THE PUBLIC SERVICE PERFORMANCE IN PERSPECTIVE NEW PUBLIC MANAGEMENT (NPM)

(A CUSTOMER MODEL STUDY FOCUSED ON SERVICE IN PDAM MAKASSAR CITY, IN 2012)

Dr. Hamsinah, M.Si
Faculty of Social and Political Sciences, Hasanuddin University, Makassar

Abstract - This study purposes to (1) analyze and describe the performance of PDAM service area in Makassar concerned with distributing public service to its customer; (2) describe the gap between performance of PDAM Service Unit in Makassar and it's customer’s expectation; (3) analyze and describe the effort of PDAM service area in Makassar in order to increase its performance based on the gap public service to the customer.

The research combined qualitative and quantitative methods in this study the research location, chosen purposively. The main information and secondary data were collected from all PDAM service units, and this study used descriptive analysis data as well.

Apparently, the study found, based on the field findings over 2012 that the performance of PDAM service units in Makassar is still in low level because in quantity, the target on RKAP 2012, was not achieved yet. This insufficient target resulted from less material providing, in corrected time standard of work conduction, and delinquent payment. The quality as performance was also still low because there were still many claims to be found in 2012. There were 5,510 claims, most of them are on giving service, conducting procedure, and inconsistent time of service distributing.

Key Words— Customer, Makassar, Performance, Public Service, Service

I. INTRODUCTION

At present, the performance of public service bureaucracy is an issue which gets increasing attention from many quarters. A bureaucracy which has lackluster performance in providing service to the public is considered as a stigma by the society. Therefore, according to Dwiyanto et. al. (2002), such bureaucracy will affect the performance of the government and the society as a whole in the effort to improve competitive advantage.

In order to solve this problem, the government through the decree of the Minister of State Apparatus Empowerment (Menpan) No. 63/KEP/M.Pan/7/2003 has provided several guidelines for the public bureaucracy in providing good service. Various principles of service, such as simplicity, clarity, certainty, security, openness, efficiency, economy and fairness are the principles of service which should be accommodated in providing public service. For the principle of simplicity, for instance, Dwiyanto dkk. (2002) has provided an example, which is meant to express that the procedure of public service should be designed in such a way that the provision of service to the public can be easy, smooth, quick, without any red tape, easy to understand and easy to implement. In this way, one of the primary task of the bureaucracy is to provide a good service for the society. As citizens, each individual has equal right to receive service from the bureaucracy. But in reality, it is not manifested according to expectation. Service provider often tends to give more favor to certain groups which are considered powerful, such as the well-to-do and those with strong bargaining power to the bureaucrats, such as the wealthy. As a consequence, according to Partini et. al. (2004), a gap occurs between the bureaucracy and the citizens that it should serve. The officers should provide the service in a courteous and fair manner, however they have not been able to fulfill the expectation of the users in general.

The management of an enterprise which is oriented towards costumer should be based on the decree of the Board of Directors of the Water Utility Company (Direksi Perusahaan Daerah Air Minum) Number 1975/B.3a/XII/2002 dated 30th December 2002 concerning the optimization of water service to achieve a good service in the frame of service improvement to the public. Therefore, in order to implement the decree of the Water Utility Company director, several water utility service units were formed in the municipality of Makassar, covering all zones of service. Unfortunately, an impression has emerged among the public that state-owned enterprises which provides services and public goods, such as the water utility company in Makassar, and their service units, has not shown satisfactory capability and performance. This is evident from the number of complaints from the consumers about the performance of the service, which is not congruent with the expectation of the consumers. The number of complaints received by all service units of PDAM (water utility company) in the municipality of Makassar in 2007 is 1,597 complaints.

The same condition applies in many other PDAM in Indonesia, such as in Band Aceh, where the performance of the employees of PDAM Tirta Doroy Banda Aceh received much criticism. This is related to the frequent stoppage of water flow. According to Bahmi (2001), the public in the urban areas thinks that the PDAM service is severely lacking because the employees are lacking discipline in working. Meanwhile, Kompas reported that the performance of the PDAM Delta Tirta in Sidoarjo is also decreasing, as evident from the worsening quality and flow of water to the consumers.
For the last several years, the provision of fresh water has faced several problems, not only in Makassar as the capital of the South Sulawesi province, but also in other regions. The problem is apparent from the many complaints that the water distribution is often interrupted and not equally distributed (Pedoman Rakyat, 29 November 2000; Fajar, 12, 16 and 30 November and 5 December, 2000). According to Lusia (2003) from the report of the members of Forum Peduli Air dan Lingkungan (FPAL) which is distributed in all sub-district (kecamatan) in Makassar, the complaint on the performance of PDAM service units comes most often from the eastern part of Makassar, that is the service units in Sudiang, Daya and Tamalanrea. Especially when the drought season comes near, the people in the eastern part of the municipality of Makassar often complains about the provision of fresh water. The water problem, according to the people, is not a new one but has been dragging on for years. Therefore, they expect that the government and all service units of PDAM in the municipality of Makassar work together to solve this problem.

Many problems are faced by the PDAM in Makassar in providing fresh water (Fajar, 27 March 2004), such as the increasing amount of subsidy from the local government for the sale of fresh water from year to year, the high incidence of leaking pipes, about 50 percent. The management of supervision is also not efficient. Technical problems is also part of the picture, such as the increasing murkiness of the water during the rainy season on several water processing plant which is over the standard limit (.5 – 1.5 NTU). Water supply often PDAM of Makassar has to bear continuing loss as part of the company’s great reliance on the subsidy of local government.

The parameter which is used for assessing the service performance of the PDAM units can be classified into two approaches. The first approach is to see the service performance from the perspective of the service provider, and the second is from the perspective of the consumer, that is by measuring the perception of the consumers towards the actual service that they receive and their expectation. Ideally, the actual gap between perception and expectation of the consumer should not exist, where it would mean that the service has been delivered satisfactorily because it matches consumer expectation.

Generally, the previous research on PDAM, including the PDAM of Makassar, was focused only on the perception of users. However, the quality of service provision, in this case the management of PDAM of the municipality of Makassar, rarely received any attention. Therefore, the quality of public service provision which is influenced by service performance also requires some attention. Parasuraman et. al. (1990) has stressed the importance of assessing the performance of state enterprises in public service, by measuring the gap between the provision of service with the performance expected by the consumer or the public. This means that the performance evaluation for public organization, especially for a regional state-owned company such as the PDAM in Makassar, should be based on a paradigm, which is focused not only on solving the internal problems of the organization but also on fulfilling the needs of the public whom they should serve, so that the gap between the performance of fresh water service and the consumer expectation can be reduced or eliminated.

Based on the above reasoning, the focus of this research is the effort of improving performance, in this case the provision of public service for the PDAM of Makassar. The discussion of this problem is expected to be useful for the public organizations in general, especially the PDAM and their customers.

a. Research Objective.

The objectives of this field research in all PDAM service units in Makassar are:
• To analyze and describe the performance of service units of PDAM in the municipality of Makassar in providing service to the consumers
• To analyze and describe the gap between the performance of PDAM service units in Makassar with the consumer expectation
• To analyze and describe the efforts in improving the PDAM performance in Makassar, particularly in the provision of public service units to the consumers

b. Research Method
   b.1. Types of Research.

This study sought to identify and analyze the performance of public services in the perspective of the New Public Management (NPM), particularly in designing customer focused service model on PDAM Makassar. By him that, Creswell (2010: 21-23) explains that the strategies used in mixed method consists of three (3) strategies: 1) sequential mixed method (gradual) is a procedure in which researchers attempted to combine the data obtained by the two methods. This strategy is done by performing quantitative methods in advance through secondary data to find problems PDAM Makassar service performance, and then carried out qualitative research methods through observation, and interviews. 2) concurrent mixed method (one time), in this method the researcher will unite or bring qualitative data with quantitative data is to obtain a comprehensive analysis of the research problem. In this strategy, researchers collected two types of data at one time, and then combine them into one overall information in the interpretation of results. 3) transformatve mixed method, a procedure in which in which researchers used theoretical glasses.

c. Locations And Sampling Research.

The research was conducted in the city of Makassar, South Sulawesi province, precisely in the Regional Water Company (PDAM) Makassar City and all its service units in 2012. There are 4 (four) service units owned by the PDAM in its service territory. To get an overview and a detailed and in-depth explanations of the phenomena associated with this research problem, this study focused specifically on one (1) service area PDAM Makassar elected pursuantively. The basic consideration is the selection of the study site:
(1) PDAM Makassar is a local company;
(2) Each service area of PDAM Makassar is executing operational tasks of PDAM.
(3) The purposively chosen area, as the focus of the location is based on the number of complaints received by the selected service areas.

d. Research time.
The research was conducted in the Makassar city, on PDAM Makassar during the four months starting in June until September 2012.

II. RESULTS AND DISCUSSION

A. Performance Service Area PDAM Makassar.

1. Performance Service Area PDAM Makassar In Quantity.
Based on information from interviews, observations, and target data from the CBP data and the realization of the PDAM Makassar in 2012, the performance of the service area is quantitatively not fully realized or not reaching the target, see Table I, Table 2, and Table 3 below.

Table 1. Target and Realization of Engineering Service Area on PDAM Makassar, In 2012

<table>
<thead>
<tr>
<th>Service Areas</th>
<th>Reactivated</th>
<th>Termination of customers</th>
<th>Replace regular meter</th>
<th>Replace irregular meter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TARGET</td>
<td>REALISATION</td>
<td>TARGET</td>
<td>REALISATION</td>
</tr>
<tr>
<td>Service area I</td>
<td>400</td>
<td>206</td>
<td>300</td>
<td>232</td>
</tr>
<tr>
<td>Service area II</td>
<td>300</td>
<td>236</td>
<td>350</td>
<td>344</td>
</tr>
<tr>
<td>Service area III</td>
<td>900</td>
<td>340</td>
<td>500</td>
<td>515</td>
</tr>
<tr>
<td>Service area IV</td>
<td>1,000</td>
<td>517</td>
<td>300</td>
<td>317</td>
</tr>
</tbody>
</table>

SOURCE: The work and budget plans & Electronic Doc. Centre In PDAM Makassar, 2012

Table 2. Target and Realization of Service Area On PDAM Makassar, In 2012

<table>
<thead>
<tr>
<th>Service Areas</th>
<th>New Installation</th>
<th>Change of Status</th>
<th>Reverse Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TARGET</td>
<td>REALISATION</td>
<td>TARGET</td>
</tr>
<tr>
<td>Service area I</td>
<td>750</td>
<td>460</td>
<td>500</td>
</tr>
<tr>
<td>Service area II</td>
<td>600</td>
<td>717</td>
<td>50</td>
</tr>
<tr>
<td>Service area III</td>
<td>1,500</td>
<td>1,616</td>
<td>500</td>
</tr>
<tr>
<td>Service area IV</td>
<td>1,100</td>
<td>1,451</td>
<td>500</td>
</tr>
<tr>
<td>Total</td>
<td>3,950</td>
<td>4,244</td>
<td>1,550</td>
</tr>
</tbody>
</table>

SOURCE: The work and budget plans & Customer Relation of PDAM Makassar, 2012
### Table 3. Published accounts & Amount Of Its Realization On The Service Areas Of PDAM Makassar, For 2011 – 2012 Period

<table>
<thead>
<tr>
<th>Service Areas</th>
<th>Published accounts REALISATION</th>
<th>Balance/rest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pieces</td>
<td>Amount of bills</td>
</tr>
<tr>
<td>Service area I</td>
<td>367,535</td>
<td>29,484,333,099</td>
</tr>
<tr>
<td>Service area II</td>
<td>309,808</td>
<td>28,976,110,560</td>
</tr>
<tr>
<td>Service area III</td>
<td>534,808</td>
<td>45,269,484,581</td>
</tr>
<tr>
<td>Service area IV</td>
<td>619,481</td>
<td>58,357,077,282</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,831,632</td>
<td>162,087,005,522</td>
</tr>
</tbody>
</table>

**Source**: The work and budget plans & Customer Relation of PDAM Makassar, 2012

Generally, the unfulfilling PDAM target was, in quantity, based on the finding, as seen in the Tables above, caused by a shortage of materials procurement, standard job execution time is not right, hierarchical bureaucratic procedures, and accounts. The lack of achievement of the target is of course taps illustrates that the application of the principles of NPM paradigm is still difficult to be implemented in the company's area. This is evidenced through the procurement of materials overdue and less frequent, improper execution of time, hierarchical bureaucratic procedures, as well as the occurrence of delinquent accounts which all imply a contradiction with the principles of the doctrine of NPM primarily on pelanggan improve service delivery, customer, through changes and regulatory reform, bureaucracy, and changes in performance, as disclosed below;

NPM has gone further than the traditional models in legitimizing public bureaucracies, such as the effort to provide procedural protection in administrative discretion, and tends to give “trust to the market and private business method and ideas written in the language of economic rationality” (Denhardt & Denhardt, 2003).

Mahmudi (2005) added that NPM has a doctrine which is focused on management instead of policy, and on de-bureaucratization, performance and performance evaluation, result-based accountability, splitting up public bureaucracy into working units, the application of market mechanism by contracting-out or outsourcing to help develop the competition in public sector, cost cutting and efficiency, performance based pay, and managerial discretion in running the organization. This doctrine emphasizes that NPM is related to the increasing importance of customer service, devolution of authority, reform of regulations, reform of budgeting process into performance budgeting.

In addition, the unfulfilling target on the Local Fresh Water Company also shows how the influence of OPA paradigm, Old Public Administration, from the perspective of Weberian bureaucracy is still quite strong coloring in the Company. In fact, the bureaucratic procedures that affect performance in the Regional Water Company is also still visible influence of feudal bureaucratic cultures criticized by OPA perspective in which power is so strong that leaders are reluctant to take off and give authority to the staff, subordinates to do the initiative, without any command from the above decision. This can be seen in Figure I below, where the structure of the organization and procedure of the installation of new network services is still very hierarchical and the power leader, managing director, who is so powerful.

Dwiyananto (2000) sees this phenomenon by explaining furtherly that centralistic tendencies in the bureaucracy have trapped the bureaucracy in the development of an organizational culture which tends to vertical orientation than the horizontal orientation which is more amenable to public interest. Centralization in the bureaucracy has created pathological symptoms in the form of many abuses of power and authority in the bureaucracy. The bureaucratic pathology appears because the norms and the values which guide the actions of the bureaucracy is more upward-oriented, that is to the political interest of power, rather than to the public. Many development policies of the government is controlled by the central government and this shows that the centralistic culture is strong in the bureaucracy. This condition has reduced the responsiveness of the bureaucracy to the values, norms, aspirations, needs and interest of the public.

**Figure 1. Organizational Structure & New Network Installation Procedures**
Similarly, the procurement of materials, based on the results of the study, to go through the lengthy bureaucratic procedures and long enough, through the CBP proposal containing programs, activities, and budget, so it is often not able to meet the material needs of the implementation of various service tasks, such as setting up new networks and channels, repair and replacement pipes and meters, repairing leaks and meter drains, re-opening and closing of subscriptions, and so on. CBP proposed every 6 (six) months after the initial filing CBP.

The warrant task is, in Indonesia calls as SPK, also one of the obstacles inhibiting the implementation of tasks on public service delivery as before its publishing, the staff could not immediately respond to the needs of the public service. They have to wait for the warrant task, SPK, proposed, approved, and passed on to them. In fact, the staff cannot, especially field staff, who actually know the situation and the needs in the field, take any initiative and do nothing. Therefore, in the perspective of the NPM, delegation of authority, reform of regulations, reform of budgeting process into performance budgeting needs to be done. With bureaucratic structures and procedures that still in used PDAM Makassar, as shown in Figure 1 above, the application of the principles of NPM is still difficult to be applied and implemented as the main doctrine in Good Governance which has been implemented in most of government agencies, such PDAM, the local fresh water company.

In the case, publishing SPK various tasks required for the implementation of services, particularly providing all ground services, although the publishing process should only take a day. Meanwhile, the number of delinquent accounts because the account published in the year 2012 as many as 1,831,632 pieces, but the payment is successfully realized just 1,765,302 pieces, about 85 percent, valued at Rp. 162,087,005,522. Published a number of accounts owed by the customer as much as 66,330 sheets worth Rp.6,245,781,420, see Table 3 above.

2. Performance Service Area PDAM Makassar In Quality.

The quality of the performance of the service area is visible from the number of complaints from the public / customer service received by all regions PDAM Makassar. The number of complaints received customer complaints by all service areas PDAM Makassar city in the year 2012 as many as 5,510 complaints, see Table 4. Moreover, the criticism and the spotlight on the quality of service tags are also popping up almost every time in a variety of media.

### Tabel 4. List of Customer Complaints, In PDAM Makassar Service Areas

<table>
<thead>
<tr>
<th>Description</th>
<th>DISTRIBUTION PIPE LEAK / PIPA DEPARTMENTS</th>
<th>Unsupply Water</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complaints REALISATION</td>
<td>% Complaints REALISATION</td>
</tr>
<tr>
<td>Main Director of PDAM Makassar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Director of PDAM Makassar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Planning Unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budgeting &amp; Financial Units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Installation Unit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: PDAM Service Area of Makassar, 2012
The complained problems are the general technical problems, such as leaks, the water was not supplied, murky water / smelly, feet lost / damaged and others. The leakage and unsupply water are the most widely reported. This condition as one factor contributing to the high rate of the water loss. Until the year 2012, the rate of the water loss reached 48.26 percent. This is partly caused by the leakage of the distribution pipelines, there are many water meter has exceeded their technical age, yet held improvement and repaired water meters are problematic, as well as the customer's water meter reading is not optimal by PDAM’s partners.

The problems of water use bill payment that came from the diverse social groups, particularly from the government and the political and social organizations showed more weaknesses of the local government performance and the services of the company organizations, the water companies, the coordination and the customer relationships. Although, the rules have been made to address the problem of the payment arrears account, however, this rule resulted in the disconnection of water to customers of 1,408 customers out of a total of as many as 154,500 subscribers taps Imposition of a penalty to the payment problems is too little worth only Rp. 4,500, -. Meanwhile, the imposition of penalty payment is supreme only 5 (five) percent of the total payment of bills for the current month.

The labor inefficiency is also the other factors that hinder the implementation of service tasks that take place at the headquarters of PDAM Makassar. The total number of PDAM employees are 780 people where 479 employees stationed at the headquarters. Meanwhile, the number of employees who perform duties in the service area only amount to 4,301 employees.

More than half of employees PDAM is about 55.0 percent graduated only from high school, see Table 4.4. According to the explanation of the head unit and the technical field staff that the technical staff are employees with primary and secondary education levels.

B. Gaps Between PDAM Performance And Society’s Expectation:

1. Gaps between Performance In PDAM Makassar And Society’s Expectation.

The gaps were, appear in the provision of public services to the community in the field, based on the findings at the field, the differences between the parties arising perceptions of service providers, service unit taps, with what is expected by the customer, the community. The differences in perception occur in service delivery to the community caused by the quality of service that is not in accordance with the customer expectations. For example, assume that the manager of the taps if the water needs of the customer are met by both the quantitative aspects, quality and continuity, then what society expect are the customer’s needs are met. In addition, the onset of the gap is also due to the application of time standards are not consistently implemented and also deny the motto "committed to serve you better" mission of providing excellent service. The gap between employee role conflict to service delivery. One cause of this gap, service quality specifications with service delivery, for Zeithaml et.al (Ibrahim, 2008), regarded as role conflict arising within employees to meet customer expectations and are also required to run the task of leadership.

This marked the emergence of a gap showed on the data presented on the Table 4 where the large number of customer complaints amount 1,597 complaints. The first one is the gap of not knowing what the customers expect due to lack of information obtained about the customer desires and expectations when they formulate policies, programs and activities on the provision of quality of service expected.

Second, the gap appeared because PDAM did not have a standard design and an appropriate services. One example is a new installation procedures, the standards stipulated in the brochure is 1 (one) week, but the completion of the installation of a new job is often one (1) month.

The third gap is caused by a conflict in the role of an employee due to lack of self-possessed authority in carrying out the provision of public services, for example to make new connections that cannot be done because the materials are not there to be proposed again, the period of 6 (six) months.

C. The Efforts To Improve And Eliminate The Gaps.

1. Performance Improvement Efforts to Eliminate Care Gaps PDAM Makassar

Various attempts have been made by the PDAM service area to improve their performance of its services, including revamping a network internally, standard time service, additional capacity and service coverage. Meanwhile, externally, in all service areas established cooperation with the private sector in terms of meter readings and the reduction of water loss and meeting

<table>
<thead>
<tr>
<th>Service area</th>
<th>Total 1</th>
<th>Total 2</th>
<th>Difference</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service area I</td>
<td>1,235</td>
<td>472</td>
<td>763</td>
<td>38%</td>
</tr>
<tr>
<td>Service area II</td>
<td>650</td>
<td>650</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Service area III</td>
<td>1,111</td>
<td>1,111</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Service area IV</td>
<td>1,853</td>
<td>1,853</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>4,849</td>
<td>4,086</td>
<td>763</td>
<td>84.2%</td>
</tr>
</tbody>
</table>

www.scirj.org
© 2013, Scientific Research Journal
customer through the Customer Forum. Nevertheless, the efforts that have been made not succeeded in improving performance in the public service because there is gap between the expectations of the performance of public services (customers).

In connection with this, a Model on performance improvement efforts to eliminate disparities in the results of the study is expected to be followed up by further research. The further research on improving the performance of public services is to reduce and delete, if possibly, the gaps, especially at the public companies and the government organizations is very important to be able to continue to improve and reform the public service performance so that people can really get a good result and the social prosperity can really be realized.

III. CONCLUSION

Based on the research and discussion about the service performance in the service area of PDAM Makassar, the conclusions that can be drawn is in carrying out its public service tasks, the performance of the service area are low quality service both in quantity and in quality. The condition of such public service performance is reinforced with plenty of complaints received, and even criticism and scrutiny of the public continue to be delivered, as shown in the above table results.

REFERENCES

Books

www.scirj.org
© 2013, Scientific Research Journal


RULES / DECREES


[3] No decision of the Minister of Home Affairs. 47, 1999 May 3, 1999 Date of Instructions Success Rate Classification and Calculation of Performance Value taps.
