Management Prerequisites Bureaucracies

R Rahmaniah¹, S Sulardi², AA Hubur³, Gusmaizal ⁴, Fauzi⁵

¹Universitas Pembangunan Masyarakat Indonesia, Indonesia.
²Sekolah Tinggi Teknologi Migas Balikpapan, Indonesia.
³Islamic Economics and Finance (IEF), Faculty of Business and Economics, Trisakti University, Indonesia.
⁴Universitas Muhammadiyah Sumatera Barat, Indonesia
⁵STMIK Pringsewu, Lampung, Indonesia

E-mail:¹ irrahmaniah@gmail.com, E-mail: ²Sulardikm61@yahoo.com

Received: 11.03.2020          Revised: 12.04.2020         Accepted: 28.05.2020

ABSTRACT: There are three main things to survive in a change: tri-strategy, namely reorientation, restructuring, and alliance. In every business organization, management usually puts these three management strategies to survive any difficulties. Nowadays, the management of public organizations, or governments, or the bureaucracy must learn from the business sector in order to maintain its function and - again - be able to create value to society. This trilogy is actually a derivation of "reinventing" or "reengineering". The principle is that defending yourself by only maintaining efficiency and effectiveness is not enough. Government organizations need "adaptive capacity". Focusing solely on efficiency and effectiveness is like how to fight the last war. After we know how to do that, we find that the next war is quite different - and that we are not prepared for it.

KEYWORDS: government, management, organization, bureaucracy, global economy

I. INTRODUCTION

Every organization in a change needs to look back where it is. The literal meaning is self-discovery. The changing conditions give a choice whether it continues to maintain the direction of the organization, adjust, or change it totally [1]. Nowadays's government organizations face the fact that Geo-economics has replaced geopolitics. Some merging regions is no longer determined by political factors, but business. Around the world, there has been regional integration on a business basis. The Ssangyong car is a product made in South Korea, with Mercedes-Benz engines from Germany, manufactured in India, and today it is marketed in Indonesia. If Bakrie Group succeeded in making cars, then they could integrate between Indonesian-British models, and French-Spanish engines, and again marketed in Indonesia. United States shoe makers depend on the production of cowhide in one of their states, but it is not direct dependence, because the cost of tanning leather is expensive, tanning is also done in Mexico. Because the cost of production is not cheap [2], the producers only design and build branding, while production can be done in Brazil, Hong Kong, or Tangerang. Economic clans are no longer in the form of alliances between countries, but between part of countries. The state in the sense of practical government is "not needed" for this matter - and unfortunately business does not experience better change, they do not know the flag, they know only efficiency and productivity, such the entrepreneurial character. Kenichi Ohmae carefully referred to this phenomenon as "region states", in which it is composed of various parts of the country. They may lie within or across the borders of a nation state. This does not matter. It is the irrelevant result of historical accident. What defines them is not the location of their political borders but the fact that they are right size and scale to be the true, natural business units in today’s global economy. Theirs are the borders - and the connections - that matter in a borderless world.

Traditional countries have become incompatible with nature, it is not even possible to become a business unit in the global economy. It is the end of the nation state. Alvin Toflfer also called it the end of the empire, when he pointed to the collapse of the "great empires", including the government bureaucracy with the emergence of a new era haunted by an information civilization, bombarded by the future, and the emergence the new society that Peter Drucker called the post-capitalist society, namely, a knowledgeable society. Communities main resources are not nature, but knowledge. That is primary resource will be knowledge. Society changed from a
single society, which was the "fuel" of the political era, changed to a pluralistic society, as a "fuel" of economic society.

The world economy is increasingly becoming global. National boundaries are impediments and cost centers. Thus, economic globalization has instead made the country a barrier to the formation of an effective economy. In fact, he said again, business - and increasingly many other institutions as well - can no longer define their scope in terms of national economies and national boundaries. They have to define their scope in terms of industries and services worldwide. Today's state (cq government) is not a welfare state as we envisioned. At that time, the government was omnipotent and ubiquitous. The task of the government is to build a prosperous society [3]. Even development experts who bombard developing countries with their development theories, whether from developmentalist to neo-marxian variants, refer to one focus: what government should do? And, it is the mistake why a number of developing countries failed to maintain their development-including Indonesia. We hotly talked about what government should do. We never discussed what government can do. We never realize that the development of globalization - the telecommunications-information revolution that eliminates space and time limits because every television show can be seen everywhere at all times throughout the earth simultaneously [4], the travel revolution that produces containers as a means of transport global which makes factories, ships, trucks, roads, and warehouses containers based on the form of containers and the travel revolution that requires humans to build airplanes with enormous and superfast bodies to transport humans who travel from one continent to another, with the capacity of more than 1,000 passengers - or Kenichi Ohmae's "i-i" revolution - namely investment, industry, information technology, and visual consumers who do not know the flag, or the nation state.

II. COMPETE EFFECTIVELY ON A GLOBAL SCALE

The government must share with other organizations in society to make all the nation-states able to compete effectively on a global scale. First, the government must realize that to build a nation-state that is competitive and does not lose in global competition - they must build government organization that can manage effectively [5]. To manage effectively, government organization must recognize global demands. The demand is that the government has restriction. Therefore, he also must have size restrictions (size). Second, the purpose of government is no longer as the driving force of the whole life of the nation-state (or say the driver of development). As a driver of development, the government could play a role until the 1970s, especially for Indonesia, when the government was still able to directly control economic resources. The era of government driven growth when the public / private sector enters business and replaces the role of government as an economic driver. Thus, the role of government needs to be restricted. This restriction does not necessarily exclude the role of government only as mere administration. Indeed, in the future, the task of the government "only" develops and maintains the right "climate" for all parts of the nation-state to develop, but it does not mean that its vital tasks are eliminated. The government still plays the role of managing macro policy, in the economic and political sense [6].

Third, government organization must be able to play an effective role in empowering two other actors, namely business organizations and non-profit organization (including political parties and NGOs). Only effective organization can transmit effectiveness to other organizations. If the government organization - or bureaucracy - is ineffective, it will spread to business organization and not-for-profit organization. The requirement to be effective is to have management competence. And, the requirement to be able to have management competence is professional workers. Professional means that every workers in the organization must master the knowledge which is able to transfer the knowledge into skills, and carrying out the profession based on ethics and noble character. A professional also has two inherent advantages: first, the ability and willingness to work in a team, and second, he is a nonstop learning figure. Endless learning produces innovation. In a rapid changing world, innovative manager is at the forefront. Only with them, the organization could create value.

Fourth, the most important thing is that government management must learn from business, because business management knows at least four accountability. First, business accountability. Second, social accountability. Third is political accountability. And fourth, organizational accountability [7].

Business accountability is that organizations must survive. The conditions? No loss, and must have a profit. Government organization does not have to make profits, but they must have equal accountability, namely, with a minimum source of funds that must produce maximum results and value. The task of government organizations is not just to spend the budget, but to think correctly, the extent of the results achieved. Therefore, he must learn to make measurements (benchmarks). The first measurement is the target made as optimally as possible. Second is the competence of government organizations in other countries with similar resources and how far they produce results. Third is the size of the community [8]. The measure of success of the government is the market
success. The market is public. Thus, a non-profit organization is required to conduct audits of government organizations to the extent that they have worked efficiently and productively. So, the work of formally assessing is not only the task of parliament, but also public institutions. For companies, business accountability is accountability to shareholders, and the same rights for government organizations, where the shareholders are the people [9].

Social accountability for companies is the accountability of stakeholders - those who are related to the company. John M. Hood said that business is also responsible to develop economic and social life. Today corporate social responsibility is not only an academic field of inquiry and a guiding philosophy for many social activist but a major issue among corporate managers whose deep concerns about corporate image, public relations, environmental liability, lawsuits, relation with governments, and worker morales have melded into a search for a coherent set of ethical and managerial principles to guide enterprises [10]. Government organizations are directly related to the community or social environment, but it is socially responsible. Slow bureaucratic service, wasteful, and corrupt bureaucracy are the closest examples of how government organizations are less socially responsible [11].

The reason is no one effectively controlling social responsibility directly from the government. Accountability before parliament is only political and it is not real. The reason is that the actors in government organizations do not realize that in their work they carry social responsibility.

Political accountability of business organizations is demonstrated by their support to develop the maturity of political life, both through contributions of political education organizations and others. Even "contributions" to the ruling political organization or political actors can already be included in political accountability. In this context, we want to limit politics as a set of rules of mutual life that develop, or win-win. Business organization is required from day to day to be sensitive to this accountability. They do not support one political party, but they support the nation's political education efforts. A number of companies that support the making of advertisements during the last election are real form. So, what about the government? The government's political responsibility is indeed to the parliament. However, it is not uncommon for this accountability to be often "traded". The spread of the issue of bribery between the executive and legislative branches is an assumption that government organizations have not been able to carry out political accountability. The basic cause is the desire to hold the political stage longer. Most of the political rulers and government masters have a tendency to rule the longer at any cost. In business there are indeed efforts to fight over market leaders. But, losing and winning is not the main thing. The more important is that each has competed fairly. And, honest competition is always win-win. Each learns from their defeat and victory as a provision to compete later [12].

Organizational accountability is fundamental. Every organization must be present and give meaning. The organization is like a living tree whose roots develop into a fulcrum, and a place where the water does not erode the soil and create erosion, the trunk of a tree to stand all the tree's body building and a place for humans and other creatures to lean on; leaves to support and shelter; while fruit for food; and the seed is going to regenerate. A tree that is present is just like a dead and dry tree, it is only suitable for firewood. Organizations that can live and continue to develop have one condition; they must be able to become a learning organization - or a learning organization, companies that lived more than 100 years, continued to grow, and were admired were organizations that were aware that they were "living things". Companies die because their managers focus on the economic activity and they forget that their organization's true nature is that of a community of humans [13]. These corporations as the living company. A company as a living being means that it can learn. The corporations learned that they are in a changing environment, and the management they have is management of change. Organizations that are machine-like are organizations that wait for time to graduate.

What about government organizations? Bureaucracy is a requirement to balance the development of humanity: differentiation of structure and specialization of functions; the increasing complexity of people's lives, Up to now, there have not been any significant changes in government organizations. They still survive as a sophisticated and omnipresent organization. Government organizations need fast learning than business organizations if they do not want to disappear in importance.

As a result, important learning from government organizations to business organizations is that they need to be adaptive to every change. To be adaptable, he must be able to carry out management tasks quickly, such as, planning, organizing, implementing / leadership, and evaluating. In addition, everything is related to one thing: decision making quickly. What does it mean? It brings decision making closer to the problem. It means decentralization. Decentralization has the advantage of building constructive relationships with the environment, inside and outside. So, reorientation produces one solution: decentralization [14].

"
III. RESTRUCTURISATION

Decentralization is not a matter of handing over authority and management matters to the lower level, but it is rather a sharing of management competence with delegates.

Government organizations need to be restructured following a new pattern of challenges. Previously, centralized government management practices were dispersed. Planning, organizing, implementing, and evaluating development are no longer done at the center. The residence center works as an aligner.

In this government organization, it means that the regions have the task to carry out their own affairs without breaking away from the center. Breaking away from the center does not always make the area more effective. First, if each region has advantages, they can complement each other. It is like an eleventh, there are superior as goalkeepers there are superior as back, as a midfielder and finally as a striker. There is indeed a superior team because they are all as effective as the Dutch team at the 1974 World Cup in Germany. Today is difficult. Indonesia is more likely to be a competitive nation-state if parts of the country move to build an alliance [15].

The first restructuring was to map the advantages of each region, and develop the region specifically to its superiority.

Only those who pursue excellence and focus will excel in the 21st century. The regional competence development requires coordination, and this is the task of the central government. So for example, rice producing areas can focus on Java, southern Sulawesi, and southern Sumatra. Meanwhile, the mining is in Kalimantan and Irian Java and maritime is in Irian Jaya and Maluku. Even at the second level, the focus can be developed. Cities with excellence as educational cities such as Bandung, Yogyakarta, and Malang can stay focused. Development thus does not need to be as uniform as it is today. In Jakarta, there are malls, then all major cities in Indonesia appear malls, even though they do not have the purchasing power as strong as Jakarta, Yogyakarta and Malang, for example, it becomes boring with the proliferation of malls. Indonesian cities are losing their identity and do not understand that they are big and strong biases without imitating Jakarta; without malls.

The second restructuring deals directly with government organizations. The previous section discussed the need for decentralization so that there is no drainage of intellectual resources in the regions. Thus, the staffing restructuring is needed, and so on. Most of the ideas are relatively similar to the bureaucratic restructuring section above. Therefore, it will not be repeated very much. The necessary affirmation is that the restructuring follows the agreed vision, and not vice versa.

The third restructuring concerns organizational issues in the central government. At the center, the cabinet needs to be restructured.

Today we see a number of important political policies have been laid out precisely as the foundation to build the three pillars of competitiveness. In the government sector, we see the emergence of a law on decentralization of power and governance [16].

In the business sector, it seems that the big plan of the Minister of State-Owned Enterprises to implement SOEs Reform will not only reach the empowerment and utilization of SOEs per se, however they also simultaneously empower all national economic actors. In the social sector, there is an extraordinary wave of people to build themselves into a "civil society", which was signed by the establishment of non-profit organizations that are voluntary to fight for the community interest especially the state power.

The future scheme is that to develop a competitive Indonesia, the role of the state in a formal political structure is vital to be a catalyst for change in the management of shared life from the pattern of major government (the government manages everything) to the least government pattern (the government manages a small part). The function of the government is to ensure that the fundamental changes that have become a symptom and global fact do not damage the Indonesian nation-state into shredded communities of life.

So, the formal political structure needs the structure that allows the implementation of these functions. In a very specific context, the formal political structure is the composition of the upcoming cabinet teamwork. With today's changes and challenges ahead, the composition of the cabinet will be more streamlined and efficient than today. In the cabinet, there will be 4 working groups (Ministries or Departments) in the context of functions, namely: general function, political function, economic function, and people's welfare function.

Surely, the top are the President and Vice President, accompanied by a Secretariat Team consisting of the State Secretariat led by the Minister of State Secretary. The State Secretariat Team is the group with the most common functions.
In political groups there will only be six institutions. First, the Ministry of Home Affairs (Depdagri), which also includes the National Police and Information. This Ministry's main function is the development and management of national politics. This institution issued directorates POU&D, Bangda (Regional Development), and Bangdes (Rural Development). Second, the Department of Foreign Affairs (Deplu). It has no change in this compartment. Four other institutions are: the Department of Defense & Security (Dephankam), the Ministry of Justice (Depkeh), the Attorney General's Office (AGO), and the TNI Commander.

Besides the Ministry of Home Affairs, the five other institutions did not experience any significant changes. The role of the Ministry of Home Affairs increases with the inclusion of the Police, but it has decreased, because of the increasing role of regions with autonomy, and the role of community development will be transferred to other compartments [17].

Compared to political groups, the economic group needs a big change. In this group, there will only be two strategic areas. First, the groups that hold the most strategic roles, namely the Ministry of Industry, Trade and Investment (Ministry of Investments) and the Ministry of Finance (Ministry of Finance).

In the Indagvest compartment (which is equivalent to Japan's MITI) all industries, such as goods and services, ships, banking services, and tourism. With decentralization, the investment is also encouraged to be carried out in the regions, the Relegit Investment Minister's office is no longer needed. It is only needed at the directorate level. Thus, in this department, there are only three directorates: Industry, Trade, and Investment. The role of Bulog was abolished and left to the regions. The Ministry of Finance returned to its origin, including overseeing SOEs.

Second, there are departments that still carry out "classic" but strategic functions, namely the Department of Transportation, the Department of Public Works, and the Department of Agriculture. The Department of Public Works will bloom by overseeing the problem of public housing and the development of physical infrastructure development. The Department of Agriculture blooms by overshadowing four sectors at once to become the Ministry of Agriculture, Forestry, Animal Husbandry, and Maritime Affairs (Ministry of Forestry).

A number of departments / ministries were abolished because some functions had been involved other departments and were transferred to the regions. These include the Department of Mines & Energy, the Department of Forestry & Plantation, the Department of Tourism, the Ministry of Environment, the Ministry of Population, the Ministry of Food. Especially for SOEs, in the future, there will be no need for SOEs Minister, but the Head of SOEs Management Agency or directly in the form of Chairman of The Indonesia SOEs Incorporated, especially if we are consistent of the desire to make SOEs as a corporation instead of a "government cash cow" or "cattle milking the government "(because often the debt is converted into Government Capital Participation / PMP, aka" ngemplang ").

Absolutely, in this group, there are still the Governor of Bank Indonesia and Bappenas. The last compartment is the community development compartment. Formerly, it might be the People's Welfare compartment [18]. This term actually ignores the ability of people to empower and develop themselves to become independent. The term Welfare is not so wrong, because it was built in the New Order era (and reform) where development is still patterned "government driven growth," aka government-sponsored development. Nowadays, the appropriate policy - in the era of civil society and independent society - is Community Development. In fact, the term Community Empowerment can be used [19].

There are four fields of work. First is Department of Human Development. This department acquired the roles of the Ministry of Education & Culture and the Ministry of Manpower. Our problem up to now is the asynchronous education and employment policies. What is educated is apparently not needed in the workforce. And vice versa. However, this "merger" does not mean that the tasks of the two departments are united, because the new task of this department is to develop human resources; instead of managing. The function is the facilitator. Meanwhile most of its functions, including the curriculum or wage policy, are the region's responsibility [20].

Second, the Department of Religious Life Coaching. We have a Department of Religion, but interfait disputes have even worsened. Unfortunately, the Department of Religion did not handle it, it is handled by the military, because the focus of the compartment is to deal with religion rather than religious people [21]. Third is the Department of Community & Territorial Development. This compartment will carry out coordination tasks from the central tasks delegated to the regions and tasks that cross regional boundaries. They are joined the directorate of POU&D, Bangda, Bangdes, the Department of Transmigration, and Environmental Monitoring. This compartment is very important because it functions as a lubricant in the practice of implementing regional autonomy. In addition, there is a compartment that currently exists and does not experience the need to change, namely the Ministry of Health. In this compartment, it also formed a replacement body for the Department of Social Affairs, the Social Affairs Agency [22].
The bureaucratic teamwork of the formal political structure has a thin layer - by eliminating Coordinating Ministers - and allows it to operate efficiently. The point is to build an efficient bureaucracy (as a machine and formal political structure), because efficiently produce competitiveness and competitiveness in the political sector (government) is the main capital to develop a globally competitive Indonesia.

The streamlining of political structure does not simplify the work, on the contrary. Each department performs multiple and integrated functions [23]. To be an efficient organization, it still depends on one thing: who is the minister? Future minister must have a long-term vision as well as professional abilities. Finally, cabinet restructuring is not a fixed price in five years, because, it is also important to be implemented immediately. Decentralization certainly requires a more appropriate network. An effective cabinet structure chart is as follows:

![Cabinet Structure Chart](chart.png)

**IV. ALLIANCE**

The third strategy is alliance. Alliances are not a sum or a merger. Alliance is a union that results in synergy which means that like a word, 1 + 1 = 5 or more. If 1 + 1 = 2 it is not a synergy, and it does not mean an alliance. Global competition does not mean competition between America, with the European Union, with Japan, and with new industrial countries, but between business people in each country. Between General Motor and Mercedes-Benz, with Toyota, and KIA. The ones who are competing are not the nation-state, but the micro sectors in each country, especially the entrepreneurs.

In general there are three micro sectors that compete in global competition: the first government organization, or the first sector, business organizations, or the second sector, and non-profit organizations, or the third sector. And, they compete together such the tip of a trident. General Electric and Microsoft are big, efficient, and competitive which is not only because each company was efficient but they were supported by an efficient economic policy which meant efficient government, and was surrounded by a non-profit organization that is a social organization, which views business as a part from life, and not a crime - like the stereotypes of our society. There is a bad business that can not be denied. Therefore, the government and society proactively build a system that does not allow business to develop into crime. It is part of the alliance. The alliance we need is...
between government-business-society / non-profit, and to be able to create synergies, alliances must be built between equally efficient players [24].

Therefore, it is necessary to build an efficient government as part of an alliance to develop Indonesia as an incorporated. In the past days, we have not seen alliances, but exploitation and conspiracy [25]. The government tends to make policies that make economic actors suffer, because it is full of surprises as there is no clear long-term planning. Economic actors prefer having collusion with government officials than suffering heart attack. Communities on the other hand do not get optimal benefits from the existence of the business sector [26]. Indonesia’s economy in the past was a strange economy: out of the approximately 39 million economic actors, less than 1% were large-conglomerate economic actors, and they controlled up to 90% of the economic pie. It is no wonder if the community is increasingly embedded opinion that business is evil. As a result, social organizations, especially NGOs is very hostile to them. As a result, there has never been a strong alliance between the three micro sectors that we have. Today, we need an alliance. Where do we put it in the perspective of decentralization? We try it in the context of regional income. Regional revenues, and it includes more revenue for local governments. This is a big mistake. Local governments still think alone; they are still in the paradigm of the question: what government should do?

V. CONCLUSION

The question should be how to build the economy for the region. In global economy, the allies are not countries, but parts of countries. So, each autonomous region, especially level II, must develop its region as a productive area so that investment flows to the place, because investment produces economic activity and economic activity creates purchasing power. Purchasing power is the main indicator of prosperity. The task of the local government is to examine that entrepreneur brings resources to more productive places. The task of the regional government is to make the area productive. To be productive, it does not always do a tax holiday, or very light investment, and tax regulation - like Cayman Island, or it also emphasizes the labor costs. It needs precisely the local government to empower all the economic potentials of the people in the region, from the big, the middle to the little, so that they become partners that attract business people from other regions. Empowering is the key word, because the task of government is not to "straddle" but to facilitate. Local governments must see that business is a unique entity, which should not be plagued with politics. With the development of populist economic potential in the region, readiness automatically occurs from each sector: the government (regional), business, and society (non-profit) for alliances to build competitive regions. Another thing is related to State Owned Enterprises (SOEs). Local governments do not necessarily take ownership of SOEs. Seeing that SOEs must use the lens of business, it cannot be merely political. It is the same as seeing an IBM or Unilever subsidiary operating in a level II area. They cannot be acquired as it is. They need to encourage SOEs (and other businesses that are more than regional scale) to participate in developing the people economic potential in the region, either through management learning, creating business opportunities, etc. So, the trilogy: reorientation-restructuring-alliance refers to one case that the government organization must learn from business organization. It does not aim to make the government as a businessman - even the government may not do business - but it rather makes the government organization as a pro-change.

VI. REFERENCES


