



Evaluation of Bureaucratic Simplification Performance: Institutional, Human Resources, and Administrative Practices Analysis in Achieving Good Governance in Indonesia

Yasmin Fadhilla Ishma Sofa¹, Rita Myrna¹, Elisa Susanti¹

¹Universitas Padjajaran

*Corresponding Author: Yasmin Fadhilla Ishma Sofa



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Abstract

Bureaucratic reform is a strategic step toward achieving effective and efficient governance. One key focus is simplifying bureaucracy by transitioning structural positions to functional ones, as mandated in Presidential Regulation No. 18 of 2020 on the 2020–2024 RPJMN. This study employs a descriptive method with a literature study approach to analyze the implementation of this policy in institutional, human resources (HR), and administrative management aspects. The analysis highlights three main challenges. First, institutional changes often lead to function duplication and workload misalignment. Second, in the HR aspect, gaps in ASN competency for functional roles persist, alongside negative perceptions of these positions. Third, while digitalization accelerates work processes, ASN performance management remains suboptimal. To address these challenges, a holistic approach is recommended to design adaptive policies that enhance organizational efficiency, effectiveness, and accountability. Bureaucratic reform must remain focused on improving the quality of public services, ensuring governance achieves its ultimate goal.

Introduction

Bureaucracy is a vital organ in modern government which plays a major role in determining the effectiveness of government work as implementer of public policy (Azizy, 2007; Ugwuanyi & Chukwuemeka, 2013; Asaju & Ayeni, 2021). However, bureaucracy is often considered less effective in carrying out its duties. This perception drives the need for bureaucratic reform as a strategic step to create good governance (Planning Section of the Secretariat General of the DPR RI, 2022).

Understanding the importance of bureaucratic reform, in the second term of President Joko Widodo's administration (2019–2024), bureaucratic reform became one of the main priorities. This was marked by the bureaucratic simplification policy announced in the President's inauguration speech on 20 October 2019 and officially stated in Presidential Regulation Number 18 of 2020 concerning RPJMN 2020–2024. The main focus of this policy is the transfer of structural positions to functional positions as a step towards a more effective and efficient bureaucracy.

According to Permenpan RB Number 25 of 2021, the objectives of simplifying bureaucracy include accelerating decision making, increasing government accountability, and creating a more dynamic and responsive bureaucracy. Implementation of this policy was carried out through three main stages: simplification of the organizational structure, equalization of positions, and adjustment of work systems. Of these three stages, adjusting the work system is a crucial guideline for state civil servants (ASN) in carrying out their duties after equalization of positions.

Furthermore, the Ministry of State Apparatus Empowerment and Bureaucratic Reform (KemenPAN RB) issued a policy regarding bureaucratic simplification through three stages: simplifying the organizational structure, transferring echelon III and IV structural positions to functional positions, as well as adjusting work mechanisms and business processes. In order to achieve these steps, the Menpan-RB issued statutory regulations, namely Regulation of the Minister for Empowerment of State Apparatus and Bureaucratic Reform (PermenPAN-RB) Number 6 concerning Management of Performance of State Civil Service Employees (ASN) and PermenPANRB Number 7 concerning Work Systems in Government Agencies for Simplification Bureaucracy. These two laws and regulations were created to carry out President Joko Widodo's directions regarding bureaucratic simplification. According to the Deputy for State Administration Studies and Innovation at the State Administration Institute (LAN), to support these laws and regulations, strategies are of course needed to communicate and implement these policies within the scope of government (LAN RI, 2022).

This policy is seen to have a significant effect in various aspects of the bureaucracy, first of course in the Institutional Aspect, this policy requires changes or updates to the bureaucratic structure of the organization to make it leaner (Monteiro & Adler, 2022; Maulana et al., 2022; Masood & Nisar, 2022; Jeong, 2023). Second, in the human resources (HR) aspect, the visible impact is the transfer of positions, namely those from previously having administrative positions to functional positions which require additional functional competence or expertise in certain fields. Third is the management aspect, namely the need for work patterns, communication and a work culture that is built based on collectivity and solid teamwork so as to create collaboration between work units (LAN RI, 2022; Hamid et al., 2022; Muniroh et al., 2022; Achdiat et al., 2023).

However, implementing this policy is not free from challenges. A number of studies and literature show that there are various problems that arise as a consequence of equalizing structural positions into functional positions. This raises the need for in-depth studies to evaluate the effectiveness of these policies as well as find solutions to the obstacles faced. This research is expected to be able to evaluate the extent to which the bureaucratic simplification measures that have been implemented have succeeded in achieving the goals of bureaucratic reform, in three aspects, namely institutional aspects, aspects of human funding sources and management aspects.

Methods

This research employs a descriptive method combined with a library research approach, which is intended to provide a comprehensive overview of the issues being examined through existing literature. The descriptive method focuses on presenting a detailed and systematic explanation of the current phenomena related to the topic, without manipulating variables. In this context, the library research component becomes essential as it forms the basis for gathering and synthesizing a broad spectrum of information. This includes theoretical frameworks, previous research findings, and relevant conceptual insights, all of which help to establish a strong academic foundation for the study.

The literature study aspect is implemented through the collection of secondary data from diverse written sources, such as scientific books, peer-reviewed journals, academic theses and dissertations, legal documents, and encyclopedias, among others. By drawing from both print and electronic formats, the researcher is able to cross-reference perspectives and ensure the breadth and credibility of the information used. This approach allows for a deeper understanding of the topic and ensures that the research is anchored in established knowledge. However, while this method supports thorough conceptual analysis, it also has limitations—

particularly in addressing real-time dynamics or firsthand experiential data that primary field research might reveal.

Results and Discussion

Analysis of Institutional Aspects in Bureaucratic Simplification

Institutional reform is a critical element in bureaucratic simplification. According to the Grand Design of Bureaucratic Reform 2010–2025, eight areas of change have been identified, including organization, governance, and legislation. In Wave I (2010–2014), efforts were focused on strengthening institutional functions through more efficient organizational structuring. However, evaluations indicate that institutional simplification still faces challenges due to organizational designs that are not sufficiently adaptive to local needs.

Previous research by Situmorang (2022) emphasized the importance of adaptive policies to face institutional challenges. In Wave II (2015–2019), regulations such as Government Regulation Number 18 of 2016 and PermenpanRB Number 8 of 2019 were implemented to strengthen institutions. Organizational evaluations were also conducted to simplify the bureaucratic structure. Furthermore, the 2020–2024 road map emphasizes organizational structuring and policy deregulation as part of the institutional reform agenda. Various issues persist in the management of regional government institutions, reflecting the complexities of institutional dynamics. One recurring phenomenon is the tendency of regional heads to expand regional apparatus organizations (OPD) as a means of accommodating political allies or supporters who contributed to their success during regional elections (Hagmann, 2005). This practice often prioritizes political interests over organizational efficiency.

At the same time, ministries and agencies frequently mandate the formation of specific institutions through various regulations, including laws, government regulations, and ministerial decrees (Slaughter, 2017; Mahmalat & Zoughaib, 2022; Al-Fatih et al., 2023). These mandates can lead to an excessive number of regional apparatuses, surpassing the regulatory limits and creating administrative inefficiencies. In many cases, this results in a duplication of functions, further complicating institutional management.

Additionally, the design of OPD structures often creates significant disparities in workloads between positions within the same echelon or across different regional apparatuses. This issue stems from the reliance on functional or business approaches in organizational design, with insufficient attention given to comprehensive job analysis and workload assessments (Syafri et al., 2024). The problem is exacerbated by the use of standardized position echelons that do not reflect the outcomes of job evaluations.

The policy changes surrounding regional institutional arrangements frequently have adverse effects on several fronts. From a human resources perspective, employees are often the most impacted. For instance, the implementation of PP 18/2016 led to the dissolution of certain organizational units, such as UPTs within the Education Office, and reassigned structural supervisors to functional positions with additional duties, such as those in UPT Puskesmas under the Health Office. These changes resulted in many supervisors being demoted to executive or non-job positions. Similarly, structural directors of Regional Public Hospitals (RSUD) were transitioned into functional roles, only to later revert to structural positions after regulatory revisions. In some cases, such as a Type B RSUD director over the age of 56, these changes disqualified them from participating in JPT Pratama selection processes. Bureaucratic simplification policies further complicated matters by reclassifying senior officials with IV.a ranks (Pembina) into junior functional roles, as outlined in Article 8 of PermenPAN-RB 18/2019.

Financial implications are another area of concern. Institutional restructuring often leads to increased budget allocations for position allowances. Bureaucratic simplification, in particular, has resulted in higher expenditures for functional position allowances, placing additional strain on financial resources.

From an organizational governance perspective, the integration of functional positions has seen mixed results. In some regional apparatuses, such as the inspectorate and regional development planning agency, functional positions like auditors, supervisory officers, and planners have been integrated with clear governance frameworks (Sahi et al., 2024; Fauzian, 2023; Purnomo, 2022). However, in many other regional apparatuses, functional roles are often treated as equivalent to implementing positions, with no clear guidelines or procedures. This lack of governance hampers the effectiveness of functional roles and creates challenges in task execution post-simplification.

Finally, the quality of public services is often adversely affected. While institutional arrangements are intended to clarify the roles and responsibilities of each regional apparatus, in practice, they frequently result in overlapping authority and duplication of tasks. This undermines the efficiency and quality of public services, further highlighting the need for more adaptive and integrated approaches to institutional reform.

Analysis of Human Resource Aspects in Bureaucratic Simplification

Human resources (HR) play a pivotal role in the success of bureaucratic simplification efforts. However, the competencies of civil servants (ASN) often present significant challenges in implementing these policies. During the first phase (Wave I), initiatives were concentrated on enhancing the capacity of ASN through performance evaluations and transparent recruitment processes. In the second phase (Wave II), a superior work culture emphasizing IPA values—Integrity, Professionalism, and Accountability—was introduced as a foundational standard for all levels within ministries and agencies.

Henry (1979) classifies job roles in organizations into five distinct categories, each representing a critical component of the organizational structure. At the top lies the Strategic Apex, comprising the highest-ranking leaders responsible for the organization's overall direction and effectiveness. These individuals ensure that the organization aligns with its vision, mission, and objectives. In regional governments, this role is typically filled by officials such as the Head of Departments or Agencies, the Secretary of the Regional Representative Council (DPRD), or the Regional Secretary.

Connecting the strategic apex to the organization's operational layer is the Middle Line. This category serves as an intermediary, ensuring communication and coordination between leadership and the workforce. In the context of regional governance, middle line roles include heads of divisions or sections who facilitate the implementation of strategic decisions.

The Techno-Structure represents the analytical backbone of the organization. These individuals are responsible for designing systems, planning strategies, and training personnel to execute the core functions of the organization (Miles & Snow, 1984; Bryson, 2018). While they do not directly engage in operational tasks, their expertise is crucial in guiding and supporting the workforce. In regional governments, these roles are often held by functional position holders.

The Support Staff play a complementary role, operating relatively independently to provide indirect assistance that supports the organization's day-to-day operations. Their contributions, though not always visible, are essential for maintaining the organization's functionality and stability. Finally, the Operating Core consists of individuals directly involved in the

organization's primary activities. They are responsible for executing the essential tasks and delivering the products or services that define the organization's purpose.

Together, these five categories illustrate the intricate hierarchy and division of labor within an organization. Each component plays a unique yet interdependent role in driving the organization toward its goals, emphasizing the importance of a well-balanced structure for effective functioning.

Despite the conceptual shift in organizational roles, several challenges arise in transitioning the techno-structure to the operating core within regional governments. One significant issue is the organizational procedures and workflows that have not yet adapted to optimizing functional position holders as the operating core, responsible for direct public service delivery. Another challenge is that functional position holders tasked with additional responsibilities as coordinators are often burdened with managerial duties, diverting their focus from operational tasks.

Research by Ristala & Rahmandika (2022) underscores that competency-based and meritocratic human resource management is essential for enhancing the professionalism of civil servants (ASN). However, while structural positions have been streamlined, not all ASN possess the necessary skills to effectively perform their functional duties.

The 2020–2024 roadmap highlights the need for a more holistic approach to strengthening human resource management in the public sector. This includes comprehensive training programs, performance evaluations rooted in merit principles, and transparent promotion processes. By addressing these areas, regional governments can better equip their personnel to navigate the demands of their evolving roles and ensure that the transition from techno-structure to operating core contributes to improved public service delivery.

Implementation of bureaucratic reform has faced several persistent challenges, particularly regarding the perception and adaptation of civil servants (PNS) to functional positions. Even after the reforms, many civil servants continue to regard functional positions as secondary or "second-class" roles. This perception has discouraged employees from pursuing careers in functional positions. Additionally, former supervisory officials often struggle to adapt to the requirements of functional roles, such as compiling and submitting Activity Performance Credit (DUPAK) reports.

Another critical issue is the competency gap. The forced transition of employees to functional positions often results in mismatched skills and a lack of preparedness (Masrully, 2021). Organizational challenges include the distribution and allocation of functional positions, which often fail to align with the intrinsic design of the organization, such as techno-structure, operating core, and supporting staff roles. Furthermore, the traditional interaction patterns in many organizations, which heavily emphasize structural hierarchies, have led to centralized command and hindered collaborative work dynamics.

Analysis of Administrative Practices in Bureaucratic Reform

In terms of administrative governance, bureaucratic reform aims to streamline administrative procedures and enhance the effectiveness of work systems. As outlined in the Grand Design of Bureaucratic Reform 2010–2025, the ultimate goal of the 2015–2019 reform phase was to establish a performance-based bureaucracy. However, by the end of 2019, this objective remained unmet. The introduction of Government Regulation No. 30 of 2019 aimed to address this gap by introducing a 360-degree performance evaluation for civil servants (ASN).

Despite these efforts, the ideal model for ASN performance management has yet to be achieved. Persistent issues include the misalignment between individual employee

performance and organizational outcomes. While individual employee performance ratings may appear high, they often do not translate into corresponding organizational performance improvements (Waluyo, 2019). Another issue is the lack of managerial readiness to implement effective performance management. Misconceptions and biases persist, such as the belief that scores should not be too high, subordinates' scores should not exceed their supervisors', or that performance ratings are only improved during promotion evaluations (Junjunan, 2020). Supervisory officials often act as mere evaluators of pre-drafted assessments rather than actively shaping fair and accurate performance evaluations.

In the initial phase of reform, efforts focused on refining business processes and implementing Standard Operating Procedures (SOPs). Supporting information systems were also introduced to accelerate public service delivery. The second phase advanced these efforts by emphasizing quick wins through the digitalization of work systems and the strengthening of performance accountability.

Research by Rahmawati (2021) highlighted that digitalizing administrative processes not only accelerates services but also enhances transparency and accountability in governance. The 2020–2024 roadmap prioritizes improving public service quality by establishing service standards, conducting citizen satisfaction surveys, and disseminating performance results. However, the persistent misalignment between individual performance evaluations and organizational goals remains a critical area requiring attention.

Conclusion

Bureaucratic reform, which involves the simplification of bureaucracy, is an essential element in efforts to streamline government institutions. This reform is viewed through the lenses of institutional structure, human resources, and administrative processes. Evaluations indicate that while regulations and policies such as Government Regulation No. 18 of 2016 and Ministerial Regulation No. 18 of 2019 have been put in place to strengthen institutional frameworks, their implementation faces challenges. Issues such as organizational designs that are not sufficiently adaptable and the duplication of functions hinder the success of these reforms. Moreover, the simplification of bureaucracy often results in negative impacts on personnel, finances, administrative procedures, and the quality of public services.

In terms of human resources, a significant challenge arises from the mindset within the civil service that views functional positions as secondary roles. This perception, combined with a competency gap, needs to be addressed through merit-based training and more strategic management of human resources. Additionally, the transformation of job typologies requires adaptations in work processes that support functional position holders as key parts of the operating core.

On the administrative front, while the digitalization of systems and the reinforcement of standard operating procedures (SOPs) have accelerated administrative processes, the integration of performance management for civil servants remains incomplete. The misalignment between individual performance evaluations and organizational outcomes presents a challenge that requires particular focus.

Overall, the success of bureaucratic reform demands a holistic analysis, adaptive policies, and the commitment of all stakeholders to enhance the efficiency, effectiveness, and accountability of organizations. These efforts should continually aim at improving the quality of public services, which remains the ultimate goal of the reform process.

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