

Culture of Innovation Capability Development Government Bureaucracy in Indonesia

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Abstract: *Bureaucratic reform in Indonesian has been proceeding for many years. However, persisting problems concerning bureaucracy have yet to be resolved. This snag may arise due to the lack of the creativity and innovation culture within government bureaucracy. Therefore, bureaucratic reform should be directed more to innovation culture and programs in order to enhance the bureaucracy's innovation capability. Key words: Bureaucratic reform, Innovation culture, Innovation capability.*

Key Words: *Innovation, Culture, Government Bureaucracy*

I. Introduction

Quite a lot of problems in the government bureaucracy that became a public issue in Indonesia today. Some of the problems mentioned in the National Medium Term Development Plan (RPJMN) for 2004-2009, the which include: the level of abuse of power and irregularities; the low performance of resource personnel; inadequate institutional system (organization) and of management (management) governance; low welfare of civil servants; as well as the many laws and regulations that are not in accordance with the development of the situation and the demands of development.

Public issues that are basically not new issues in our government bureaucracy. This can be demonstrated through a study of the various national development plan document, since the Five-Year Development Plan (Five-Year Plan) I Year 1969/70 - 1973/74 up to RPJMN 2004-2009. Based on a review of the documents found that most of the issues in the bureaucracy that is now developing is the classic issues that have emerged long, even before I rolled REPELITA (Five-year plan).

It is very interesting here is the existence of public issues is that from time to time continue to survive and it seems very difficult to resolve. While from 1966 to 2004/2009 period RPJMN today, the government has implemented a variety of programs and activities aimed to reform the bureaucracy. Public expenditure which has been absorbed in the interests of bureaucratic reform is also not small. A bureaucratic reform policy in Indonesia thus deserves to be questioned.

However, it is not easy to understand the phenomenon of bureaucratic reform in Indonesia. The experts of public administration in Indonesia also disagree in understanding the phenomenon exists. Some experts assess the main issues in Indonesian bureaucratic reform is the issue of human resources, good leadership, commitment, and the quality and morality of civil servants in general. While some other experts further highlights the performance of the system as determinants of bureaucratic reform. Government reform strategy in fact is also directed to make improvements to both aspects. However, the fact about the performance of bureaucratic reform until the present time has not been satisfactory.

This phenomenon indicates the performance determinants of reform that has not received the attention of experts and policy makers in the government bureaucracy. Caiden (1969) has warned the strong influence of these factors on the performance of the reform, as well as Peters (2000) and Farazmand (2002). Question is a cultural factor. Culture gives a great influence on the performance of the reform, because reform is associated with beliefs, values and attitudes were adapted and developed in the bureaucracy (Shenkar, 2006). One of the bureaucratic cultures that is very important for bureaucratic reform is the development of innovation in government agencies. Innovation is very important, because it allows the bureaucracy to function more dynamic and make improvement. This paper is intended to look at bureaucratic reform in relation to a culture of innovation in bureaucratic.

II. Problem Formulation

Based on the description of the background of the above problems, the formulation of the problem in this paper: How does the development of a culture of innovation capability of the government bureaucracy in Indonesia?

1. How is the development of a culture of innovation within the bureaucracy in Indonesia?
2. How is the development of innovation capability of the government bureaucracy in Indonesia?

III. Review Of Theory

Innovation is a relatively new concept in the literature of public administration (public administration). David Mars research results (in Lee, 1970) revealed that 1966 was not discovered until the publication of the

review of public administration posts about innovation. The classical literature which includes the concept of innovation in the context of the reform include the article "Innovation in Bureaucratic Institutions" Alfred Diamant paper published in the journal *Public Administration Review (PAR)* in 1967 addition, was Caiden's book entitled "Administrative Reform", published in 1969 in his book, Caiden describes the innovation as part of the administrative reforms (administrative reform). Some of the posts marking the start of attention to innovation by public administration experts. Only, the concept of innovation is not enough then still popular in the realm of public administration and administrative reform. Innovations in the field of new popular in the last decade.

Less popularity of the concept of innovation in the past can be understood as a character reform based more on principles weber bureaucracy. In the conception of Weber, bureaucracy requires clear rules, hierarchy, specialization and a relatively stable environment. In this context, innovation is seen not many bureaucratic apparatus necessary for the government (Kelman, 2005). Obligation of government bureaucratic apparatus is run predefined rules (rule-driven). If the later innovations are conducted, only the intensity of small and limited on top management level. Innovation, in this case as the administrative reform is approached through a top-down mechanism (Caiden, 1969).

In the 90's, new public management (NPM) began to shift the conception of hegemony weber in administrative reform. Reform then undergoes deflection direction towards bureaucracy that puts the results, participation, customer-oriented, driven by mission, and decentralization (Osborne, 1992). In this new era, innovation is very much appreciated by the supporters of the reform movement.

Recent developments show progress on the use of the term innovation in the field of public administration. In countries such as Korea, the concept of innovation has even been "replaced" the concept of reform. Korean experience shows that application of innovation in the country has improved the quality of governance at the local level (Yoo, 2002). Korea's success as was also the case on the application of innovation in Canada (Robertson and Ball, 2002). While in China, innovation has been considered as part of the Chinese tradition (Shenkar, 2006). Innovation over the bureaucracy is very medukung for economic and technological development of China today. All this shows the importance of innovation for a cool change.

IV. Research Methods

This study is a literature study where the data discussed are secondary data derived from the study researchers collected documentation, especially on the development of a culture of innovation capability of the government bureaucracy in Indonesia.

V. Discussion

2.1 Innovation: bureaucratic culture in Indonesia

In the last five years, the practice of innovation in the organization of government bureaucracy in Indonesia has been expressed in a number of literature. Some areas are often the best practices as a reference implementation of innovation include the province of Gorontalo, Sragen, and Jembrana. Given the performance of the three areas, proven innovation is necessary for the government bureaucracy in the reform process.

For local government in general, the phenomenon of Gorontalo Province, Sragen, and Jembrana is a very valuable lesson. In these areas, local government capacity to innovate in the area seemed to correlate positively with the community support for local government respectively. The forms of support society's most obvious is the re-election office holders governor, regent or mayor for a second term in his leadership, and it is a reflection of people's satisfaction in local government administration.

The phenomenon of the three regions could become commonplace if it occurs in the days before the local elections system Direct (PILKADAL) enacted in 2005, but at the present time, what happened to the third area is part of the learning for leaders in other areas, especially those that want to retain his post for two terms. This is because the mechanism Pilkadal there a space large enough for msyarakat to determine the fate of public officials in the area of leadership.

In all three regions, public support for the head office holders very large area indicated by the high percentage of the people who elected them to back a regional leader, which is above 80% of the total participants in PLKADAL. Results Pilkadal in Gorontalo province, 81% voted in favor Fadel Muhammad to lead the province back to the year 2011, while Gorotalo Sragen, Lucky Saroni Wiyono Sukarno, 87.34% voice support to back office Sragen Regent 2006-2011. While I Gede Winasa get community support to become regent of Jembrana the second time, with the voice percentage reached 88.56%. All this shows that the public has a high trust against these leaders, and put high hopes for future improvement of their lives next leadership. No doubt that the success of the regional leaders in gaining public support and confidence in the strategy and policy is because they kebangkan leadership during the first period gave the results that can be enjoyed by society. The key to this performance is innovation. Through innovation they are able to improve the performance of the lead significantly. In 2006, Gorontalo has turned into a province with economic growth of

7.3%; GDP per capita at constant prices reached Rp. 2,351,715; and the poverty rate declined from 32.12% in 2002 to 29%. The same condition also occurs in Sragen and Jembrana. In 2006, economic growth reached 6.8% Sragen and GDP increased by 57.48% compared with 2002, while GDP in Jembrana District, in the end of the first period Gede Winasa leadership, economic growth rate reached 5.29%; GDP per capita increased from \$ 5.48 million in 2001 to Rp 7.403 million; and the poverty rate declined from 19.4% in 2002 to 8.85%.

Gorontalo innovation success stories, Sragen and it actually has a lot of Jembrana expressed in various writings in journals, newspapers, and seminars. Along with this, innovation became a popular word in the tongue and ears of the government administration in Indonesia. In the present development, innovation and even believed to be a requirement for local governments. The rationale is that the innovation has been shown to increase the effectiveness of local government; has recently been demonstrated mainly by the three areas that have been mentioned in this paper. Moreover, innovation is needed in the face of environmental conditions of local government today. Since decentralization initiated in 1999, in addition to local governments have broad discretion in managing government at the local level, also have a great obligation to provide good service for the community. In this context, innovation is needed so that the quality of service provided by local government closer to the real needs of the community.

Mesipun awareness of the need for innovation in governance in the region seems more advanced, but in reality not many local governments now applying innovations in the process of government. Of the total number of local governments are made up of 33 provinces and 472 districts/cities, estimated at no more than 5% that stands in innovation. In general, local governments impose governance as a routine, business as usual. Government efforts to encourage innovation in the bureaucracy through various awards, also not much show the results as expected.

Innovation, thus not becoming an important element of the culture of government bureaucracy. Thus it is also indicated that the government bureaucracy now has not been able to absorb and develop the values of more advanced management. The cause of these conditions can be searched on the viscosity values of the government bureaucracy with a weber concept. As stated Agus Dwiyanto (2006), that the lack of innovation due to government bureaucracy bureaucratic structure is very hierarchical, fragmented and rigid. However, it still requires further verification. Proof of this is necessary, because the facts show that the behavior of the government bureaucracy *kesesuaiannya* not reflect the values weber bureaucracy. Agus Dwiyanto research results (2006) carried out in 2000 and Eko Prasajo (2006) in 2005 revealed that non-compliance with procedures and weak oversight remains a hallmark of the government bureaucracy. Other than that, the real innovation is also still possible in weber bureaucracy, although centered at the top management level in the bureaucracy.

2.2 Innovation Capability of Government Bureaucracy

What causes the phenomenon of such innovations is the government bureaucracy? Theoretically, this can be explained through the concept of "innovation capability" or the ability of innovation. According Terziovski (2007), this innovation capabilities provide the potential for the emergence of effective innovation. Thus, the government bureaucracy innovation capabilities of the respective government agencies who actually was instrumental in the creation of creativity and innovation that led to the improvement of the performance of the government bureaucracy.

Referring to the definition of Lawson and Samson (2001) on the ability of innovation, the innovation ability of the government bureaucracy is defined as the ability of the government bureaucracy to sustainably transform knowledge and ideas into the various forms of service, processes, and a new system, for the benefit of agencies and stakeholders. Moving on from this understanding, the innovation ability of the government bureaucracy is not a stand-alone concept, but he deals with various aspects of management, leadership, and technical aspects such as strategic resource allocation, understanding the interests of stakeholders, and others.

Many factors that influence the innovation capability of the government bureaucracy, resulting in the ability of any government agency for innovation differ from one another. Therefore, these factors are very important to recognize, especially to develop appropriate strategies for the improvement of innovation ability of a government agency. It's just that, an introduction to these factors, not an easy job. In fact, the institutions that have successfully innovate though, there is little understanding of the factors that affect the success of innovation (Shenkar, 2006), the difficulties experienced by *birokrasi* government in Indonesia.

According Terziovski (2007), the innovation ability of an institution is determined by a number of factors which he calls the dimensions of innovation capability. Dimensions of the innovation capabilities include: vision and strategy, gluing basic competencies, strengthening information and intelligence organizations, market and customer orientation, creativity and idea management, systems and organizational structures, and technology management. In practice the delivery of government in Gorontalo, Pare-pare, and Sragen, various dimensions of innovation capability is also evident influence the success of innovations implemented by the three regions.

a. Vision and strategy.

Innovation not only as the primary way of governance in the province of Gorontalo, but also placed as a destination. Innovation ranks highly appreciated: Vision. With such innovation is the position, then the strategy is designed to meghasilkan innovation, including through the cultivation of entrepreneurial values in the body of the local government bureaucracy.

The pull of the vision of the innovative behavior is also shown by the Local Government Sragen and Jembrana. When used as a public trust purposes of local government, local government be innovative in an effort to increase the public trust. In some ways the strategy Sragen have the resemblance with Jembrana is through the provision of free health care for the poor and the implementation of the One Stop Service (OSS) to improve the quality of local government services. Except for Jembrana education a step further with the implementation of free education from primary school to senior high.

b. Gluing basic competence

There is a common awareness of the Gorontalo provincial government, Jembrana Sragen and the importance of personnel competence in achieving organizational goals. Various strategic measures to increase the competence of personnel conducted three local governments that are intended to improve the apparatus so that more innovative creativity in service delivery and to improve the mastery of e-government.

In Gorontalo Province Local Government, the development of competence of personnel carried them through the delivery of learning tasks local government employees to various universities in Indonesia, such as UGM, UI, ITB, UNHAS, UNHALU, Airlangga University, UB and STIA-LAN; design education and training based on the needs of expertise (skills-need training), the performance benefits, especially for the welfare of teachers and educators, region-based education with strengthening the local competence, and productivity-based employee performance evaluation. While Sragen, facilitating the district civil servants to master computers and English. The Jembrana District, competence development of personnel carried them through tuition assistance for teachers to continue to pursue higher education, BPPT in cooperation with software development training, and computer training for civil servants class II.

c. Strengthening information and intelligence organizations

Smoothness and speed of information flow is critical to the success of an activity that is in the process of supporting many units / work units. So that information can flow quickly and smoothly, agencies generally perform the transformation process by basing on the technological capabilities. It is implemented by the Sragen use e-government to support the flow of information related to licensing. In such systems, the technology facilitates information flow between Integrated Service Agency (CPM), the entire unit of work, 20 districts and 208 villages. A similar strategy was developed within the framework of Jembrana One Stop Service.

d. Market and customer orientation

Customers of services produced by government agencies are public, and the government's main task is to satisfy the community through service. In the government-community relations, the fulfillment of "public satisfaction" is a value that must be embedded in every soul the government apparatus. To realize this strategy, the Government of Gorontalo Province instill the entrepreneurial spirit in the bureaucracy. One of the effects of this new character, the local government finally able to see increasing demand for corn which is then used as the main commodity of Gorontalo Province.

In addition through the strategy, to improve the satisfaction of the local government community also should always make improvements over the performance of such services. For this purpose, local governments are required to have adequate information about the community's satisfaction with the services provided by local government, including through customer satisfaction surveys as carried out by CPM Sragen once every 6 months.

e. Management ideas and creativity

Innovation will not happen if there is no freedom to develop ideas and creativity. Sragen Regent CPM provides flexibility to the management so that these institutions can further develop more innovative management, which is shown among others, through the installation of replacement billboards and CPM officer uniform with civilian clothes. While in the province of Gorontalo, innovation is not only facilitated by the opening of a space for the emergence of creative ideas, even placed as the primary focus of human resource management strategies. In this province, human resource management apparatus is directed to the creation of an entrepreneurial spirit that promotes innovation, teamwork, trustworthiness, prosperity, and speed.

f. Systems and organizational structure

System development in Sragen, Jembrana Regency, Gorontalo and intended to support the development of new services (new service development). Sragen, CPM was given full authority by the Regent to manage and account for its performance licensing services directly to the mayor. With the appropriate authority, the CPM further innovated in the Management process through the development of networking systems based on e-government. The use of information technology (IT) is then proved to increase the speed of Sragen licensing services.

In the innovation system and the structure of this organization, the strategies developed Jembrana has similarities with Sragen in terms of IT usage. Jembrana, implementing network-based e-government for the implementation of OSS. In addition, Jembrana develop e-government for the benefit of local government management more broadly, are integrated in Jimbarwana Network (Ji-Net).

Unlike the Sragen and Jembrana district that heavily utilize IT to strengthen the system and organizational structure, innovation on the organizational structure in Gorontalo province put more emphasis on the institutional arrangement. In this province, the institutions are believed to be the core of the management capacity of local governments, including financial, staffing and health was established as a body and responsible directly to the governor with functions geared to the success of innovative governance. This institutional change was not only affects the innovation performance of local government as a whole, the province was also awarded as the best province for Orderly Towards Achieving Financial Administration of the CPC in 2007.

g. Management of technology

Technology becomes an integral part of the local government innovation. In the case of adoption of OSS in Sragen, the local government to build a network-based technology capable of linking between the various agencies associated with the implementation of licensing up at the village level. To support the operation of this strategy, in every village in Sragen placed 3 civil servants who have special duties operate IT. While in Jembrana, the technology used for the various interests of local governments, especially for office applications Maya (Kantaya) and the Local Government Information System application (SIMDA).

Innovation capability and business institutions of government agencies does not necessarily make it as an innovative institution. According Terziovski (2007), in order to become an innovative organization, the innovation capability should be placed on three domains that include: sustainable development, e-commerce, and new product development. As for the innovation capacity of the government bureaucracy-with attention to the experience of Gorontalo Province, Jembrana and Sragen, domains and amplifier that drives innovation is not much different from the Terziovski mentioned, except for e-commerce innovation is less apparent in the government bureaucracy. In this case, then emerged a new domain that is essential for the government bureaucracy innovation: e-government.

a. Sustainable development

Until recently, the environment is the domain that has not received much attention by the government bureaucracy in developing innovation capacity. It is actually very unfortunate, considering the environmental carrying capacity for life in almost all regions in Indonesia in meprihatinkan conditions. While this domain is very important for the sustainability of the history of human life, so the innovation is directed by the domain will be very valuable both for current residents as well as for those who live in the future.

Nevertheless, the Government Sragen, sustainable development has become a part of the goal toward innovation in Sragen. Some of the policy set associated with this domain include: organic agriculture, bird shooting ban, ban on fishing with poison, and a ban on tree nailing. Some of these policies are also equipped with provisions of punishment, such as fines of 100 million or 10 years in prison for fishing with poison and a fine of 50 million or 5 years in prison for bird shooters.

Attention to the environment is also shown by the Government of Jembrana regency. This domain driven innovation policy intangible processing sea water into mineral water (known as Megumi) and policy processing organic waste into fertilizer.

b. E-government

E-government is an innovation that greatly affects the domain of the government bureaucracy, and act as a driver as well as an enabler of innovation capacity. As a driver, e-government push terujudnya quality better service and faster in licensing, through a re-evaluation of practices and services that are running. While as an enabler, e-government support the creation of new innovations in public services and public access to various services provided by local government.

In the case of OSS organized Sragen, e-government has made the district has improved performance in investment. Data growth Sragen investment between 2002 and 2006, showed a marked influence of the

existence of e-government. In 2002 the value of the investment Sragen is Rp. 592 billion and this figure continues to rise until it reaches Rp. 12 trillion in 2006.

While e-government support for ease of public access to various public services has been shown both by Sragen, Jembrana, and Gorontalo. Communities in the two districts increasingly facilitated in a variety of licensing services. Even in Jembrana, e-government has allowed the public easy access to health facilities. As for the Gorontalo province, although relatively behind in the use of e-government when compared Sragen and Jembrana, has also made use of e-government for various purposes, including for the promotion of investment, e-procurement, and personnel management information system (SIMPEG).

c. New product development

The authority is now owned by the local government on the implications for a growing variety of services that must be provided to the local government community. Various strategies can local government in the provision of these services, through the development of cooperation with other institutions, the creation of an organizational climate that is conducive to innovation, and strengthening networks within the local government bureaucracy. It has been shown, among others, by the local government Jembrana build cooperation with BPPT early in the innovation strategy formulation. Similarly, the province of Gorontalo to the development of human resources in cooperation with various universities apparatus, such as: UGM, UI, ITB, UNHAS, Unhalu, Airlangga University, UB and STIA-LAN. Meanwhile, efforts to create conditions favorable to the development of creative ideas and innovative is also shown by the province of Gorontalo. In this provonsi, human resource management apparatus that is designed to generate entrepreneurial.

VI. Conclusions And Recommendations

6.1 Conclusions

The presence of a number of problems in the government bureaucracy over the years became a public issue is an indication of the poor performance of bureaucratic reform. This is because the approach has been applied to the reform of the bureaucracy seems to have touched many important aspects of the bureaucracy: bureaucratic culture of government. This bureaucratic culture includes beliefs, values, and attitudes that allow bureaucratic apparatus moving towards the expected goals. Experience in several countries, such as Iran and Malaysia, the cultural values and bureaucratic approach proved to be the main approach in the reform of the bureaucracy.

One of the aspects of bureaucratic culture is critical for the success of the reform is the bureaucratic culture of innovation. In the government bureaucracy in Indonesia, this innovation is not the primary value of the cultural bureaucracy. However, learning from experience innovations of Gorontalo Province Local Government, Jembrana and Sragen, the government bureaucracy in Indonesia basically have the potential to perform a wide range of innovations in governance and development. The first thing they should do is to know the innovation capability of the government bureaucracy, through the introduction of a number of dimensions of innovation capabilities that include:

- a. Vision and strategy.
- b. Gluing basic competence
- c. Strengthening information and intelligence organizations
- d. Market and customer orientation
- e. Management ideas and creativity
- f. Systems and organizational structure
- g. management of technology

6.2 Rekomendations

An understanding of the ability of innovation will help the government bureaucracy to innovate. Nevertheless, the ability of these innovations will not by itself result in innovation. Therefore innovation capability of the government bureaucracy should be placed in three domains which are drivers and enablers of innovation ability of local governments: sustainable development, e-government, and new product development.

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