Public Sector Development on Human Capital through ‘Fitted’ Management

The success of economic and social development in the globalization era depends on the competence, good governance, and public sector functions. However, in reality the practices of decentralized policies for public services in most developing countries become the barrier to the effective provision of public services in the global competition. This is especially related to people and organization development in public institutions. The purpose of this paper is to review the challenges faced by public sector and to seek solutions based on the concepts of integration, implementation, and performance measurement of their business. The proposed conceptual framework is Fitted Management, where the exploration of organization processing capabilities and how to manage it (to be consistent with the globalization) based on the premise of what constitutes a customer value in the public sector by improving the ability of employees and organizations.

Keywords: public sector, human capital, performances, fitted management.

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Today, governments in developing countries face challenges on how to provide services with a wider scope towards community development. Related to this issue, Bhatia and Drew (2008) asserted that public policies as functions of government are supposed to be well-managed with the availability of infrastructure facilities and social services, functions and regulatory systems relating to the property rights and ownership.

In the reality, however, the roles of public services – for an instance in Indonesia, such as were also practiced by most others developing countries - are not yet as good as expected (Bardhan & Mookherjee, 2006; Mokhsen, 2003; Shepherd, 2003). Especially, deals with the common practices of the agencies or organizations of public service toward the communities. As an example: in cases of the customer or citizens to make ID card, certificate of birth certificate, marriage certificate, passport processing, driving licenses, and so forth. This is as what commented by Jooste (2008:1) that the role of the public sector for service given
should be, actually, more focused on service “provision” rather on “production”. Because, like in Indonesia for an example, the customers or users faced the condition of what is offered through the forms of “legal” service practices such as a paper form filled, a long queue to get service, squash, and even felt convoluted that trigger the ‘informal’ ways in the practices like ‘uang pelicin’ (under table money), ‘jasa calo’ (service broker), ‘katabelece’ (notes disposition), and so on.

These practices are actually can be overcome by using of low-cost and relevant technologies, one-stop services, as well as joint-cooperation with other agencies. In terms of functioning, the public sector therefore should aim for reducing the cost (or efficiency), improving service delivery (or effectiveness), reducing opportunistic behavior (or honesty), giving users a greater say in what the public sector does (or responsiveness), and ensuring the programs and interventions are sustainable (robustness and manageability) (Jooste, 2008:19). For an example, the private sector (state-owned company) in Indonesia such as PLN (National Electric Company) and Telkom (National Telecommunication Company) in providing the billing system payment for electricity and telephone - as a result of the cooperation applied between PLN and Telkom towards Banks - that enables the customer using ATM facilities beside the conventional way such as the provider counter facilities (PLN, 2010; Telkom 2009).

Internally, in the simplest view it seem that how the problem of organization in providing their service is a reflection of how the problems (individuals or workers) occurred toward their job status and management related to career advancement and promotion, performance appraisal, personnel management for job responsibilities, placement and positions, as well as attendance and other achievements. This is as what asserted by Bhatia and Drew (2008) that the problems of public service lay on how government should functioned properly and correctly.

Wilson (2005) previously stated that increasing the values in the public sector are associated to cost reduction, efficiency, goals, and response to the needs of citizens as a priority on the improvement of its services. Meanwhile, externally, the points of the government performance criticism for more than three decades in the political spectrum are oftenly about inefficiency, lack of effectiveness, waste, too expensive, too bureaucratic, too saddled with unnecessary regulations, no / less responsibility to the community needs and desire, not transparent, non-democratic, selfish, breaking the boundaries of privacy rights of citizens, and not providing the quantity and quality of services for the public as set forth (Jones & Caldera, 2003).

According to Ketelaar (2007), that the quality of public services often a single dominant of public perception on government related to the business sector,
community organizations, or public administration. Bridgman (2007) stated that the impact of government-agencies' roles through public services are playing an important role towards economic growth as something that cannot be denied. This means that to make better of the government function is not only through increasing the efficiency and effectiveness of spending on public sector and operations. However, also to the effectiveness of public associated to the policies and programs based on the function of public services roles to become better at achieving what expected over better service and dignity. Besides, positively affects the workers in the public sector to accomplish their work assignments and eliminating the negative impression of the task has undertaken.

Based on assuming on what public service organizations should be running, the services should be viewed related to competitive performance. This is as reported by the UN Expert Group Meeting (2003) that public services often characterized by comparison with a weakness in the competition in term a business organization as a provider to attract consumers against the competitor or rival. Especially, if the public services were as tax collection (tax collection) and law enforcement (law enforcement) which often monopolistic and becoming an obligation to the users (the community) where the result of most the basic features (i.e.: the role and function of serving) are easy to disappear on the characteristics of public service provision.

A. Measuring and Aspects of Public Service Performances

Despite the core business of public service organization is a nonprofit institutions, but their performances are having the impacts associated with the 'wheels' of the economy. The policies and public service activities, therefore are expected to provide the conducive conditions to economic growth and competitiveness (Schaefer, 2006). This is reflected as on how the reformation efforts in public services management towards foreign investment in the developing country. Some of improvements are even just the solely response against public services problems that government provided in interpreting the complaints and the obstacles faced by foreign investors whose experienced and the perception to invest in the country. In other side, the improvements taken are still ineffectively due to partially and sectorally applied as well as unintegrated against the strategy focused of public service. For example: the problem of transportation infrastructure, handling travel documents at the port of export and customs, handling problem employees, handling immigration problems, and so forth, besides the problems regarding corruptions, business license, bank transactions & loan, etc. against the policies to attract the foreign investors.

The case of investment in Indonesia as an example, ADB (2005:14) stated that in terms of decentralization, some local governments are ill-equipped to assume
their new and expanded role. Consequently, there is a need to improve the capacity of local governments and to introduce better and more efficient arrangements of investment-related regulations between local and central governments, including investment licensing and start-up regulations. Anyhow (towards this fact), the strategy required through the implementation of decentralization program are due to the results that contrary to the original purposes. This is means that the comprehensive and integrated approach is required to the need of public sector reforms, decentralization, and privatization itself (Ugaz, 2003) prior to overcome the problems that drives the cost factors related to ‘unofficial’ practices, convoluted and lengthy processing that making their operating costs becomes less competitive.

For an example: the tax payments case in Indonesia. Despite the reforms had undertaken to eliminate the practices of tax evasion and the ‘conspiracy’ between officials and taxpayers, but by no means will directly affect to economic growth. Despite the taxpayers were ‘forced’ to comply in paying taxes correctly, however, in the other hand they also have to pay for the ‘invisible’ cost of the services provided by other public service sectors as well as the problem associated to the demand of their worker wages increment. The investors and/or business players were pushed into the higher operating costs that lead their business to the degradation of their competitiveness so that they looking for the favorable places that provide the condusive conditions to their business. As an example: SONY Electronic Indonesia case in 2003 (Gatra.com, 2002; Guerin, 2002).

In order to achieve a public service effectively and optimally, the operational policies of public service organizations (which rely on the government’s main role) therefore, should systematically be integrated to the efforts that are not limited to a system within one organization alone. Beside, to other institutions or organizations concerned for improvements in all sectors due to this action is translated into forms of business certainty by (foreign) investors. This is to address the relative level of competitiveness in the market on the level of investment risk and rate / index corruption of government / state.

1. Sistematic Approaches to Organization Performance Measurement

Regarding the systems, Nightingale and Rhodes (2004) saw that based on an integrated framework, the system architecture approach to the strategy applied to the entire organization, processes, knowledge, and using of information technology are actually cannot be broken into separate parts or stand alone due to their interactions are also important in producing the properties of the system. Ackoff (2003) highlighted that the system is a unity through the
functions that are formed points to the
tional. Towards public service, it means
that the government therefore must
increase their efforts to manage the tasks
and responsibilities. Besides, they also
have to balance between responsibility and increased flexibility of
technical services organizations in carrying out
their roles and functions (Table 1) by
identifying the attributes of organizations
and resources human resources for
performance measurement (Table 2).

Ackoff (2003:69) said, “You should
have people who know how to do
their job better than you do in the same
way you manage people who don’t.” This
means that empowering the individual
worker through performance
measurement depend on the relevancy of
that role itself. Therefore, the unification of
thoughts about the way we think and act
as a customer or user through the way we
think and do in our other role as a provider
or supplier is necessaries. Because what
is required about the consumption based
on a single view of service users and
services suppliers / providers reflected to
all people to establish problem solving
jointly (Womack & Jones, 2005). These
based on problem aspects, performance
factors, as well as measurement of the
attributes required in the public services
that need to be focused on improving
performance measurement on the aspects
of process, innovation, development, and
experience as described in Table 3.

Through the matrix, these factors used for
explain what their emphasized, how to
do it, and why to do it (Table 4).

<table>
<thead>
<tr>
<th>Table 1: Factors and issues of public services and strategy needs (Source: Schomberg &amp; Pournavaran, 2010)</th>
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</thead>
<tbody>
<tr>
<td><strong>Factors and issues of Public Service</strong></td>
</tr>
</tbody>
</table>
| 1.  
Public perception.  
Governor (2017) report that public perception are also profoundly determined by the quality of public services as a realization of the administrative task associated with business, community organizations, or public administration. (Benjamin 2017) and the state level in operated public service agencies by the government is related to the perceived efficiency and effectiveness of spending public sides for better services, better service and aligned, positive impact in services in order to accomplish the tasks and make, and negative impact of the tasks performed. (Pavasara (2014) and the state (2019) in a form of relationship for covering the cause of issues of transparency in more social relationships, economic, and political. Also, Tania, A., E. (2019) and Satria, I. (2019) explained that the state is a basis of all human contacts and interactions of the individual. |
| 2. Public service affects the economic growth.  
North et al. (1992) said that since the development of services and economics of service as F.H had “consumer” and “role”, are forms of understanding the market play for the provision of products or services, the affect on other than that performed by service and public services through an organizational about the role. Therefore, it affecting the public market in the provision of least services that have positive impacts on economic issues, the government needs to reach that a service vendor to the employment the job and duals and taxes more efficiently, easier, and faster. |
| 3. Innovativeness.  
Mecho (2018) explained that since the presence of public services are determined by the combination of public services, the attributes encountered were as understanding by joining is another public service through various services are responsible service community services, and public services (2017). The public sector is a social sector as a part of society that governed by democracy and society, and having the response to change. In this case, March (2001) 2004 could determine the change of accountability of public services is a way of managing and management in a regular public role in the understanding role against the management of government and management (Community Governance). |
| 4. Assets & Sources.  
Challenges and obstacles against the government based on individual analysis and the |

<table>
<thead>
<tr>
<th>Table 2: Factors of public services and strategy needs (Source: Schomberg &amp; Pournavaran, 2010)</th>
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<td><strong>Factors and issues of Public Service</strong></td>
</tr>
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</table>
| 1. Value-Based Management.  
Value-based management is an advantage and therefore can be achieved through the specific activities of the change of the most profitable resources. (Gemmeke, 2014). Value model strategy based on what the state creates for system (Governor, 2017), including the state model (Berkawisesra, 2014) and (Fikri, 2014), while some means model public services as a stimulus to the user satisfaction (Ahmad) then from its blocking means. |
| 2. Service performance in the economic growth.  
North et al. (1992) had said since the development of services and economics of service as F.H had “consumer” and “role”, are forms of understanding the market play for the provision of products or services, the affect on other than that performed by service and public services through an organizational about the role. Therefore, it affecting the public market in the provision of least services that have positive impacts on economic issues, the government needs to reach that a service vendor to the employment the job and duals and taxes more efficiently, easier, and faster. |
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public service, services organization are related to the blocking factors as follows:

- Lack of potential solutions.
- Unnecessary conditions exist.
- Lack of available funding for achieving better career goals and development.
- Lack of workforce in small villages directly to the presence of community that lead to the achieve a higher career in the understanding of how to use of both professional and career advancement, and to ensure employee facility in the employee regulatory system if they have same skills and similar to the tasks needed.
- Lack of commitment to achieve the objectives and government and community service because of the limited size of service and technical education less demand of the group rather than according to their capability and achievement.
- Emphasis on a particular service environment (2004); improvement, development, and adaptation of new or other solution and something new in the system (Rogers, 1995; 2004); change management in the Department of the internal environment, as well as issues that affect the environment (Rogers, 1995) to be individual degrees of improvement (improvement) and the development of the organization (in process improvement or simulation) or a form of value, value service innovation, service model, and breakthrough technology (Enz, 2007).

3. Increasing Competitiveness.

An organization remains competitive when it faces both a continuation of the capabilities and resources that are required to maintain a position in the market. To this, it must have a clear understanding of the market and the products that it offers. This understanding must be continuous and regularly updated to ensure that the organization remains competitive.

4. Development of High-Performing Organizations

A high-performance organization is a business unit that:

- Creates a vision that is clear and credible, sets goals that are challenging, and establishes a clear and consistent strategy (Kotter & Schlesinger, 1979).
- Stresses the importance of values, ethics, and culture (Kotter & Schlesinger, 1979).
- Encourages a culture of learning and development (Kotter & Schlesinger, 1979).
- Provides opportunities for employees to develop their skills and abilities (Kotter & Schlesinger, 1979).
- Creates an environment that is supportive of change and innovation (Kotter & Schlesinger, 1979).
- Recognizes and rewards employees for their contributions (Kotter & Schlesinger, 1979).
- Fosters a culture of high performance and accountability (Kotter & Schlesinger, 1979).

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Table 2: Factors and attributes of the individual and organizational performance

<table>
<thead>
<tr>
<th>The performance of human resource management organization</th>
<th>Aspects of lean on the performance of human resource management</th>
<th>Performance attributes to the organization</th>
<th>Factors measured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Flexibility and adaptability of an individual</td>
<td>1. Experience</td>
<td>1. Organizational mindset</td>
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<tr>
<td>There are weaknesses between business planning and human resources. The weaknesses are because of the traditional approach taken to establish human resources needs based on a reactive response to the business planning (Jackson &amp; Schuler, 1995), whereas the changes in organization's dynamics and demands are quickly required to respond through the flexibility and adaptability of organizations and individuals.</td>
<td>1. Experience is a necessary condition for successful change management experience or an appropriate leadership style.</td>
<td>The way of thinking to question the standards that already exist and its settings only if for in to boil return. (Journey in the continuous improvement path)</td>
<td></td>
</tr>
<tr>
<td>2. Developing and generating the intellectual capital as well as on their optimization.</td>
<td>2. Leadership</td>
<td>2. Organizational capabilities</td>
<td>1. Full involvement and changes in behavior.</td>
</tr>
<tr>
<td>Due to the challenges of human resources planning are the developing and generating of intellectual capital used as a competitive advantage, then the investment in intellectual capital management should be conducted as a basis for decisions making, priorities setting, and the assess monitoring by the company (Smart, 1997).</td>
<td>According to Sheilla and Drew (2006) that the leadership weakness gives barrier to all organizations to become more effective, efficient, and optimal. Therefore, through the leadership of the team members (including sales) its resources in activities to choose a new initiative in the public sector. It will provide an effective understanding of space, efficient, and healthy. In this method, if the bullrun of the system want to move with the pattern of the philosophy of lean thinking, then what the necessary is through the identification base on operational processes in the customer's perspective then design and manage the system by maintaining the distribution of information and materials to run smoothly on the earlier processes.</td>
<td>Organizing against the development of specific capabilities organizations can adopt the mindset that some future requirements of the consumer and service products.</td>
<td></td>
</tr>
<tr>
<td>3. Organizational and Technological Development.</td>
<td>3. Comprehension</td>
<td>3. Organizational structure</td>
<td>2. Increasing the capability of solving problems</td>
</tr>
<tr>
<td>Organizations and knowledgeable workers are a product of education, technologist advances, as well as modernization of development in the practices and theories of organization. Here, the values, processes, and ideas of the knowledge in terms of human resources theory are a key performance to drive organizational success such as through globalization nature, technology adoption, change management, talent management or human capital and responses to the market, as well as cost charged.</td>
<td>Lack of clear accountable targets, pushing the need of workers' understanding to a process executed. Since the most important goals are to configure the system's assets, source of materials, and workers in a way to increase the flow of the process to gain customers (by way of minimizing losses caused periodicity, diversity, and inflexibility), therefore an organization need to understand the philosophy of lean as a long-term philosophy.</td>
<td>Groups based on business processes in a way to cut and combine several function areas such as 'lean' building.</td>
<td></td>
</tr>
<tr>
<td>An understanding of leadership and empowerment is required to shape the quality of human capital as a necessary strategy that related to the whole and change to the modern organizations as the key drivers. In order to manage the knowledge to be effective, then what is required is as follows:</td>
<td>Business and Reuche (2000) said that with the lack of direction, planning, and performance to a series of projects, these are main difficulty for any organizations in implementing lean. This is because the concept of lean is accepted as the choice of an &amp; indefinite response (counterbalance) to manufacturing (Womack et al., 1990), where this concept has not effectively be used for self-defense behavior (self-Governing) of the individuals or groups of people in the workplace (Citrin, 1996). Thus, it is necessary for the management thereof is come through a cultural approach and values (Pynoos et al., 2001), based on changes in an increasingly competitive operating environment, and needs to be coupled with modifications to adapt to local conditions and 'grounded' (Barney et al. 2001).</td>
<td>Parameters were measured based on as follows: a) Internal parameters, such as utilization of workers and auxiliary devices required the value of items given, and compliance to certain standards. b) Parameter driven by the consumer, such as the quality and providing timely.</td>
<td></td>
</tr>
<tr>
<td>(a) The relationship between leadership and organizational skills in constructing knowledge management systems that align to organization's mission and vision. This is applied through improving education and learning opportunities, re-defining roles knowledgeable leader who is responsible to build a system of membership, sharing of knowledge in an effort to solve organizational problems, team-driven, be vary not effective tasks, and manage the change effectively against the crisis.</td>
<td>5. Cost</td>
<td>4. Cost</td>
<td>4. Cost</td>
</tr>
<tr>
<td>(b) The discovery of the critical parts in the learning process strategy and the intricate factors in the motivation that drives the knowledge workers to the merging of information, internalization, and integration.</td>
<td>Increase the cost of customer-driven. The context that did not cause costs to calculate to be.</td>
<td>5. Cost will be reduced costs</td>
<td></td>
</tr>
<tr>
<td>5. Model and organizational processes.</td>
<td>5. Complexity</td>
<td>5. Cost considerations are functions performed for the quality, supply, rapid response, etc that driven by the organization. Full cost is to reduce costs</td>
<td>5. How to overcome challenges (through the management of people and the difficulties that exist to get the execution of effective and productive)</td>
</tr>
<tr>
<td>Since an organization should produce the output with the right added-value through human development and partnerships or on-going basis, so the understanding of lean thinking is required as a key influencing organizational model. In this case, as proposed (Liker, 2004), that is need of a continuous problem-solving ability as a driver of organizational learning.</td>
<td>Approaches to the management strategy of the government were not enough through rational approach that requires new skills within the technological capabilities, but also human skills (soft skills) to increase cooperation, acceptance of a greater responsibility, a new focus on communication and dissemination of knowledge, and ideas within and outside the organization. Therefore, since the implementation of lean has diverse and depends on how well the approach needs through the ways that are not conventional (Parker, 2005; Gross &amp; Conley, 1989). Due to the ways that job depend on single-loop of process ignored the dynamics of the complexity of human conditions, and organizational systems.</td>
<td>6. How to overcome challenges (through the management of people and the difficulties that exist to get the execution of effective and productive)</td>
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<td></td>
</tr>
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</table>

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### Table 3: Focus on the improvement needs

<table>
<thead>
<tr>
<th>No</th>
<th>Focus</th>
<th>Improvement Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Process</td>
<td>The processes in identifying the changes to the consumer needs should be fast and accurately (Shepherd &amp; Ahmed, 2000).</td>
</tr>
<tr>
<td>2</td>
<td>Innovation</td>
<td>In order to innovations succeed, the organizations or agencies need to assemble the best combination of technical and market knowledge for excellence, rather than merely on the knowledge that available from one particular location (Lusch et. al., 2006).</td>
</tr>
<tr>
<td>3</td>
<td>Development of products or services</td>
<td>In order to meet consumer needs, the organization or agency needs to open themselves to customer supports and service provided, as well as the information technology in the provision of services becomes much greater of functionality, performance, and feasibility of the product or service offered. Here, the difficulties faced are should be addressed to the points related the functions of the areas effected and the changing business environment (Mill et al., 1995; Hayes &amp; Wheelwright, 1984) due to dynamic of business (Papadopoulou &amp; Özbayrak, 2005).</td>
</tr>
<tr>
<td>4</td>
<td>Experience</td>
<td>Organizations or agencies must use their experience to consumers in creating greater values offered (related to the products offered), and do not only based on the approach to the concept of the internal strategy as a single overall structure of the business organization. Also, emphasize the behavior that support the purpose of the organization objective such as cooperative, competitive and the judicial behavior (Oliver, 1997).</td>
</tr>
</tbody>
</table>

### Table 4: The Matrix focus for improvement needs in the 'Fitted' Management

<table>
<thead>
<tr>
<th>Process</th>
<th>Innovation</th>
<th>Development of products or services</th>
<th>Experiences</th>
<th>CHARACTERS BUILDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>[how] [why]</td>
<td>[how] [why]</td>
<td>[how] [why]</td>
<td>Experiences Development</td>
</tr>
<tr>
<td>Process of Innovation</td>
<td>[how] [why]</td>
<td>[how] [why]</td>
<td>[how] [why]</td>
<td>Skills Enhancement</td>
</tr>
</tbody>
</table>
As examples:

a) Among the process of characters development (building characters) and innovation capabilities in the formation of personality (personal capabilities performing) are:

- **The process of innovation** requires the knowledge to generate the skills enhancement. Here, the basis of measurement is against [the] what as the result of **the process innovation**, while the measurement is related to [the] how & how many attempts towards enhancing skills based on the knowledge.

- Likewise, [the] why is determined towards their efforts to **the process innovation** of [the] what based on skills enhancement and the knowledge earlier.

- Based on [the] what is the focus of previous performance measurement, then determined later also to what programs should and need to be made, including the numbers.

The process towards innovation is related to the driver factors in increasing knowledge. Since the knowledge is a key input to innovation, innovation involves the application of knowledge in creative activities. While the knowledge is a key output of innovation, whatever the outputs of innovation may be, they incorporate the firm’s knowledge at the time. Every tangible and intangible (i.e., product and process) output reflects the organization’s knowledge of its resources, technologies, markets, and consumers (Rose et. al., 2009). Previously, Porter and Stern (2001a) as well as Milbergs and Vonortas (2004) underlined it based on the perspective of external and internal organization, i.e. factors of economic demand, public policy environment, infrastructure conditions, social attitudes, and culture. In addition, Buxton (2005) added that internally on the process of growing knowledge will foster culture of
creativity and receptiveness to innovation. Based on these perspectives, therefore, the approach to strategy and the business imperatives then need to be translated through a platform to provide effective facilities for cross learning functions as a feature of internal process improvement or changes in the organization through leaders and team to the ability and commitment such as a focus on opportunities of high value, active commitment of top management, build techniques into business processes, develop innovation as a core skill, tools to support the application of concepts, as well as reward people for sharing ideas and knowledge (Project Leaders International, xxxx; Morris, 2008). (Innovation engine: Hammer, 2006; Anthony et. al., 2008).

Moreover, according Heindl (2008) that the process of innovation depends to infrastructure for innovation based on necessary changes and changes that require change and respond to emerging opportunities with a mindset to master the process of changing the routine through the following as:

a) Personal Innovation: Provides workers with tools empowering them to tap into their creative talents to make performance improvements in their own jobs.

b) Collaborative Innovation: Facilitates informal team collaboration and experimentation to develop breakthrough ideas that no one alone could produce.

c) Enterprise Innovation: Guides formal innovation teams to find and turn incremental and radical opportunities into valuable commercial innovations.

This is because culture is the very embodiment of an organization’s resistance to change. By definition of culture resists change, so often this also was interpreted in order to oppose the shared beliefs, values, customs, and behaviors. Even though, culture change is the driving factor of change itself (Piirainen & Lindqvist, 2010). In this case, the environment that encourages creative thinking and untied the creation of an inspiration as a proactive strategy (rather reactive effort: Hammer, 2006) in responding to future opportunities and threats in order to stay ahead of the competition and to face the uncertainty that has implications for economic and political dimensions with a clear understanding of the source and nature of innovation (Herrmann-Nehdi, 2007; Khandwalla, 2006; Pesonen, 2010; Tanner, 2007). (“Favorable Environment for Innovation”: Porter & Stern, 2001b)

b) Between the process of character development (building characters) and experiences in the formation of personality (personal capabilities performing), are:

- The process of experiences requires the knowledge as well as their generating through the learning by doing process. Here, the basis of measurement against [the] what as the result of the
process of experience, while measurement is related to [the] how and how many (or effective) attempts of learn by doing (learning by doing) on the knowledge basis (Knowledge) done.

- Based on [the] what are the focus of performance measurement, then determined and what the programs and ways to be and need to be made to increase knowledge through learning by doing.
- Based on [the] what as the focus of performance measurement, then determined also what programs should and need to be made later to improve the knowledge through learning by doing.

c) Etc.

2. Systems Approach to the Individual Performance Measurement

Frank and Miller (2008) argued that decisions in the worker strategic planning should be on the measurement basis. By conducted the measurement, Mintzberg (1978) previously stated that the control system performance serve two purposes, namely measurement and motivation. Hauser and Katz (1998) asserted that an organization is what as measured. Hence, the application of measurement system should be conducted through an acceptable approach inside the organizations considered to ‘what’ will be measured and ‘how’ to measure it, where against the workers (individuals) is measuring aspects of performance form and what is needed in the future (Table 5) based on critical factors of organizational measurement targets (Table 6).

Table 5: Measurement aspects of the individu in public service system (source: Everman, 2006)

<table>
<thead>
<tr>
<th>Existing Labor</th>
<th>Individual</th>
<th>Future Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The number of workers</td>
<td>- Services</td>
<td>- Position</td>
</tr>
<tr>
<td>- The average worker age</td>
<td>- The position levels and periods of service</td>
<td>- Selection of service groups</td>
</tr>
<tr>
<td>- The positions levels and duties distribution</td>
<td>- Potencies and retirement</td>
<td>- Team Management</td>
</tr>
<tr>
<td>- Diversity, e.g. sex</td>
<td>- Qualification</td>
<td>- Vacancy and what is occupied</td>
</tr>
<tr>
<td>- Salary and compensation cost, including remuneration</td>
<td>- Special talents</td>
<td>- Key</td>
</tr>
<tr>
<td>- Turnover (last vs. coming) and vacant ratio level due to pension or terminated (attrition)</td>
<td>- Potency level (against higher level and averages)</td>
<td>- Works as in the appointment of employment (assignment) contract (sabatons)</td>
</tr>
<tr>
<td>- Education</td>
<td>- Special considerations towards:</td>
<td>- Various and new talents</td>
</tr>
<tr>
<td>- Geography and location</td>
<td>- o Performance (%) (Weak)</td>
<td>- Women, diversity (diversity) and different target groups</td>
</tr>
<tr>
<td>- Granted and resources filled</td>
<td>- o Workload (less)</td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Critical factors of the measurement targets for the organizations/institutions’ improvement programs.

<table>
<thead>
<tr>
<th>Expected goal</th>
<th>Critical Success Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>(High performance in public organizations)</td>
<td>(source: Ciarrine et al., 2006:32)</td>
</tr>
<tr>
<td>- Vision, mission, and goal directed with continuous performance measurement as a central value.</td>
<td>- Organisational culture and ownership</td>
</tr>
<tr>
<td>- It prefers multi-skilled workers rather than those who with narrow expertise because jobs are enriched, employees given greater latitude and discretion.</td>
<td>- Developing organisational readiness</td>
</tr>
<tr>
<td>- A flatter and more flexible bureaucratic form to replace the tall and rigid organisational hierarchy. As a result, decision-making in a high-performance public organization performs in dispersed rather than centralized.</td>
<td>- Management commitment and capability</td>
</tr>
<tr>
<td>- Because of job enrichment and dispersed decision-making, a policy promoting continuous learning at all organizational levels is a priority.</td>
<td>- Providing adequate resources to support change</td>
</tr>
<tr>
<td>- Less managerial control maintained by exercising the formal authority, and more by leadership through an example and continuous effort to clarify organizational vision, mission, goals, and values.</td>
<td>- External support from consultants in the first instance</td>
</tr>
<tr>
<td></td>
<td>- Effective communication and engagement through the organisation</td>
</tr>
<tr>
<td></td>
<td>- Strategic approach to improvements</td>
</tr>
<tr>
<td></td>
<td>- Teamwork and joined-up whole systems thinking Timing to set realistic timescales for change and to make effective use of</td>
</tr>
<tr>
<td></td>
<td>- Commitments and enthusiasm for change</td>
</tr>
</tbody>
</table>
However, the objective of a system management in public service organizations must apply carefully for their limited resources (with regards the devices of the infrastructure, the period of time, capital goods and also human beings), the use of resources should be directed to become an organization competitive strategy (competitive organization) (Figure 1). Here, management ‘fitted’ is based on ideas relating to the operations and the economic climate as competition condition that must be adopted by business enterprises, strategy management where the application of this concept become a reference to the goal of public service organizations to always relevant towards the changes of the customer demands. Furthermore, this leads to economic growth (indirectly) as the result of economic competition of economic actors or business players as we can see on how the role and function of public services became the competitiveness of business growth in countries such as Singapore, China, Taiwan, South Korea, and Malaysia.

B. Continuous Improvement through ‘Fitted Management’

To become an organization that fit to the needs of the customer and community (also include the competition in the global era) is necessary and must be generated through a management form that have a system cycle of continuous improvement (continuous improvement circle). In this case, we called as Fitted Management, where the ways the implementation of the systems management or good governance are through proven management (implementation of ISO 9001, 5S, TQM,
Kaizen, etc). Onwards, and then run as an increasing cycle management (management improvement) to be competitive management (competitive management). The identifications of the strategy option on these are through the organization, operations, and external context (Heywood et. al, 2007) and then, the perspective of approaches laid on what the demands and requirements of the community or the consumers who form necessities and interests of competitiveness through the following:

- What are the challenges faced by the organization on their performance (performance challenges)
- How to measure the performance of the existing condition and what the challenges of performance measurement so that can be further enhanced.
- How to manage the performance required of the exist challenges and in future as well as performance management carried out through a system used (through proven management) (such like ISO 9001, Lean, JIT, TQM, HRM, etc.).

Since the challenges of the measurements arises on how to assess a linkages of network that ‘fit’ to the competitive advantages, the public service organizations therefore need to understand what is required. That are their workforces, what is expected of workers from their employers, how to adapt the ideas of management and new possibilities regarding workforce effectiveness, the management of talents, and the value proposition of the core jobs as well. Besides, the dynamically used against the dimensions of the quality products or services as what is expected by constomers through performance, features, feasibility, suitability, reliability, serviceability, aesthetics, and perceived quality (Garvin, 1998) as well as the role of human capital development and organizational capabilities in the context of managerial and operational organization through a business strategy as following as:

i.) Recognizing the individual abilities, knowledge, skills, expertise, and experiences of workers and managers based on relevant organizations of the tasks that they handle, and the capacity to add knowledge, proficiency, and experience through individual learning (Dess & Picken, 1999).

ii.) Sharpened and focused on achievements in the context of the organizational environment and the logic of competition. Where there is no substitute for knowledge and learning, creativity and innovation, competence and ability (Rastogi, 2000).

iii.) Encourage the innovation of products and services provided and given to the public through the communication of the messages carried by and with respect to ‘treatment’ of human capital and ‘brand’. Here, the form used is to unify that the ‘brand’ is the value of
workers' submissions (employee value proposition). Example: Name of a public service organization into a pride of performance and results achieved.

e) Translating this as an opportunity in open challenges through the experiences needed by the organization with hopes to attract individuals in the talent-caliber talent to enter the organization.

f) Improving outlook for growth (perception) of society to the organization, in order to become a differentiator against society where in this case, perspective of 'brand' are created to the organization becoming platforms against the prospect of recruitment. For examples: How many new graduates (fresh graduate) to apply to work at.

Where the maps are constructed based on the strategies, capabilities, settings, as well as shared space between workers in the framework of the organization's business. These maps requires skills that strategically encouraged to shift from owned assets to human capital (knowledge based), which in this case, encourage and 'knock' awareness of the organization to explore in getting new skills based on the relevant steps against external factors and internal as an opportunity to their development (Figure 2). Thus, making the better of government function through public service is not only an indication of increasing efficiency and cost effectiveness of public sector functions.

But its also through the operational steps toward the goals headed important than increasing the effectiveness of public sector represents an overall increase in community life and national development by making use of the most effective and efficient against the resources.

Hence, the public service organizations should implement an integrated management system performance improvement, including development of plans such as organizational strategy, operations, individual's actions and targets, the requirements of resources, standards-performance standards, as well as peraihan of sources and mechanisms of monitoring and evaluation of performance at the levels of individuals and organizations. Ewanowich (2004) said that the required roles of human resources management are increasingly complex regarding the profitability of new roles, vision, culture, and brand, human capital management, business decisions and business transformation, and workers initiative (autonomous) as well. The understanding the human capital is therefore need to be recognized as an important roles in the performance of public administration, even the measurements is not easy.

To become an organization that truly effective and optimal, O'HeEocha (2000) asserted that the quality improvement activities should be starting with things that requires full involvement of the organization. The target only can be achieved if the workers aligns with the guide lines of new philosophy on the basis
of discipline, standardization, hygiene in order to achieve high standards of quality, is derived from the work environment is organized neatly. In this case, the framework of continuous improvement starts with an assessment of a value provision that linked to the key performance indicators and the key indicator of improvement (Setijono & Dahlgaard, 2007). Based on a critical success factor associated with the system, it will enable an organization's performance measurement system to drive the behavior of the organization and its ability in achieving its strategy of long-term goals (Cochran et al. 2000).

Based on the measurement aspects of an individual in the system of public services associated with the analytic framework to measure problem-solving capabilities in lean process management, then what can be expected from individuals who are involved in the provision of public services should be allowed to produce the good performance for community services. In this case, the responsibilities are not only place on the individuals and organizations, but also on the responsibility of government leaders and users in general. Therefore, individuals and public service organizations should take full concerns of the system of performance measurement to produce measurable performance measures on its systems, where performance measures are the result of the measurement system and the size of the system.

C. Conclusion

Basically, the success of the development and public sector performance measurement is based on the operational approach as one system rather than just a single device that is used as a tool. This fact is an agreement on the point of view that the evidence for most of the organizations of public sector agencies or bodies where the management commitment is required as a reason why the implementation of public sector development proved so difficult to do. Ackoff (2003) said that one of the most important principles is not through the increasing of performance as a separate
item, but rather as an improvement in overall. Therefore, the public sector will increase its service performance not only through the system, organization and procedures, but also human as a system. In this case, since the concept of lean few years ago introduced the idea of reducing the waste, the human potential factor is the need to focus on the use of the concept.

The direct involvement of the workers in kaizen activities or process improvement, and the commitment of leadership are the effectiveness and behavioral aspects of an organization’s efforts towards continuous improvement program (Balle, 2005; Emiliani, 2006). The improvement program that focused on individuals or the people will produce an individual or a person who will have the right skills to continuously improving their activities contiously processes that are not solely to the positions. This method require a fundamental of change in the attitude of the leaders, which also requires a rethinking of how public service organizations to define their success and how to evaluate their managers (superiors).

The strategic approach to human development organization as a competitive advantage is based on how the management should be placing the performance (performance management) to make the organization competitive (competitive organization) on competing management strategies basis (competitive management). In this case, the management strategy used (proven management) is always need for continuous improvement (in order to produce the appropriate output and customer satisfaction) through management improvement (management improvement) to translate what performance required (performance challenges) and how to measure and drive the management (performance measurement and management), where on the development of human capital is as follows:

- Starting with a valuation of a provision of values which are relatively connected with key performance indicators (key performance indicator) and a key indicator of improvement (key indicator of improvement) (Research & Development & Dahlgaard, 2007) based on critical factors for success.

- Through of the organization’s performance measurement system that drives the behavior and worker organizations, workers, and capabilities in achieving strategic objectives in line with its long-term goals (Cochran et al., 2000).

When an organization only depends on its ability to revive its economy, then the strategy of the organization serves a unique positioning that allows them to maximize the benefits of national competition. However, if it is somehow not preserved and maintained with proper management, it will usually fall under the influence of a series of mutual dependency that cannot be separated from past patterns. Thus, even if has been conducted through the reformation, but the result is
not always as expected (Shepherd, 2003:2). This actually even contradictory
than was planned. In Indonesia for an
instance, although the reform of
government system to democracy has
showed the advantages for people but
there are still seems to trap in the abyss of
corruption. Even, if had been intended
previously for public pro-government
system and the market. The path of
journey is still long way required to the
effectiveness.

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