Determinants of Successful Administrative Reform

(A Case in Indonesian National Institute of Public Administration)

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Abstract—**Most administrative reforms in public organization yield unstatisfactory outcomes. They are blocked outright or implemented less seriously. However, empirical studies that seek to draw lessons from the experience of adminstrative reform implementation are rare. By case studi, the process of reform in Indonesian National Institute of Public Administration (NIPA), we discovered a number of determinants to success. Successful Implementation of administrative reform requires full support from the top leaders, ensuring the need for reform and policy mandate, consolidating internal support and commitment, creating a cross functional team and a strategy for reaching the desired end state, obtaining support from powerful external actors, making reform a dynamic process, and maintaining momentum and political leadership commitment.**

Keywords—successful implementation, administrative reform, public organizations

I. INTRODUCTION

The success of the existing administrative reform depends on the effectiveness of development or transformation in public organizations. However, there is not much literature, discourses and empirical studies regarding this concern that can explain how to achieve successful development and transformation in public organizations. Literature as well as empirical studies on the topic are increasingly required, considering that most of the initiatives of administrative reform in many cases did not generate substantive changes; in other words, they failed to produce satisfactory results. Some of them even got resistance in the implementation stage [1][2] or allowed distortions in the implementation of the reform programs [3].

The failure in administrative reforms according to Beer, Eisenstat and Spector is because most programs refer to theories which are fundamentally flawed [4]. The most current literature related to the successful development or transformation of public organizations is proposed by Kotter [5], Fernandez and Rainey [6], Wescott, Bowornwathana and Jones [7], Pollit and Bouckaert [8] and Rainey [9], as well as Kee Newcomer and Davis [10]. However, the literature is often perceived to possess a number of limitations when used as a guideline in implementing reform initiatives for other contexts, especially at the organizational level.

Fernandez and Rainey point out that the successful transformation of public organizations relies on the support and commitment of the top level Civil Servants (PNS). This means that the career leaders (the civil servants) should strongly support and lead the reform processes. This theoretical concept could give rise to a conflict of interest if the purpose is to streamline the organizational structure as this may cause a potential loss of position and will have a major impact on those officials. Loss of position and the following impact thereof is a logical reason for resistance to reform [11][12][13][14] [15]. When the reform requires streamlining the organizational structure, and if the reform architects who are at the highest rank want to retain their position, then the support for and commitment to the implementation of such reform will be difficult to attain.

A study by Kee, Newcomer and Davis only offers a limited explanation. It states that that the role of the architects and advocates of the transformation of the public organizations should be held by the top level career leaders (civil servants). The function of architect puts the career leaders as owners of the transformation in public organizations, while the function of advocate positions the career leaders as policy makers who decide priority changes in their scope of work. This requires the reform coalition for a successful transformation of public organizations that comprise officials of all hierarchical positions within an organization, from the top leaders to the supervisor level. This theoretical account seems problematic because every public organization accommodates many different interests. It would be difficult to develop a coalition when each member brings his own interest and feels threatened because his interest will probably be affected by the changes.

To cope with the theoretical limitations, the implementation of reform in the National Institute of Public Administration (NIPA), deserves greater attention. Since the government runs the bureaucracy within its operations, NIPA has made several fundamental changes in many significant areas [16]. Such changes include streamlining the organizational structure, initiating an open recruitment system,

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eroding the long-standing tradition of bureaucratic culture and building new ones, and updating the existing training system [17]. Interestingly, the fundamental changes in NIPA have been carried out successfully over a time span of less than three years.

The reform in NIPA is actually appropriate to be studied in more depth as it shows experiences that cause the development or transformation of a public organization, especially when reform gets a strong resistance or potentially gives rise to resistance. The study will focus on digging up information about the determinants of the successful implementation of administrative reform in public.

II. RESEARCH METHOD

This research is a case study on the National Institute of Public Administration (NIPA) of the Republic of Indonesia that was based on the Post-Positivist paradigm. The design of the case study was selected to develop theory in accordance with the main objectives of this research [18]. The data collection technique used was in-depth interviews ofa number of informants. The informants were determinedby using a purposive technique. The key informants in this study were the NIPA officials in 2012-2014, namely Agus Dwiyanto as the Head of NIPA, Desi Fernanda, Endang Wirjatmi, Mahdum Priyatno and Sri Hadiati as the Deputy Officials, Adi Suryanto, Anwar Sanusi and Triwidodo Wahyu Utomo who belonged to the Bureaucratic Reform Team of NIPA. The informants from outside the NIPA were figures such as Muhammad Yusuf,the Deputy of BureaucraticReforms at the Ministry of State Apparatus and Bureaucratic Reform. Processing and analysing the data in this study included five (5) stages, namely 1) sorting and classifying, 2) open encoding, 3) axial encoding, 4) selective encoding, and stage 5) translating and observing [19]. To test the validity in this study was undertaken in two ways: (1) performing a triangulation of information against various data sources by examining the supporting evidence, (2) collecting opinions of interviewees about the credibility of the findings and interpretation of this [20].

III. RESULT AND DISCUSSION

A. *Recognizing the Needs and Policy Mandate*

The need for change at NIPA can be seen from both external and internal perspectives. Internally, the need for change at the institution has already long been identified and communicated at the National Work Meeting in 2007 in STIA LAN Campus, Pejompongan, South Jakarta. On that occasion, there was a strong urgency toward change, since NIPA was assessed to be losing its role and identity both as a academic and training institution. There has been an awareness of the need to make changes which was triggered bythe presence of fragmentation which requires reform and an updated system in structure and formality in the delivery of training. In the view of external factors, there has been the Government demanded a change in NIPA. NIPA had already been required to carry out structural consolidation in 2010, as contained in the

National Medium Term Development Plan (RPJMN) year 2010-2014. This mandate was later reinforced by the Decree of the Ministry of State Apparatus and Bureaucratic Reform Number 99 of 2012 concerning the organization structuring team for ministries/agencies. These findings revealed that the demand for change is not necessarily enough to encourage organization reform. The demand should be reinforced by a formal juridical basis. In the case of NIPA, the presence of RPJMN and the Decree of the Ministry of State Apparatus and Bureaucratic Reform acted as the juridical foundation for reform.

B. *Provide a Plan*

The Ministry of State Apparatus and Bureaucratic Reform has set up a roadmap for bureaucratic reform in Indonesia. However, in NIPA, the bureaucratic reform did not follow the roadmap, instead they have set up their own plan later called the intangible roadmap. The reform plans in NIPA needed to be adjusted to the psychological background of the employees and distributed and informed to them on numerous occasions, such as leaders' meetings, work unit meetings, team work meetings, and informal occasions. The reform plans in NIPA have been prepared by a special team. The recommendations from the team were then discussed in the leaders' meeting openly and set into a decision. In the implementation, it was hard to reach a consensus on the reform plans. Hence, when reform is hampered, it requires the courage and authority of the leaders to make a decision. The Head of NIPA showed his capacity when he successfully conducted several principle changes such as the adoption of experiential learning as the new pattern of Training for Leaders and the consolidation of authority in the organizational structure.

C. *Utilizing Non-formal Communication Lines*

The internal support for change was built through both formal and informal lines of communication in the organization. The formal line of communication remained noteworthy in the formal meetings, but it was then followed with informal communication. Formally, the communication related to change was conducted at the formal meetings, namely leaders' meetings, work unit meetings or communications that refer to the hierarchical level of the organization. While in the non-formal sense, communication was done through non-formal occasions, for example break time after gymnastics and physical exercises or other informal occasions held for that purpose. These non-formal meetings were held by those responsive to change, regardless of their titles and positions in the hierarchical structure of the organization. The non-formal communication strategy was performed by the Head of NIPA when the formal lines of communication following the organizational hierarchy did not produce enough support to smoothen the process of change.

D. *Building a cross-functional team*

In running the primary function, the head of NIPA acted as the leader for the Reform Team at the institution. Various roles have been taken by the Head of NIPA, especially in making decisions necessary for change. Initially, any activity related to change followed the hierarchical level of the

organization. Then, to ensure that the change would run effectively and not be hampered, the head of NIPA consolidated more staff who were mostly Echelon two and three, as well as some functional officials, to become agents of change in each unit. The head, together with the agents of change, held informal meetings to discuss the changes to be implemented in NIPA. The head tended to consolidate the young employees as a strategy in mobilizing forces more quickly and effectively. Through this strategy, the head of NIPA could directly meet people who were responsive to the changes and mandated them to become the members of an ad hoc team deliberately set up to prepare a design or to tackle constraints faced in the process of change.

E. Ensuring external support

External support, especially from related actors having authority is crucial to the implementation of reform. Support from political actors and interest groups are expected to back up the implementation, as a strategy to reduce resistance. People who are resistant to implementation of reform,often seek external support to delay or even obstruct reform from taking place. External support during the reform in NIPA was obtained directly from the Minister of State Apparatus and Bureaucratic Reform and the Vice President. The support also came from the Head of the Training enter of the Ministry of Domestic Affairs. The support was obtained in different ways. The support from the Minister of State Apparatus and Bureaucratic Reform and the Vice President was easy to secure as the reform in NIPA was part of Government policy. Then, the support from the Head of the Training Agency of the Ministry of Domestic Affairs was obtained after the collaboration between NIPA and the Training Agency started delivering training using a new pattern. Through thisexternal support, the changes in the institution could be accelerated and resistance reduced very drastically.

F. The Dynamic and Open Process

In terms of reform in NIPA, the limited availability of budget, staff, and time has not been an obstacle in the implementation of change. The availability of resources is important to support change, but it does not mean that limited resources would necessarily stop change from occurring. The limited resources in NIPA during the reform were managed using a number of strategies, namely synergizing staff members, developing a high spirit, and treating change as a process which is both dynamic and open. As a form of synergy, personal limitations were overcome through a cross functional team in implementing the change programs. The new pattern and system of training, for example, are seen as a dynamic training system, which are still open for improvement both in concept and implementation. As a consequence, there have been several unsatisfactory results, such as the delivery of training using the new pattern but without proper preparation. Hence, good preparation should be constantly strived for before training is conducted.

G. Harnessing the Momentum

The changes in NIPA, such as the implementation of the new structure and pattern of the Training for Leaders program

could be established before the change in political leadership, but the other changes, such as in STIA, have not been carried out to this day. In other aspects, the employees' pattern of attitude still has not changed much. The change in the organization that has already been carried out is actually more related to efforts of harnessing momentum. When the momentum is right, change is more likely to happen; however, when the momentum is lost, change becomes more difficult to achieve. The momentum of change has taken place in NIPA and has been well followed up by the top leaders at NIPA. This momentum has been the result of the policy on the bureaucratic reform in state agencies, that gave the mandate and trust to the Head of National Institute of Public Administration to initiate changes. The Head of NIPA utilized the momentum quite well. In its development, the new structure and behavior that has been implemented requires monitoring, especially of related agencies such as the National Civil Service Agency and the Training Agencies. This effort is important to ensure that the new practices have replaced the old ones.

H. Starting the change in the sub-systems with broader impact

With the current achievement of reform in the National Institute of Public Administration, there is the need to ensure the sustainability of the change process in the institution. The institution has already decided to make changes to the sub systems which have a broader impact on other sub systems. The structural change, for example, is perceived to be the most difficult and risky change to the institution. Nonetheless, the Head of the National Institute of Public Administration has demonstrated the courage to take a decision to realize this change. Changes in the structure of the institution could finally be implemented, so that it eventually gave birth to the momentum and stimulated changes in other aspects, for example initiating open recruitment in the selection of officials for the new structure.

Based on the eight determinants, gaining support and overcoming resistance are two crucial yet determining factors in the success of t reform implementation in the National Institute of Public Administration (NIPA). At the time when support wasweak and resistance faced was strong, certain administrative reforms could not be implemented. The theorists have asserted that, gathering support and overcoming internal resistance can be achieved through open participation and discussion while avoiding the use of threats [21], in addition to consolidating actions in the entire level of leadership as a team. This study found that that relying too much on participation and open discussion through formal lines of communication or following organizational hierarchy, avoiding the use of force, as well as being silent while waiting for the collective action of each level of leadership, could hamper the reform or even cause it to fail. With reference to this issue, the support for change could be gained through non-formal communication lines, using the coercive acts to a certain extent, and building an *ad hoc* team for change.

First, utilizing non-formal communication lines can be one of the strategies, when the formal lines of communication are ineffective to generate support for change, or even become

constraints in getting support. Non-formal communication can be constructed deliberately by leaders to distribute information, advice, suggestions, even commands that are associated with change [22]. Using this communication channel, the leader is able to communicate directly with responsive staff or directly consolidate them to support change.

Secondly, sometimes coercive actions were taken, especially when the reason for resistance had already been identified. If the pace of the change is hindered because there are officials in a strategic position who remain resistant, it is necessary to conduct confrontation. The lack of courage on the part of the leaders to take strategic decisions for change unavoidably leads to a status quo.

Thirdly, the establishment of an ad hoc team, whose members come from cross-functions, can be another strategy when the formal structure is less effective in boosting change. The ineffectiveness of formal structure in encouraging change is logically understandable, because they actually become the target of change itself. In this situation, it is irrational for the processes of change to continue to rely on the existing structure. The only way is to establish an ad hoc team to design or take over the tasks associated with the change. The members of them team must have a capacity and be responsive to change.

IV. CONCLUSION

This study asserts that several success determinants discussed in the literature remain valid even though some of them are still being developed and revised. The success of the implementation of reform in the National Institute of Public Administration (NIPA) in this case is determined by the need for change and the Government's mandate through some policies, namely by providing plans, utilizing non-formal communication lines, gaining strong support from related external actors, treating change as a dynamic and open process, building cross-function coalition, utilizing momentum, and starting the change in the sub systems having broader. This is determinants should serve as a compass for public organization leader seeking to find their way amid the resistance and pressure for successfuly implementing administrative reform.

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