

UDC 332

## THE EFFECT OF REGIONAL OFFICE RESTRUCTURING ON THE PERFORMANCE OF CIVIL SERVICE OFFICERS IN BELU REGENCY

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### ABSTRACT

This research aimed to describe and analyze: (1) the effect of regional office restructuring on the performance of civil service officers in Belu Regency, Nusa Tenggara Timur Province, Indonesia; and (2) supporting and inhibiting factors influencing regional office restructuring. This research used a qualitative approach and case study. The research location was Belu Regency Regional Office which underwent merging and status upgrade. The research focus was: (1) regional office restructuring and (2) supporting and inhibiting factors. We determined the informants using the purposive sampling technique. The data collection used were interviews, documentation, and observation. We used pattern-matching logic to analyze the case study. Furthermore, we used the triangulation technique to validate the data. The research result showed that Belu Regency restructured its Regional Office in 2019. The restructuring process created three new Regional Offices: (1) Department of Public Works and Public Housing, (2) Department of Agriculture and Food Security, and (3) Belu Regency Border Management Agency. The restructuring improved communication and control. Restructuring directly impacts civil servants and improves the timeliness and success rate of the administration process and program implementation. Organizational performance relies on an organization's quality, quantity, dependability, adaptability, initiative, and cooperation. Furthermore, the leadership style created a new work motivation.

### KEY WORDS

Implication, restructuring, organization, cooperation, civil service officer.

Belu Regency has restructured the regional office twice in 2016 and 2019. Belu Regency adhered to the central government's new regulations that required downsizing and expansion of regional office organizations, as well as changes to the nomenclature of certain positions. Regulation changes regarding the Regional Office, among others, were Government Regulation Number 41 of 2007 concerning the Regional Office, which was later revoked and replaced by Government Regulation Number 18 of 2016 concerning the Regional Office. Subsequently, Government Regulation Number 18 of 2016 concerning Regional Office was replaced with Amendment to Government Regulation Number 72 of 2019 concerning Regional Office.

In response, the Belu Regency government issued Regional Regulation Number 10 concerning Regional Office and Regent Regulation Number 54 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of the Belu Regency Public Works and Public Housing Service; Regent Regulation Number 49 the Year 2019 concerning the Position, Organizational Structure, Duties, Function, and Work Procedures within Belu Regency Regional Secretariat as a technical guide.

Belu Regency merged several regional offices and upgraded sections into an agency. Table 1 shows the result of the Belu Regency Regional Office restructuring.

After the regional office restructuring, the changes in employee structure and Standard Operational Procedure caused several issues related to the performance of the state civil officers. For example, the capability of the state civil officers to adapt, take the initiative, cooperate, lead, and compete.

Based on the background of the research, it is necessary to verify the implication between regional office restructuring and the performance of state civil officers. Therefore, we conducted the study. Then, we formulated the problem and objectives of the research.

Table 1 – Regional Offices undergoing Restructuring Policy

N	Organization Name	Status	
		Merger	Upgrade
1	The Department of Housing and Settlement Areas merged with the Department of Public Works and Public Housing of Belu Regency	Belu Regency Department of Public Works and Public Housing Service	-
2	The Department of Food Security merged with the Department of Food Crops, Horticulture, and Plantations	Belu Regency Department of Agriculture and Food Security	-
3	Border Section at the Belu Regency Regional Secretariat	-	Belu Regency Border Management Agency

Source: Regional Secretariat Section of Belu Regency, 2019.

Table 2 shows the total positions for civil service officers before and after restructuring.

Table 1 – Number of Echelon Based on Employee Availability Before and After Merger in 2019

No.	Echelon	Before Merger	After Merger
1.	Echelon 2	36	35
2.	Echelon 3	189	181
3.	Echelon 4	623	607
Total		848	823

Source: Regional Secretariat Section of Belu Regency, 2019.

This research aimed to describe and analyze: ((1) the effect of regional office restructuring on the performance of civil service officers in Belu Regency, Nusa Tenggara Timur Province, Indonesia; and (2) supporting and inhibiting factors influencing regional office restructuring.

## LITERATURE REVIEW

### Performance of Civil Service Officers

Organizations use good management to achieve common objectives. However, the management needs to pay attention to one crucial factor: employee performance. Performance is a work result strongly related to organizational strategic objectives, consumer satisfaction, and economic contribution (Amstrong and Baron in Wibowo, 2011).

In general, employee performance refer to individual success in work. Lawer and Poter in Sutrisno (2011) stated that job performance is “successful role achievement as a result of individual actions.” The measure of individual success in performing a job is referred to as the level of performance. Optimal performance adheres to organizational standards and supports the organizational objective. Wibowo (2011) states that management performance refers to creating relationships and maintaining effective communication. Management performance focuses on what the organization, manager, and employee need to succeed.

Performance may refer to work accomplishment, implementation, achievement, and result (LAN in Sedarmayanti, 2005). Performance is closely related to productivity, as performance is an indicator that influences the performance level in an organization. Therefore, assessing the performance level of an organization is crucial. According to Soeprihanto in Triton (2010), productivity is the difference between work results and resources or the difference between production (output) and resources (input).

Fuad (2000) classifies employee performance into three: (1) high performers refer to high-performing employees that surpass the performance benchmark, even in challenging conditions; (2) satisfactory performers refer to employees that manage to achieve targets in normal conditions or fail to achieve targets due to external factors; and (3) low performers refer to employees that fail to achieve targets and do not adhere to work standards.

Maier in As'ad (2002) states that high-performing individuals are productive. On the other hand, low-performing individuals are unproductive. Based on the previous descriptions, performance refers to the work result of individual employees or the organization. On the other hand, management performance refers to leadership style in managing resources and communication. Management performance focuses on an open and continuous communication process to create a shared vision and strategic approach as a driving force to achieve organizational goals.

### **Performance Assessment**

Employee performance may be measured according to company interest. Therefore, one of the crucial indicators in measuring employee performance is company interest. Mondy, Noe, and Premeaux (1999) state that employee performance may be measured using the following dimensions. (1) Quantity of Work refers to work volume and productivity within a certain period. (2) Quality of Work refers to accuracy, precision, and completeness in specific tasks. (3) Dependability refers to the ability of an employee to work independently and minimize help from others. Dependability also measures employee commitment. (4) Initiative refers to independence, flexibility, and willingness to accept responsibility. (5) Adaptability refers to the ability to adapt and use existing ability to react to changing needs and conditions. (6) Cooperation refers to cooperating with others to finish assignments and conduct overtime.

Measuring public service performance is often referred to as government performance measurement. Therefore, government performance may be measured through public services. Furthermore, private company performance may be measured through private organization services. Good services indicate good performance. Therefore, organizational and service performance are two sides of a coin (Ratmiko and Winarsih, 2007).

### **Factors Influencing Performance**

Several experts have described factors influencing performance. Gibson, Ivancevich, and Donnely (2010) state that individual, psychological, and organizational factors influence employee performance. Individual variables refer to skills, knowledge, background (family, social level, and experience), and demography (age, hometown, and gender). Psychological variable refers to perception, behavior, personality, drive to study, and motivation. Organizational variable refers to resources, leadership style, reward, structure, and work design.

Sutermeister (1999) states that factors influencing employees are motivation, skills, knowledge, expertise, education, experience, training, interest, personal behavior, physical conditions, physiological needs, social needs, and self-centered needs.

Performance is influenced by ability and motivation factors. Keith Davis (Mangkunegara, 2006) states that factors influencing performance are: Human performance = Ability + Motivation, Motivation = Attitude + Situation, Ability = Knowledge + Skill.

Psychological skills consist of skill potentials such as Intelligent Quotient (IQ) and reality skills (Knowledge + Skill). Therefore, employees with a high IQ and adequate education may perform well daily. Furthermore, the employee may achieve the expected performance. Motivation factors depend on an employee's attitude toward the work situation. The mental attitude refers to a mental condition that drives an employee to generate maximum work achievement. Employees must have an excellent psychophysical attitude (mental and physical readiness, objective, and situation). Therefore, an employee must have mental and physical readiness in addition to understanding the main objectives and work targets. Furthermore, an employee must be able to create and utilize work situations.

### **Organizational Restructuring**

Organizational restructuring (organization redesign) is defined as a formal mechanism of organization management. According to Handoko (2006), organization restructuring or organization design is a formal mechanism to manage an organization. The organizational structure shows the framework and fixed pattern of relationships between functions, sections,

positions, or individuals that illustrate different organizational assignments and responsibilities.

Robbins (2006) defines organization restructuring as a redesign or rearrangement of the existing bureaucratic structure due to internal and external environmental dynamics. Bureaucracy needs to adapt to ongoing dynamics to prevail and develop. Furthermore, bureaucracy needs to perform according to reality. Therefore, organization restructuring is an activity to form a bureaucratic organizational unit that performs a particular work, task, or function.

Robbins (1994) states that organizational structure has three components: complexity, formalization, and centralization. Complexity determines the differentiation level in an organization, including specialization level, work division level, organization hierarchy levels, and geographic unit distribution. Formalization refers to the organization's compliance with regulations and procedures to manage employee behavior. Several organizations operate using minimum standard guidelines. Centralization determines the center of decision-making. Senior executives deal with existing issues through appropriate decision-making. In other cases, organizations use decentralized decision-making.

### **The Relationship Between Organizational Restructuring and Employee Performance**

Organizational restructuring is a form of change management in an organization. Change management is defined as a reforming process of organizational structure and direction to provide customer service and fulfill customer or stakeholder demands in addition to changing internal and external environments. Change is an existing feature at an organization's strategic or operational level. Therefore, each business actors need to identify crucial organization members. Changes in an organization are crucial to achieving objectives (Afiff in Priansa, 2013).

However, each individual potentially rejects organizational changes due to their respective personality, perception, and needs. Changes in organizations may cause individual and organizational resistance. Organizations are conservative by nature and tend to reject changes. Six factors influence resistance to organizational changes, as follows. (1) Structural Resistance: an organization's objective, structure, regulation, assignment, and discipline produce stability in a long-term process. Changes may disrupt the existing stability and potentially create resistance. (2) Changes have a vast influence. Changes in an organization cannot be focused on one section, as an organization is a system—changes in one section influence other sections. Changing the work process using new technology without changing organization structure will inhibit changes and smooth transition. (3) Workteam: independent work team challenges individual changes. (4) Threat to skills: changes to organizational patterns threaten certain skill groups. For example, using the computer to design threatens traditional designers and therefore generates resistance to the changes. (5) Threat to power. Changes sometimes threaten existing powers; therefore, affected individuals resist changes using existing organizational structures. (6) Threat to resource allocation. Groups in an organization that control a high amount of resources tend to perceive organizational changes as a threat. For example, Labor Union refuses to use automatic machinery for production as it threatens the labor force.

Each change causes positive and negative influences. For example, according to Siagian (2000), organizational restructuring may cause (1) changes to organizational structure and bureaucratic type into a functional structure; (2) work unit reduction in an organization as a whole—the organization may reduce work units to create a simple organizational structure; (3) merge several work units; and (4) reduce spatial complexity.

### **METHOD OF RESEARCH**

This research used a qualitative approach and case study. The research location was Belu Regency Regional Office, focusing on regional offices undergoing merger and status upgrades. Table 3 presents the research focus:

Table 3 – Research Focus

Research Focus	Operational Definition
Regional Office Restructuring	The effect of regional office restructuring on the performance of civil service officers in Belu Regency
Supporting and Inhibiting Factors	Supporting and inhibiting factors influencing regional office restructuring

We determined informants using a purposive sampling technique. The informants were officials who did not hold positions before and obtained positions after restructuring. The data collection used interviews, documentation, and observation. Then, we used pattern-matching logic to analyze the case study. Pattern matching compares empiric patterns and predicted patterns (using several alternative predictions). The similarity between patterns strengthens the validity of the internal case study (Yin,2008). Furthermore, we used the triangulation technique to validate the research data.

## RESULTS AND DISCUSSION

### The Effect of Regional Office Restructuring on the Performance of Civil Service Officers

Regional Office restructuring considered human resources. Human resources in each Regional Office are crucial elements that determine organization achievement and performance. Belu Regency formed the Department of Public Works and Housing Service, the Department of Agriculture and Food Security, and the Regional Border Management Agency. These institutions conducted technical assignments and coordinated by providing clear authority. Belu Regency aimed to reduce authority overlapping between technical institutions during program implementation. Therefore, the authority may control the administration process and time. Table 4 presents the organization's performance before and after the restructuring process.

Table 4 – Organization Performance Before and After Restructuring

Before Restructuring	Restructuring	After Restructuring
Lacking performance of Department of Public Works and Spatial Planning, Department of Public Housing and Housing Area due to overlapping assignment and functions	Department of Public Works and Housing Service	Increased performance of Department of Public Works and Housing Service due to direct control and suitability of assignments Work and functions adhere to existing regulations.
Lacking performance of Department of Food Security, Department of Food Crops, Horticulture, and Plantation Performance suffers due to overlapping assignments and functions.	Department of Agriculture and Food Security	Increased performance of the Department of Agriculture and Food Security due to direct control and suitability of assignments Work and functions adhere to existing regulations.
Lacking performance of Border Section due to overlapping assignment and functions	Regional Border Management Agency	Increased performance of Regional Border Management Agency due to direct control and suitability of assignments Work and functions adhere to existing regulations.

Source: Findings analyzed.

After restructuring, organizations executed programs by distributing assignments and authority in each institution. Organization merger improves daily assignments due to direct controls. Overlapping assignments in two institutions confused the employees. However, the organizational merger allows employees to perform assignments better. For example, employees of provincial institutions and ministry institutions may perform assignments according to respective mandates. Furthermore, the research result showed that direct controls improve work speed.

Despite the restructuring process, however, the organizations lacked human resources. For example, the Department of Public Works and Housing Service lacks human resources. The lack of workforce affected the organization's performance. Due to the increasing workload after organization restructuring, one employee worked on a project alone, affecting the performance and result. In addition, retirements reduced the number of State Civil Office.

Then, there were undisciplined employees. However, good management may fix the issues mentioned above. Leadership and reward factors heavily influence organizational performance and encourage low-performing employees.

Belu Regency Border Section was upgraded into Border Management Agency. The Border Section used to have a minimum amount of budget. Despite upgrading to the Agency level, the Border Management Agency received a section-level budget. The status upgrades coincided with the end of the year. Therefore, the Border Management Agency used the previous budgets. The Agency leader encouraged the new officials and staff to study and discuss with other Regency's Border Management Agencies. Some staff took the initiative to communicate with border experts.

Based on the interview result, the budget significantly influenced administrative work and functions in Border Management Agency. The budget constraint generated non-optimal work performance and affected the civil service officers that worked in a new environment and large workload. Therefore, the organization leaders need to create a new policy concerning budgets. In addition, the organization needs to provide equal incentives to the employee and improve their welfare. However, according to Government Agency Accountability Report, the Border Management Agency managed to achieve 2019 targets despite budget constraints.

The initiative, cooperation, dependability, and adaptability in the work environment influenced organizational performance after the restructuring process. The research result showed improved communication between leaders and employees. The new employees quickly adapted, and the officials encountered no problems. The Head of the Department often guides and directs technical activities, despite employing a third party. Lack of control would jeopardize ongoing work. Direct supervision encouraged the employees and improved work results. In addition, the Head of the Department focused not only on the work but also on employee welfare. The Head of the Department's behavior improved employee motivation and reduced corruption. Based on the research result, the employee had a large workload. However, cooperation between officials and employees reduced the workload. Furthermore, the officials and employees took the initiative to work on a project.

Leaders have dominant influence over their subordinates. In addition, leaders and subordinates influence each other to improve performance. Therefore, a leader must set an example, be disciplined, have an attitude of authority, and show expertise during work. The Department of Agriculture and Food Security employee considered that the Head of the Department has adequate knowledge and discipline and the capability to guide and direct their subordinates.

### **Supporting and Inhibiting Factors Influencing Regional Office Restructuring**

Based on the research result, several supporting and inhibiting factors influenced regional office restructuring in Belu Regency. Table 5 presents the supporting and inhibiting factors.

Table 5 shows that the inhibiting factors of organizational restructuring were: (1) the short time and (2) the slow response of the regional offices. As a result, the organizations and employees had to do extra work, allowing the restructuring process to finish on time. On the other hand, the supporting factors of organization restructuring were: (1) cooperation between regional offices, (2) Inspectorate internal supervision, and (3) budget adhering to the need of regional offices.

Employee performance may be measured according to the organization's interests. Mondy, Noe, and Premeaux (1999) state the measuring dimensions of organization performance are the quality of work, the quantity of work, dependability, initiative, adaptability, and cooperation.

The research result showed improvement in technical and institutional work results. The Department of Public Works and Housing Service implemented national border roads, clean water and sanitation, and apartment developments well. The Border Management Agency managed to implement its programs despite lacking human resources. Furthermore, the research result showed factors supporting the Regional Office restructuring, such as

quality, quantity, dependability, initiative, adaptability, and cooperation. In addition, we found the factors mentioned above in regional offices undergoing merger and status upgrades. Figure 1 presents the framework of the research result.

Table 5 – Supporting and Inhibiting Factors

No	Inhibiting Factors	Supporting Factors	Informant Position
1.	The short amount of time of the restructuring process	<ul style="list-style-type: none"> <li>• Coordination between regional offices</li> </ul>	Section Head of Organization, Sub-section Head of Institutional and Position Analysis, Sub-section Head of Performance and Bureaucratic Reform
2.	Slow response of Regional Office	<ul style="list-style-type: none"> <li>• Good inspectorate supervision improved the restructuring process from planning to implementation</li> </ul>	Section Head of Organization, Sub-section head of Institutional and Position Analysis, Sub-section Head of Performance and Bureaucratic Reform, Inspector, Section Head of Budgeting in Department of Regional Financial and Asset Management
3.	Human resources lack understanding of the position and workload analysis	<ul style="list-style-type: none"> <li>• Budgets adhered to the need for regional offices</li> </ul>	

Source: processed research result.

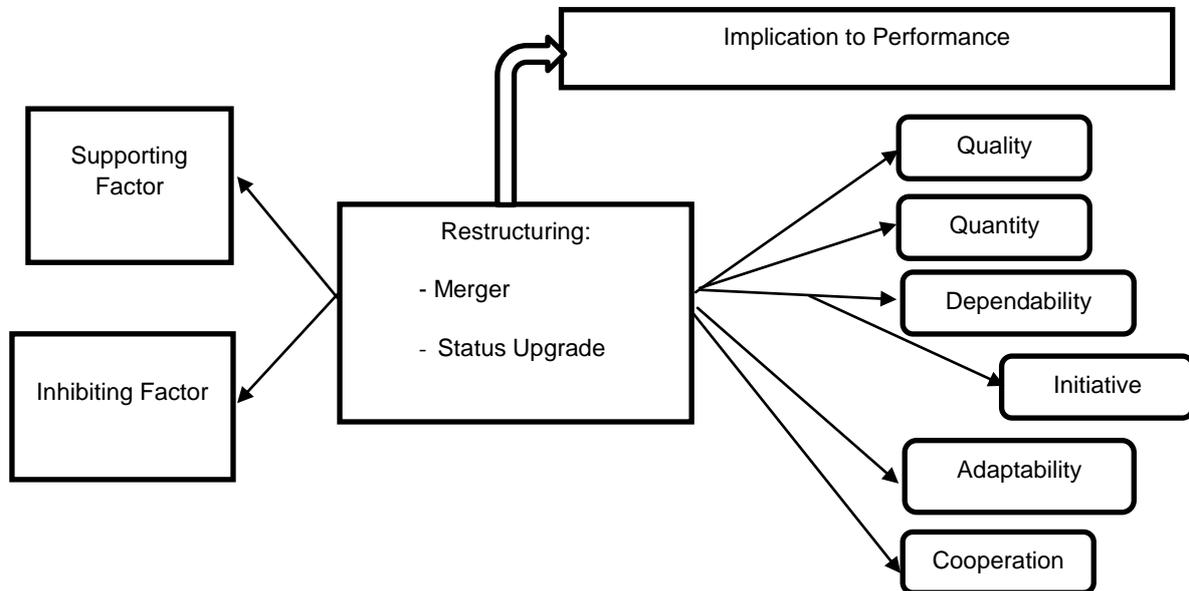


Figure 1 - Framework of Research Result

In general, officials and staff showed good behavior before and after restructuring. Therefore, regional office restructuring improved the newly formed organizations' program and activity. The organization's performance was measured through quality, quantity, dependability, initiative, adaptability, and cooperation.

Individual behavior and leadership have a direct influence on the development of an organization. Good leaders direct and supervise each organizational activity. In addition, leaders distribute rewards and punishments to officials and staff equally. Therefore, existing leadership generated a positive aura for the staff members, and the officials and staff may perform their assignments and responsibility well.

### CONCLUSION

Based on the research findings and discussion, the following conclusions are presented:

1. Belu Regency conducted organizational restructuring on several regional offices in 2019. The restructuring process created three new regional offices: the Department of Public Works and Housing Service, the Department of Agriculture and Food Security, and the Border Management Agency. In addition, the restructuring process improved

communication and control within the organizations. Furthermore, the restructuring process directly impacted civil service officers and influenced the timeliness and success rate of the administration process and program implementation. Organizational performance and achievement rely on quality, quantity, dependability, initiative, adaptability, and cooperation. The leadership style created a new work motivation.

2. The inhibiting factors of the restructuring process are (1) the short time for restructuring, considering organizations have overlapping tasks and functions, and (2) the slow response from regional offices. In addition, human resources lacked an understanding of position and workload analysis. The supporting factors of the restructuring process are (1) good cooperation and communication within the position evaluation team, (2) the inspectorate directly supervises the restructuring process from planning to the implementation phase, and (3) budgeting adheres to the needs of regional offices.

Based on the research results and conclusions, we recommended the following:

1. Each actor needs to consider possible consequences after the restructuring process—for example, the necessary number of civil service officers and budget availability;
2. Organization sections must socialize position and workload analysis several times before restructuring.

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