# INSTITUTIONAL ARRANGEMENT IN SUPPORTING LOCAL GOVERNMENT REFORM: A CASE STUDY OF KARANGASEM REGENCY, BALI

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**ABSTRACT:** *Organization structuring on Local Device Organization (LDO) at Karangasem Regency, Bali Province carried out to fulfill Government Regulation Number 6 of 2008. To support and facilitate community empowering, LDO should be responsive to environment dynamic change. This research used qualitative methods. Primary and secondary data on this research were taken by observation, in depth interview and focused group discussion. The main problem on organization structuring at Karangasem Regency are: first, several tasks or jobs that based on job description often overlapping at executions. Second, there are inconsistency among fundamental work and function which describes on job description. Third, there are overload tasks caused by high-burden of work. Fourth, there is under load aspect that caused by low quality of human resources who responsible on several jobs. Fifth, there is imprecise nomenclature related to fundamental work and function.*

**KEYWORDS: Organization structuring, Region Government Reform.**

## INTRODUCTION

Local Device Organization (LDO) as an open system always interacts with community and region which changes dynamically. Hence, to support and facilitate community empowering, LDO should be responsive to external environment and adjusts itself based on demand or circumstante changes. Organization development can be defined as a normative strategy that intended to influence belief system, value and organization's attitude, so organization be able to adjust itself with the rapid change, especially that happened on society related to technology development aspect. Organization development also covered organization restructuring that often started, enabled and distincted by normative and behavioral aspects.

LDO and its works system at Karangasem Regency, Bali Province implemented based on Region Regulation Number 6 of 2008 as the implementation of Law Number 32 of 2004 about Region Government as had changed for several times, latest by Law Number 12 of 2008. On the context regional, it based on Law Number 29 of 2007 about Karangasem Regency Government, Government Regulation Number 41 of 2007 about Region Device Organization and Minister of Home Affair Regulation Number 57 of 2007 about Region Device Organization Pattern. LDO at Karangasem Regency technically based on article 44 of Government Regulation Number 41 of 2007.

Based on article 2 clause 2 Government Regulation Number 41 of 2007, it had stated Bupati Regulation that arranges each fundamental work and function of LDO in order that all apparatus can carry out their jobs optimally. Optimal terminology means can deliver better public service and raise region government image as a kind of change which a part of government reform at Karangasem Government, aspecially on its institution aspect.

Organization and work system of  Region Device based on article 19 Government Regulation Number 41 of 2007 refered to population, region wide, and total of region budget variables. On Karangasem context, these variabels determined organization scale that consists of :

a.  Region Secretariat with maximum 3 assistant
b.  Region Reprerentative Council Secretariat
c.  Service institution on maximum of 15 bodies except region fiscal service
d.  Agency institution on maximum 10 bodies, not inluded regional auditing institution, Region Personnel Agency and Regional Public Hospital
e.  Other instutution which implement laws as dissemination institution, region disaster handling, region broadcasting comission, license service and apparatus organization secretariat.

LDO structuring in fact hasn't been agreed with real need in society. This possibility of course need to be handled, because external environment on society grows rapidly and dynamically. For the examples we can see :
1.  There are demands to change region device institutional restructuring that direct to effective and efficient.
2.  Public service that deliver by one stop service system.
3.  Efficient and effective on region asset, region fiscal, agriculture, and food security management.
4.  Organization Restructuring at Nation Unity and Public Protection Office.
5.  Demand to change LDO which overlapping on technical tasks.
6.  Demand to determine nomenclature LDO which based to its characteristics, needs, ability, region potency, and job analysis.
From needs side of region government it is necessary to understand achievement and lack of LDO taks execution and function in order to better work of region government. Evaluation should be taken as an input to head of region about LDO restructuring all at once, as an input on considering to change/ or not change Region Regulation Number 6 of 2008. In according to research background, it can be formulated research problem as :"How is Local Device Organization structured in order to support region government reform at Karangasem Regency?"

## LITERATURE REVIEW

### Organization
Organization can be defined as a group that consists of two or more individual who consciously cooperate in a certain context, based on certain limitation and function to reach a collective goals or a set of certain collective goals. From this formulation of course needed management to facilitate integrated collective work and also needed balanced and compatible social interaction in order to take coordination. Organization contains work divisions which appear tasks and functions also contain difference between member and out of member also there is a collective goals that can make some activities.
According to Gibson, et.al. (1996 : 6) organization is a place that make an opportunity for people to reach the goal that cannot be taken before by individual. Furthermore, Rosenblom and Goldman (1986 : 118) suggests some characteristics in organization as follow:

1. Division of work, power, responsibility, communication and ordered division that directed to reach the distinct goals.
2. Power of individual or more to directly control activities
3. Personal replacement for whom doesn't appropriate on the certain job and open opportunity to other person.

Thoha (2004:138-147) explained there are 2 models of organization: closed system and open system. Related on it, Henry (1992 : 50 - 57) divided organization into 3 models which identified by characteristics which embedded to each model :

Table : Organization Models

| Closed Model | Synthetic Model | Open Model |
|---|---|---|
| 1. Bureaucracy theory (Weber) 2. Scientific Management (Taylor, Gilbret ) Generic Administration and Management (Mooey dan Railey, Gullick dan Urwick, Fayol, Follet) | (Barnard, Simon, March and Simon, Cyert and March, Thompson) | 1. Human relation (Roetlishberge and Dickson) 2. Organization Development (Levin, McGregor, Bennis, Bechard, French and Bell, Lippitt, Shepard, Argyris, Golembiewsky) |

Source : Henry (1992:76)

Weber had developed ideal type of organization which named bureaucracy. This type explains activities in organization which based on set of authority relations. Therefore bureaucracy is a kind of bureaucracy that marked by job division, clear hierarchy, detail regulation and impersonal relation. In practice, this ideal organization design adapts itself although the philosophy still embedded on it. According to Weber, ideal organization can be figured as follows:

**Figure 1: Ideal Organization**
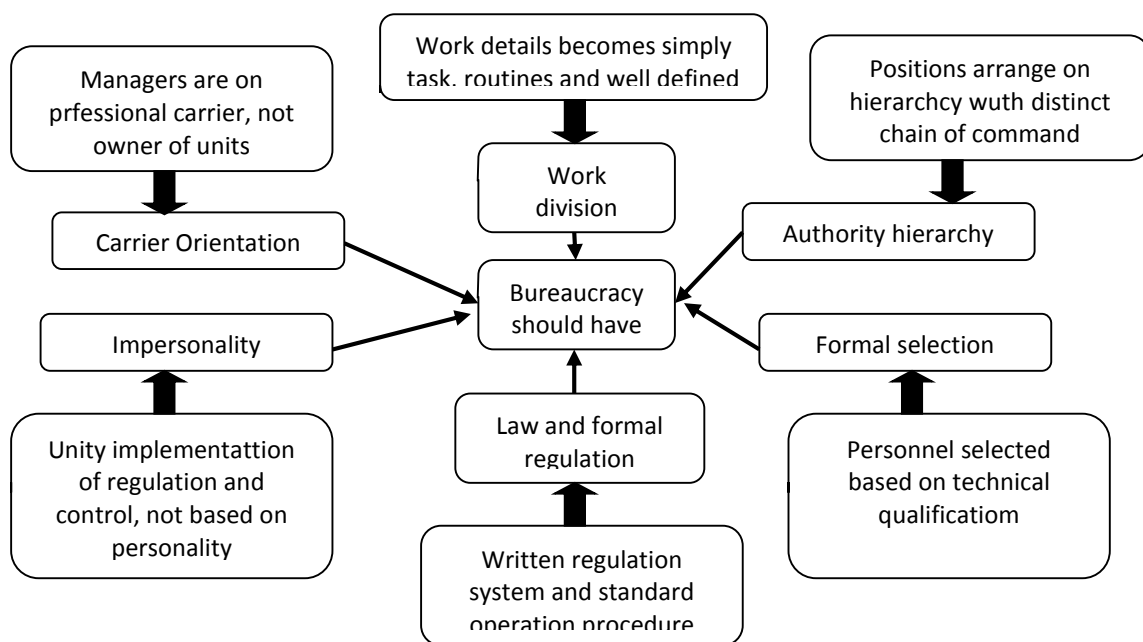


**Source: Robin & Mary, 2004.**

The characteristic of the organization are: first, each organization has objective that usually showed on targets. *Second*, organization consists of individuals. Each organization needs individuals to execute the work in order to reach its objective. *Third*, organization arranged on the structure so all the member in organization can do their work. The structure can be opened or flexible with no clear limitation on work or regulation and uses unhampered rule.

**Organization Development Theory**
Organization development is a perspective of planned social change. It regards innovation which related to qualitative change on norms, behavior pattern on personal or group relationship in a perception of goals and methods. Each environment change that occurred should be understood because organization achievement depend on how far it can adjust itself to the change (Weisbord, 1978: 115). For the reasons why organization should be change, Sobirin said:

> "*There are two factors that can encourage the change: external factor like technology development and international economic influence. On internal side, there are two aspects : (1). Hard system tools that frequently named structural change that covered by strategic, organization structure and system change; (2). Soft system tools that often named cultural change that covered by human behavior, human resources policy and organization culture*".

Organization aspect consists of human and organization variables. Organization variable composed of goals, technology, and structure. Meanwhile human variable composed of competency, attitude, values, needs, and demographic characteristics. Management which operates in organization related to efforts that combine both human and organizational variables into a functional system by using unit and its work structuring and restructuring in organization. Then this things use to be a fundamental basic for selection and training for employee up to reward system.

Intervention or reform in organization development theoretically refers to some principles which Osborne and Gaebler (2000) idea that explain what should government do related to public service function by role or position of : steering rather than rowing, empowering rather than serving, injecting competition into service, transforming rule-driven organization, funding outcome not input. meeting the needs of customer not the bureaucracy, earning than spending, prevention rather than cure, from hierarchy to participation and team work, and leveraging change through the market.

Although organization structuring has an ideal purpose, in the practise there will be some barriers. This things can appear in organization, function, and individual level. On organization and functional level, the barrier can appear on structure and culture that difficult to change. Meanwhile on individual level, On functional obstacle, barrier can appear on prejudice of managers and employees related to their interest.

**Organizational Structure**
Organizational structure is a formal system of task and authority relationships that control how individuals work together and manage the available resources to achieve the goal.

Organizational Structure shows coordination patterns of interaction that occured among organization member on : (a) formulate and determine how tasks are allocated, (b) determine who shall report and be responsible to whom, (c) formulate coordination mechanisms and patterns of interaction that must be adhered to by members of the organization.

One of meta theory on institutional development formulated by Morgan (1997). He explained that organization can be understood by using methaphor as follows: (1) Organization as a machine; (2) Organization as an organism; (3) Organization as a brain; (4) Oraganization as a culture; (5) Organization as a political system; (6) Organization as a prison; (7) Organization as a transformational process; (8) Organization is a set of power. Other theory that connected to institution development suggested by Mintzberg (1979 : 18 – 34) that states there are five fundamental elements in organization as follows:

1. Strategic Apex, is the peak leader who has personal staff.
2. Middle line, is the middle leader who connects peak leader and staff.
3. Operating Core, is the staff who carry out main task that related to organization's goal.
4. Technostructure, ia the analyst that support standard formulation and assist organization to adjust itself with the environment.
5. Support Staff, is the unit of main task supporting (operating core). Their task dosen't direct related with organization's goal.

General framework to understand organization according to Galbraith (in Thoha, 1979 : 202) should be taken firstly with selecting and taking decision that related to general organization illustration. This decision should be taken by consdering three aspects: strategy, organization type, and human integration as we can see in picture below.

**Figure 2: Organization Design Concept**
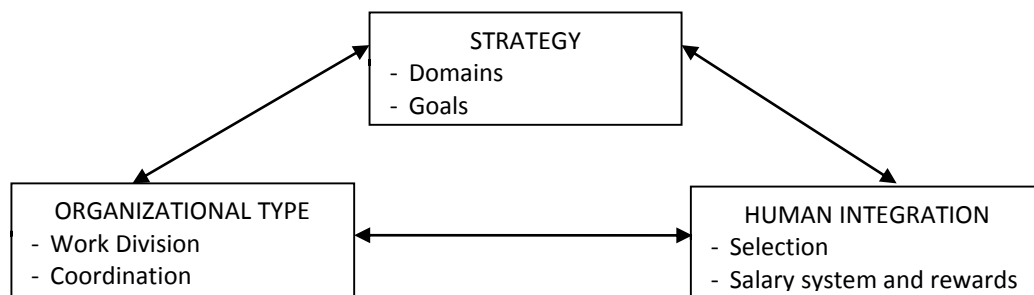


Source: Galbraith, as cited by Thoha (1989: 204)

Meanwhile, Huse and Cumming (1985) stated that to develop, restructure or restore the organization needed 2 steps activities that called diagnosis and intervention. Diagnosis is the process of discovering the underlying causes of organizational problems. It involves collceting pertinent information about how the organization or department is functioning, analyzing those data, and drawing conclusions for potential change and improvement (Huse and Cumming, 1985: 33). Firthermore, if the problem has been identified, the next step is intervention that defined as an actions intended to help organizations improve the effectiveness including increased quality of work life and productivity. Intervention can be

treated in human processional, human resources management, technostructure, or strategy intervention. All kind of intervention here is taken on order to take balance on organization developing or structuring and intervention not only taking into one side but integrated.

In this context, it is important to see realistic organization size, so that the budget can be adjust as well and the budget itself can be allocated much more to the public sector. LDO is an important entity because it carry out region autonomy that needs institutional instrument to covering, coordinating and controlling resources and bahavior in order to reach organization goals. Even, by using LDO instrument it could be a tool to plan, implement, control, and evaluate goals, programmes, and activities in order to reach region vision and mission. Region authority implementation which based on law furthernore can be used to arrange secretariat, service, and other technical instituton (agency and office). This arrangement adjusted with region needs and potency. So instutuional form and size based on real region needs and capacity. Merger, elimination, simplification of region government institution can be carried out by adjusting with region work load and needs, with still look at more function- less structure principle, avoid function and task overlapping, clarify linier and staff function, arrange organization pattern based on real needs, develop functional job, facilitate developed function, and clarify work system.

## METHODOLOGY

This research used qualitative approach. Qualitative research is a kind of methods that based on data and information of case, narrative or description about certain phenomenon. This kind of research direct to study an entity from its process and for making evaluation (Moleong, 2004:7). The purpose of qualitative research is exploration (Kountur, 2003:16), but if necessary it could use limited quantitative approach to measure percentage or frequency from the unit of analysis about actual issues and urgent to be solved by government device.

**Data Source**
On this research, data and information was taken from preliminary study at Region Secretariat which guided author to collect wider data and information from 16 LDO which potentially need change on organizational aspect. On each LDO taken in-depth interview and observation that furthermore can explain some actual issues on public that should be solved. Data and information that had collected came from primary and secondary data. Secondary data taken from government documents of region secretariat, organization section, services and agencies. Meanwhile primary data taken from key informant by using in-depth interview and focus group discussion. As the unit of analysis, aouthor stated 13 LDO of Karangasem Regency Government.

**Data Collecting Methods**
1) Observation to take complete information of each LDO.
2) Quick survey with using questionnaire about LDO's data needs.
3) Focused Group Discussion which involved apparatus of LDO.

**Data Analysis**

According to Efendi and Manning (Singarimbun dan Effendi, 1989: 263) data analysis is a simplification process into the form which easy to understood and interpreted. Data analysis is a process on arranging data sequence, organize it into a pattern, category and certain basic explanation. Quantitative data analysis which used in this research was quantitative-descriptive. This technique aimed to explain certain phenomenon on detail. The reason for using this technique is: first, this technique can deeply explore information on detail from some interaction related to the research object. *Second*, this technique can explore field finding occurred at research setting which can help author develop the new concept.

**RESULTS AND DISCUSSION**

As explained before, beside theoretical aspect, in designing region government organization there are several factor that could influence it as region authority; region characteristic, potency and needs; local budget capacity; apparatus resources availability; and partnership model. In this context, decision about organization is a main and important factor that related with strategy, type of organization and human intergation (see figure 3).

Organization which formed should be directed towards optimizing public service, empowerment and economic development. In organization context, it should begin by identifying the functions that need to be accommodated and urgent to be held by the local government. Organization is intended to encourage the creation of optimal service delivery efforts and better to the community, improving the ability of local governments in public service and community empowerment. However, the realities about the formation of organization after face the shift in format instead of local governments are shifted from the goals of creating an ideal organization.

Hence, it needed same understanding about autonomy format change and region government organization in order to got ideal type of formed organization. One of the stratgic factor that determine effectivity and efficiency implementation of region autonomy is LDO that based on region needs, potency and resources. LDO is important institution that facilitate, coordinate and control all resources and behavior in order to reavh organization's goals which illustrated in region vision and mission.

At Karangasem Regency, evaluation of LDO carried out by using organic theory approach which has flat design and directed to flexibility and cooperation intersection principle that aimed to give appropriate organizational guidance.

At Karangasem Regency, organization structuring began with design that determine roles, process and formal relationships. This design consist of overall structure up to smallest part/ subunit. There are basic principles that implemented here as placing key customer priorities on each structure. This principle tries to determine organization duplication. Designed structure seems facilitate channel of communication among unit of works, all at once prepared clear both role, responsibility and accountability.

As an organization, LDO at Karangasem Regency influenced by external and internal factor. On internal factor it influenced by region vision, mission, and strategy; leadership model; policy and procedure; and organization culture. Meanwhile, external which influenced are customer, supplier, national and province government, law, technology and other stakeholders.

There are main problems of organization restructuring that occured at Karangasem Regency. *First*, main task which based on job description got overlapping on the execution domain. This overlapping can be mapped on two form : internal and external. On internal overlapping, there are duplication among section in one LDO. Meanwhile on external overlapping there are duplication function inter-LDO. This overlapping caused by unclear and irresolute of main task and function and detail job description which still "floating" and not ready to operate.

Formation of new LDO was taken without eliminate part of function which managed often cause duplication. Beside it, less understanding of human resources about their function also often appears ambiguity at programmes and activities execution. It also happened at job nomenclature using which appear some impact of misunderstanding on programmes and activities execution. This overlapping is so serious because will be influence to recommendation that contains on institution evaluation.

*Second*, there is an inconsistency between main task that implemented on job description and its execution. The concept of main task often incompatible with technical aspect on execution. There are three inconsistency: inconsistency between authority and main task, inconsistency between structure and main task; and inconsistency between main task and activity. Inconsistency between authority and main task occured in a condition that there is an implemented authority but hasn't been arranged by main task or job description. Inconsistency between structure and main task occured is an inexpediency of job which should carry out the authority. Meanwhile,  inconsistency between main task and activity is a condition which an authority has arranged by main task or job description, but hasn't occured in practise.

Each nomenclature position made is to carry out the duties and functions of its own. However, in implementing in the field, often there are tasks that are carried out but not in accordance with the functions that should be causing a condition inconsistent. Inconsistencies frequently occur due to human resources understanding of the duties are lower. Similarly, duplication officials often can not distinguish between the functions of policy formulation and technical functions. In addition, the flexibility is also often the case, the concept that anyone can do anything is not appropriate in government organizations. They often do not realize that they have done what they should not do, because that is done is another official. Customs and old culture that is rooted in a position often maintained, whereas according to the new policy possibilities that task has been transferred to another position. Or even it has been moved to another work unit. In addition, any disposition of leadership and leadership attitude that "personal minded" only on certain officials often make the inconsistent implementation of the tasks of a position with its duties.

*Third*, overload. Although this issue relatively seldom occured, but it is still an important thing to be solved. Overload also happened at LDO or its unit of works. This problem often occured

that caused of high work burden at LDO didn't compare with proportional of human resources, baoth on quantity and quality side.

*Fourth*, underload. In Karangasem Regency, this problem seems like not different with overlapping. Underload also appear caused by low quality of human resources on the job at LDO or works unit at LDO. Generally, apparatus at LDO or works unit of LDO don't understand main task, function and job analysis that embedded on their authority and they "confuse" about what should they do in doing daily activities. Another factor is competency factor. There are many apparatus who got less competency on their jobs. Consequently they often hesitant to execute the activities, because they afraid to make the mistake and don't know what to do. Beside it, there are several work unit which occur activities just on "certain period". Last, underload at Karangasem Regency also caused by "narrow authority" in unit of work.

*Fifth*, there is inappropriate nomenclature related to fundamental task and function. Several jobs on supporting staff exactly shows technical function. On this phenomenon, nomenclature based on object or funcion should be seriously considered, because it connected with authority scope, work load and so forth.

These problems results inefficiecy and ineffectivity that impact to lavish of budget and human resources using. On theoretical aspect, problem source appear from:
1) Authority implementation on tasks that should carried out by each work unit functionally. In this context, it needed consistency among work unit function, task that occured, and programme target.
2) Delegation authority process that should be carried out by using substance context as the basis of task. Respecting out this process will be affect to unappropriateness on work delegation to apparatus on a certain work unit.
3) Human resources distribution that should based to main task and function requirement, both on quantity or quality. This thing related to competency aspect.
4) Work unit nomenclature on practice sometimes appears misinterpretation, so it needed to thinks seriously about using appropriate name of work unit. This nomenclature should illustrate the real task of work unit.


## CONCLUSION

Based on discussion above, author can summarize conclusions of the regional institutional arrangements in support of local government reform in Karangasem Regency. To arrange LDO institution in order to avoid inter LDO, inter work unit, and intersection fundamental task overlapping, suggested :

1. On designing region government organization, there are several consideration that should be though as region that embedded in region government, region characteristic, local needs, region budget ability, human resources availability, and interregion partnership pattern both with other region and third actors.

2. General framework to understand in organization arrangement design should be started by decision choosing and decision making that related with general organization illustration. These decisions should be taken based on three aspects as : strategy that connects to domain and goals, type of organization that consists of division of work and coordination; and integration personnel that related to selection, rewards, and salary issues.

These factors of course influence organization design process. Consequently, well-form of organization should be consider these factor in order to arrange and use efficien and effective organization

## RECOMMENDATION

Based on conclusion, author recommend that it should be better if Karangasem Regency Government arrange region organization which consist of: four work of unit or institution at Secretariat, i.e. 1 Region Secretary, 3 region Secratary Assistant, and 10 region technical institution that is 6 agencies,  14 service, 3 office, and 1 region hspital

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