organization and its environment changes.

Organizational culture (bureaucracy) is a collective agreement on shared values in the life of an organization and binds everyone in the organization concerned (Sondang P.Siagian, 1995). Therefore, the organizational culture of the bureaucracy will determine what organizers can and should not do; determine the normative boundaries of the behavior of members of the organization; determine the nature and forms of control and oversight of the organization; determine the managerial style that is acceptable to the members of the organization; determine the right way of working, and so on. Specifically, the important role played by organizational culture (bureaucracy) is to help create a sense of ownership of the organization; creating the identity of the members of the organization; creating an emotional attachment between the organization and the workers involved; helping to create organizational stability as a social system; and find patterns of behavioral guidelines as a result of the norms of habit that are formed in everyday life.

In connection with the above, the bureaucratic reform as a process must be guided by the normative rules that have been determined by the bureaucratic organization concerned as a manifestation of organizational culture. Therefore, failure in bureaucratic reform is often caused by the bureaucratic apparatus is not aware of the changes and shifts that occur in the culture of the community environment.

One of the obstacles often encountered in the implementation of bureaucratic reform is the absence of an anticorruption culture, thus making ethical values of power, conflicts of interest, justice, and propriety unfold in the life of the government bureaucracy and the wider community. As a result, people's tolerance to illegal pungli is very high. Most stakeholders assess the extortion as a natural thing.

An important anti-corruption culture is developed because the act of corruption is primarily a matter of values, morality, and morality. The desire to commit acts of corruption mostly arises because of the development of wrong values and morals and bad morals to enrich themselves or collect the treasures in an easy way and without having to work hard. The desire to collect excessive treasures with no hard work becomes the culprit of the proliferation of corruption practices in Indonesia. Corruption should therefore not only be seen as a form of violation of law or abuse of power in government bureaucracy. Reducing the understanding of the concept of corruption into a matter of lawlessness, the abuse of bureaucratic power, or the low level of welfare of employees and public officials is a simplification of the concept of corruption that is excessive and can be misleading. Conversely, making the problem of corruption as a cultural problem is simply not wise because actually corruption in Indonesia is a complex and multidimensional phenomenon.

The development of a cultural strategy is highlighted here as efforts to build a new culture that institutionalizes anticorruption values receive less attention from public officials and stakeholders. The recent fight against corruption tends to use a narrow strategy because it focuses heavily on law enforcement aspects but has not yet touched on other dimensions, such as public bureaucracy reform, anticorruption education, and cultural development, morality, noble character and noble values which is able to fortify public officials from disgraceful behavior. Law enforcement is certainly very important and should be done firmly, but not enough to eradicate corruption. Strong and firm law enforcement without the changes of the values and morals system will only make corruption more sophisticated. As a result, in Indonesia today many developing actions are essentially corrupt, but not violating the law.

Building Ethical Behavior and Organizational Culture

Amrizal (2004) says that every organization is responsible for trying to develop an organizational behavior pattern that reflects the honesty and ethics that are communicated in writing and can be used by all employees. The culture must have roots and have noble values that form the basis for the management ethics of an organization or an entity.

The commitment of Top Management in the Organization

Management must provide a strong example and a strong will to build a strong culture within the organization it leads. The role of moral / good personality of a leader and strong commitment strongly encourages the establishment of an ethical behavior in an organization and can be used as a basis for action and role model for all employees. Leaders can not want a high ethical and behavioral attitude from an organization while the leadership itself is not serious to make it happen.

Building a Conducive Organizational Environment

Many research results provide indications of misconduct or fraudulent behavior as corruption takes place within an organization because of a lack of positive employee concern about the wrongdoing is even considered to have been a regular thing or pretended not to know. A positive awareness of the work environment is necessary in building a strong ethical behavior and culture of organization. Lack of concern and low morale will nourish fraudulent acts that will ultimately damage and even destroy the organization.

Employee Recruitment and Promotion

Each employee has each set of values of honesty, integrity and personal code of ethics. When an organization or entity succeeds in the prevention of fraud, it ensures that the organization already has effective policies that minimize the possibility of recruiting or promoting employees with low levels of honesty, especially for positions that require a high level of trust. Organizations must have recruitment and promotion procedures that minimize the occurrence of fraudulent charges.

Ongoing Training

New employees should be trained on organizational or entity values and implementation standards at the time of recruitment.

Creating Effective Communication Channels

Management requires information on the implementation and accountability of the work whether it has been milked with code of ethics or not from each employee. Each employee must be able to inform about the implementation of the code of ethics ranging from the holder of the highest position to the lowest. Requests for confirmation are made at least once a year, this is not just a formality but the report can be used as a deterrent and detection in case of fraud within the organization. Honest reports from employees are needed and not on the basis of hurt or irresponse to someone.

Enforcement of Discipline

Discipline is an important key to success in implementing and maintaining a code of ethics within an organization. Discipline action will be able to reduce the fraud committed by employees. The view of the consequences of fraud should be clearly disseminated to all employees. Employees must be disciplined with time and resources. Any act of violating the discipline of the organization shall be liable to sanctions. A disciplined employee will be able to improve organizational culture.

In the process of bureaucratic reform, questions often arise, what kind of organizational culture model should be built? And how to build such a culture? According to Lako (2004) the ideal organizational culture model for an organization is that it has at least two traits. *First*, strong, meaning that the built organizational culture must be able to bind and influence individual behavior to align between individual goals and group goals with organizational goals. In addition, the organizational culture built must be able to encourage the actors of the organization and the organization itself to have goals, objectives, perceptions, feelings, values and beliefs, social interactions and shared norms that have a clear direction so that they are able to work and express their potential in the same direction and purpose, and in the same spirit.

Second, dynamic and adaptive, meaning that the organizational culture to be built should be flexible and responsive to the development of the internal and external environment of the organization.

To build a model of organizational culture that has these characteristics, according to Porter & Parker (1992) there are a number of conditions (prerequisites) that must be done, namely; (1) The feelings need (*felt need*) of all the organizers; (2) The commitment of top management; (3) The shared mindset, that is, the facilitators need to work hard to encourage each member of the organization to focus on understanding where the organization will move in the future and what it means for the role of the individual; (4) The existence of employee involvement, namely that all employees must be actively involved in the process of making change into a reality; (5) There is adequate training (focused training); (6) Accountability.

According to Lako (2004) there are several approaches that can be done by the actors of the organization, especially the executives who have the power in organizing the organization, to build the model of organizational culture as mentioned above. *First*, a top-down approach, meaning top management takes the initiative to formulate, develop and operationalize a strong, adaptive and dynamic organizational culture model, and then communicated to all members of the organization to be consistently implemented.

Second, the bottom-up approach, meaning that the formulation and development of an ideal organizational culture model is left entirely to lower and middle level management and all employees, while top management acts as a guide and summarize. The third approach is the inter-active approach, meaning top management and lower levels of management and employees together "sit in a round table" to formulate an ideal organizational culture model that fits into the vision, mission and goals of the organization. Of the three approaches, the last approach is the best and has minimal risk of failure because it accommodates all the thoughts and interests of each party in the organization who has different interests.

In the context of bureaucratic reform, there are some practical steps that a bureaucracy organization needs to take in building an organizational culture. *First*, it breaks down an authoritarian, rigid and closed leadership style towards employees, with an open and transformative leadership style. Open leadership style means the existence of transparency and accountability of the leadership to give responsibility or explanation openly and honestly to the employees about all matters relating to what has been, is and will be implemented or achieved by organization. A transformative leadership style, meaning leadership that has a vision to the fore and is able to identify environmental changes and be able to transform those changes into the organization, spearhead change and provide motivation and inspiration to the employee's individuals to be creative and innovative, and build a solid teamwork; bringing about renewal in the work ethic and performance of management; brave and responsible to lead and control the organization.

Second, invite all employees to openly and honestly dialogue on all matters concerning employees, management, organization, and organization and employee expectations to build sustainable organizational success. Third, disseminate to all members of the organization to reform the organizational culture and invite them to be actively involved in the reform process. In this process the old paradigm that assumes employees as organizational assets should be transformed into a new paradigm that they are stakeholders who have an organization.

Fourth, provide training, development and socialization to all members of the organization so that they can understand and implement the vision, mission, goals and objectives of the newly built organizational culture. Fifth, re-design the management system and organizational control system in accordance with the new spirit and spirit of the newly built organizational culture. Sixth, if you have difficulty in building and designing an organizational culture, use the services of a consultant to identify, design and rebuild a strong, dynamic and adaptive organizational culture model that matches the form, characteristics, mission statement, goals and objectives of the organization.

Conclusion

From the descriptions that have been described above, several conclusions can be drawn as follows; (1) In simple terms, the vision of reform, especially bureaucratic reform, is the realization of good governance, while the mission of bureaucratic reform is to build, rearrange, perfect, foster and discipline the government bureaucracy, so that it is capable and communicative in carrying out its roles and functions; (2) In the implementation of bureaucratic

reform, there are two very important aspects to note, namely reform from the institutional aspect and reform from the organizational culture aspect; (3) One of the reasons for the failure in implementing bureaucratic reform in Indonesia is the lack of attention to changes in organizational culture patterns that exist within the government bureaucracy; (4) Bureaucratic reform as a process must be guided by the signs of normative rules that have been determined by the bureaucratic organization concerned as the embodiment of the organizational culture; (5) To build ethical behavior and bureaucratic organizational culture is largely determined by factors: commitment from top management, building a conducive organizational environment, recruiting and promoting employees who have a high level of honesty, continuous training, creating effective communication channels and upholding discipline. In bureaucratic reform, the cultural model that is built must have at least two characteristics, namely strong, dynamic and adaptive.

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