READINESS FOR CHANGE
THE CASE OF PERFORMANCE MANAGEMENT IN THE
MINISTRY OF NATIONAL EDUCATION, INDONESIA

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Abstract

Indonesia has been undertaking a major governmental reform aimed at overcoming perceived problems with the civil service which is considered to be slow, not transparent, nonaccountable, lacking in initiative and involved in corrupt activities. The inefficiency of the public sector is undermining the performance of the economy as a whole. A key element of the reform agenda is to change human resource practice in order to improve integrity, competence and professionalization thereby developing high performance. As a part of this, a system of individual performance management will be introduced into all ministries.

This thesis considers the implementation of performance management into the Indonesian Ministry of National Education (MoNE). To date individual performance management has not been optimally implemented in the public sector in Indonesia and so this study focuses on whether MoNE is ready for a change in performance management. The aim of the study is to investigate the readiness of change of the employees (both line managers and employees) for the proposed performance management system.

From the data analysis a new implementation framework identifying the relationship between readiness for change and performance management into Lewin’s change model has been developed. The model combines three performance management elements identified from the literature: commitment, communication and culture with four readiness for change elements: efficacy, appropriateness, management support and personal valence. The elements, combined with Lewin’s model provide an analytical tool for the research.
A qualitative research design has been adopted in order to gain an understanding of the current state of readiness at MoNE. Documentary analysis clarified the current and proposed systems. Semi-structured interviews were used to ascertain employee attitudes and understandings at each level of the ministry.

The level of preparedness differs between the echelon levels and staff; the echelon levels appear more ready for the change than the staff level. There are two readiness elements which emerged as having the most impact on effective implementation at staff level: management support and personal valence. In addition, the performance management elements which have the most restraining effect are communication and commitment. The echelon levels at the MoNE have a different understanding in terms of performance management; the staff at the lower level do not understand the change and, consequently, need more support from their managers. Some employees are not convinced that performance management will give personal benefits to employees; personal valence is apparent at the management level, but not for the employees as individuals, especially at the staff level. The echelon levels have commitment to the change, however, in order to inform the change, they need to understand performance management as a concept more completely than they currently do. Such an understanding would enable them to socialize the concept more effectively down the organisation, thereby engendering increased staff commitment to the change.

The thesis concludes that the MoNE is not ready yet for the change. The findings showed that whilst there are no elements acting as restraining forces at echelon levels, management support, personal valence, communication and commitment are restraining forces at the staff level and MoNE needs to address these before implementing the new system. In terms of practice, this study offers advice to MoNE which could also be applied across government in
general; it is important to assess readiness before the implementation a new system and this study could be a case for other Ministries in Indonesia.

This study’s contribution to theory is to demonstrate that it is possible to determine an organization’s readiness for the implementation of a performance management system. The research provides a new implementation framework that can be used to assess the readiness of individuals in an organization to accept a specific change, namely the implementation of a new performance management system. This new implementation framework should be applicable to other institutions wishing to instigate performance management. Using the tool to prepare for change through increased readiness for change should lead to greater effectiveness of change implementation over time.
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Dedication

This thesis is dedicated to my late beloved brother Rinaldo (Ado),
for his spirit to continuing his study until the end of his life.

I also never forget his patient, smile and laugh.
I always miss you … brother… every day.

Please rest in peace
May Allah (SWT) grant you Jannah Firdaws.
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List of Acronyms

APEC : Asia-Pacific Economic Cooperation

DP3 : Daftar Penilaian Pelaksanaan Pekerjaan/The Individual Work Performance Indicator

Menpan-RB : Ministry for Administration and Bureaucratic Reform

MoNE : Ministry of National Education

NPM : New Public Management

UNDP : United Nations Development Program

SOEs : Stated Own Enterprises
CHAPTER 1
INTRODUCTION

In 2008, the Indonesian state Ministry for Administration and Bureaucratic Reform (Menpan-RB)\(^1\) announced bureaucracy reformation in all national state institutions, to be applied immediately. Bureaucracy reformation covers the performance management system but many performance management implementations failed to lead to the expected changes. This study aimed to discover the reasons why performance management implementation failed to meet the expected changes and develop a strategy to support the Ministry of National Education (MoNE)\(^2\) to be successful in implementing performance management system in the future. This chapter presents the background of the study, the research problems, the research objectives, the research questions, the contribution of the study and the thesis overview.

1.1. Background

The civil service in Indonesia is considered to be slow, not transparent, non-accountable, lacking in initiative and, at times, involved in illegal corrupt activities such as bribery (Tjiptoherijanto 2006). The existence of corruption is widely assumed, but the problem is much wider than this; the simple fact is that the public sector is inefficient, which necessarily holds back the performance of the economy as a whole (McLeod 2005).

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\(^1\) Recently the name changed: when I went to do fieldwork the name of the institution was the Ministry for Administration and Bureaucratic Reform (Menpan-RB)

\(^2\) Recently the name changed: when I went to do fieldwork the name of the institution was the Ministry of National Education (MoNE)
The economic and fiscal crises in the Asian tiger economies have promoted major reforms in the public sector of countries such as Indonesia (Teriba 1996 cited in Larbi 1999). The traditional model of administration is rejected as being inefficient, costly, rigid, corrupt, unaccountable and unsuitable to an age seeking more dynamic models of social and economic development (Hughes 1998). The economic problems and the traditional administration are two criticisms that have paved the way for the emergence of a new model, with the different manifestations, such as New Public Management (NPM) (Hood 1991). Furthermore, NPM reforms are shifting the emphasis from traditional public administration to public management (Larbi 1999). One of the key elements is increasing emphasis on performance, outputs and customer orientation in the public service (Larbi 1999). O'Donnell and Turner (2005) argue there are some internal imperatives to push governments to do something about the performance. The NPM has provided the ideological support for performance management and has contributed a set of tools that are available for transferring to the new environment. This is complemented by the thrust of good governance or democratic governance in which accountability plays a major role. Then the target specification is often part of the increased accountability (O'Donnell & Turner 2005).

However, quite a few changes, such as reforms to the new system, have not always been successfully adopted. For example, reform efforts failed to produce significant results in Bangladesh (Abu 2004). There are some reasons why new change initiatives have not been successful. The Asian Development Bank Report states that ‘the lack of significant progress in administrative governance is exacerbated by the failure of successive governments and the civil service itself, to pursue the reform agenda’ (2007 cited in Kim and Monem 2008, p.12). Furthermore, Schein (1979) showed the urgency of readiness and argued that a change may not happen without it. In addition, Self and Schraeder (2009) suggest that employees would
be more likely to support and, ultimately, embrace change when creating readiness is the first step of the implementation process and is well done. So, it is important to see readiness before the implementation stage. This thesis looks at the readiness to create success in the process of change, specifically in terms of the change in performance management at the Ministry of National Education (MoNE) in Indonesia.

1.1.1 Performance management in Indonesia

Since 1998, Indonesia has been undertaking a major transformation in government from the old era to the new era into a fully-fledged democracy; the era reformasi (APEC 2007). Asia-Pacific Economic Cooperation (APEC) (2007) supports the idea that reform had increased the economy’s prospects and shaped a sense of optimism about the future. In addition, the government had tried to manage the administration system with more transparency. Tjiptoherijanto (2006) argues that the civil service or bureaucracy is an important agency of the government; it can be described as a wheel in motion which can empower all the resources held by a government to achieve certain goals, targets or missions which are intended to be directed by a nation to ensure the prosperity of its people. Moreover, the involvement of the bureaucracy in supporting the success of the government depends heavily on the characteristics of its civil service. The government must reform the civil service in order to have a clean and efficient bureaucracy where good governance becomes the main pillar for overcoming competition in the global world (Tjiptoherijanto 2006). Furthermore, Gie (2003) believes that bureaucratic reform is needed to create clean and good governance; the question is how to do this in a sustainable way.

The Ministry for Administration and Bureaucratic Reform (Menpan-RB 2008, 2010) states that bureaucratic reform is directed at overcoming problems such as the ways of thinking and
work culture of the bureaucracy that have not fully supported the civil service to become efficient, effective, productive and professional. It wants to develop a way of thinking that can serve the community and improve performance. Secondly, policies and their implementation to empower human resources are currently sub-optimal. Finally, the monitoring system, performance evaluation and appraisal processes have not been well developed.

Menpan-RB regulation no PER/15/M.PAN/7/2008\(^3\) about general guidelines for reform of the bureaucracy states that in order to accelerate the achievement of good governance it is necessary to undertake bureaucratic reform in all ministries, institutions and local government (Menpan-RB 2008, 2010). One of the reform purposes is to build an accountable bureaucracy which is responsible for each process activity, resource management, and performance improvement (Menpan-RB 2008, 2010). Furthermore, one of the change areas that Menpan-RB mentions in the reform is human resources; it aims to develop human resources that are competent, professional and prosperous and demonstrate high performance and integrity (Menpan-RB 2008, 2010).

In order to reform the bureaucratic structure in the civil service, Indonesian civil service organisations need to improve their human resources capacity (Tjiptoherijanto 2006); therefore, it is necessary to improve employee performance. Turner, Imbaruddin and Sutiyono (2009) are of the belief that employee performance (kinerja pegawai) is a question often raised within the public service and that there is a national regulation to evaluate employee performance. However, there are no guidelines on procedures for managing employee performance to meet the objectives of the organization and there is little

\(^3\) See also Presidential Regulation No. 81/2010, http://www.kemenkumham.go.id/attachments/article/175/perpres81_2010.pdf
information on job descriptions. Furthermore, Prasetyo (nd) suggests that employee individual performance with the civil service can make a contribution to each division and these can then influence the performance of the entire organization. Moreover, the World Bank report (2001 cited in Tjiptoherijanto 2006) prepared for the Indonesian government, indicates that one of the civil service reforms for Indonesia should include a change to the performance management system. Consequently, there will be individual performance management systems implemented in all ministries.

1.1.2. Performance management at the MoNE

However, some ministries have not yet undertaken reform in the area of performance management systems. According to Sutiyono (2008) employee performance management has not been optimally implemented in all the public sectors in Indonesia. One of the agencies in Indonesia that has not yet adopted performance management is the Ministry of National Education (MoNE). Although, currently, the MoNE has started reform of the bureaucracy in terms of the cost of education, preparing books and education planning, the performance management system implementation has not been finalised. Furthermore, the hierarchical classification of public services and staff\(^4\) in a rank (golongan) and a position (eselon, echelon)\(^5\) and associated processes of advancement and promotion are evidence of a lack of concern for performance management as, in the public service, the processes are based on general knowledge rather than on skills (Turner et al. 2009). Menpan-RB (2008) stated that all Ministries should reform their performance systems. Thus, the MoNE as one of the Ministries, needs to change and improve its employee performance system.

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4 Staff is the employee in general without having the certain position or authority.
5 Echelon is the high rank position grouped into 1 up to 4. In Indonesia, echelon is called eselon.
The MoNE is one of the government offices responsible for enhancing education in Indonesia; its new vision is to provide a good service to national education in order to enable Indonesian people to be more competent and skilled (Depdiknas 2010). Currently, the MoNE uses a system of individual work performance indicators (Daftar Penilaian Pelaksanaan Pekerjaan/The List of Work Assessment (DP3))\(^6\) as the main instrument for performance appraisal, which is the same as is used by other ministries. Elements that have been evaluated cover attitudes and behavior, allegiance, responsibility, loyalty, integrity, cooperation, initiative and leadership (SANRI I:207 cited in Rohdewohld 1995). Rohdewohld in his study on Indonesia stated that ‘Performance evaluation should be done annually and the result of the evaluation is to be reviewed by both the civil servant concerned and the evaluator’s supervisor’ (1995, p.105). The results of DP3 performance must be at least at the level of ‘good’ (equivalent to a score of 76 - 90) on a five-point scale from ‘poor’ to ‘very good’ (Turner et al. 2009). However, in DP3 the performance criteria are not specified. Moreover, the performance is not measured based on targets or objectives. According to the United Nations Development Programme (UNDP), in their study in Indonesia, ‘there is usually no appraisal interview, no discussion of individuals’ aims and ambitions, and no development plan…the system has minimal influence on performance, allocation of staff, training plan, promotion or individual development’(1991:41f cited in Rohdewohld 1995, p.105). Rohdewohld (1995) argues that another problem in evaluating staff performance is the reluctance of the Javanese culture to openly criticize. Furthermore, the majority of the ministries do not have formal evaluation processes concerning interactions between supervisors and staff members and it is common knowledge that to ensure a good result the

\(^6\) The new working assessment system as the replacement of the old List of Working Assessment (DP3) is ongoing to be socialized and will implement in January 2014 (BKN, 2012). DP3 will be explained more detail in Appendix 7.
employees often complete their own evaluation forms then have them approved by their supervisor (Turner et al. 2009).

Sutiyono (2007) in her study in Telkom Indonesia, argues that DP3 focuses more closely on loyalty to the state which is represented by the understanding and acceptance of the constitution and Pancasila (the five principles of the state ideology based on The Five National Principles). Such acceptance and the processes itself are challenged only in exceptional cases as DP3 scores were almost always favorable and there was little difference between the individuals. Accordingly, all employees have received an automatic pay rise every two years and an automatic raise in salary grade every four years. Sutiyono (2007) argues that DP3 is not a clear parameter for measuring the performance of employees; there is no record for poor performance and no reward for better performance. In fact, the same rate of salary is given to those, either in the civil service or government, with good work performance as those with poor work performance. Turner et al. argue that ‘In Indonesia there are popular acronyms to describe this phenomenon: PGPS (pintar goblok pendapatan sama- the clever and the stupid receive exactly the same salary) and RMPS (rajin malas pendapatan sama – the hard-working and the lazy receive exactly the same salary)’ (2009, p.242). Furthermore, the results of the appraisal cannot be used for training and development purposes yet it is expected to be a suitable, functioning performance system (Turner et al. 2009). Although managers conduct an evaluation of staff through DP3, it does not make any difference whether the employee has performed well or not (Sutiyono 2007). There is no recognition of those having a good performance record and consequently they are not properly appreciated, thus causing frustration and loss of motivation. The faults of the DP3

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7 The Five Principles are: (1) Belief in the one and only God (Ketuhanan Yang Maha Esa); (2) Just and civilized humanity (Kemanusiaan Yang Adil dan Beradab); (3) Unity of Indonesia (Persatuan Indonesia); (4) Democracy guided by the inner wisdom in the unanimity arising out of deliberations amongst representatives (Kerakyatan Yang Dipimpin oleh Hikmat Kebijaksanaan, Dalam Permusyawaratan Perwakilan, dan); and (5) Social justice for the whole of the people of Indonesia (Keadilan Sosial bagi seluruh Rakyat Indonesia).
system have been recognized for many years, however, its non-threatening nature has probably assured its support within the public service and hence its longevity (Rohdewohld 1995). DP3 has not given a clear picture of employee performance (Gorontalo 2005), nor does it provide an employee with clear goals and targets relating their job to support of the MoNE vision. Although currently, there are several directorates at the MoNE that has created working standard based on ISO 9001:2000 (International Organization for Standardization), the DP3 system is not changed yet. So, the employees performance is still measured by DP3. Hence, the MoNE needs to change the current performance system.

It appears that the MoNE, as a government agency, should implement appropriate performance management in order to improve the services provided to the public and develop better management of human resources (Witular 2006 cited in McLeod 2008). The MoNE needs to change the individual performance system in order to be able to measure individual performance based on the organizational objectives. This would help managers to maintain equity between the employees and attain the greatest impact other human resource practices such as training and development and the reward systems. Furthermore, the system should be linked to the MoNE’s vision. If the system is linked to the vision, it will give clear tasks to each employee in order to achieve organizational goals. In addition, the employees can enhance their performance (Rao 2004) and be a source of added value to MoNE.

It has been established that the MoNE will need to change the employee performance system in its organization. Jones (2010) suggests that one of the Indonesian governments’ responsibilities is to establish performance outcomes related to the performance management schemes. This means that the MoNE must undertake a strategic capacity development process which will set out to improve individual performance. As stated previously,
performance management has not implemented yet in the MoNE. So, the MoNE needs to prepare for the implementation itself rather than any other Human Resource tools. This thesis is not about the role of Human Resource. This thesis will not focus on other Human Resource initiatives and will focus only on readiness for change at the MoNE. Although Human Resources is obviously needed to be involved in performance management, this thesis is all about readiness for change not preparing it. This thesis is about the extent to which the MoNE is ready for change.

As stated above, in preparing for this new system, it will need to know the readiness of the employees for change. Armenakis, Harris and Mossholder (1993) and Holt, Armenakis, Field, and Harris (2007) demonstrate key elements which can contribute to the effectiveness of organizational change; one is readiness for change. By states ‘if an organization is not change ready, failure could be perceived as the only predictable outcome of any change initiative’ (2007, p.6). In addition, the present study is about change in terms of performance management. However, the implementation of performance management is not always successful (Gill 2004; Bourne, Platts, Neely & Mills 2002; Bourne & Neely 2003). Therefore, in this thesis the extant studies on organizational change, readiness for change and performance management will be reviewed in order to clarify why the MoNE will need to be ready to change if performance management initiatives are to be successful. It will then establish whether it is, in fact, ready for such a change.

1.1.3. The MoNE Organization Structure

Below the Minister of Education, the MoNE has 7 (seven) Director Generals; 1) Inspectorate General, 2) Directorate General Research and development, 3) Secretary General, 4) Directorate General Basic Education, 5) Directorate General Higher Education, 6) Directorate
General Non Formal and Informal Education, 7) Directorate General of quality improvement for teacher and education personnel. All Directorate General have one Director General which means echelon 1. Below the Director General there is a Director of each unit. The Director is called echelon 2. Beside that there is a secretary for each directorate which is called echelon 2 as well. So, there are 7 (seven) echelon 1, 36 (thirty six) echelon 2, 116 (one hundred and sixteen) echelon 3, 232 (two hundred and thirty two) echelon 4 and around 1000 staff.
Figure 1.1 The MoNE Organization Structure
1.2. Research Problem

Reflecting the research of Armenakis et al. (1993) and of Holt et al. (2007) the focus of this the present study is to examine whether the MoNE, as an organization, is ready to be able to successfully implement performance management. This study seeks to understand whether the pertinent individuals understand, and are ready for, change. Therefore, this study considered individuals at the MoNE to develop an understanding of the readiness for change at the MoNE as an organization.

Weiner (2009) argues that one-half of the companies that he analysed were unsuccessful when implementing change in the first phase, which means a failure to establish sufficient readiness. Many attempts to implement performance management systems are unsuccessful (Gill 2000; Rantanen, Kumala, Lonnqvist & Kujansivu 2007); it is a difficult and complicated task (Paauwe, Boselie & Hartog 2004). As Smith said ‘It is the people who are the real source of, and the vehicle for, change, because they are the ones who will either assist or resist change’ (2005, p. 408). Thus, it is vital to assess an individual’s readiness prior to any change attempts as this will indicate the potential overall readiness in the organization. Consequently, the present research is noteworthy as it will provide ideas as to how to assess readiness for change to enable the implementation of effective performance management.

The extant studies on performance management only talk about performance management and communication (Sutiyono 2007; Barry 1997; Tsang 2007; Bacal 1999 cited in Hope 2002), commitment (Cheng, Dainty & Moore 2007; Bourne et al. 2002; de Waal & Counet 2009) and culture (Cheng et al. 2007; Rhodes, Walsh & Lok 2008; Mendonca & Kanungo 1996). There is no literature that mentions the link between performance management and readiness for change. Moreover, although there are many studies of performance
management per se, not much is written about employee performance management in the public sector. In addition, where there is research concerning performance management, there is little about the actual implementation of employee performance management in either the private or the public sector literature (de Waal and Counet 2009; Williams 2002; Aquinis 2009; Cascio 2006). The present research provides a contribution to employee performance management and, especially in the public sector, by establishing the relationship between readiness for change and effective performance management implementation. Based on the analyzed data, this study leads to the new implementation framework. In fact, the researcher has already carried out the research before the MoNE applied the recent system. So, by comparing the old to the current system, the effective readiness could be figured out at the MoNE.

1.3.  Aim of the study

The aim of the study is to investigate the readiness for change of the employees (line managers and employees) at the MoNE for the new employee performance management system.

1.4.  Objectives

- To determine the prior knowledge about, and attitudes to, the purpose of the proposed performance management system at the MoNE.
- To examine the understanding of employees at the MoNE of the current change status in employee performance management.
- To determine the presence or absence of organization readiness factors for the change as they apply to performance management at MONE.
1.5. **Research questions**

In order to achieve the aim and objectives of the study, the research determined how ready the MoNE is for the change. The following research question guided this study:

> *To what extent is the Ministry of National Education in Indonesia ready to implement a new employee performance management system?*

In order to address this question, four sub-questions were explored:

1. What is the employees’ current knowledge of performance management at the MoNE?
2. Does the MoNE readiness contribute to the better quality of the change?
3. What is the status of readiness of the MoNE to change employee performance management in general?
4. What organizational factors should be identified in order to help the MoNE to successfully implement employee performance management?

1.5. **Significance of the study**

This study is significant in three ways:

1. There is a lot written about performance management, however relatively little about performance management in the public sector.
2. There are few studies about the relationship between the readiness for change and performance management.
3. There is a paucity of studies about performance management implementation.
1.6. Contribution of the study

This thesis makes a contribution in several ways:

1. This thesis presents a new implementation framework integrating three concepts which are performance management theory, Holt et al.’s readiness for change model and Lewin’s change model. This new framework has the practical implication of enabling the organization to determine whether it will be able to successfully implement performance management.

2. This implementation framework may be applicable to other organizations seeking to implement performance management.

3. This research has determined that the MoNE is not yet ready for change and makes practical suggestions about how to improve its readiness.

4. Future research can determine whether this new implementation framework can be applied more widely to determine readiness for other changes.

1.7. Thesis overview

This chapter presents an introduction to the research which includes the background to the study. The performance management system in Indonesia is discussed in this chapter; especially performance management at the MoNE. This chapter also clarifies the research problem, its aim, its objectives, and the research questions and significance of the study.

Chapter 2 provides a literature review which frames the study. It reviews Lewin’s change model, performance management and readiness for change and then considers their applicability to this thesis.
Chapter 3 outlines the methodological choices for this study. The paradigm, epistemology and ontology of the study are clarified. The research design of the study, covering a single case study integrated in a qualitative methodology, is used for answering the research questions. The data collection methods used in this study include semi-structured interviews and documentary analysis. The approach undertaken to analyse the research data, which used MS-Access as a tool, is also explained.

Chapter 4 presents the results of this study divided into four themes. Theme 1 presents the interpretation of performance management at the MoNE from all echelons and the staff. Theme 2 presents performance management in practice at the MoNE, which also reflects the application of the concept by all echelons and the staff. Theme 3 presents the employees’ perceptions regarding the impact of performance management at the MoNE, by both the echelons and the staff. Finally, Theme 4 considers the MONE’s ability to make change. This clarifies the potential abilities, such as the communication style, the commitment and the strategy in developing the competency that the employees may have ready for change. It covers all of the echelons and the staff. Each part of the discussion is completed with the research findings.

Chapter 5 presents the relationship between readiness for change and performance management. In this chapter, the results of this study is integrated with performance management, the readiness for change literature and Lewin’s change model. The analysis and comparisons is used to reflect upon and refine the implementation framework.
Chapter 6 presents the answer of the research questions, the theoretical implications of two different models of readiness for change, implications for practice, recommendations to the MoNE, contributions, issues for further research, and conclusions of this research.

1.8. Conclusion

This chapter has presented the background to this study. The aim, objectives, research questions, and the significance of the study have been outlined. The thesis overview is presented at the end of this chapter. The next chapter will discuss the literature review about the importance of the readiness for change and performance management theories in order to understand the readiness of the MoNE to accept the change in performance management.
CHAPTER 2

LITERATURE REVIEW

The previous chapter has suggested implementing any kind of system does not always work well and this includes performance management implementation. A transitional approach among individuals, the team and the organization to secure the successful change in the MoNE is needed for the performance management implementation. Before implementation it is necessary to know the employees’ readiness for change. This present research examined the MoNE readiness for implementation of the performance management. In this study several theories have been used to set up a thinking framework for analyzing the potential implementation of performance management. This chapter outlines how theories of change management (specifically Kurt Lewin’s (1947) model of change), performance management and change readiness can be used to get to know how ready the MoNE for the change. Firstly, this chapter outlines reasons for change. Secondly, change models from authors will be described. Thirdly, Lewin’s change model and explains the reasons for its utilisation. Fourthly, force field analysis is discussed. Fifthly, performance management theories are presented and core issues for effective implementation are examined. Then, readiness for change theories are discussed and elements of the model are explained. Lastly, the rationale for the performance management and readiness elements integration into Lewin’s change model is then presented.

Furthermore, it must be noted that the literature review presented is by no means a critical analysis of readiness for change and performance management but rather the theories helped to guide the researcher to get the answer how ready the MoNE for the change in term of performance management.
2.1. **Reason for Change**

According to Beckhard and Harris (1987) it is obvious that every major change in organization influences three conditions: the future, the leadership expectation about the organization in the future time; the recent time, the current condition; and the transition period, the stage when the organization to form the recent conditions and to do the actions for the future need. The authors further argue that there are two significant things which should be taken into account in getting the change, determining the optional degree about what to change and defining the need for change, make the organization executives have two possibilities whether to decide to make a change or only design the strategy to change. Before making the strategy to change, they should provide the stimulus to change first by identifying how much they may organize or influence towards the conditions. If the demands to change are forced much by the factors coming from outside of the organization, the executive have no choice unless to adopt those demands. The demands could be legislation dealing with environmental pollution, minority hiring, or allocation of public funds to health care service; new laws providing for educational parity for handicapped children; important regulations limiting product sales in a particular area; and successful union children; import regulations limiting product sales in a particular area; and successful union demands or increased benefits or power. Those external triggers influence much to the change and force the employers to redesign the structure, the procedure, and the priorities, to redefine both of the procedures and the priorities as well as to restructure the personnel. The bureaucracy reform found in this case study required all the ministries in Indonesia to adopt the performance management which is needed much since the former employees’ assessment is not effective.
2.2. Change Models

Some authors including Lewin (1947), Dunphy and Stace (1993), Kotter (1995) and Nelson (2003) describe frameworks or models of change, which could be the choice of the model for any change initiatives.

**Kurt Lewin (1947) change model**

Kurt Lewin (1947) argued that in any organizational change, there are three phases: to unfreeze the existing situation, to change or move to the new system, and to confirm the new behavior, in a refreezing phase. He argued that in any organizational change, or renewal a critical first step “unfreezing” (Smith 2005). Armenakis, Harris and Mossholder (1993) argued that Lewin’s concept of unfreezing is similar to readiness. This concept has been defined by Armenakis et al. (1993) which is cited commonly. They defined readiness for change as an individual’s “beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization’s capacity to successfully undertake those changes” (1993: 681). Lewin’s theories were based on the assumption that planned change, through learning may make individuals understand and reframe their views to solve social conflicts (D’Ortenzio, 2012). D’Ortenzio (2012) further stated that Lewin’s model is sometimes misinterpreted by some organizations and used only for implementing the plan but actually this model could be a useful framework for understanding the organizational change. Furthermore, according to the author, the model may allow some managers to consider change and commence to develop the plan. However, Lewin’s model consisting 3-step model invites some critics. The critics cover working only in a stable state; working only for small-scale change projects; ignoring either the power or politic of the organization and top-down and management oriented (Burnes 2004). Even though this author mentioned some critics towards the model, he also respond those critics through some elaborated facts. Lewin’s
model is still applicable in the now days modern world. Lewin’s change model is not as the move which is not predictable and planned from one stable to another. In fact, it is a complex and iterative learning process. The process is more important than the result. The stability is the best quasi-stationary and always flexible besides involving the complex forces. Although outcomes cannot be predicted, it is based on a trial and error basis. Secondly, the model can be suitable not only for small-scale projects but it is effective for the bigger ones because the focus of Lewin’s model is on behavioral change covering individuals, groups, organization and society in general. The transformational change could be applicable to any conditions with the major structural change requirements. Lewin’s approach adopts the differences in value system and power structures of all the involved parties. Then it is not ruled only the top-down management-driven because the initiation in this model could be from the top, the bottom or the middle. It is useless without involving the active, willingness and equality from the participants. This model also may help a wide range groups and organizations. Furthermore, Burnes (2004) on his paper mentioned that Lewin approach is still relevant to be implemented in an organization or society in general. So, this model is still relevant to be used in modern, recent world.

**Dunphy and Stace’s (1988) model of change**

Dunphy and Stace (1988) combine change types: Incremental and Transformative with collaborative and Coercive. D’Ortenzion (2012) stated that Dunphy and Stace already investigated and developed the three steps model which was exposed by Lewin. The authors investigated change from an organizational transformation perspective. Dunphy and Stace (1993) were also assumed that it is essential for organizations to require a change model. It is situational and called “contingency model” (D’Ortenzion 2012). The contingency model, the change model, refers to the theory that the structure and performance of the organization are
determined by the situational variables. Since there is not any identical situation in an organization, it is impossible to have the same variables (D’Ortenzion 2012). Due to the diversity, it may influence the operation and the structures of the organization. (Dunphy and Stace 1993). The strong criticism of this model is Dunphy and Stance’s model of change depends much on the change initiators to implement the model. Thus the change would be influenced dominantly by the driver’s change style than that of by the effective organizational change analysis (D’Ortenzion 2012).

**Kotter (1995) change model**

Kotter (1995) mentioned eight steps in the change process: establishing a sense of urgency, forming a powerful guiding coalition, creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvement and producing still more change and institutionalizing new approaches. Kotter argues similarly with Armenakis et al (1993) that the first step to accomplish the organization change is by building the sense of urgency and the need to change (Smith 2005). Kotter (1995) highlighted that people make more mistakes so far, but eight of them are the major ones. He wrote in a short article that everything is made to seem a bit so uncomplicated. In fact, even successful change efforts are confusing and full of shocks. Then, it is urgent to have a simple vision of the change process in order to lead people to minimize the error rate through the major change. The fewer errors is the more successful since it becomes the indicator to differ success from failure. So, Kotter had tried with the great efforts to help the organization to get rid of the failure.
*Nelson (2003) Dynamic models of change*

It is suggested that change must not be planned as a linear task moving from A to B. Considering some shortcomings like environmental chaos, static and the cross-sectional models which may hamper the new organizational systems implementation. As if the organization had run as a rigid system which is isolated from events influencing to the change process. Change could not be considered as a number of unconnected events, every event impacts on the whole system instead. Basically, it is not merely a problem of a bureaucratic system which failed to adapt with the new environment. The most important is how to redefine change accepting the strategy modification in order to keep pace with, and to adapt to the effects of a dynamic contextual surroundings to anticipate the possible future intentions (Nelson 2003).

Based on the illustration of the change models previously, the researcher came to the conclusion that the definitions of change readiness are thoroughly defined by Armenakis et al. (1993). The authors also stated that the change readiness is similar to the term of unfreezing process. This is the reason why this thesis is focused on the Lewin change model than the others in order to find out the change readiness at MoNE.

**2.3. Kurt Lewin’s (1947) change model**

According to Schein (1979), the failure of organizational change programs dealing with a number of changes efforts is due to the inability of an organization to either create readiness for change or have the effective unfreezing process before trying introducing a change. There is a three-step procedure, unfreezing, changing and freezing that Lewin concluded which should be followed for successful change (Burke 2008). Researchers including Armenakis, Harris and Field (1999a; 1999b); Armenakis, Bernerth, Pitts and Walker (2007) and Kotter
(1995) have proposed variations of the basic unfreezing, moving and freezing phases which are the roots for process models of organizational change that were establish by Lewin. Unfreezing in Lewin’ change model is the institution’s preparation process for the change through the relaxation of behavior, habits, cognitions, systems, and structure which support and maintain the status quo (Armenakis et al. 1999b). Emphasis is given to the move which is based on the actual adoption and application of the objective of change. Freezing means accepting the change in the institution (e.g. forming the change permanently). The authors mention that Lewin’s model is recognized as a paradigmatic model which is very beneficial for two reasons: it focuses on the importance of the system preparation for the change and considers the change through internalization in the entire institution. Thus, as mentioned previously, Lewin’s approach is not out of date; it is still relevant (Burnes 2004). Figure 2.1 and figure 2.2 show Lewin’s change model.
The first step suggested by Lewin to change behavior is to unfreeze the existing condition or status quo. This condition is assumed as the equilibrium state. A good example of status quo in the MoNE is the use of DP3 (the rubric for an employee’s work performance assessment) which is going to be changed during reformation of the bureaucracy. Unfreezing is needed to solve the trouble of resistance of the individual and group conformity, especially in the transition period from the DP3 work assessment system to the performance management system. The unfreezing process of the organization could be achieved through three methods: increasing the MoNE driving forces taking the behavior away from the former condition or
present status, decreasing the MoNE restraining forces giving the negative impacts to the movement from the present equilibrium, or by combining the previous two methods. The unfreezing phase at the MoNE also could be through an activity like preparing the MoNE employees to change (Robbins et al. 2008).

According to Kritsonis (2005), Lewin’s change model is very reasonable and it is considered to be goal and plan oriented. The author further argues that the change which seems good on paper makes sense but poor human feelings and experiences give the negative effects. It may happen in the MoNE because of many possible occasions that make the employees excited about the new change converting DP3 work assessment into the performance management one. Some perhaps have a great desire to implement performance management immediately with the attitude change sharply based on their long working experience. This may trigger an impact on the gap between those who are ready to accept the new change and those who need the transition phase before implementing the required change (Kritsonis 2005). The transition phase needs to be studied further to determine the readiness at the MoNE for performance management implementation. This present study covers aspects that need attention, such as the elements in the unfreezing phase, to know how ready the MoNE is to adapt the new system.

There is management technique that can be used to assess the move from the current (actual) situation to the optimal in the particular area which is called force field analysis (Baulcomb, 2003).
2.4. Force field Analysis

Wood, Zeffane, Fromholtz and Fitzgerald (2006) define a force field analysis as a management technique to diagnose and encourage change. It is based on the assumption, that driving and restraining forces may influence any changes. The authors further argue that driving forces run in a particular direction, by providing an initiative for change and maintaining the process. Improving productivity in a work group, the pressure from supervisors, incentive earnings and competition, are examples of driving forces. Apathy, hostility and poor maintenance of equipment belong to the examples of restraining forces which tend to decrease the driving forces. Changes happen if the driving and restraining forces are shifted out of balance.

Above all, referring to the previous illustration, Kurt Lewin’s theory is used in this research in order for the MoNE to carry out the unfreezing process before making the change. Force field analysis is used in this study to get to know how ready the MoNE for the change based on what elements can force or restrain the change. In additional, since the change is about performance management, theories dealing with performance management and others determining performance management implementations are discussed in this following section.

2.5. Performance evaluation system and the MoNE

As elaborated previously in Chapter 1, commonly the assessment system at the MoNE uses DP3 to measure work performance. This can be also assumed as the appraisal system for the employees no matter that it is clear that the result is biased since it cannot distinguish the employees who have good work performance from those who do not. Some experts like Dixit and Agarwal (2013); and Toppo and Prusty (2012) suggest performance appraisal places an
individual in a rank either better or worse compared to the rest. Dixit and Agawal (2013) argue that the appraisal system may bring some problems and frustrations since there are conflicting purposes for the appraisal; appraisal is not only for feedback and development but also for the payment and promotion decisions.

Some practicing managers argue that personnel in an organization are valuable assets (Mendonca & Kanungo 1990b). They elaborate further that public and private sectors in many developing countries have poor management, inefficient bureaucracies and low productivity. Then performance management, an element of human resource management, is needed to improve the personnel’s productivity. It is a set of mechanisms and processes involving the evaluation aspects which is called performance appraisal (Mendonca & Kanungo 1990b). They suggest further that this performance management may give more benefits, such as helping and empowering the personnel to reach their job objectives. Hence, many developing countries like Indonesia pay much attention to performance management which is practiced in public and in private sectors (Mendonca & Kanungo 1990b). A recent study by Boselie, Paauwe and Jansen (2001) found a significant correlation between human resource management and organizational performance. It is clear that human resource management and performance management have a relationship. The taken performance management approach involves human resource management support practised in such a way as to optimize both recent employees’ performance and the performance of future employees. Employees’ performance improvement may have a positive impact on the organizational performance (Dixit & Agarwal 2013). Performance management will be part of the bureaucratic reform in Indonesia where the MoNE is one of the Ministries that will carry out the reform. Performance management will be applied at the MoNE in order to achieve an accurate and better performing system. The following section considers what performance
management is, why performance management at the MoNE, and what elements could influence the successful implementation of performance management at the MoNE.

2.6. Performance management

Denisi (2000) suggests that performance management deals with activities carried out by an organization to reach the personal or group target performance with organizational effectiveness improvement as the ultimate goal. Performance management is not a new concept. It aligns activity involving individual and organizational goals, provides individuals with required tools and work environments in order to meet the objectives, and evaluates and rewards individuals based on their results (Pathlore 2005). Performance management involves many things covering the objective set of organization, department, team and individuals which is called policy deployment, the use of performance appraisal systems, suitable reward strategies and schemes, training and development strategies and plans, feedback, communication and coaching, individual career planning, mechanisms for monitoring the effectiveness of performance management system, and interventions and culture management (Roberts 2001 cited in Dixit & Agarwal 2013). Thus, performance management involves day-to-day management, as well as the support and development of people (Paauwe et al. 2004). Armstrong and Baron emphasize the strategic and integrated approach of performance management. The authors mention that performance management focuses on “increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors” (1999, p.7). Dessler (2008) suggests performance management as an integrated process consolidating goal setting, performance appraisal and the development of one common system to make sure that employees’ performance support the organizational strategic goals. Meanwhile, one of the aims of performance management is to manage
employee performance (Williams 1998). There are different models of performance management discussed in the literature. The models stress how important the system is to organizational performance, to manage the employee performance, and to integrate the management of organizational with the employee performance (Williams 2002). So performance management should have strategic and integrated appeal that aligns individual performance capability development to the overall goals and performance of the organization. There is an emphasis on managing employee performance.

The performance management process is natural to promote a shared understanding and to develop employees so that a high level of both team and individual performance can be accomplished (Armstrong & Baron 2006). Performance management is not a static concept but it is a continuous process involving a cycle (Ainsworth & Smith 1993; Torrington & Hall 1995; Marchington & Wilkinson 1996; Armstrong & Baron 2006; Dixit & Agarwal 2013; Mendonca & Kanungo 1990a; Mendonca & Kanungo 1990b). The following discussion clarifies the performance management cycle suggested by experts.

Ainsworth and Smith (1993) describe a three step cycle of performance management which is performance planning, assessment of performance, and corrective and adaptive mutual action via mutual feedback discussions. Performance planning refers to establishment of agreement on, and commitment to, objectives or similar performance targets. Assessment of performance refers to actual versus intended performance measured objectively where possible, or subjectively assessed. Corrective and adaptive mutual action via mutual feedback discussions refers to commitment to desired actions and acceptance of developmental objectives.
Similarly, Torrington and Hall (1995) suggest three stages which are planning, supporting and reviewing performance. The importance of a shared view of expected performance between manager and employee is recognized by planning. Manager and employee should have a shared view of what is expected of the employee. The line manager is seen to support performance and also has a particular part to play in reviewing performance.

Marchington and Wilkinson (1996) explain how performance management takes place in the cycle; the performance expectations, supporting performance, review and appraisal of performance and managing performance standards. A continuous process whereby employees know the performance expectations for their work and are supported by managers and their peers to achieve these expectations is called performance management. This informal and formal support should occur consistently throughout the year. All individual performance is formally reviewed and appraised once or twice a year. Following the formal interview and assessment, actions are taken by employees and managers who seek to reach new levels of performance, to implement training programs and other development initiatives and find ways to resolve the difficulties or failures of performance. In large organizations, for example in the public sector, local authorities follow-up actions including the management of absenteeism.

According to Armstrong and Baron (2006), the performance management processes happening in the cycle are planning, acting, monitoring and reviewing. ‘Plan’ refers to agreeing on the objectives and requirements of competence, to identification of the behaviors required by the organization, production of plans expressed in the performance agreements to achieve the objectives and to improve performance, preparation of development plans to improve staff knowledge, skills and expertise and strengthen the desired behavior. ‘Act’
refers to carrying out work necessary to achieve the benchmarks for plans and in response to new demands. ‘Monitor’ refers to checking on the progress made in achieving the objectives and meeting new demands. It refers to process performance management as a continuous process and performance management throughout the year rather than an annual evaluation. ‘Review’ refers to holding a review meeting for a ‘stock-take’ of progress and achievements and to identify where action is needed to develop performance. The following Figure 2.3 shows the performance management cycle of Armstrong and Baron (2006);

**Figure 2.3. Performance management cycle (Armstrong & Baron 2006, p.13)**

![Performance management cycle](image)

Commonly, the idea that is highlighted is that the manager and the ones who are managed should share opinions about the employees’ expectations. Getting involved actively and showing direct participation are suggested (Rao 2007). The author also clarifies that the manager who has an important role to review the performance also has responsibility for supporting the performance. So, every phase in the performance management cycle should be evaluated to make sure each phase has been running well and in the line with the organization expectation. A sustainable improvement in every phase of the management performance is needed to meet the ideal and expected management system.
The objective of the performance management implementation is to meet the organization’s goal and the employees’ needs (Rao 2004). Performance management will not only require the employees’ meet the organization’s objective but also requires unification of all of the process activities and organization’s strategies by developing both individual capacity and team contribution (Armstrong 2006). The conformity between the employees’ need and the organization’s objective could be reached if the employees know the target they should reach and have the support of managers and their colleagues (Armstrong & Baron 2006). The management support for the employees could be shown by encouraging them to develop new targets in the performance management system (Armstrong & Baron 1999). In order to obtain the feedback used for improving the following work performance, the new target achievement process should be communicated either from the employer to the employees or vice versa (Cheng et al. 2007; Rao 2007; Armstrong & Baron 2006). So, performance management is a two-way process requiring the employees’ engagement and enthusiasm (Gill 2004). The author further provides that the benefits of a performance management system should be communicated well by the manager to all employees and that feedback should be considered.

Meanwhile, performance management promotes a number of improvements such as: managers know that work in their departments is focused on common goals, decisions are made lower in the chain of command, employees and managers feel better about performance reviews because the evaluation process is employee-driven, communication among managers and between managers and employees has greatly increased, and employees know that they are expected to improve their competencies continually, consequently avoiding stagnation.
(McAfee & Champagne 1993). In short, if the MoNE carries out the performance management system well, a better performance system at the MoNE will be established.

Therefore, performance management is not simply the appraisal of individual performance; it also identifies who delivers or what is delivered in the critical performance with respect to business strategy and objectives and ensures that performance is successfully improved (Bilgin 2007). It is argued that performance appraisal is the main element of performance management (Dixit & Agarwal 2013; Dessler 2008). Moreover, Toppo & Prusty (2012) assume performance appraisal to be the prerequisite for performance management. In addition, performance management is linked with reward administration in order to reward any consistent good performance (Rao 2007; Rao 2008). It is used to make many administrative decisions such as salary level, promotions, retention and recognition of individual performance (De Cieri & Kramar 2003).

In short, since performance management can have a positive impact upon employee performance and the organisation as a whole, it can be argued, that it can be advantageous to MoNE to undertake performance management to increase the employee performance. When the employees have a clear task, they can work more efficiently to achieve organizational goals.

However, the performance management implementation process does not always work. Problems could be triggered by feeling doubt about whether performance management is applicable and suitable for implementation in each institution (McAfee & Champagne 1993; Gill 2004). In the Finnish public sector, the implementation of performance management has been problematic because the personnel do not understand the objectives of performance
measurement and do not see the benefit of performance management for their work and so avoid it (Rantanen et al. 2007). It can be stated clearly that performance management is not a system which is implemented easily. It is a complicated task to manage the employees’ performance so as to meet the required targets of the organization. Paauwe et al. (2004) agree that performance management system implementation is a difficult and complicated task.

Therefore, effective performance management requires an open discussion between the employees and the employer (Armstrong 2006). Performance management gives attention to a practiced plan and does not look backward and attention is an ongoing dialog not ratings (Toppo & Prusty 2012). Then, communication becomes the crucial issue in producing a change in performance management. A superior in an organization like the MoNE should be able to build two-way communication so that there is an open discussion between the superior and his subordinates. This requirement will be challenging since the culture does not encourage open criticism or a common atmosphere for discourse between the parties with hierarchical different statuses (Sutiyono 2007). Indonesia is a country with a culture which may hamper the introduction of effective performance management. Similarly, commitment which from high levels to lower levels also plays the important roles. The successful performance management system can be achieved if each individual and the managerial positions have the commitment and see the benefits promoted by implementing the performance management (Cheng et al. 2007; Bourne et al 2002; de Waal & Counet 2009; Ranjekar 2011). In conclusion, there are three important elements determining the successful performance management implementation: communication, commitment and culture.

Referring to the previous discussion, a transition phase is needed in the unfreezing process of an organization. During this phase the readiness of each employee for the change should be
identified carefully by determining any elements supporting the successful implementation of
the new system. The objective of identifying the employees’ readiness during the transition
time is to determine the readiness of the employees based on those elements and starting from
the lowest to the highest level. Communication, commitment and culture, the three elements,
could determine whether performance management implementation fails or is successful.
Those three elements should be studied further during the unfreezing process when
performance management is to be implemented at the MoNE. See Table 2.1 for the most
common elements determining the success of performance management implementation.
### Table 2.1. The most common elements for the success of performance management implementation

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Themes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barry (1997)</td>
<td>Communication</td>
<td>Creativity, trust and good attitude are required for the PMS to succeed since these could trigger any employees to improve their work performance, boost their self-motivation and promote open communication among the employees and their managers.</td>
</tr>
<tr>
<td>Gill (2004)</td>
<td>Communication</td>
<td>The two main reasons for strategic performance management system failure, which is often in the implementation stage, are:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The employees should be involved in the process, not only being assured 'it works well for them', and any managers must motivate employees not only to consider today’s task but also the future since their performance may affect the entire organization.</td>
</tr>
<tr>
<td>Sutiyono (2007)</td>
<td>Communication</td>
<td>Compared to private institutions, which clearly communicate the organization goal with all positions and discusses the strategy to reach the objectives by involving the supervisors as well as the subordinates, state institutions, like Indonesian stated own enterprises (SOEs), do not have any clear institutional objectives and target dissemination is less systematic. While the private institution manager turns the company objectives into the operational ones with the guidelines functioning as the total quality control process, the state organization managers are less familiar with the targets of the organization.</td>
</tr>
<tr>
<td>O’Leary and Pulakos (2011a; 2011b)</td>
<td>Communication</td>
<td>The authors are sure that any aspects in building either better communication or relationships between the manager and employee are very significant for successful performance management. This approach could sustain or improve the performance management.</td>
</tr>
<tr>
<td>Dahling and O’Malley</td>
<td>Communication</td>
<td>O’Leary and Pulakos (2011b) and the strategies suggested by Dahling and O’Malley are similar to those</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Themes</td>
<td>Description</td>
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<tr>
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</tr>
<tr>
<td>(2011)</td>
<td></td>
<td>we have used and recommend building better communication and any relationship aspects which are crucial for effective performance management.</td>
</tr>
<tr>
<td>Chen (2011)</td>
<td>Communication</td>
<td>Because of the lack of confident employees, performance management is a mistake since performance management used by the company is for restraining, monitoring, and punishing employees indirectly and by reducing their salary. That is the reason why employees show a sense of resistance to the implementation of performance management.</td>
</tr>
<tr>
<td>Biron, Farndale and Paauwe (2011)</td>
<td>Communication</td>
<td>This research found that management recognition should be communicated regularly in accordance with the performance expectations, to keep all staff aware of the direction and the situation of their company.</td>
</tr>
<tr>
<td>Paauwe et al. (2004)</td>
<td>Commitment</td>
<td>Good work performance means having commitment</td>
</tr>
<tr>
<td>de Waal and Counet (2009)</td>
<td>Commitment</td>
<td>Either staff or middle management with low commitment to performance management system (PMS). Both of them are essential for the success and positive response to PMS. When they do not see any benefits, the new system will not be applied and the application of PMS will be postponed.</td>
</tr>
<tr>
<td>Cheng et al. (2007)</td>
<td>Commitment</td>
<td>Since the employees’ commitment and their trust of the benefits are low, the company’s efforts to execute the new performance management system could not reach the targets.</td>
</tr>
<tr>
<td>Ranjekar (2011)</td>
<td>Commitment</td>
<td>The author said the top and senior management commitment is the most significant factor to an effective PMS since it is considered as the most effective process to uncover the potency of the organization.</td>
</tr>
<tr>
<td>Rhodes et al. (2008)</td>
<td>Culture</td>
<td>The organization’s acceptance of a performance management system is influenced by social and cultural norms.</td>
</tr>
<tr>
<td>Mendonca and Kanungo (1996)</td>
<td>Culture</td>
<td>The authors identify the characteristics of the social and work culture in an institution that are needed to distinguish which ones hinder the implementation of performance management.</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Themes</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sutiyono (2007)</td>
<td>Culture</td>
<td>Since open criticism is culturally taboo in Indonesia, the national culture may hamper performance management so that it changes into negative feedback.</td>
</tr>
<tr>
<td>Mujeeb and Ahmad</td>
<td>Culture</td>
<td>There is a positive relationship between organizational culture and performance management. Traditionally, organizational culture and design of human resource management practices, such as performance management, have been studied independently for organizational success. The results of this study indicate that they are strongly associated and should be complementary (Magee, 2002)</td>
</tr>
</tbody>
</table>
Elements determining the performance management implementation are clarified as follows:

### 2.6.1 Communication

Open communication is needed for performance management effectiveness. Good communication between employees and management will support and help the employees to improve their work performance. Two-way communications will motivate employees to improve their performance and their self-motivation. As Sutiyono (2007) demonstrated, two-way communication between managers and employees is important which the author demonstrates by distinguishing state-owned enterprises (SOEs) in Indonesia from the private organizations. In a private company, organizational objectives are broken down into more operational ones and the guidelines used by the manager are communicated clearly with all level positions; the supervisors together with the subordinates discuss any strategies to reach the objectives. On the other hand, in SOEs, there is no clear strategy to manage the employees’ performance, no strategy discussion involving supervisors and subordinates to reach the institution’s objectives, the objectives of dissemination are not clear, the managers seem not to know the goals very well and managers’ objectives mostly look arbitrary. Hence, it is urgent to pay more attention to forming better communication between managers and employees for effective performance management (O’Leary & Pulakos 2011a; 2011b).

Effective performance management can be achieved if there is communication. So, communication between the manager and the employee will improve efforts to successful performance management (Barry 1997). The authors further explained that performance management can be executed well if the managers and employees understand the required work mission, the way to achieve the mission and the work stage they have accomplished. Furthermore, managers should authorize their employees and give support without neglecting their responsibility. Moreover performance management represents the ongoing process of
communication between managers and subordinates that aims to support the accomplishment of an organization’s strategic objectives (Tsang 2007). The need for an ongoing communication process is necessary to support the partnership between the employees and supervisors to reach the needed expectation, the job functions of each employee, the contribution of each employee to achieve the goals, the sustainable team work of supervisor and employees, the improvement of the organization and the employee performance, and the measurement of the job performance and performance management to identify and to clear any barriers (Bacal 1999 cited in Hope 2002). Communication and other aspects of the relationships between manager and employees can be improved by giving more appreciation or supportive feedback (Dahling & O’Malley 2011). It is essential for effective performance management. The management should socialize the performance expectations regularly to keep the staff aware of the company’s needs (Biron et al. 2011). Managers have to support theirs employees to focus on more than their daily assignments by considering how their performance may impact on the entire institution (Gill 2004). Sometimes, the employees have low confidence so they think performance management is used by organizations for restraining, monitoring, giving punishment and reducing salaries and become resistant to performance management implementation (Chen 2011). So, the communication between manager and employee is important for the implementation of performance management at the MoNE.

2.6.2. Commitment

Commitment is needed to achieve better work performance. The commitment of the top management in the organization is important to be able to successfully carry out the performance management (Cheng et al. 2007). Commitment to the performance management vision from top and senior management is one of the most critical contributions to the
effectiveness of performance management and this is also the way to identify the potency of the company (Ranjekar 2011). The lack of commitment from the top management is also mentioned by Bourne et al. (2002) as one of the reasons for the failure of performance management implementation. In fact, there are two possible reasons why the implementation of new performance management system fails to meet the objectives. It could be either the lack of commitment from the employees or the disbelief of the benefits (Cheng et al. 2007). The employees’ commitment appears when they see the benefits from the system. When either the management level or staff cannot see any benefits, the implementation of a performance management system would be postponed or is going to fail (de Waal & Counet 2009). Besides, the authors further argue that management commitment may determine the success of a performance management system. The positive response from middle management and staff is crucial for the acceptance and the success of the performance management system (de Waal & Counet 2009). The employees’ commitment is one of the aspects needed to boost the employees’ performance (Paauwe et al. 2004). Besides, good performance management should start and keep on considering the employees’ expectations (Barry 1997). It is important to sustain the top management and employee commitment to achieve success in performance management implementation at the MoNE.

2.6.3. Culture

Understanding culture is important for the success of performance management (Cheng et al. 2007). Furthermore, the national culture embedded in a country should be taken into account when a system which effects the human resource management practice is going to be implemented (Rhodes et al. 2008). According to Mujeeb and Ahmad (2011), who put forward the importance of national culture, institutional culture and performance management show a significant correlation. These researchers also elaborated further that culture and human
resource management, like performance management, had been studied separately. Their study shows that both culture and performance management have a significant relationship and they could be supplementary to each other.

Performance management originated in western countries and is an essentially western development (Mendonca & Kanungo 1996; Armstrong & Baron 1999) and much of the research and operation of performance management has been conducted in a domestic setting (Armstrong & Baron 1999). The developing countries have become used to adopting the European or North American systems since these systems tend to be successful and inexpensive (Mendonca & Kanungo 1996). On the other hand, the authors also suggest adopting western systems to developing countries is not so easy and their application often fails. To answer whether these western systems could be implemented well in a developing country or not, Mendonca and Kanungo (1996) clarified clearly that adopting a western system cannot be applied completely because of the culture differences. The author found that the cultural differences between the western and developing countries become a hardship in implementing the new system. Therefore, considering culture before implementing a new system is important (Mendonca & Kanungo 1996). It is necessary to consider the cultural match for the countries which are going to adopt the new foreign system. Then in practice, the source system needs to be modified in order to be suitable in terms both of values and beliefs of the developing countries. In addition, cultural barriers may hamper the standardization of practicing performance management. This statement strengthens the cultural problem stated by Mendonca and Kanungo (1990b, 1996) and many studies on the impact of the culture of particular countries on aspects of the process of performance management (Atkinson & Shaw 2006). There is significant literature on the impact of
national culture on individual elements of performance management in human resources (Tsang 2007).

The culture dimensions model of Hofstede, which accounts for such as power distance, uncertainty avoidance, individualism/collectivism, masculinity and long term orientation, became the common framework (Milliman, Nason, Gallagher, Huo, Von Clinow & Lowe 1998; Mendonca & Kanungo 1996). The descriptions of each aspect of culture by Hofstede (1980) are:

1). Power distance is ‘the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally’ (p.45).

2). Uncertainty avoidance ‘the extent to which a society feels threatened by uncertain and ambiguous situations by providing career stability, establishing more formal rules, not tolerating deviant ideas and behaviors, and believing in absolute truths and attainment of expertise’ (p. 45).

3). Individualism is ‘implies a loosely knit social framework in which people are supposed to take care of themselves and their immediate families only, while collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups; they expect their in-group (relatives, clan, organizations) to look after them and in exchange for that they feel they owe absolute loyalty to it’ (p. 45).

4). Masculinity is ‘the extent to which the dominant values in society are “masculine” – that is, assertiveness, the acquisition of money and things, and not caring for others, the quality of life, or people’ (p.46).
5). Long term orientation is the extent to which a society shows a pragmatic future oriented perspective rather than a conventional historical short term point of view (Hofstede 2005)

Kanungo and Jaeger (1990) suggest that the characteristics of the socio-cultural environment of the developing countries such as India, compared with developed countries, shows relatively the same high on uncertainty avoidance and power distance; and low on individualism and masculinity as those of in developed countries. The same situation may be found in Indonesia where power distance, uncertainty avoidance and low individualism are common (Hofstede 2005, Hofstede 2009b) as is femininity (Hofstede 1980 cited in Paik & Vance 2002). Mendonca and Kanungo (1996) argue that these cultures will influence performance management in developing countries. Firstly, high power distance determines the hierarchical authority structures and inflexible role prescriptions. So, it implies that managers and subordinates accept their respective positions in the organization’s hierarchy and each play their own roles. In terms of the potential for problem solving, the relationship between a manager and a subordinate must be compatible to have successful performance management. Furthermore, in performance management, all activities are essential to goal setting, job performance and appraisal review. Secondly, uncertainty avoidance becomes a severe constraint on effective performance management because it discourages risk taking and willingness to accept organizational change. Thirdly, low individualism may make the group concerns and achievements take precedence over the individual ones. Since the low sense of individualism distracts the employment goals and objective performance standards, this may trigger an ineffective performance management which only puts forward tasks. Finally, low masculinity in the context of work involves the orientation of employees towards people or personal relationship rather than performance.
Based on Hofstede (2009b) analysis, in Indonesia there are some cultural dimensions which are collectivism, power distance, femininity and uncertainty avoidance. These are described below.

From Hosftede (2005) the dimension collectivism culture is based on teamwork and group harmony. In Indonesia, a basic law of the state of the republic of Indonesia year 1945, the clause of Article 33 reads, ‘Economy structured as joint venture based on a family basis’, Mackie (1971:44-5 cited in Sutiyono, 2001) argues that the great stress has been put on the collectivist organisation of the economy, on the ‘family principle’ or the ‘gotong royong’ and hence on the rejection of individualism, private self-interest and profit motive. It was the basis of the culture during independence and although culture may have changed in post independence era certain aspects remain.

Based on Hofstede (2009b) analysis, Indonesia is one of the lowest in the world ranking of individualism. This dimension indicates the Indonesian society is collectivist compared to individualist. This is evident in the near long-term commitment to the group member, is that the family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides of the other attractions of societal rules and regulations. The society fosters strong relationships where everyone takes the responsibility of other members of their group. The moral value or collectivism like family interaction which is held by Indonesian gives the significant influence to the relation between the employer with his employees (Hofstede and Hofstede 2005). On the other hand, the western management point of view dealing with the employer and employees relationship is based on the labor contract. Then when one of either the relative or family passed away on the weekdays, only the employee himself or herself should attend the funeral. While in Indonesia, it is the same as
other important moments like getting married, the seven month of the first pregnancy, attending funeral ceremony becomes so important for not only the employee who has the biological relation but also the society (Hofstede and Hofstede 2005). Hofstede said this represents the Javanese cultural roots which could be a dilemma. In fact Indonesian people put forward togetherness and family bond.

Hofstede and Hofstede (2005) and Hofstede (2009b) argue that power distance culture is very high in Indonesia. The civil service system in Indonesia has a heavy emphasis on seniority, salary increases occur every two years, and promotion through the levels, groups and ranks occur fairly automatically at four-year intervals (Sutiyono 2007). The MoNE is a government agency which still looks like the civil service system based on seniority. The seniority is like the power distance dimension from Hofstede and Hofstede (2005). Furthermore, Hofstede (2005) argued the power distance is considered as an important dimension in determining the nature of culture. For example, if the culture is high on power distance, then there is a perception of inequality of the relationship between those in power and those without power. It follows that because the employees of the high power distance cultures tend to recognize the power that the leaders of their organisation have over their work and over their personal lives, they will be careful how to approach them. This establishes an authoritarian structure where rank and position are very important. So, it implies that managers and subordinates accept their respective positions in the organization’s hierarchy and each plays their own roles. In addition, the author reports, in Indonesia national culture can have some bearing on performance management because negative feedback and open criticism is culturally unacceptable.
Hofstede (2009a) stated that the masculinity cultural dimension focuses on the degree of the society reinforces, or does not reinforce the traditional masculine work role model of male achievement, control and power. Indonesian predominant culture is high in femininity, where society values include an emphasis toward caring for others and maintaining a friendly atmosphere. Femininity cultures place more value on relationships and quality of life. This is why the first thing we must establish what is former culture is prevalence within MoNE it is likely to the change in term of support performance management or not.

Hofstede (2009b) stated that the Indonesian culture has a dimension of uncertainty avoidance. This corresponds to a more moderate influence of this dimension in Indonesian society. In general, strong uncertainty avoidance society indicates the low level of tolerance for uncertainty. In an effort to minimize or reduce this level of uncertainty, strict rules, laws, policies and regulations are adopted and implemented. The ultimate goal of this population is to control everything in order to eliminate or avoid the unexpected. Because of this high uncertainty avoidance characteristic, the society does not accept the change and the risk is very unfavourable. Furthermore Hofstede (2009b) stated that when Indonesian employees get angry, they never demonstrate this inconvenient feeling. They usually keep on smiling and behave well, no matter how bitter the anger is due to the strength of Javanese culture. It is essential for Indonesian people to maintain either a good relation or the office atmosphere. None of them is willing to be a bad influence, spreads out the negative news and feedback. A good saying to represent an Indonesian employees is “to appease the boss everything will do” or in bahasa “asal Bapak senang”. In short, they think if they can make their boss happy, they may get a reward. Being rewarded by their employer, they will be safe and free from the economic uncertainty since they are still recognized as the potential asset of the institution.
Therefore, from what have been stated previously, the socio-cultural environment of the developing countries when compared to the developed countries, as relatively high on uncertainty avoidance and power distance; and relatively low on individualism and masculinity (Mendonca and Kanungo 1990). So, there are culture differences between developed countries and developing countries. Hence, this condition will impact to implementation a new system. As stated previously by Mendonca & Kanungo (1996), adopting a western system cannot be applied completely or fails because of the culture differences.

Moreover, in performance management, all activities are essential to goal setting, job performance and appraisal review (Mendonca & Kanungo 1996). Mendonca and Kanungo (1996) further argue that this culture will influence performance management. Therefore, it is important to understand the culture at the MoNE to achieve successful implementation of performance management.

The illustration above shows that not all performance management can be implemented successfully. There are at least three main elements that lead to failure. They are communication, commitment and culture. When those three elements are neglected, the performance management implementation will not work well. Meanwhile, the unprepared organization may become the trigger of the failure in performance management implementation. Hence, before carrying out change in an organisation, it is essential to look at the organization’s readiness to face the change. Therefore, the next section discusses the readiness theories to see whether performance management may be difficult to implement in Indonesia generally and at MoNE particularly.
2.7. Readiness theories

Due to increasing dynamic environment, organizations always deal with the need to carry out changes in term of strategy, structure, process and culture. A lot of factors such as readiness for change, contribute to the effective implementation of the change made by organizations (Armenakis et al. 1993). The authors also believe that readiness is like Lewin’s concept of unfreezing, reflected in the organization’s members’ beliefs, attitudes and intentions including any matters dealing with the needed changes and the organization’s capacity to make those changes successfully. The organization or the working people must be readied for transformation (Smith 2005). Similarly, Schein (1979) highlights the significance of readiness, since nothing may change without it; not to mention the efforts expended on rewarding, coaching or punishing. Similarly, it is more than simply understanding the change and believing in the change, but is also a collection of thoughts and intentions towards the specific change efforts (Bernerth 2004). It is very important for an organization to be ready for change before trying to implement and manage any kind of change (Kotter 1996; Armenakis & Harris 2002). In addition, insufficient readiness could be the main reason change is unsuccessful and an organization’s efforts are in vain (Armenakis et al. 1993).

Having considered organization readiness globally, it is necessary to see the readiness of the employees as individuals and a part of the organization. The following discussion is about some needed important elements determining individual readiness.

2.8. Individual readiness for change

In their paper, Choi and Ruona (2011) reviewed the theories of individual readiness for change. Although there are studies of readiness theories (Kuntz & Gomes 2012; Drzensky, Egold & Dick 2012) were carried out after Choi and Ruona (2011), those studies did not
revise the definition of readiness for change. In this section, those theories are discussed and are illustrated in table 2.2. It is assumed that the study carried out by Choi and Ruona is already up to date so it does not need to be reinvented. Consequently, this study refers to what Choi and Ruona have already stated; that Holt’s study in 2007 defines the concept clearly as the multifaceted construct mentioning four elements of the individual’s readiness for change covering efficacy, appropriateness, management support and personal valence. The definitions are clarified as follows:

The literature has already discussed the urgency and the relevance of individual readiness in the context of organizational change (Choi & Ruona 2011). Many researchers define the individual readiness for organizational change differently (Choi & Ruona 2011). While Jansen (2000) referred to an organization’s capacity for making change and the individual’s response to the needed change, Armenakis et al. (1993) meant this as the organizational members’ beliefs, attitudes, and intentions covering anything to do with the required changes and also the organization’s capacity to make a successful change. They also explained further that readiness could mean the initial cognitive responses of behaviors either to resist or to support the effort to change. Therefore, Choi and Ruona (2011) argue that both Jansen (2000) and Armenakis et al. (1993) have the same opinion in defining individual readiness for change. They cover the urgency of a specific change initiation and the capacity of the organization to carry it out well. Meanwhile, readiness for change is the positive view of the employees about the need for organizational change and their belief in the positive impacts of the change for themselves as well as for the organization (Jones & Andrew 2005). This assumption was commented on by Choi and Ruona (2011), who stated that readiness for change gave much stress to the belief of the employees in the benefits of the change. On the other hand, readiness for change is the personal perception of the organization’s readiness to
have a big change (Eby, Adam, Russel & Gaby 2000). Holt et al. (2007) further elaboration on this by saying that readiness for change is a multidimensional point of view dealing with the employee’s belief about four things: (1) their ability to executing the proposed change (change-specific efficacy), (2) the suitability of the approved change for the institution (appropriateness), (3) the leaders’ commitment to the approved change (management support), (4) the benefits for any personnel (personal valence). Choi and Ruona (2011) found agreement among the researchers (Armenakis et al. 1993; Eby et al. 2000; Holt et al. 2007; Jansen 2000) about the concept of individual readiness for change involving the personal evaluation of both the individual and organizational ability to successfully change, the need to change, and the possible future benefits from change for either the organization or its personnel. Choi and Ruona (2011) also argue that Holt et al. (2007) provides the more comprehensive definition with four pointers: the personnel’s beliefs, the appropriateness of the change, management support, and the possible future benefits from the change. The following table shows the summary of the definitions of readiness for change given by some of the researchers.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Armenakis et al. (1993)</td>
<td>Readiness for organizational change</td>
<td>Organizational members’ beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization’s capacity for successful changes. The cognitive precursor to the behaviors for either resistance to, or support for, a change effort</td>
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<tr>
<td>Author(s)</td>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Eby et al. (2000)</td>
<td>Employees’ perceptions of an organization’s readiness for change</td>
<td>An individual’s perception of the extent to which the organization is perceived to be ready to take on large-scale change</td>
</tr>
<tr>
<td>Jansen (2000)</td>
<td>Readiness for change</td>
<td>An organization’s capacity for making change and the extent to which individuals perceive the change is needed</td>
</tr>
<tr>
<td>Jones and Andrew (2005)</td>
<td>Employees’ perception of readiness for change</td>
<td>The extent to which employees hold positive views about the need for organizational change as well as the extent to which employees believe that such changes are likely to have positive implications for themselves and the wider organization</td>
</tr>
<tr>
<td>Holt et al. (2007)</td>
<td>Readiness for organizational change</td>
<td>Employees’ belief that (a) they are capable of implementing a proposed change (i.e., change self-efficacy), (b) the proposed change is appropriate for the organization (i.e., appropriateness), (c) the leaders are committed to the proposed change (i.e., management support), and (d) the proposed change is beneficial to organizational members (i.e., personal valence)</td>
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2.9. Readiness key elements

Previously, the concept of individual readiness on the experts’ point of views discussed, then the key readiness elements used to see if the individuals are ready for change in the unfreezing phase was considered.

It is argued that there are five key change message elements suggested by experts about the level of change readiness (Armenakis et al. 1999a; 1999b; Armenakis & Harris 2002; Armenakis et al. 2007). Those components are discrepancy, efficacy, appropriateness, principal support and personal valence. However, recently, research by Holt et al. (2007) suggests that discrepancy is already covered in appropriateness. Furthermore, the literature by Choi and Ruona (2011) reveals that Holt et al. (2007) use a comprehensive term by mentioning four dimensions: discrepancy, efficacy, management support and personal valence. Consequently, this present study used the four elements by Holt et al. (2007) for the individual readiness for change. The descriptions of each elements are as follows:

2.9.1 Efficacy

The first component is efficacy, which is defined by Armenakis and Harris (2002, p.170) as ‘having confidence to be successful, which could make somebody try the change’. While efficacy is the belief in the ability to carry out a proposed change (Holt et al. 2007; Neves 2009); it is the ability to face the change (Neves 2009). Self-efficacy to change means the feeling of having the skills to execute any tasks and activities in line with the implementation of the prospective change (Holt et al. 2007). The authors also mentions some elements in efficacy; feeling that it is easy to cope with the change, having the ability to make the change, learning the requirements for the change, and having some experience to boost confidence to succeed. Self-efficacy is the decision to use the ability to perform any certain task (Bernerth
2004). It is a belief that “we could do this”. This is similar to what Bernerth and Armenakis et al. (2007) think; that someone will do certain activities when he is sure he is able to. Any change agents should ensure personnel have the ability to make changes successfully (Bernerth 2004). The author further believes that many change efforts offer an unfamiliar situation and atmosphere for employees. For him, forming employees’ efficacy means minimizing fear and building a mindset to be successful. Then, if employees have insufficient confidence to do what is required by the management, the change agents should formulate realistic targets and strategies to communicate how all personnel could enhance the opportunity to succeed. Besides this, he also believes that building self-efficacy for the successful change could be the first step to having a sense of institutional readiness. Thus, the employees must believe that they are able to develop the attitudes required of those who change, so that the change output may be less than the expectation (Armenakis et al. 2007).

2.9.2. Appropriateness

The second component is appropriateness. According to some experts, appropriateness, one of the elements of the readiness to make change, may cover the individual experience and discrepancy (Armenakis & Harris 2002; Holt et al. 2007). It is necessary that individuals experience some forms of the change, yet they could not agree on certain aspects of the change (Armenakis & Harris 2002). Moreover, discrepancy requires that all individuals should be motivated to change. They should be certain about the weaknesses in the current system needed to be fixed (Armenakis & Harris 2002). Some factors in appropriateness cover knowledge of the benefits of the change for the organization, the legal reasons for the change, and the benefits for the employees (Holt et al. 2007). There could be many reasons to make the change and when the employees know that they could reap benefit from the change, they could make it easily. Moreover, the discrepancy message factors are the efforts taken by any
organizational authorities to explain the details needed for change (Bernerth 2004). Armenakis et al. (2007) argue that discrepancy refers to any needed change and Bernerth (2004) clarifies this further; that if it is necessary, change agents should show the difference between what has happened and what it should be. Bernerth also said if the personnel do not realize that there are any problems with the recent system, they cannot internalize the vision for the better future of the organization. In short, when the employees think that the required change will not overcome the problems, they are not willing to have the commitment to let the change work. In addition, Armenakis et al. (2007) are of the view that when a certain belief has a discrepancy, a related belief should be also established. For them, specific change of the organization is necessary to get rid of the discrepancy, so that appropriateness can be met. Every change agent should convince personnel that the change objective is a suitable (i.e., appropriate) response to the recent state of affairs (Bernerth 2004). The author also elaborates further that the top leaders should show firmly that the change is the right answer to the gap triggered by discrepancy.

2.9.3. Management support

The third element is management support. Management support is a strong reason for leaders to adapt to the change (Holt et al. 2007), while change needs resources and commitment (Armenakis & Harris 2002). People could then see the change through the entire institution. In improving the employee readiness to change, managers play an important role (Neves 2009). Furthermore, management support and some other factors are important; such as the encouragement from senior leaders to adopt the change, the support from a decision maker or the top management to strongly stress how crucial the change is, the commitment from the senior leaders to adapt and to clarify the hint from the management that organization is going to have the change (Holt et al. 2007). In addition, Bernerth (2004) is of the view that the most
important factor is the reality that no one stands alone as a part of an organization. In fact, employees get along cognitively and behaviorally with their colleagues. According to Bernerth, employees look for not only predictable relationships but also job functions which are dependable and consistent. In fact, mentioning the word ‘change’ could make them worried. When facing uncertainty, employees listen to their colleagues or leaders, either formally or informally, to know how to respond. Bernerth (2004) argues further that it makes sense when individuals get to know the response of their co-workers and top leaders they can be sure if there is any support for the required change. When the managers and other respected co-workers do not show any willingness to take a side about the change effort, the resistance and resentment towards the change is greater. Support from management also could be known from how the management responds to the change by carrying out the performance assessment and giving compensation for the change initiation. Change needs employees’ sacrifice since employees may feel uncomfortable with the new conditions during the process of change (Bernerth 2004). The personnel’s sacrifice, participation and commitment should be rewarded by having compensation and performance assessment Susanto (2008), while managers are the main point of socializing the readiness for change to the employees Neves (2009).

2.9.4. Personal valence

The fourth element is personal valence. Personal valence means the required change could provide many benefits to the members of the organization (Holt et al. 2007). Armenakis and Harris (2002) elaborated further by suggesting leading the members (as the target of the change) into the question ‘what is in it for me?’ It could be assumed that employees would adapt to change thoroughly when they realize the benefits that they would get from the required change. Armenakis, Harris and Field (1999b) suggest that the change agents need to
clarify the intrinsic and extrinsic benefits to the employees. If they know this change promotes many benefits, they will find the way to improve themselves for the transition. In addition, individual valence may strengthen the trigger to the change. Bernerth (2004) gives further details; when personnel believe in the need for change for their institution they also believe that they can carry out the change, have management’s support and have a successful change. But if they think it is not beneficial for them, they will not show any interest in the change. Personal valence for Armenakis et al. (2007) is the reminder for any change agents to make sure that personal needs are considered in the change. In addition, personal valence is the process of appreciating the employees will check the importance of the required change for their lives (Bernerth 2004). The authors also think that if the commitment is risky, the employees would not like to make an effort but, vice versa, if the change is promising, the personnel will be willing to accept and have a positive attitude to the change.

2.10. Why use four readiness elements?

Little has been written on organizational change readiness By (2007). Most of the literature about the readiness for change uses the elements of Armenakis et al. (1993); Armenakis and Harris (2002). Furthermore, Armenakis et al. (2007) propose just a set of five change sentiments which are, as mentioned previously, discrepancy, efficacy, appropriateness, principal support and personal valence. They argue that these are essential to encourage change readiness. In addition, the authors believe that the five elements could be a useful assessment tool for readiness. Choi and Ruona (2011) mention that Holt et al. (2007) define more clearly the concept as a multifaceted construct with four dimensions: individual’s belief in the change specific efficacy, appropriateness of the change, management support for the change, and personal benefits of the change. They claim that the concept has gained recognition among researchers. Considering that different elements of readiness for change
may affect the level of individual change differently, we have to make sure that no a single elements is left aside when change is planned (Neves 2009). Otherwise, the resistance to change will increase and the level of support level would be lower (Neves 2009). So, based on the previous statement by Choi and Ruona (2011) who stated that Holt et al. (2007) clearly define the concept as a multifaceted construct, this study uses the readiness elements which are outlined by Holt et al. (2007).

2.11. Performance management and individual readiness

It could be concluded that those elements (the performance management elements and the readiness ones) are appropriate to be used for studying the readiness to implement the new performance management policy at the MoNE. An outline of elements as they apply to the MoNE can be seen in Figure 2.4.
2.12. Performance management, readiness for change and Lewin’s change model

The plan to implement the performance management mentioned in Chapter 1 became the focus of bureaucracy reformation at the MoNE with change capacity as the main objective. This chapter has already mentioned that performance management implementation often fails because the important elements such as communication, commitment and culture, are neglected. When an organization is planning to introduce a new system, the unfreezing process for the current system is needed. During the unfreezing process, individual readiness should be checked thoroughly. Elements such as efficacy, appropriateness, management support and personal valence can be used to determine the individual readiness for change.

Forming readiness is the first step behavior as a preparation needed to unfreeze an organization before doing a change. Readiness is different from resistance when we see readiness as a cognitive, emotional state and resistance as resultant behavior. Besides,
individual readiness levels may lead individuals to either anticipate the change with support or resistance (Armenakis et al. 1999b). Readiness covers the preparation of the organizational members to establish the change as a new habit, and to start the change process (Bernerth 2004). Similar to the previous thought, Schein (1979) puts forward the urgency of readiness since change may not happen without readiness. Although reward, coach and punishment are developed well, the resistance and failure of the change programs refers to ineffective readiness.

Armenakis et al. (1993) and Armenakis and Harris (2002) explained an institution change as a sustainable process covering three phases: readiness, adoption and institutionalization. Like being stated previously, if an institution is ready for a change, it will prioritize to adopt the change and resistance will be low. Armenakis et al. (1999) suggested further as the organization members accept the change, the adoption level is also started. And vice versa, when the members are not yet ready, the change will be rejected. Their rejection could be sabotage, being absent or output restriction. Although, adoption is the trial effort of behaving, the change could be rejected. Moreover, institutionalization – put everything based on the rule, could be reflected through the serious commitment to the new system. The unfreezing step, in this context, includes the attitude of the members towards the change initiative, which is altered to accept the change and to will it to be successful (Choi & Ruona 2011). Indicator of the successful unfreezing step is when the organization members show readiness for change and the employee readiness gives influence to success through willingness to change.

In fact, an institutional change is a sustainable process with three steps covering readiness, adoption and institutionalization (Armenakis et al. 1993; Armenakis & Harris 2002). Referring to the previous statement, if there is readiness for change, the institution will prioritize to adopt the change and the resistance will be lower. So, readiness is a part of the
unfreezing process. Without being ready, the employees cannot be either successful in change phase or in freezing one. Lack of readiness becomes a restraining force. The readiness is very significant since it triggers the restraining forces.

As mentioned previously in this chapter, readiness is a part of the unfreezing process. Moreover, readiness may cover the organization members’ preparation to unfreeze and begin the change process (Berneth 2004). The concept of individual readiness for an institutional change is conceptually the same as the unfreezing step in Lewin’s model (Armenakis et al. 1993; Eby et al. 2000). In addition, the model gives more attention to both the change process and the system preparation to change by assuming the change as either an internalized or institutionalized state (Armenakis et al. 1999). Having insufficient actual behavior guidance leading into creating readiness or institutionalizing change becomes the constraint of this model and is the criticism of (Armenakis et al. 1999).

In order to illustrate both how change readiness can be created and institutionally realized, drawing on multiple disciplinary areas (such as individual-level cognitive change, collective behavior, social information processing, mass communications, and organizational change) to develop two models should be put in the process (Armenakis et al. 1999).

Having sufficient readiness would depend on altering the available paradigms of the change efforts regarding the five core messages: the change is needed, precise, is appropriate, is doable, is supported and has personal value (Armenakis et al. 1999). However, as mentioned previously, this study uses four elements from Holt et al. (2007), in which discrepancy is part of the appropriateness elements.
Having been described above, one of the reasons why the performance management is not effective is that people assumed the implementation of performance management does not seem to make sense. In order to identify the readiness for change at MoNE, it will be helpful to use 2 theories covering performance management and readiness theories. In addition, using force field analysis will help to determine which elements will support or restrain factors of the change.

2.10. Conclusion

That not all implementation of performance management could be successful was mentioned in chapter one. While in chapter two, this statement is clarified further in the literature review. The literature review also implies that the effective implementation of performance management requires the readiness to acquire the change and the effective implementation. Hence, this present study aims to determine what the MoNE will do if it is assumed that the performance management which is going to be applied is effective. This study also implies the implementation of a new system, such as performance management, requires all the people in that institution to understand readiness before implementing the performance management. Then in this present study the elements from both readiness for change and performance management are used to clarify the readiness for change in term of performance management at the MoNE.

Firstly, this chapter discussed reason for the change. Then, the change models were clarified. Lewin’s change model and force field analysis was discussed (see figure 2.1 and figure 2.2). Moreover, this chapter considered performance management elements which are communication, commitment and culture, and readiness for change elements which are efficacy, appropriateness, management support and personal valence. These elements could
be used to identify the preparation at the MoNE as suggested in figure 2.4. The employees’
capacity at the MoNE will be changed by these elements. This study will show the employees
at the MoNE capacity, whether they are the driving force or show resistance to the change,
based on the force field analysis. Finally, it will be notified how ready the MoNE is for change. The next chapter will discuss the methodology which underpins this study.
CHAPTER 3
RESEARCH METHODOLOGY

This chapter describes the methodological choices for this study. Firstly, the paradigm, ontology and epistemology of the study will be clarified. Secondly, theoretical perspective and continue with the single case study research design used will be explained, outlining the qualitative methodology approach adopted. Thirdly, the qualitative methods used in this study, semi structured interviews and documentary analysis, will be described. Finally the approach undertaken to analyse the research data using MS-Access as a tool is clarified.

A paradigm refers to a set of statements which tell how the world and life is accepted; it is a vision that is meant to simplify the complexity of the world (Patton 1990). In a research context, this term leads us to an overview of what is crucial, the possibilities, the right things to do and the acceptable reasons. In short, a paradigm is a researcher’s perspective in the real world. Guba (1990) illustrated a paradigm as picking up the option of describing the research paradigm, which strengthens confidence and provides guidance in the entire research process. On the other hand, Khun (1970) said that a research paradigm may determine what the problems lead to and the solutions that may be arrived at.

Regarding this present study, paradigms could be seen as follows:
Post-New Order Indonesia's reforms, bureaucratic reform should be improved to be much better and ideal. The Minister of Apparatus (Menpan) prepared the road map for bureaucratic reform from 2010 to 2014, covering the macro sectors like the State apparatus, through structuring human resource management, strengthening supervision, strengthening
performance accountability, improving governance arrangements, service quality improvement and organizational structuring. Following the directions of the minister, the MoNE developed an ideal approach to bureaucratic reform in its organization dealing with strengthening, improvement of procedures (changing patterns of thought, patterns of attitudes, patterns of action and the development of systems that are efficient, transparent and accountable), and structuring and strengthening of human resources, which includes performance management.

Currently, the MoNE has completed an employee performance assessment which is called DP3. However, the DP3 has some weaknesses such as too much focus on loyalty to the state as shown by comprehension and acceptance of the Constitution and Pancasila (Sutiyono 2007). Targets and objectives are not used to measure employee performance and the measurement of employee performance is not specified by the DP3. Bureaucratic reform is expected to change the employee assessment system into a working performance base as well as by identification of what should be done at the MoNE. Therefore, this present research focused on the readiness of the employees at the MoNE to accept the change and to achieve a new paradigm leading into employee performance management.

Denzin and Lincoln (2011, p.12) in their book argue that Bateson (1972, p.320) suggest that all qualitative researchers are philosophers in that ‘universal sense in which all human beings...are guided by highly abstract principles’. Lincoln and Guba (1985) suggest that these principles combine beliefs about ontology (what kind of being is the human being? What is the nature of reality?), epistemology (what is the relationship between the inquirer and the known?), and methodology (how do we know the world or gain knowledge of it?)
(Denzin & Lincoln 2011). In other words, these principles blend ontology, epistemology and methodology shaping the way they see the world and involve themselves.

Carter and Little (2007) argued that method, methodology and epistemology are defined in conflicting ways in the research literature. They argue that epistemology can be thought of as justification of knowledge and that methodology provides a justification for the methods of a research project. In addition, Strauss and Corbin (1998) believe that methodology is a way to think of and socially study the reality, whilst methods can be thought of as research actions enabling the implementation of the methodology. Meanwhile, according to Strauss and Corbin (1998) and Crotty (1998), method could be meant as a set of procedures or techniques for collecting and analysing data. In short, Carter and Little (2007) said methodology justified a method to produce data and analyses. Knowledge is created from data and analyses. Epistemology modifies methodology and justifies knowledge (Carter & Little 2007).

The present study applied the research process of Crotty (1998) who recommends that the research process consist of four basic elements: methods, methodology, theoretical perspective and epistemology while method is the procedure to collect and analyse any data in line with the hypothesis or the research questions. It is the strategy to reach a planned outcome. Meanwhile, a theoretical perspective is the philosophical stance providing the context of the process and putting it on earth logically. The last element is epistemology showing the theory embedded in the theoretical perspective and the methodology. In the present study it is also argued that each element provides information for the others. The four elements used in the research process may also help to assure the research and make the outcome convincing.
3.1 **Ontology and Epistemology**

Ontology is the study of being. It is concerned with “what is”, with the nature of existence, with the structure of reality as such. Were we to introduce it into our framework, it would sit alongside epistemology informing the theoretical perspective, for each theoretical perspective embodies a certain way of understanding what is (ontology) as well as a certain way of understanding what it means to know (epistemology). Consequently, ontological issues and epistemological issues tend to appear together (Crotty 1998).

Ontological questions are questions about the nature of reality (Blackburn cited in Carter & Little 2007; Creswell 2007). In this study, there is not any single reality that a researcher believes could give clarity about phenomena.

The epistemology of this study refers to the perspectives of the interviewees. In order to picture the readiness for change, the respondents’ perspectives on the potential change at the MoNE are needed. As being stated earlier, employee performance at the MoNE is currently low. The bureaucracy reform implementing the new employee assessment system is expected to boost all individual performances. Knowing the different viewpoints of the respondents’ about their readiness for change in the MoNE, performance management may construct an idea about whether the performance could improve.

The epistemological perspective concerns the relationship of the researchers to what they are researching (Johnstone 2004). How the researcher recognizes what they know is epistemology (Creswell 2007). In this study, the respondents’ knowledge about their readiness was gained by collaborating, spending time with the respondents and being an insider to learn their case. The constructivist paradigm was applied to identify the
respondents’ knowledge about their readiness for change. Constructivism can be thought of as storytelling, where researchers want to illustrate what happened in her or his life about a social and multiple construct where time goes on and knowledge is formed from a commitment of someone perceptions, meanings and highlighting values something to do with phenomenon (Dawidowicz 2011). The role of a researcher could be to collaborate, spend time together with the interviewees and become an “insider” in the subject of the study (Cresswell 2007). The epistemological approach adopted for this study was constructionism. It means that meaning is constructed, not discovered (Crotty 1998; Blackman, Connelly & Henderson 2005).

### 3.2. Theoretical perspective

According to William and May (1996) stated that theoretically the perspective of constructivism is also interpretivism since the world is interpreted through the mind classification schemas. Referring to the epistemology, interpretivism is linked closely to constructivism which is applied in this study. The interpretivism approach used in this study is symbolic interaction due to the respondents answers based on their belief. The human interaction is mediated through the process of meaning-making interpretation. There are three central principles of human interaction based on Blumer (1969): (1) people act toward the things refer to their meaning that the people have. (2) meaning attribution to the objects formed in symbols is a sustainable process. (3) meaning attribution is a social interaction product in human society. Signs, language, gestures or anything conveying the meaning which is constructed in a social interaction could be the symbols.

This study constructed the meaning from what had been said by respondents. The methodology and method in this study clarify what was constructed from the symbols which
come from the respondents. In this study, meaning is constructed from what had been said by respondents. Thus, the theoretical perspectives, the methodology and method clarify what is this research about (ontology) and what is means to know (epistemology).

3.3. Methodology

Given that the researcher in this study currently works for the MoNE, Rooney (2005) has reminded her of the minuses. This kind of researcher can get invalid information and can tend to be biased due to the effects on the research process. As an insider, the researcher must conduct the research by becoming an independent in observing, collecting and reporting the data carefully. So, Although the researcher is familiar with the situation at MoNE for being one of the employees, the ethic of being the researcher is always abided by (ethic number 6.4. Relationship of researchers/investigators to participants). The researcher allows any respondents to answer the given questions based on their own perspectives without jumping into conclusion by judging right or wrong. Moreover, the respondents were given the inform concern form before they did the interview. The researcher concerns to the respondents’ secrecy.

Armenakis et al. (2009) mentioned components of the change message used to plan the effective efforts create the readiness to assess the recipients’ readiness to change. They further argue that the planned methodology could be qualitative, quantitative or even combination of two. This study need to explore about readiness for change in the institution in term of performance management. The present study uses a qualitative approach since this is an explorative study of in-depth data from respondents at the MoNE.
This is a qualitative study to identify the readiness of the employees to accept the new performance management system applied by the MoNE. Because of limited information about the readiness for change in line with performance management, especially at the MoNE, this study determined readiness for change through open discussion with the respondents. Creswell (2007) puts forward some reasons why research must be qualitative and argues that the case study needs to be explored. Furthermore, this present study explored what the employees described about the current performance management, what they described about the change to a new system and what factors could be useful to the MoNE for the success of the implementation of performance management.

This is also an interpretive study. Denzin and Lincon (2011) define qualitative research as a multi methods approach encompassing interpretive and naturalistic approaches to study. They argue that qualitative researchers use a natural setting to discuss the problems, to try to think reasonably or to interpret any phenomenon meaningfully. The present research is designed to identify the respondents’ thoughts about their readiness for change in the performance management application. The interpretation of issues surrounding employees’ readiness for change in performance management was explored from what had been stated by respondents. Instead of quantity, the study gives more concern to the process and to the content of the interviews. This is suitable, based on what Labuschagne (2003) suggests; that a qualitative approach puts forward both the process and the meaning studied carefully and does not measure the quantity, amount or frequency. The research data is from the interviews carried out with the MoNE’s employees. This collected data is deep and detailed, based on direct quotation and careful description, as Labuschagne (2003) suggests. This also met with Denzin’s and Lincoln’s (2011) idea that the qualitative genre requires some different
collection tools such as empirical materials, case study and interviews. For the current study, case study, interviews and a documentary approach were selected.

3.2.1. Case Study

The approach developed by either Stake (1995) or Yin (2003) is a case study using a constructivist paradigm claiming that truth is not only relative but also dependent on the perspective used by someone. According to Crabtree and Miller (1999), a constructivist paradigm recognizes how important the subjective human creation of meaning without rejecting outright some notion of objectivity. It is relativism but pluralism which is focused on the certain dynamic tension of both subject and object. They also mentioned the close collaboration between the researcher and the participant become one of the benefits of the approach so that the participants may tell their stories. In addition, Lather (1992) stated that referring to those stories the participants could put forward their real opinions which enable the researcher to have the better understanding of the participants’ action. On the other hand, Searle (1995) said that constructivism is built based on the reality social construction premise. It is mentioned previously that this is a constructivism study which makes the participants tell their opinion so that the researcher could get the information about the participants. So, in this study the researcher allow the respondents to answer the question as it is in their mind.

Stake (1995) stated that it is beneficial to select the cases representing the typical other cases but a strong representative sample would be recommended. A case study is not identical with a sampling research. Generally, we do not discuss a case to understand other cases. The main objective is to understand the case. In an intrinsic case study, the case should be selected in order to get the real representative case illustrating the readiness for change at the MoNE, one
of our target studies, regardless other cases. In addition, Yin (2009) said that it is urgent to determine the single from the multi-case studies before either gathering the data or designing the case study. And whenever a certain single case design was already chosen, the researcher should apply some various rationales, the reasons for making the choice. The single case study is an appropriate design under several circumstances and five rationales are given below (Yin 2009):

Firstly, a single case is when it represents the critical case in testing a well-formulated theory. The theory has specified an obvious set of propositions and the circumstances making the propositions are believed to be correct. A single case meeting all of the requirements for testing the theory may not only confirm and challenge but also extend the certain theory. Then, it could be used to find out whether a theory of the propositions is correct or whether there would be more relevant explanations.

Secondly, a single case may represent either the unique or an extreme case. This specific kink, which could be so rare and found in the common therapeutic psychology, needs documenting and analyzing.

Thirdly, a single case is the representative or typical case. Since capturing the commonplace or the everyday conditions becomes the objective, the case study may represent a typical “project” among many different projects. Although working in the same industry, a manufacturing firm surely has its own typical compares to the rest. Then it could be a typical urban environment or a representative school which can be the sample. So, the common either a person or an institution is assumed to be so informative.
Fourthly, a single-case study is the revelatory case. This may reach when a researcher got the chance to observe and to analyze a phenomenon in advance deeply to social science inquiry.

Lastly, a single-case study is the longitudinal case: Studying the same single case could be conducted at two or more different points in time. The interest theory explains the reasons how certain conditions change over time. Studying those conditions through the certain interval of time may anticipate the changes.

The researcher used rationale three and four in this research. The third rationale stating that a single case study is the representative or typical case may work well in this research because of capturing the transition condition what happened at the MoNE before and after the bureaucracy reformation era. It was the time when DP3 used to be a personnel parameter to assess employee’s work-performance and by the time of the reformation bureaucracy when performance management has been applied. While the fourth telling that a single-case study is the revelatory case also works well since the researcher is also a civil servant government working for the ministry. Having a good network and an easy access to any data source, the researcher is possible to observe the situation at the MoNE very well. Then the research judgment becomes so strong for being one of the employees. Both of those rationales became the reasons why the researcher prefers using a single case study in this research.

This is case study research which can reveal other issues in line with the personal description from either the manager line or the staff (the respondents to the current issues). Since the respondents involved are not only staff but are at management level who participate actively in any process, the collected data is assumed to be specific, holistic and factual. This study is in line with what Yin (2003) suggests, namely, that qualified respondents are needed to be
able to give any comment and outcome. The specific condition of the study is the process of the MoNE reformation of performance management. Besides, to identify the current system this study is set to the requirements of the planned performance management soon to be implemented. Many benefits are obtained with the case study used; obtaining the holistic significant facts, the process and the management, and showing the limitations of generalizations because of dealing with a single institution, the MoNE. These features have been mentioned by Yin (2003). Since another objective is to identify the initial readiness elements, this research also answers the question about how ready the MoNE line is for change. The case study refers to two basic questions “how” or “why”. These are useful questions especially for researchers who have little or no ability to control any events. These are also suitable for a real context-life study. This present study was for identifying the MoNE employees’ readiness for change to new performance management. Thus, this study needs to explore how the current system at the MoNE and what it need to know for being ready in term of performance management. Yin (2003) mentions that the last point that determines whether certain research belongs to a case study is by seeing whether the subjects are people, an event, an activity, a process, a community or any social life. In this research, the employees at the MoNe were the people who could give clarity about the readiness for change at the MoNE. This study is focused on four Directorate Generals at the MoNE. They are Inspectorate General, Directorate General Basic Education, Directorate General Formal and Informal and Directorate General improvement the quality of teachers and education personnel. These four directorates are represented for the MoNE. The researcher tried to send the letter for other directorates besides the four ones, however only the four directorates gave the respond. The other directorates did not give any feedback. Based on Indonesian law number 8/1974 about the personnel recruitment states all the ministries refer to the same rule and regulation in recruiting and managing the employees including the MoNE. Regardless the
various kinds job description, a civil servant government has the same responsibility to serve the people and the country. Since the needed data could be taken from the four directorates, the researcher determined to make them as the respondents.

3.3. Research methods

The applied procedures of the research are clarified as follows. After being decided the theoretical perspectives which is interpretivism with symbolic interaction approach, this study chose the methodology which is relevant to what the researcher needs to find. This methodology is qualitative methodology with a case study approach.

In case study, there are several approaches to collect the data. One is the researcher can collect data from the interview approach. Interviews include the use of structured, semi-structured and unstructured interview techniques (Yin 2003). However, in this current study, semi-structured interviews were used.

Semi-structure interviews are used to identify any information dealing with the MoNE’s readiness for change. Referring to Bloom and Crabtree (2006), semi-structured interviews often become the single data source for a qualitative study and they are designed in terms of the time and the place. In line with Bryman (2004), to adopt the semi-structured interview the researcher often uses an interview guide consisting of a list of questions or the topics to be covered. Patton (1990) also defined an interview guide as the listed and explored questions in an interview.

For the present study, questions were listed to help at different stages during the interviews. In this study, the interview guide (appendix 1) was prepared to guarantee the availability of
similar information that covered the same material. The level of employees who were chosen by this study will describe more details in the data collection section.

The questions were about what, how and why, to explore certain events and phenomena. The Robert Wood Johnson Foundation (2008) even stated further that many researchers prefer using semi-structured interviews as questions could be prepared in advance. Interviews provide flexibility in collecting any data and information. Clifton and Handy (2001) suggest further that a researcher may mix attitudes, options and preferences with the information which is typically quantitative in a questionnaire, while a guide and filters could be used to help develop questions.

According to Patton (1990), an interview has an objective; to get what is in and on someone else’s mind. Patton also comments that qualitative interviews start with the assumption that telling the perspective of others is meaningful, knowable and explicit. The method of interviewing could explore the information from respondents more deeply through follow-up questions.

Therefore, This study explored what have been described by the employees about the current performance management, how the current system is, what they described about the change to a new system, why they need the new system and what factors could be useful to the MoNE for the success of the implementation of performance management.
3.4 Data Collection

In this study there are several things that the researcher did before doing fieldwork. The researcher obtained the ethic approval from the University of Canberra, Australia. Then prepared the approval letter for the MoNE. Finally, an information letter was sent out to directorates at the MoNE, with the attached approval letter from the University of Canberra informing that the researcher is really its student willing to do the research at the MoNE, Indonesia. Having got positive notification from one of the directorates at the MoNE allowing the researcher to do the research at its Ministry, the researcher went to Indonesia for the fieldwork.

However, although, before going into the field, the researcher had already sent a letter to each directorate at the MoNE and received an answered agreeing to be participants, another letter needed to be written advising when the researcher would visit the MoNE for the first time. Firstly, the researcher met the secretary of the directorate general. Another letter for each participant was sent again. Sometimes the person who was being interviewed was not available at the scheduled time so the researcher rescheduled the time. These changes required more time in the interview sessions. The length of each interview was approximately 30 – 60 minutes. Each of the interviews transcripts consist of 2,500 – 4,500 words. Collecting data through interviews was carried out in the MoNE central office Jakarta, Indonesia, using Indonesian language.

There are four main open-ended questions (See Appendix 1) and each main question has one to four sub questions. All respondents regardless their level position were interviewed with the same questions so that the researcher could do confirmation or cross check if there is the information known by the high level but not by the low level or vice versa. However, the
interviews were conducted with different techniques for delivering the questions depending on the level of the respondent. The interviews depend on how the respondents can understand the sentence or questions with what had written in the research questions or need further information. Such as, the higher level such as echelon 1,2,3 and 4 can understand about the change than that of in the lower level. They related to the policy and bureaucracy system. They are the person who can create and make decisions. Staff or lower levels were needed to make clear whether they can get information about the change from the higher level or not. In other words, another reason why this study needed respondents from higher level and lower level is because the detail information from the lower level about the recent condition at the MoNE like the communication and culture barrier is needed in this study. Moreover, it was important to know whether there would be differences of understanding at different level of the organization. So, the information about the MoNE readiness in this study can be explored by these respondents. Respondents were 80% male and their age between 29 until 60 years old.

Research question number 1 explored the employees’ current knowledge of performance management at the MoNE. The interviewees understanding about performance management were explored. Research question number 2 explored the MoNE readiness contributes to the better quality of change. This study needed to explore what happen currently at the MoNE in term of performance management. So, this question explored what they said about the current system that they use in the field (office) besides the legal system from government such as what has been mentioned in the government policy. Research question number 3 explored the status of readiness of the MoNE to change the employee performance management in general. This study explored the condition of the current status of readiness at the MoNE regarding what the respondents thought whether the performance management could give
positive impact or not. So, this study needed to know the MoNE readiness contributes to the better quality of the change so that the status of readiness for the change at the MoNE could be determined. Research question number 4 explored the organizational factors that should be identified in order to help the MoNE to the successful performance management implementation. This study explored what respondents said about any factors that could support the MoNE to succeed the implementation of performance management. So this question was important to tell the MoNE what need to be concerned in term of the MoNE readiness for change.

This study collected the data from the respondents in the field, the MoNE. The respondents were chosen based on the purposive sampling. A purpose sampling technique is commonly used in qualitative researches. It is defined as the selection units such as a respondent which is based on the certain purposes in the line with the answer of the research questions. Furthermore, Maxwell (1997) defined purpose sampling techniques as a kind of sampling when the certain settings, persons, or events become the selected important information. This technique also could be meant as non probability sampling, purposeful sampling or “qualitative sampling.” Tashakkori and Teddie (2003) explained further that a purposive technique involving two objectives cover the sampling to provide the representative example or the particular case type describing the interest dimension and the sampling to get the comparability towards the different case type describing the interest dimension.

The present study determined both managers’ and staff assumptions about any new initiative for making the change in their institution. It explored in depth the variety of perspectives across the organization. According to Rubin’s and Rubin’s (2005) the interviewees must be experienced and knowledgeable in the subject matter of the interview. Rubin and Rubin
(2005) also argue that figuring out in advance who has more information may get the right person to be interviewed.

This present study, considering the MoNE bureaucracy system, all of the elements at the MoNE from the higher level to the lower level, namely echelon 1, 2, 3 and 4 and staff were interviewed, as mentioned previously, because it was important to know whether there would be differences of understanding at different level of the organization, the higher level can create and make decision and also related to policy and bureaucracy system. So, the echelon 1 was chosen in order to obtain beneficial information, since this respondent has more experience and information dealing with bureaucratic reform at the MoNE. This respondent, echelon 1, was also more deeply involved compared to other echelons. Referring to those assumptions, to gain a comprehensive understanding, this study involved not only echelon 1 but also others like echelon 2, echelon 3 and echelon 4. Meanwhile, the staff was needed as respondents for give cross check what happened currently at the MoNE and it was important to know whether there would be differences of understanding at different level of the organization. Staff were involved as well to raise the credibility of the study. Besides, the hierarchy of the MoNE was also motivated to get data from all levels.

There were forty employees interviewed for this study covering the Director General (echelon 1), the Director (echelon 2), the head of division (echelon 3), the Sub section (echelon 4) and some staffs, the low level employees, as the data source. Three of them are the echelon 1 from four directorate generals; five of them are echelon two from directorate generals; seven of them are echelon 3 coming from four directorate generals; ten echelons are echelon 4 coming from four directorate generals and fifteen of them are staffs which also come from four directorate generals.
Rubin and Rubin (2005) suggested that the way to maintain the researcher’s credibility was by making sure that the respondents reflected all perspectives. The current study did not mean to find any differences except those related to the concepts of the research. As suggested by Rubin and Rubin (2005), a researcher conducted interviews based on the relevant category. Any new topic of the conversation should be adopted gradually, in line with the prior knowledge of the researcher, who listens to the same matters over and over such as when the respondents answered about the understanding of performance management, they discussed DP3 and regulation (see chapter 4 for quotation). Therefore, it can be said that the current study met a point of saturation (Glasser & Strauss 1967; Rubin & Rubin 2005; Strauss & Corbin 1998). It can be assumed that interviewees were satisfied with the research questions, since they could respond to the topic of the interview; the readiness for change into performance management. Furthermore, when all the elements at the MoNE were interviewed, the data could more accurately inform the readiness for change at the MoNE. These interviewees therefore, also satisfied the criterion of getting to know the readiness for change in term of performance management at the MoNE. Rubin and Rubin (2005) suggest that all the respondents should be involved without feeling that the interview was burdensome. In addition, qualitative interviews should meet three characteristics: to be flexible, interactive and continuous.
### Table 3.1. Respondents table

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Description</th>
<th>Number (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Echelon 1</em></td>
<td>Director General</td>
<td>3</td>
</tr>
<tr>
<td><em>Echelon 2</em></td>
<td>Director</td>
<td>5</td>
</tr>
<tr>
<td><em>Echelon 3</em></td>
<td>The head of division</td>
<td>7</td>
</tr>
<tr>
<td><em>Echelon 4</em></td>
<td>Sub section</td>
<td>10</td>
</tr>
<tr>
<td><em>Lower level</em></td>
<td>Staff</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

This study used documents as additional information to help the researcher to find the relevant information about the current performance system. The document can be divided into two major categories: public records and personal documents (Guba and Lincoln, 1981). In this research, the documents provided an historical perspective on the current system used at the MoNE, when it is available. Document resources were collected from official documents derived from government reports or other related government documents or mass-media outputs. In this study, documents are from Government Policies about Employee Performance assessment and the example of the employee performance assessment (DP3) form, as follows:

1. The Regulation of Government Number 10 / 1979 dealing with the Implementation Assessment of Civil Service Work.
2. The Form of the list of Work Assessment (DP3)
Table 3.2. Methodology choices

<table>
<thead>
<tr>
<th>Four Elements</th>
<th>Why</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>This study is not the only one factual study, while the researcher is also the insider.</td>
<td>Since the factual study is totally based on the interviewees' thought, this is a constructivist study.</td>
</tr>
<tr>
<td><strong>Epistemology</strong> Constructivism</td>
<td>The research is aimed at identifying the MoNE’s readiness for change.</td>
<td>Having the respondents’ perspectives on the MoNE. The potential change is formulated based on their viewpoints dealing with the readiness for change. The knowledge and the meaning from the interviews are generated to identify the MoNE’s readiness for change. The information from the interviews is not polarized into right or wrong but is treated fairly.</td>
</tr>
<tr>
<td><strong>Theoretical Perspective</strong></td>
<td>This study constructed the meaning from what the respondents said.</td>
<td>Having collected data from the respondents, the researcher interpreted what the respondents said dealing with the readiness for change. Then, all the data constructed the meaning from the respondents’ response.</td>
</tr>
</tbody>
</table>

- Interpretivism
  - Symbolic Interactionism
## Methodology

- **Qualitative**
  
  It is urgent to know the MoNE employees’ readiness, their interpretation on the concept of performance management, their ideas about change into the new system and the influencing factors in the successful application of the new system. What is happening at the MoNE is significant and to be identified in this study.

- **Case Study**
  
  This a single case study research since it only focuses on a certain subject matter; the MoNE’s readiness for change.

## Methods

### Data collection

- **Semi Structured Interviews**
  
  The MoNE employees’ thoughts about their readiness for change needs to be identified. The use of semi-structured interviews with open-ended questions is meant to explore the respondents’ thought.

- **Documentary**
  
  Documents are needed to obtain the historical

This research leads to explorative study with unstructured discussion to get the interviewees’ information about readiness for change, dealing with the performance management at the MoNE.

Making the MoNE as the subject of the study

Based on interviewing the respondents using a semi-structured interview method. The respondents are from all echelon levels and include the staff. They were asked the same basic questions.

Checking the MoNE
perspective on the ongoing system. documents and providing information on the MoNE historical perspective, such as the forms to assess any individual performance.

3.4. Analysing the data

Creswell (2007) is of the view that the overall process of data analysis in qualitative research consists of preparation and organization of data, such as text data in the transcripts, then reducing the data into themes through a process of coding and condensation of the codes and, finally, representing the data in figures, tables or discussion (see appendix 8 and appendix 9).

In this study, after collecting data, the entire interviews were recorded. Then, the interviews were transcribed. Because the entire interviews used Indonesian language, so the researcher needed to translate the interview in to English. So, the quotation could be included in the thesis. As mentioned previously the researcher needed to get approval from University of Canberra ethics Committee before doing the interviews; consequently the researcher gained informed consent from to each interviewee, so the interviewee was not forced by the researcher to answer the questions.

The Code of the respondents is based on the initial letters like the first echelon (ES1), the second echelon (ES2), the third echelon (ES3), the fourth echelon (ES4) and staff (S). When there are any three employees who are from the same echelon rank interviewed, the code name becomes ES1(1), ES1(2) and E (3). ES1 means the first echelon which is the echelon rank and the number in the brackets (1) is meant the first respondent of that rank and so forth.
The entire interview data were entered in the MS-Access software based on the categories in the research questions and selecting into themes. However, before the researcher put the data into MS-Access, the entire data were put in the table at MS-Word based on the research questions and sub research questions. After that the researcher put the entire data to MS-Access Table.

The collected data were processed into MS-Word as follows:

It is begun with research question number one which was processed in four detailed columns of data covering (1) the understanding of performance management; (2) the implementation of performance management by government; (3) the respondents’ roles for the change; and (4) the performance management impact on each department. Then for the collected data based on the research question number two were analyzed in four columns covering (1) the respondents’ point of view dealing with the change; (2) the current system upgrading; (3) the future successful change; (4) Experience. On the other hand, the research question number three was processed and based on three columns identifying as follows: (1) The performance management effect; (2) The relation of performance management with the MoNE objectives; (3) the feeling of employee. The last one is the research question number four. It was processed by using four detailed column data which are (1) salary; (2) reward & punishment; (3) competency development and (4) skill improvement. Being interpreted through MS-Word software, the data were analyzed manually and put into the suitable themes.

Microsoft Access table was used to put the entire data based on the themes. The researcher checked the themes and reanalyzed manually. So, the researcher is possible to sort the data based on the themes or other aspects considered significant by the researcher through MS-Access to create the findings stronger. The researcher can looked to entire data which the
same meaning. Therefore, data saturation can be met. Table 3.1, figure 3.2, and figure 3.3 below displayed the MS-Word table and the use of MS-Access software. All the process can be seen below:
### Table 3.3 MS-Word data table

<table>
<thead>
<tr>
<th>No</th>
<th>Respondent (R)</th>
<th>Question 1 (Q1)</th>
<th>Implementation performance management by government</th>
<th>Roles of the respondent in the change</th>
<th>Understanding of affect of performance management in respondent department</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>What is the current understanding of employee performance management at MoNE?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Understanding about PM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>S (1)</td>
<td>• Refer to the regulations&lt;br&gt;• The work that employee do is in line with job role.&lt;br&gt;• HR promotion, periodic raise salary&lt;br&gt;• Retirement&lt;br&gt;• Transfer of employees</td>
<td>• S (1) know about implementation PM however S (1) do not know for certain</td>
<td>• S (1) assigned with any task&lt;br&gt;• As a staff S (1) follow the rule to be ready for change&lt;br&gt;• The role for S(1) is not clear</td>
<td>• S (1) does not have idea about the affect</td>
</tr>
<tr>
<td>2.</td>
<td>ES4 (1)</td>
<td>• Refer to the regulation of president no.24 years 2010&lt;br&gt;• Performance management for echelon 1 and the minister has been approved by Minister of State Apparatus Empowerment&lt;br&gt;• There is evaluation of employee which is called DP3 however ES4 (1) has a note for every staffs to monitoring their performance and give feedback when there is something crucial.&lt;br&gt;• Reward and punishment for the staffs</td>
<td>• ES4(1) know about implementation of PM and has already prepared that</td>
<td>• Give information and encouragement to the staff to the change of PM</td>
<td>• It should be better which is PM system will give direction to clear duties and functions in Bureaucracy reform</td>
</tr>
</tbody>
</table>
Figure 3.1. MS-Access table data of the interview

<table>
<thead>
<tr>
<th>Respondent Code</th>
<th>Respondent Level</th>
<th>Understanding of affect of PM in response</th>
<th>Job role</th>
<th>benefit</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>E51(1)</td>
<td></td>
<td>Should the change really take place and the remuneration can also be adjusted. The effectiveness and efficiency will occur because people will always work pursuant to each performance change and the salary has been clear.</td>
<td>The job role for each employee needs time to comprehend and that's why we always have regular meeting and meeting for directorate general level to communicate what becomes the objective of Ministry and the PM.</td>
<td>Change will give benefits.</td>
<td>People th</td>
</tr>
<tr>
<td>E52(2)</td>
<td></td>
<td>The change in performance</td>
<td></td>
<td>from the beginning will be</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3.2 MS-Access report for understanding the Performance Management ES1

1. ES4(1) think that now all the employee are measured from the performance.
2. ES4(2) think that performance in the budget fit the activities that employees have done.
3. We see that the performance, meaning that there will be souring because it can be that we buy too many computers than what is required.
4. There is no evaluation for each employee because the bureaucracy reform has not been implemented. MoNE. It is still in the preparation stage.
5. There is no monitoring for each employee. However there has been monitoring in institutional level.
6. DiP is used to evaluate employee performance. The form is standardised.
7. Actually in the government institution, there is the role of improving working performance. It covers the working rule and regulation like the working hours and the work ethic. covering the discipline for the government civil servant which was in the note Peraturan Permentah (Regulation) 30, now we have Regulation number 35. It is about reformation bureaucracy towards the working performance. It was observed by The Minister of the Empowerment for The State Personnel (Mopan) to replace the previous one which is regulation number 30.
Patton (2002) suggests that no absolute rules exist except for the researcher to do the best and to act with intelligence to fairly represent and to communicate the data paying respect to the purpose of the study. Furthermore, it is suggested that since qualitative research depends on the skills, training, capabilities, and insights of the researcher, both the analysis and interpretation depend much on the analytical ability and the individual analysis style of the researcher.

Therefore, in this study, as mentioned above, data from interviews were transcribed. All the interview scripts in this study were analysed thoroughly in line with Creswell’s (2007) view. The collected raw data of this study is quotations from respondents and should be seen in the whole context then the full transcription should be provided. Patton (1990) also argues that when using quotations in interviews, the most desirable data would be a full transcription. Data in the present study were organized by themes through coding and condensation of the codes and, finally, data were represented in figures, tables and discussion. Furthermore, the data were compared to look for patterns of similarities and differences. In preparation for analysis the data were saved, filed and recorded following the analysis of the conversations. As Patton (1990) suggests, the interviewer’s success or failure in capturing the actual meaning or words of the respondents plays the most important role, as the researcher’s efforts, such as trying to be careful in questioning the respondents and using an acceptable interview style, could be in vain. Because of these reasons, all interviews were recorded.

This study used MS-Access 2000 software to save the data. MS-Access helped in the creation of tables and inquiries for the data (Catapult, Inc. 1999) so the researcher could code and create themes from the data. In addition, the researcher could clarify the themes and sort them. This software helped in undertaking an analysis of qualitative data. This software was
able to support the researcher when working with the data however the analysis of the data was done by the researcher manually. Using computer programs for the analysis of qualitative data has recently developed quickly. Many programs are offered. As early as 1991, Lee and Fielding (1991) with reference to analysis of qualitative data, such as transcripts from interviews, note that researchers were increasingly using computer programs. Furthermore, they comment that computers are increasingly used to handle many different types of information, including text or audio-visual material. In addition, much of the literature appeared to be designed to convince readers that computers could indeed be used to analyse qualitative data (Lee & Fielding, 1991). There are simple and fast but flexible benefits of using computer programs when the researcher works with data. It motivates the researcher to focus more, and to a greater extent, on the more creative aspects of theory building (Pandit 1996). The program does not make conceptual decisions like determining words or themes or the analytical steps. Analytical steps, including thinking, judging, deciding and interpreting, should be determined by the researcher (Tesch 1991 pp. 25-26, cited in Pandit, 1996). Furthermore, Pandit (1996) notes that Lee and Fielding (1991) have concluded that computers will bring real benefits to qualitative researchers.

3.5. Ethical considerations

Creswell (2007) is of the view that, regardless of the approach to qualitative inquiry, a researcher using the qualitative approach may face many ethical constraints starting from the data collecting process, to analysis and dissemination of the qualitative reports. The present research was approved by The Committee for Ethics in Human Research which considered the application to conduct research with human subjects for the project entitled *The Effectiveness of Performance Management in The Ministry of National Education of the Republic of Indonesia*. The project number is 09-136. These requirements are determined by
University policy and the *National Statement on Ethical Conduct in Research Involving Humans* (National Health and Medical Research Council, 2007). However, the title was changed to make it focus more on the detailed study; the title of the thesis is determined by the focus of the study.

Referring to the ethical issues, Lipson (1994) argues that a group of ethical issues informed the approval procedures used in the research. The informed approval form is a series of questions which were agreed and signed by the interviewees before they became the respondents of the present study. To guarantee the rights of interviewees, the questions should be clear and unambiguous (Creswell 2008) (See Appendix 6).

An informed consent (see Appendix 5) form was created prior to the field work. This form included the project title, consent statement (which is in the name of the participant), signature and date. In addition, there is a question which asks whether the participant needs the report of the project. Information was given to participants about the project title, the researcher’s identity, the project aims, benefits of the project, a general outline of the project, participant involvement, confidentiality, amenity, data storage (where the data will be saved), ethics consideration and clearance and queries and concerns. According to Padgett (1998), the ideal informed consent form should be done prior to the research since is an important agreement. It is a written document not only for the ethics of the research but also because it is a legal document in case there are any claims in the future. In the case of the present research, the participants knew the researcher well and were familiar with the research project.
3.6. Limitation

This study dealt with a single case study which is the MoNE. Moreover, this study was focused to determine the readiness for change at the MoNE in terms of performance management. The numbers of respondents interviewed was limited to forty respondents from various levels at the MoNE. Those respondents cover echelon 1, 2, 3, 4 and staff. Consequently, the results and the findings of this research cannot be generalized beyond the readiness for change at the MoNE. So, whilst there is no desire to generalise from these findings, it is possible to develop some insights for the MoNE and suggestions for practice more generally.

3.7. Conclusion

This chapter has presented the methodology of this study. It discussed the epistemology and ontology which underpinned the qualitative research. This study utilised semi-structured interviews and data documentary at the MoNE. In addition, this chapter discussed the approach undertaken to analyse the data by utilising Ms-Access 2000 to code and create themes from the data. Finally, this chapter identified limitations of this study. The next chapter will discuss the findings of the study; an understanding of employee performance management at the MoNE, performance management in practice at the MoNE, the employees’ perception of the MoNE potential performance management and the ability to do performance management at the MoNE.
CHAPTER 4
FINDINGS AND ANALYSIS

This chapter presents the results and findings of the study followed by the discussion. The results and findings are divided into four which cover the concept of the MoNE performance management, the practice of performance management at the MoNE, the employees’ perceptions towards the MoNE performance management, and the elements determining the ability to make the change. The first part of the discussion is the interpretation of performance management at the MoNE from all echelons and the staff. The second part discusses the performance management in practice at the MoNE, covering the application of the concept by all echelons and the staff. The third part is about the employees’ perceptions of the impact of performance management at the MoNE, covering the echelons and staff. Finally the fourth part is about the ability to make the change. This clarifies the potential abilities (such as their communication style, their commitment and their strategy in developing the competency) needed for the change that the employees may have, covering all of the echelons and the staff. Every part of the discussion will be completed with the research findings.

4.1. An understanding of employee performance management at the MoNE

The understanding of the employees, either the echelon 1, 2, 3 and 4 or the staff, of the concept of performance management will be discussed. One of the significant findings based on the responses is that they do not have a clear understanding of the concept of performance
management.\footnote{The employees at the MoNE have different understanding about what performance management is. It is important regarding their readiness because if they just understood performance management for example as regulation or DP3, they just prepare for those aspects. However, performance management that mentioned in this thesis is about all the process (cycle) in performance management that should be done.} When they have understood the concept entirely, they will be ready for the change. Furthermore Cheng et al. (2007) are of the view that failure in the implementation of change arises because neither management nor staff fully understands the important of taking the initiative. This section demonstrates the understanding of the employees at the MoNE, namely those in echelons 1, 2, 3, 4 and the staff, regarding performance management.

4.1.1. Echelon 1 (Director General) at the MoNE

Even the respondents from Echelon 1 have various understandings. Some refer to the regulations to clarify the concept of performance management while others relate the concept to work commitment and competency. Since they knew that performance management was something to do with work performance indicators (DP3), they referred to the performance base budget, as stated in the following extracts of the interviews transcript.

Two out of three respondents from echelon 1 said performance management covers a particular regulation dealing with personnel or official matters like employee management or working performance improvement. So, they are bound to the bureaucratic system, and these two respondents from echelon 1 come to the same statement:

\begin{quote}
The MoNE as a government institution has a particular regulation which deals with personnel or official matters such as employee performance management or working performance improvement. Formerly it is mentioned in the government regulation number 30/1980 which is revised latter in a government regulation number 53/2010 ruling the discipline issues for government civil servants. (ES1(2)
\end{quote}
In addition, one of them also said that human resources should be competent in improving the organization’s performance. Furthermore, he stated that employees should change their mindset, behavior and attitude. As this respondent argued:

*The key is how we change our mindset, behavior and attitude. Our focus used to be bureaucracy. Now our focus is on public service. The requirement to improve the performance is the support from any competent human resources. We must always think efficiently, transparently, accountably. I would be steady as long as there is the support.* ESI(2)

On the other hand, another respondent said that human resources have two key principles, work commitment and competency. As this respondent stated:

*The commitment to work is the key word towards performance improvement from all the employees. This is what we must create so that we must be able to give motivation to the staff to be willing to work in order to have commitment to do their work.* ESI(3)

Moreover, this respondent pointed out, *performance is really determined by competency ESI(3).* Furthermore the respondent mentioned that the employees should care about the knowledge, the values and the skill to work well. As, this respondent reported:

*To acquire the knowledge, values and skill there should be training. Then when the employees did not have the certain knowledge yet, this required knowledge should be given for example if they are not able to make letters, they should be trained to get used to do the correspondence.* ESI(3)
Another respondent pointed out:

Now we are determined through our performance, I guess. That is the reason why we have performance-based budget although from my point of view, it is not perfect yet, it goes to that point. In running the program, we do not just spend the MoNE and be responsible for it administratively, but see the performance, whether the productivity is good or not. ESI(1)

In other words, this respondent argued that performance management is a performance-based budget.

However, two of the respondents from echelon 1 stated there is a form for measuring employees’ performance which is called DP3. The respondents refer performance management to DP3 as in this following statement.

There is a standardized form for evaluating the employee performance which is called DP3. Many aspects like loyalty, innovation, and cooperation were evaluated. ESI(1)

According to the respondents, DP3 cannot reflect the measurement of the employees’ performance, since it is only a formality.

In short, the statements above from three of the first echelon respondents show that the respondents’ point of view in dealing with the concept of performance management is variously referring to regulation, work commitment, competency and budget. Two of them
have a better understanding than the others since they cover commitment and competency. On the other hand, another respondent of echelon 1 referred to DP3, which could not assess work performance.

4.1.2. Echelon 2 (Director/Secretary of Director General) at the MoNE

Based on the collected interview data, the second echelon respondents also have varying opinions on the concept of performance management. They linked performance management to personal ability, development, regulations and DP3. One of them elaborated the concept in term of personnel ability, as in this following transcript:

*It is how to arrange any personal abilities of the certain organization. So, performance management is the system of the management. ES2(1)*

Furthermore two others respondents from echelon 2 argued that performance management is about developing the employees’ competencies. As the respondent stated:

*The work contract of our institution with the minister is further broken down into what is called operational work programs. This elaboration refers to the attainment of the main performance and key performance indicators. In terms of personnel affairs the indicators refer to career development system which is done through training and certification. ES2(3)*

This statement was supported by another respondent from echelon 2 who reported:

*The simple comprehension of management is how we can reach the objective of this organization by empowering in a positive way all of the existing human resources...*
There is indeed individual accomplishment to his/her duty and function but in the end it could reach the entire goal that we want to achieve together. ES2(2)

Meanwhile, some of them looked confused when they were asked what performance management is. One answer is as follows:

What is my answer?
Because we are talking about civil servants, we cannot refer to the people knowledge because there is no legal certainty. The civil service is uniformity then all of the activities should be based on act of the state. ES2(4)

These respondents further reported that performance management refers to a regulation as follows:

As a government employee or civil servant everything that should be done must refer to the government regulation. The employee cannot refer to the people knowledge because there is no legal certainty. ES2(4)

Then it is assumed that these respondents associate the concept with the rules and regulations.

On the other hand, another echelon 2 respondent said DP3 is used to check the employee performance ES2(1). This respondent mentions that performance management is the DP3, parameter. This statement is supported by another respondent, who argued:

DP3 is used to evaluate the employee. There is like and dislike, for instance in assessing loyalty to the state which should be given no less than 90. ES2(4)
So, this respondent concluded that DP3, the parameter, does not make any difference whether an assessed employee has a good or bad performance.

In summary, like the first echelon respondents, the second echelon respondents have various points of view of performance management and associate it with personal ability, human resources development, regulations and parameters (DP3). Four of the second echelon respondents have a better understanding of the performance management concept than the rest respondents from echelon 2. Their concept covers the employee’s ability, human resources development and regulation. However, one of them was confused. Even though they said that DP3 relates to the employees performance, this parameter could not assess the work performance entirely. So DP3 could not reflect the actual performance of the employees.

4.1.3. Echelon 3 (Division Head) at the MoNE

The third echelon respondents also had various initial opinions the concept of performance management, referring to working optimally, discipline, remuneration and DP3, while, another respondent referred to ability, motivation and opportunity. As the respondent said:

*It is how every staff, human resource, in an organization can work optimally to achieve the objective of the organization. In the government institution there are vision and mission and there are programs to be achieved. ES3(2)*

This respondent thinks that performance management is about working hard to achieve the organization’s objectives.
This respondent further declared:

> Every human resource has to be mobilized to achieve the objective of the organization. Firstly, we start with me myself as superior. I have to set an example to all my staff that discipline is the most important factor to reach an objective. For example, by 7.30 am, I am already in the office. Although there are no staff yet, there is something to be done. At that time for example I receive a SMS from my superior, that is what I should do. After the staff have arrived then we distribute the tasks. Finally, the disposition\(^9\) is distributed to the staff. ES3(2)

From these statements, it could be concluded that this respondent thinks of performance management as discipline improvement.

Meanwhile, another respondent who is an echelon 3 said that performance management relates to ability, motivation and opportunity\(^{10}\). As this respondent argued:

> The performance is the result of integration or mixture among ability, motivation and opportunity to use the ability and motivation. ES3(5)

Furthermore this respondent said, *in improving ability I use knowledge management process.* ES3(5)

On the other hand, another respondent, an echelon 3, stated that performance management relates to remuneration and DP3. The statement is as follows:

---

\(^9\) Disposition means this respondent gave instruction to his staff to do the job.  
\(^{10}\) Ability, motivation and opportunity were not described in the literature review. This concept came up during the interview based on the respondent said about their understanding of performance management.
I think remuneration must be as far as an individual’s performance. It is clear who does what and what the result is. That is my understanding that we are heading for that direction since now there is no difference between the diligent ones and the less diligent ones. There is no parameter for this besides the list of assessments on job performance (DP3). ES3(7)

Furthermore, another respondent, echelon 3, said:

My understanding on performance management is firstly in this Ministry of National Education even in Directorate General ... and below ... all employees have the evaluation list named DP3. It is used to evaluate all employees from staff to the structural level officials from echelon 4, 3, 2, even to first echelon. ES3(4)

This statement was supported by another respondent from echelon 3 who pointed out:

The performance here is evaluated through DP3 by respective superiors. All officials up to the fourth echelons are responsible to evaluate the performance of their staff through DP3 consisting of 7 elements. We only refer to DP3 since it is in line with the regulation. ES3(3)

Therefore, these three respondents relate performance management to DP3.

However, all the respondents who mentioned DP3 agree that DP3 does not impact on measuring performance. As one of them stated:
But, the implementation of DP3 is far from expectation due to the fact that the objectivity has not been implemented in terms of hierarchy or hierarchical structure.

ES3(4)

To conclude, the statements from seven members of echelon 3 demonstrate that, as with echelons 1 and 2, their understanding of performance management varies from working optimally, to discipline, remuneration and DP3, while, other respondents referred to ability, motivation and opportunity. Furthermore, as in echelon 1 and 2, several echelon 3 respondents referred to DP3, which relates to employee performance. They also stated that DP3 is not suitable for measuring performance.

4.1.4. Echelon 4 (Sub Division Head) at the MoNE

Like echelons 1, 2, and 3, echelon 4 also did not fully understand performance management. Several respondents referred to performance management as regulation. Some referred to DP3, while others mentioned motivation, duties and general thoughts about performance management.

One of them stated that performance management is for increasing the performance of the individual. As this respondent reported:

Performance based management is a process where all activities are directed to raise the performance of individuals, which is aimed at organizational performance.

ES4(10)
Furthermore, another respondent argued that performance management relates to how the subordinate and the superior work. As this respondent stated:

*How the superior and the subordinate work, there is transparency, there is mentoring, guidance, and the most important one, there is trust between the superior and the subordinate and vice versa. When there is not any trust, we could not be able to carry out any assignment. ES4(4)*

Moreover, another respondent from echelon 4 said that performance management relates to job roles. As indicated below:

*Every employee should know their job role. When they know the job role, it will be easy to distribute the workloads to each personnel. ES4(1)*

And another echelon 4 respondent said:

*Someone’s ability to perform the given or the required duties are formulated the main duties and function. Besides the main duties and function from the superiors, there would be duties out of those main duties and function. ES4(2)*

This respondent refers to performance management as duties.

But, another respondent confirmed:

*Most of the young generation has low working motivation and I do not know why. I think at the present, the motivation for working and being disciplined are not satisfied. ES4(8)*
This respondent refers performance management relates to motivation.

However, another respondent, echelon 4, reported that performance management is increasing the work performance. As the respondent reported below:

*I just understood that performance management as a general system is the systematic system increasing the work performance to be more professional. ES4(5)*

Another respondent from echelon 4 stated:

*The indicator, assessing the working performance, should cover the discipline, like at least the employees should abide by the required working hours. In fact, the individual competence of the staff would be influenced by his or her former working conditions, like the position he/she had held and the competence that the former work needed. ES4(6)*

The respondent indicated that performance management is like a regulation. As this respondent revealed:

*The performance management for the civil servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)*
However, a respondent who is echelon 4 stated:

> DP3 consisting of indicators assessing the employees’ working performance should be filled out every year. ES4(1)

This respondent associated performance management with the parameter, DP3.

Furthermore, most of the respondents reported that DP3 does not describe the performance of employees. As one of them said, *I do not know how to fill in DP3. The items in DP3 do not describe performance.* ES4(3)

In short, the statements from ten members of echelon 4 showed that, the same as respondents from echelons 1, 2 and 3, their understanding of performance management varies, from how superiors and subordinate work, to job roles or duties, increasing work performance, discipline, regulation, DP3, and motivation. Furthermore, as with echelons 1, 2 and 3, several echelon 4 respondents referred to DP3. Mostly they said that DP3 scores could not reflect the employees’ working performance.

### 4.1.5. Staff at the MoNE

Since most of the staff associated performance with regulation, discipline, time management, DP3 or performance management, they have different understandings of performance management. As one of the respondents indicated:

> As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones. S(4)
This means that the respondent thinks performance management is to do with regulation. Another respondent from staff stated that performance management is about discipline:

Employee performance management has something to do with discipline and then performance. S(6)

Furthermore, another respondent, the staff, revealed that performance management refers to time management.

Performance management is about how to handle our job with specific times which will give the best results. S(14)

In addition, another respondent who is a staff reported that performance management is DP3. As this respondent said:

Annually, at the end of the year there will be DP3, consisting of eight pointers for the superiors and seven pointers for the staff. S(7)\(^\text{11}\)

Moreover, this respondent who is a staff stated that DP3 is not objective. In other words, DP3 does not reflect the employees’ real performance.

However, two respondents from staff clearly stated that they do not know what performance management is. As one of these respondents said: I do not know about performance management. S(2)

\(^{11}\) DP3 will describe in Appendix 7 including eight criteria which the MoNE have to complete in the DP3 and how they complete the forms.
Meanwhile, there were two other respondents of the staff who stated that performance management means to manage and improve performance. As those respondents reported:

\[ a) \text{ Well, I think it is about how to manage the employees and how to improve their performance especially for us in ... (name of her directorate). } S(5) \]

\[ b) \text{ Performance management is about how to manage and how to improve employees' performance. } S(14) \]

In summary, the statements from fifteen staff demonstrate (as for the other respondents) that among the staff there are various understandings about the concept of performance management. They variously associate performance management with regulation, discipline, time management, DP3 and manage performance. Meanwhile, there are staff who do not understand what performance management is. However, there are same staff who have a better understanding of performance management. As for the other respondents, the staff also mentioned DP3 as not reflecting an employees’ real working performance.

4.1.6. The discussion of the research findings

The research findings show that the understanding of performance management of either the echelons 1, 2, 3, 4 or the staff at the MoNE have similarities, as they have various understandings of the concept of performance management, in terms of regulation, DP3, and discipline. Table 4.1 and table 4.3 show the range of definitions of performance management of the different levels of the employees by quatiotation. Each definition come from what have been said by the respondents. All the range of the definition can be seen in the quotation
printed bold. Table 4.2 and table 4.4 show the summary of the range definitions of performance management from the various levels of the employees.
Table 4.1. Understanding performance management at the MoNE with quotations

<table>
<thead>
<tr>
<th>Respondent Level</th>
<th>Regulation</th>
<th>Commitment to work</th>
<th>Competencies</th>
<th>Budget</th>
<th>Personal Ability</th>
<th>Development</th>
<th>Remuneration</th>
<th>DP3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES1</td>
<td>The MoNE as a government institution has a particular regulation which deals with personnel or official matters such as employee performance management or working performance improvement. Formerly it is mentioned in the government regulation number 30/1980 which is revised latter in a government regulation</td>
<td>The commitment to work is the key word towards performance improvement from all the employees. This is what we must create so that we must be able to give motivation to the staff to be willing to work in order to have commitment to do their work. ES1(3)</td>
<td>performance is really determined by competency ES1(3).</td>
<td>Now we are determined through our performance, I guess. That is the reason why we have performance-based budget although from my point of view, it is not perfect yet, it goes to that point. In running the program, we do not just spend the MoNE and be responsible for it administratively, but see the performance, whether the productivity is good or not. ES1(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There is a standardized for evaluating the employee performance which is called DP3. Many aspects like loyalty, innovation, and cooperation were evaluated. ES1(1)

---

12 All the quotation can be seen in 4.1 Understanding performance management at the MoNE
<table>
<thead>
<tr>
<th>Respondent Level</th>
<th>Regulation</th>
<th>Commitment to work</th>
<th>Competencies</th>
<th>Budget</th>
<th>Personal Ability</th>
<th>Development</th>
<th>Remuneration</th>
<th>DP3</th>
</tr>
</thead>
<tbody>
<tr>
<td>number 53/2010 ruling the discipline issues for government civil servants (ES1(2)).</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ES2</td>
<td>As a government employee or civil servant everything that should be done must refer to the government regulation. The employee cannot refer to the people knowledge because there is no legal certainty. ES2(4).</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES3</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

It is how to arrange any personal abilities of the certain organization. So, performance management is the system of the management. ES2(1)

The work contract of our institution with the minister is further broken down into what is called operational work programs. This elaboration refers to the attainment of the main performance and key performance indicators. In terms of personnel affairs the indicators refer to career development system which is done through training and certification. ES2(3)

DP3 is used to evaluate the employee. There is like and dislike, for instance in assessing loyalty to the state which should be given no less than 90. ES2(4)

The performance is the result of

I think remuneration

My understanding
<table>
<thead>
<tr>
<th>Respondent Level</th>
<th>Regulation</th>
<th>Commitment to work</th>
<th>Competencies</th>
<th>Budget</th>
<th>Personal Ability</th>
<th>Development</th>
<th>Remuneration</th>
<th>DP3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>integration or mixture among ability, motivation and opportunity to use the ability and motivation. ES3(5)</td>
<td>must be as far as an individual's performance. It is clear who does what and what the result is. That is my understanding that we are heading for that direction since now there is no difference between the diligent ones and the less diligent ones. There is no parameter for this besides the list of assessments on job performance (DP3). ES3(7)</td>
<td>on performance management is firstly in this Ministry of National Education even in Directorate General ... and below ... all employees have the evaluation list named DP3. It is used to evaluate all employees from staff to the structural level officials from echelon 4, 3, 2, even to first echelon. ES3(4)</td>
<td></td>
</tr>
<tr>
<td>ES4</td>
<td>The performance management for the civil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DP3 consisting of indicators assessing the employees’</td>
</tr>
<tr>
<td>Respondent Level</td>
<td>Regulation</td>
<td>Commitment to work</td>
<td>Competencies</td>
<td>Budget</td>
<td>Personal Ability</td>
<td>Development</td>
<td>Remuneration</td>
<td>DP3</td>
</tr>
<tr>
<td>------------------</td>
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<td>--------------</td>
<td>--------</td>
<td>------------------</td>
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<td>-----</td>
</tr>
<tr>
<td>servant</td>
<td>government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
<td>servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)</td>
</tr>
<tr>
<td>Staff</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
<td>As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones.ES(4)</td>
</tr>
</tbody>
</table>

Annually, at the end of the year there will be **DP3**, consisting of eight pointers for the superiors and seven pointers for the staff. *S(7)*

working performance should be filled out every year. *ES4(1)*
### Table 4.2 Summary of understanding performance management at the MoNE (1)

<table>
<thead>
<tr>
<th>Respondents level</th>
<th>Code</th>
<th>Regulation</th>
<th>Commitment to work</th>
<th>Competence</th>
<th>Budget</th>
<th>Personal ability</th>
<th>Development</th>
<th>Remuneration</th>
<th>DP3</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>ES2</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>ES3</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>ES4</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Staff</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

### Table 4.3. Understanding performance management at the MoNE with quotations\(^{13}\) (2)

<table>
<thead>
<tr>
<th>Respondent level</th>
<th>Achieve Objective</th>
<th>Discipline</th>
<th>Trust</th>
<th>Work Performance</th>
<th>Motivation</th>
<th>Time Management</th>
<th>Job Role</th>
<th>Manage performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES3</td>
<td><em>It is how every staff, human resource, in an organization can work</em></td>
<td><em>Every human resource has to be mobilized to achieve the objective of the</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{13}\) All the quotation can be seen in 4.1 Understanding performance management at the MoNE
optimally to achieve the objective of the organization. In the government institution there are vision and mission and there are programs to be achieved. ES3(2)

organization. Firstly, we start with myself as superior. I have to set an example to all my staff that discipline is the most important factor to reach an objective. For example, by 7.30 am, I am already in the office. Although there are no staff yet, there is something to be done. At that time for example I receive a SMS from my superior, that is what I should do. After the staff have arrived then we distribute the...
tasks. Finally, the disposition\textsuperscript{14} is distributed to the staff. ES3(2)

<table>
<thead>
<tr>
<th>ES4</th>
<th><strong>I think at the present, the motivation for working and being disciplined are not satisfied. ES4(8)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>How the superior and the subordinate work, there is transparency, there is mentoring, guidance, and the most important one, the trust between the superior and the subordinate and vice versa. When there is not any trust, we could not be able to carry out any assignment. ES4(4)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>I just understood that performance management as a general system is the systematic system increasing the work performance to be more professional. ES4(5)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Most of the young generation has low working motivation and I do not know why. I think at the present, the motivation for working and being disciplined are not satisfied. ES4(8)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Every employee should know their job role. When they know the job role, it will be easy to distribute the workloads to each personnel. ES4(1)</strong></td>
</tr>
</tbody>
</table>

\textsuperscript{14} Disposition means this respondent gave instruction to his staff to do the job.
Staff | Employee performance management has something to do with discipline and then performance. S(6)
---|---

Performance management is about how to handle our job with specific times which will give the best results. S(14)

Performance management is about how to manage and how to improve employees’ performance. S(14)

Table 4.4. The summary of understanding performance management at the MoNE (2)

<table>
<thead>
<tr>
<th>Respondents level</th>
<th>Achieve objective</th>
<th>Discipline</th>
<th>Trust</th>
<th>Work performance</th>
<th>Motivation</th>
<th>Time management</th>
<th>Job role</th>
<th>Manage performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES3</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

118
Table 4.2 and 4.4 show that the first echelon respondents have a good understanding of the concept of performance management. Even though their understanding did not cover the entire concept, they already understood that the concept should be about the employees’ competencies. One out of the three first echelons stated that the concept referred to budgeting. This respondent also understood the concept at the organization level. Change needs support from the top management, so complete comprehension of all first echelon employees about the concept of performance management is necessary, since they will lead the change. Change needs full support from the highest level.

Both the second and the third echelon respondents have the same perceptions, dealing with personal ability and development, which are important in performance management. On the other hand, the fourth echelon respondents think that work performance and motivation are also important for developing performance management. It seems that their understanding of performance management, which is crucial for change, is better than that of the other levels. In addition, even though some of the staff already had little understanding of performance management, some staff think it is about how to manage performance.

The understanding of the higher level and middle levels will influence the success of change. The more understanding the respondents show towards the change, the more ready they will be. It seems that readiness would start from the first echelon respondents but there is a possibility to start the change either from the fourth echelons or with the staff, since they are the lower levels.

In fact, all respondents think that performance management is DP3 but they also realized that DP3 could not assess the employees’ performance. Although it is wrong and needs fixing,
since it is the government’s given policy the DP3 is still used to assess employee performance. In addition, most of the respondents said that performance management was related to regulation. This improper assumption is based on the thought that regulations should be abided by for all government employees. Dealing with readiness, regulation is crucial to support the change. All of the employees will abide by regulations because it is accepted as necessary. In short, the research findings show that the concept of performance management is interpreted differently by many employees at the MoNE however all of the respondents knew the problems in the current system, DP3 or the parameter, which requires fixing. The data shows that the first echelons are more ready to make the change, and either the fourth echelon or the staff may make the change before the others. Moreover, regulation is significant in determining the readiness of the MoNE to face change.

4.2. Performance management in practice at the MoNE

Referring to the previous chapter, as in other ministries the MoNE uses the individual work performance indicators (DP3) as the main instrument for performance appraisal. Elements evaluated cover attitudes and behavior, allegiance, responsibility, loyalty, integrity, cooperation, initiative and leadership (SANRI I:207, cited in Rohdewohld 1995). However, in DP3, the performance criteria is not specified and, the performance is not measured based on targets or objectives. Moreover, the majority of the ministries do not have formal evaluation processes concerning interaction between supervisors and staff members and it is common knowledge that to ensure a good result, the employees often complete their own evaluation forms then have them approved by their supervisor (Turner et al. 2009). However, the data that emerged from fieldwork show that some procedures suggested in performance management system such as monitoring, giving evaluation, giving feedback and giving reward are used to being implemented by the MoNE. This section will demonstrate
performance management in practice at the MoNE. It will discuss what echelons 1, 2, 3, 4 and the staff have done.

### 4.2.1. Echelon 1 (Director General) at the MoNE

Two first echelon respondents stated that in their department they have established a monitoring system. In addition, these respondents pointed out that there is an incentive system for employees who work overtime. In other words, the respondents mentioned that the incentive system is a reward for employees. Part of the interview transcript is as follows:

> In my system, I always convey my duties division through work monitoring forums, meetings, leaders’ meetings of mechanism. My way is there was weekly monitoring to ask for all work. ES1(2)

Furthermore the respondent revealed:

> We monitor the performance in on a monthly basis. I do not monitor per individual. I monitor per directorate (Director). Each directorate will monitor per division head. The division head will monitor per sub division head. The one who knows the individual is on the level of sub division head. ES1(2)

So, the director, the respondent, monitors the second echelon, the second echelon monitors the third echelon, who monitors the fourth echelon and finally the fourth echelon monitors the staff.
Another respondent from echelon 1 reported:

*I myself not only in the meeting, on certain occasions, I also evaluate the directors. Please do this. I did that. So, there is a mechanism, routine, monthly meeting but there are also special sessions in line with the need. We also discuss anything about work.*  

*ESI(3)*

In addition, the respondent said that there is an incentive system. As the respondent observed:

*For example, the employees who are the drivers have to go at 3 am taking the car in the office to pick up the other employees and they come home later, taking the employees back home. Incentives must be given to them. That is the incentive system that we apply for those who deserve it. ESI(2)*

In other words, this respondent reported that this incentive system is a reward. As this respondent further argued:

*The existing reward does not focus, or it was given to those having achievement. The objective is not for having a reward due to good performance but for work accomplishment. ESI(3)*

This statement is supported by another respondent who is from echelon 1, who reported:

*The employees who must get any additional work and go home late should deserve the incentive as well. I am sure that the payment is bigger than the salary. ESI(2)*
In short, the statements from three members of Echelon 1 demonstrate that there is monitoring, feedback and a reward system for the employees. It means that they have done part of performance management.

4.2.2. Echelon 2 (Director/Secretary of Director General) at the MoNE

The following research transcript shows that the second echelon has given evaluation and feedback to the employees. In addition, the respondents mentioned that there is a reward for employees. The reward is not only financial, but there is another way to reward the outstanding employees, such as by proving scholarship. As a respondent from echelon 2 reported:

There are employees who carried out the given tasks and acquired good feedback from me, but there may also be employees who do not get any good feedback. This is also a kind of performance appraisal. ES2(4)

This means that this respondent gives evaluation to the staff about whether their performance is good or not.

Furthermore, another respondent who is an echelon 2 noted:

The reward could be a chance to get a scholarship, such as having an overseas study, for example finishing S2 (master’s) degree. ES2(1)
And another respondent from echelon 2 revealed: *I ask my good staff to go abroad. That is reward.* ES2(2). In other words, the staff get rewards based on their performance.\(^\text{15}\)

Moreover, another respondent from echelon 2 believed that in his department, a dedicated employee can be chosen based on the employees’ achievement. In addition, this department has implemented the ISO (International Organization for Standardization)\(^\text{16}\) for three years. As this respondent reported:

> Now we have ISO. This provides a mechanism to pick out dedicated employees with great achievements every four or six months. Using the required instrument, dedicated and outstanding employees are chosen by the selected assessing team from amongst themselves. So, it is not carried out by an independent team but based on approval indicators. ES2(1)

In summary, the statements from the five second echelon respondents show that there is evaluation, feedback and reward for the employees. In other words, like the first echelon respondents, the second echelon respondents have done part of performance management. However, there is a difference - the first echelon respondents refer to monitoring and feedback while the second echelon respondents mentioned evaluation and feedback. However, they all agree that they have a reward system for employees.

\(^\text{15}\) In this case the employee performance measure by what the respondent sees in the daily work not based on DP3.

\(^\text{16}\) This respondent’ directorate has implemented working standard based on ISO 9001:2000 (Internasional Organization for Standardization)
4.2.3. **Echelon 3 (Division Head) at the MoNE**

The third echelon respondents revealed that there is a monitoring system for employees. Furthermore, the employees’ achievement is measured based on their work. Additionally, the employees who have performed well may get rewards, such as the chance to be involved in more program activities, providing them more compensation in the form of additional finance or scholarships. A respondent who is from echelon 3 further said:

> We always direct and observe on how they do their work. Handling trouble means making some improvements in the SOP (Standard Operation Procedure) ruling the work procedures. So, to improve any work quality, we have to carry out both directing and observing periodically. ES3(6)

This respondent gives evaluation to the staff whether they need the feedback or not. The staff can get input from their higher level to improve their performance.

Furthermore, this respondent, echelon 3, stated:

> Work program is started from main duty and function of ... (name of Directorate General) either in the level of Echelon 1 or Echelon 2 managing divisions. So we are heading for that way to achieve performance. ES3(6)

In addition, another echelon 3 respondent revealed:

> To measure performance of each level, we only start from our work program for each level of echelon I, II up to the staff. So we just rely on any conventional work program. ES3(2)
Moreover, another respondent from echelon 3 pointed out that they give the staff rewards for a good performance, such as having the extra payment from being involved in the more additional assignments, so that the staff can gain more income. As this respondent reported:

_For those with good performance, we give them tasks in certain activities. Those who are involved in certain activities can be given some kind of compensation in terms of financial matters. ES3(1)_

Additionally, another respondent from echelon 3 said:

_Commonly, reward is honorarium covering the fee for overtime. We will give a kind of honorarium for any assignments which should be executed completely immediately. ES3(6)_

And another respondent of echelon 3 indicated:

_Any opportunities like taking overseas study or being involved in the certain activities should be prioritized for any hard workers or outstanding ones. ES3(2)_

To conclude, the statements from seven third echelon respondents show that there is assessment for performance and reward for the employees. So, like the first and second echelon respondents, the third echelon respondents also do some parts of performance management. However, they have do different parts of performance management and performance management is interpreted differently by the respondents. The first echelon respondents spoke about monitoring and feedback, the second echelon respondents spoke
about evaluation and feedback while the third echelon respondents spoke about monitoring and measurement to explain the concept of performance management. However, they all agreed that all of them have developed reward systems for the employees.

4.2.4. **Echelon 4 (Sub Division Head) at the MoNE**

The respondents in Echelon 4 confirmed that there are evaluation, feedback, monitoring and reward systems for the employees. Being the one that is closest to the staff, Echelon 4 gives more attention to the employees. The interview transcript shows this as follows:

_Every day I see. Should there be something crucial, I will take note of the employees and guide them._ ES4(1)

In other words, this respondent who is echelon 4 has his own notes to monitor his staff. This respondent will guide the staff in the right way, such as by giving feedback regarding the job.

Furthermore, another respondent pointed out:

_They do not know if I monitor them. I always reflect my notes by inviting them to eat out, maybe eating fish or something else after completing the assignment at the end of the year. After eating, I ask my colleagues to criticize my weaknesses. If something made me seriously mad, I do not want to get angry too long. It turned out, along with the running age, there will be slow._ ES4(2)

This means that this respondent always monitors the staff. However, the respondent, a superior, or the staff provides feedback to each other.
Another respondent who is an echelon 4 confirmed that he does monitor and evaluation his staff, to determine whether they perform well or not. The diligent ones will be assigned to have more additional program activities with the extra payment. Since the additional assignments with the extra payment are only for those who are diligent or have a good performance, they may get more income than those who are not. As this respondent reported:

*I implement rewards and punishment. Seeing the fact that some of my staff are not diligent then I call them and they say sorry for doing that. When, in a month, they only come for a week to the office and it happens on and on, I not only call them but also give a punishment. Should there are activities from sub directorates, I will prioritize those who are diligent through their work achievement and discipline records. Should there be activities from sub directorates A for instance, I select the diligent ones. We see from their work achievement and discipline. ES4(1)*

This statement is supported by another respondent who stated:

*I will give the outstanding employees any chance, like invitations from anywhere, besides giving them more workloads. Then for the ones who show bad work performance, I almost never give them more workloads since it is considered dangerous. After being given a reprimand, I will reduce their workloads and their DP3 score would not be improved. Those who work diligently, I will involve them in many activities compared to those who are so lazy. ES4(7)*
And, another respondent from echelon 4 indicated more clearly about reward, as indicated below:

*Reward is not merely in terms of money. In this directorate, there are scholarships...*(name of fund) for S2 (master's degree) in...*(name of the university), ES4(6)*

In summary, the statements from ten fourth echelon respondents demonstrated that there is monitoring, evaluation, provision of feedback and rewards for the employees. So, the first, second and third echelon respondents together with the forth echelon respondents have already developed parts of performance management but the parts they have developed are different for each. The first echelon respondents spoke about monitoring and feedback, the second echelon respondents spoke about evaluation and feedback, the third echelon respondents spoke about monitoring and measurement of performance, but the fourth echelon spoke about monitoring, evaluation and feedback. However, they all have the same point - that they have developed a certain reward system for the employees.

4.2.5. Staff at the MoNE

The staff pointed out that there are evaluations, feedback and monitoring systems for the employees. Additionally, the respondents reported there is a financial reward system. As one of the respondent stated:

*Our directorate has evaluated our employees for three years and this is considered the best evaluation in term of performance, reward and punishment since ISO is used. This is a quarterly evaluation which could become the employee evaluation model...*
covering the evaluation among the staff, employees and the division head, sub
directorate head and the director. S(6)

In other words, in the department where the respondent works, ISO, assessing the
performance has been applied for three years to assess whether they are performing well or
not. Then, the employee who has the best performance becomes a model for the others.

Furthermore another respondent, the staff, revealed that the superior always gives feedback
and did monitoring to the staff, so the staff can improve their work performance. As this
respondent said:

*Our superior always gives us direction if we do not understand about our job. For
example when we create leaflet of the organization, our superior always monitors our
job until we did it. S(5)*

Moreover, this respondent stated:

*The employee evaluation could be either direct or indirect one. When the superior
gives the appraisal as soon as the employees show the satisfying result, the superior
did the direct evaluation. Vice versa, the superior gives the reprimand for those who
make mistakes. On the other hand, the indirect evaluation is made, if it is based on
DP3. S(6)*

In addition, another respondent who is a staff mentioned that there is reward for those who
work overtime. As this respondent observed:
The special appraisal like overtime fee or any policy incentive goes to the ones who work more than the used to be working hours. S(9)

And another respondent, a staff, noted:

Regardless the monthly payment, work appraisal in my office is not bad. I could say, it is very good if we talk about recognition from superiors to the staff. I would say that my work is fairly appreciated like when I did overtime. If only we did more tasks, we could get the extra payment. So, the more assignment we could do, the more money we could get. S(11)

Dealing with the MoNE recognition system, some respondents from the higher level and the lower ones noted government recognition, such as the medal of Satyalancana\textsuperscript{17} which is for those who work for ten, twenty and thirty years as government civil servants. The respondent who is staff said:

We get Satyalancana. This is the reward for those who carried the assignment out for the certain years without any fault. S(7)

In short, the statements from fifteen staff illustrated that there are monitoring, evaluation, feedback and rewards done by echelon 4 about the employees. So, like all levels of echelon respondents, staff respondents have also done part of performance management. It is the same as the fourth echelon respondents but different to the first, second and third echelons.

\textsuperscript{17} Satyalancana is a sign of appreciation which is given to civil service who have devoted over 10, 20 or 30 years continuously with demonstrated proficiency, discipline, loyalty and devotion that can be used as an example to any other employees. Satyalancana work is divided into three classes, namely Satyalancana work 10 years, 20 years Satyalancana Karya Satya, Karya Satya and Satyalancana 30 years.
The first echelon respondents spoke about monitoring; the second echelon respondents spoke about evaluation and feedback; the third echelon respondents spoke about monitoring and measurement for performance; while the fourth echelon respondents spoke about monitoring, evaluation and feedback. So the fourth echelon respondents and the staff respondents are in line in terms of performance management. It is clear to say, while the fourth echelon respondents give feedback to the staff, the staff get this from their superiors, the fourth echelon. Furthermore, all of the respondents declared that they had developed a reward system.

4.2.6. The discussion of the research findings

The findings show that the employees at the MoNE have done some parts of the performance management system, such as monitoring, evaluating, giving feedback and giving rewards, at an individual level. Table 4.3 and Table 4.4 show performance management in practice at the MoNE.

Table 4.5. Performance management in practice by echelons 1,2,3 and 4 at the MoNE with quotations

<table>
<thead>
<tr>
<th>Respondent level</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Feedback</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES1</td>
<td><em>In my system, I always convey my duties division through work monitoring forums, meetings, leaders’ meetings of mechanism. My way is there was weekly monitoring</em></td>
<td><em>I myself not only in the meeting, on certain occasions, I also evaluate the directors. Please do this. I did that. So, there is a mechanism, routine, monthly</em></td>
<td><em>The existing reward does not focus, or it was given to those having achievement. The objective is not for having a reward due to good performance but</em></td>
<td></td>
</tr>
</tbody>
</table>

18 All the quotation can be seen in 4.2. Performance management in practice at the MoNE in term of echelon levels.
<table>
<thead>
<tr>
<th>Respondent level</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Feedback</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to ask for all work. <em>ES1(2)</em></td>
<td>meeting but there are also special sessions in line with the need. We also discuss anything about work. <em>ES1(3)</em></td>
<td>for work accomplishment. <em>ES1(3)</em></td>
<td></td>
</tr>
<tr>
<td>ES2</td>
<td></td>
<td>Now we have ISO. This provides a mechanism to pick out dedicated employees with great achievements every four or six months. Using the required instrument, dedicated and outstanding employees are chosen by the selected assessing team from amongst themselves. So, it is not carried out by an independent team but based on approval indicators. <em>ES2(1)</em></td>
<td>There are employees who carried out the given tasks and acquired good feedback from me, but there may also be employees who do not get any good feedback. This is also a kind of performance appraisal. <em>ES2(4)</em></td>
<td>The reward could be a chance to get a scholarship, such as having an overseas study, for example finishing S2 (master's) degree. <em>ES2(1)</em></td>
</tr>
<tr>
<td>ES3</td>
<td>We always direct and observe on how they do their work. Handling trouble means making some improvements in the SOP (Standard Operation Procedure) ruling the work procedures. So,</td>
<td></td>
<td></td>
<td>Commonly, reward is honorarium covering the fee for overtime. We will give a kind of honorarium for any assignments which should be executed completely immediately. <em>ES3(6)</em></td>
</tr>
<tr>
<td>Respondent level</td>
<td>Monitoring</td>
<td>Evaluation</td>
<td>Feedback</td>
<td>Reward</td>
</tr>
<tr>
<td>------------------</td>
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</tr>
<tr>
<td></td>
<td>to improve any work quality, we have to carry out both directing and observing periodically. ES3(6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES4</td>
<td>They do not know if I monitor them. I always reflect my notes by inviting them to eat out, maybe eating fish or something else after completing the assignment at the end of the year. After eating, I ask my colleagues to criticize my weaknesses. If something made me seriously mad, I do not want to get angry too long. It turned out, along with the running age, there will be slow. ES4(2)</td>
<td>I will give the outstanding employees any chance, like invitations from anywhere, besides giving them more workloads. Then for the ones who show bad work performance, I almost never give them more workloads since it is considered dangerous. After being given a reprimand, I will reduce their workloads and their DP3 score would not be improved. Those who work diligently, I will involve them in many activities compared to those who are so lazy. ES4(7)</td>
<td>Every day I see. Should there be something crucial, I will take note of the employees and guide them. ES4(1)</td>
<td>Reward is not merely in terms of money. In this directorate, there are scholarships ...(name of fund) for S2 (master’s degree) in ... (name of the university). ES4(6)</td>
</tr>
</tbody>
</table>
Table 4.6. Performance management in practice by staff at the MoNE with quotations

<table>
<thead>
<tr>
<th>Respondent level</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Feedback</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td><em>Our superior always gives us direction if we do not understand about our job.</em> S(5)</td>
<td><em>The employee evaluation could be either direct or indirect one.</em> When the superior gives the appraisal as soon as the employees show the satisfying result, the superior did the direct evaluation. Vice versa, the superior gives the reprimand for those who make mistakes. On the other hand, the indirect evaluation is made, if it is based on DP3.* S(6)</td>
<td><em>For example when we create leaflet of the organization, our superior always monitors our job until we did it.</em> S(5)</td>
<td><em>The special appraisal like overtime fee or any policy incentive goes to the ones who work more than the used to be working hours.</em> S(9)</td>
</tr>
</tbody>
</table>

Table 4.5 and table 4.6 show performance management in practice by echelons levels and staff which can be seen more clear what have they done in term of performance management in the table 4.7 and table 4.8.

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19 All the quotations can be seen in 4.2 Performance management in practice at the MoNE in term of staff.
Table 4.7. Summary of performance management in practice by echelons 1, 2, 3 and 4 at the MoNE

<table>
<thead>
<tr>
<th>Performance Management in Practice</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Feedback</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES1</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ES2</td>
<td></td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>ES3</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES4</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.8. Summary of performance management in practice by staff at the MoNE

<table>
<thead>
<tr>
<th>Performance Management in Practice</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Feedback</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5, table 4.6, table 4.7 and 4.8 demonstrates what the employees at the MoNE have done in term of a performance management system. They have done parts of a performance management system. However, it seems that they are not aware that they have already implemented parts of performance management.

Table 4.5 and table 4.6 shows that, as mentioned previously, there are differences between all echelons in terms of performance management in practice at the MoNE. The only echelon which is in line with the employees supervision is the fourth echelon respondents. It means that the fourth echelon respondents, who did monitoring, giving evaluation, giving feedback and giving rewards to the staff and the staff, their subordinates, also support the assumption about some procedures suggested in performance management system which are used to
being done by fourth echelons. The staff clarified that it is true - that the fourth echelon respondents did monitoring, giving evaluation, giving feedback and giving rewards to them. They did this automatically because of the hierarchy system at the MoNE for getting a promotion to become a superior. Since the fourth echelon respondents are the youngest of the echelon levels they are more familiar with the development of the staff under their supervision. The reason must be that there is no direct relationship between the first, second and the third echelons, so that they do different parts of performance management.

Furthermore, the findings show that all the respondents approved rewards being given to the deserving employees, but it is not certain this is because of outstanding performance. Dealing with the reward system, it is assumed that the MoNE has the readiness in terms of the benefits for the employees; so that it has potential to adopting performance management.

In short, so far the MoNE has satisfied some principles suggested in performance management systems. Considering the respondents’ comprehension in dealing with the concept of performance management, readiness may be triggered by the bottom level employees - the fourth echelon together with the staff. It can be also assumed that these employees have implemented performance management so that the MoNE is able to execute the change in terms of performance management.

4.3. The employees’ perception of the MoNE’s potential performance management

In the theory of readiness to change, it is understood that employees need to know the positive impacts. Readiness for change can be defined as the extent to which employees have positive views on the need for organizational change, and the extent to which employees believe that these changes are likely to have positive implications for themselves and the
wider organization (Armenakis et al. 1993). Furthermore, Cheng et al. (2007, p.67) revealed ‘the case company’s implementation failed largely due to the employees and management of the organization not having fully understood ... what benefits both they and organization were meant to derive from it’. The following discussion is about the thoughts of all echelon level respondents and the staff about the implications of performance management, both the positive and the negative point of view.

4.3.1. The positive views

a. The better salary system

The respondents thought that performance management may facilitate the MoNE to create a better salary system in accordance with the employees’ performance, so that the salary would be based on the required performance. That they would reap many benefits from performance management is suggested by the staff respondent as follows:

\[
\text{With the new system there will be no social jealousy like the staff who is not punctual but acquires the same amount of salary. S(12)}
\]

This means that the salary system will be based on the employees’ performance. This statement is supported by a respondent from Echelon 1 who revealed:

\[
\text{The effectiveness and efficiency may be accomplished since all employees keep on working based on the required performance with the certain payment as in turn. ESI(1)}
\]
While the second echelon respondent also stated:

*The recent system allows an employee to get the same income no matter he/she is active or not. In fact, the income should differ from the current system so that the employee may get the fair income based on their work performance. ES2(2)*

Furthermore, another second echelon respondent clarified:

*The organization objective that we would like to achieve is having the work management performance based on the remuneration system. Therefore there is not the basic salary anymore but it will be like credit points. Then someone may get 30 million per month depending on the work performance... ES2(5)*

Another fourth echelon respondent hoped to get a better system and said:

*Hopefully, it would be much better because it would be seen in term of quality/work results. Then the work could be systematic, and the salary/income would be based on the working time and the output. ES4(4)*

In summary, some of the respondents thought that performance management may bring improvement by having a better salary system based on their work performance.

**b. The better service**

The respondents thought that performance management may facilitate the MoNE to create a better service. The employees will give better service and their work will be more effective
and efficient. They also realized it would avoid any personal affairs, as the third echelon respondent suggested in the following statement:

*Clearly, I really support this change. I believe this is the result of the thoughts of many people. The benefit in my opinion is that we provide better service to minimize unwanted things especially dealing with personal matters. Many people say that without the MoNE things will not get done. This makes me sad, as far as I know it is not right. This can be minimized with this change. I am sure that things will be better. With this change it is expected that we can give better and faster services. ES3(3)*

In addition, a second echelon respondent stated:

*The change in performance management can give the better service to the society with the expectation; people should not be too many, but a few people, as long as they are effective and efficient. So, all may work well. ES2(2)*

While a first echelon respondent further said:

*Should it occur in the MoNE, it will become more efficient and be able to reach the proclaimed target in the strategic plan. ES1(1)*

In fact, a fourth echelon respondents thinks that performance management should be suitable and socialized well. Then, it will give better service. As this respondent argued:
If the performance management system is appropriate and socialized well, it is certain to give benefits. It means in the government line up services. The public service gets faster, more accurate, more efficient and more effective. It is beneficial. ES4(10)

So, some respondents believed that the coming new system may facilitate better services. The employees could give better service with more effective and more efficient work results; then in return they would get better recognition in terms of payment and chances.

c. **The effective performance evaluation**

Some respondents thought performance management facilitates the MoNE to have a more reliable performance evaluation form, so that the employees will get the effect of a performance evaluation which is fair. A first echelon respondent said: *People will be evaluated from the performance.* ES1(1).

In addition another respondent from echelon 3 stated:

*When performance based management is applied to the entire employees, it will be a good model in the country. Since the MoNE is one of the biggest ministries, the influence will be quite significant to improve the quality of the human resources so both the organization and the society could perform the effective performance evaluation on the condition that it is applied objectively based on the required performance management criteria.* ES3(4)
Then one of the staff also declared:

*The employees will be evaluated and placed. The job that is supposed to be done by 10 people, but it is done by many people then the rest should be transferred to the other places.*  
*S(6)*

So, they are sure that performance management could boost the quality of the human resources by having proper performance evaluation.

d. **The clarification of duties**

Having clear cut assignments is also another benefit from having performance management. They will work based on the required targets given by their superiors. As a result they have to improve their performance to accomplish the given duties. A third echelon respondent stated:

*Working atmosphere would be better. Either the target or the people’s work would be clear besides it binds and controls both our efforts and motivation.*  
*ES3(5)*

In addition, another respondent from Echelon 3 stated:

*Staff is forced to be punctual knowing their main duty and function. Since they are given targets, they will try to reach the targets.*  
*ES3(7)*

In fact, a fourth echelon respondent said further:

*It should be better as a performance management system will give the direction to clear duties and functions in Bureaucracy reform.*  
*ES4(1)*
Additionally, another fourth echelon respondent stated:

*The punctuality in accomplishing the job would be precise. It could be target oriented and the achievement would be higher.* ES4(3)

And the other one clarified:

*Should it be implemented well, each staff may already know his/her main function and duty; I am sure that it will be significant for the improvement of employees’ performance since there are rewards and punishment.* ES4(6)

In summary, the respondents are sure that the new system may clarify the employees’ assignments so they know what to do.

e. The discipline

Another benefit of having performance management is that employees become more disciplined so that they get work done and based on the required working hours. In fact, they may be more responsible in carrying out their assignments and, automatically, their working performance would be improved as well. Furthermore the fourth echelon respondent said:

*Conceptually, the benefits of bureaucracy reform will actually be more advantageous to us meaning that we will be more disciplined with time and the work will be more directed.* ES4(1)
While the staff respondent stated:

At least when the employees come, they know what to do. Secondly, it will be the additional reward like being the outstanding employee of the year. The orientation is to broaden their knowledge. When discipline is upheld, we do not want to feel that we will bear all the work. S(9)

Another opinion came from another staff member, as follows:

At least in terms of time management, by then gradually we can come and go home on time, do any assignment with full responsibility. S(8)

This respondent, the staff, further stated:

The time will be managed well. When we already knew the limit, we could set what we should do based on the given time so the time will be more efficient and useful. S(8)

One of the staff also declared:

Employees will be smarter, more disciplined and more optimum for doing the job. If we are disciplined, it will give impact to our performance. S(6)
And another respondent from the staff stated:

*It would be more organized, well, like the working hours would be tighter and everything would be based on the product we make. Furthermore people also will be energetic.* S(5)

Referring to the above interview scripts, most respondents believe that the new system could make them become more disciplined.

In conclusion, most respondents believe if they could to reap many benefits such as in salary, better service, and effective evaluation.

### 4.3.2. Negative view

Although there are some employees who spoke about the positive views of performance management, some employees do not believe the changes may have a positive impact on them directly. The respondents believe that although there is a remuneration system in performance management which has been implemented in another Ministry, the corruption\(^{20}\) still remains. One of the staff said:

*Personally, I do not believe it since there are the facts in our life like what happened in ... (name of one ministry that already implemented a performance management system). Although their salary had been upgraded up... (percentage), there are corruptions which are much bigger than ever. That’s the reason why I am so pessimistic.* S(9)

---

\(^{20}\) The corruption: this word come out from what respondent said. This respondent thinks that although performance management has already been implemented at organization however there is still corruption in it.
Moreover, the respondent from Echelon 4 argued:

_The negative one is our mental state. Why do we have to work hard? We already get big salaries. This is what I always worry. Maybe others have not thought about it, but I did. No matter my thought is right or wrong, this could be a nightmare take Gayus, for example, Gayus already had remuneration but his mental state has deteriorated._

_ES4(2)"

In Indonesia, performance management has been implemented in some ministries, however, corruption cases are still remain. Gayus’s case is notorious for his corruption although the ministry of finance where he worked has implemented performance management. He practiced corruption in his office and now he is in jail.

Therefore, the employees need to be more responsible for the new system. In fact, the fourth echelon respondent stated: _If we have a big salary without feeling grateful and responsible, all will mean nothing._ ES4(2)

Another fourth echelon respondent declared further that performance management can make the employees work like a machine. He further gave the example that they cannot do other activities during office hours, which is the case in the current system. In Indonesia it is common to invite people to come for a party, such as a wedding, during working hours. In other words, if there is performance management at the MoNE, they cannot attend a wedding party during the office hours as they used to do so. It shows their negative image of the impact of performance management implementation. When performance management is
practiced entirely, they think that attending the party during the working hours may be against performance management principles.

The culture practiced for ages may influence greatly to from the work culture and etiquette. A fourth echelon respondent said:

Should this system be implemented, we will be like a machine and it is difficult for Indonesians since we have a sense of family factor. For instance, we have a lot of work to do, suddenly, one of our employee’s parents passed away. Can we order all to work as usual? At least, the employee whose parents passed away could not go to work. So, the eastern culture will pop up. One of the employees got married during the workdays. It is impossible for us not to come. We will go to the wedding instead. Those things should be accommodated. Regardless of the benefits, it should not be too mechanical, otherwise we will be like a robot. Are we ready for those culture transformations? In fact, the leader himself/herself orders us to go to the wedding. How can we refuse his instruction? Many people will hate us, if we did not go. ES4(3)

On the other hand, the third echelon respondent said that the change would have a bad impact on those who could not meet the required qualifications or the needed ability. This respondent said, in detail:

The consequence of implementing performance management is the reduction of staff due to the rapid development of science and technology. We already knew the bureaucracy efficiency in some ministries. According to the job analysis in 1990, it is highly recommended to lay off 50% of the current employees in one of the main units for the certain ministry. Certainly, the impact would be on the human resources
especially those with irrelevant qualifications and shows discouragement to the organization. Should this performance management be applied, like or dislike, the layoff must be taken. ES3(4)

Moreover, a second echelon respondent stated:

The employees who were recruited in the 1970s or 1980s are different from those who were recruited in 1990s. Those being recruited in 1980s will have the obstacles in using the computer. It will be weird if a senior high school graduate cannot operate the computer, nowadays. Certainly, the level of adaptation towards the change for junior staff is better than the senior ones. ES2(4)

In other words, the employees who do not have any qualifications for the job program could be terminated by the new system sooner or later.

Another worry came from a staff member who stated that the weakness is if the undisciplined colleagues could still be given the same opportunity to get involved in certain activities. There will be jealousy. S(12)

It means that if the performance management system is implemented, there should be a fair system for the staff and the higher level.

In summary, several respondents stated that they do not believe that performance management may have a positive impact on them. They said that the employees will work
like a machine and the employees who have no qualifications\textsuperscript{21} could be terminated. Furthermore, they said performance management does not guarantee elimination of corruption.

4.3.3. Discussion of the research findings

The research findings show that most respondents believe there are many positive impacts whenever performance management is carried out properly. It also shows that change that goes well within the organization promotes many benefits for its employees. Besides, the respondents know the shortcomings in the current system, such as salary increases that are not based on work performance.

Currently, the employees at the MoNE do not get a salary based on their performance. They get a monthly salary based on their rank. In other words, the salary is determined by the rank, the position and the time of service.

On the contrary, there are a few employees who are not sure about the change in terms of performance management. They are in doubt about the benefits of the change. Although a few employees feel uncertain about the implementation of performance management, some others show positive attitudes towards trying the new system. One of them declared:

\begin{quote}
\textit{It could be caused by the unsuitable system but it should be tried; how we could know that the new system may give or may not give any positive impacts unless we try it on.}
\end{quote}

\textit{S(9)}

\textsuperscript{21} No qualification mean that the employee does not have any skill that is needed in the directorate. This employee will not have any job to do.
In summary, some respondents are sure that they could reap many more benefits from the new system and have found something wrong in the recent one. On the contrary, a few respondents felt in doubt about the new system. In order to fix the weakness of the previous system, it is necessary to try something new. Since there is still much room for improvement, the new system needs to be tried.

4.4. The ability to do performance management at the MoNE

There is some recognition that the MoNE can make a change in performance management. This section discusses the potential of the MoNE to alter the current system to a performance management system. This can be seen from what the respondents from the first, second, third and fourth echelons and the staff said about the relationship among them and shared their thoughts of the change.

4.4.1. The openness

The respondents from the first echelon stated that all employees have the chance to share their opinions with their superiors regardless of their position. Their opinions are appreciated by the superiors but the decisions are made by the superiors, as in the following statement:

\textit{In the office, I apply a small-scale democratic system. We always discuss the problems together. We appreciate their opinion but the decision in the meeting is for the highest. I accommodate their opinions first so they will be appreciated. ES1(2).}
In addition, this respondent reported:

\[
\text{I always greet anyone I meet including the security. It is not difficult to say thanks.}
\]

\[
\text{There will not lose anything. That is an interpersonal relationship. We have to}
\]

\[
\text{cultivate it. The toughest thing is in the governmental circle is to respect the}
\]

\[
\text{differences. It is very difficult to do. ESI(2).}
\]

The higher level shows openness with the lower level. The higher level tries to build an interpersonal relationship with the lower one, even if it is only to open communication with the security.

Another first echelon respondent pointed out how important communication is. Communication between superiors and staff should be maintained. Coordination is needed to execute any work programs. As this respondent said \textit{I do not use feudalistic power so that we have our own personal communication. ESI(1)}. The feudalistic power means that the subordinates should listen to the superiors since the superiors are always right. The Javanese culture tells people not to criticize openly, especially those of higher social status. So, in this case the higher level creates openness with the lower level. The superiors, the higher level people, build openhearted communication with their subordinates.

Furthermore, this respondent argued:

\[
\text{Please notice that I am as a directorate general having a mandate as a public servant.}
\]

\[
\text{I should put forward the public demand, which in formulating a policy demand means}
\]

\[
\text{bottom up not the top down one. That’s what I did so far. ESI(3)}
\]
The second echelon respondent confirmed that there is a hierarchy between higher level and lower level at the MoNE. The respondent mentioned that this hierarchy should be reformed. However, in his office, the lower level can give opinions to the higher level whether the lower level agree or not with the policy. So the respondent has created openness with the staff. As this respondent argued:

*In my office, they are allowed to criticize my policy even the lowest staff, he can make it. Once they come to see me when they do not agree with my policy. ES2(5)*

This respondent further argued this openness will influence staff performance. As this respondent stated:

*The point is just let them make up their mind in the line with their position. Do not do everything by yourself. Sometimes people make mistakes; go on when it is necessary to give the feedback. So, they could work comfortably. When they made the mistakes, not on purpose but the process of learning, I would cover them, on the other hand, whenever they made the mistake on purpose systematically, I would give them the punishment. ES2(5)*

In addition, another second echelon respondent said:

*What we develop here is like LSM (social society institution) patterns. We give much freedom to the staff so that they may criticize their leader as well his policies. We cannot be top down on and on. ES2(1)*
This respondent, echelon 2, gave an example of how he has created an open system with his staff. As this respondent said:

*I have a trick; I even asked one of the meeting participants to ask the given question, which is as if it is his idea in a meeting to let other people feel free to give any response. That is how I appreciate them, since if the idea is right away from me, they will say yes directly, due to their awkward feeling. So they will give more input, including the criticisms, since they think it is from their peers. No matter how bad or good the policy is, if I am the one who conveys it, they will accept it right away without any complaints due to I am their superior. I do not use top down thoroughly. Although I have my own policy, I often meet the one who has the closest subject matter to convey my idea to invite many responses from the floor. ES2(1)*

In other words, before meeting with the third or fourth echelon, this respondent who is second echelon asked one of them to meet him. This officer gave the question to be asked in the meeting then this echelon member, who is under his supervision, will share the given question in the meeting as if it were his own question who is also the same under supervision as the rest members of the meeting. Resulting from the question which was as if from their peers not from their superiors, all the meeting members gave response either opinions or answers without feeling awkward. Then, it could be concluded that the respondent, who holds the second echelon and the top leader in one of directorates in the MoNE always tries to be open with all lower echelons under his supervision.

Moreover, another second respondent creates openness towards the staff with both formal and informal communication. The communication between higher levels and lower levels is
not only in a periodic meeting or in a formal system, but also by phone, email or by other means. As the respondent, an echelon 2, stated:

*My communication with staff is not only in a periodic meeting but also we often make a phone call and I often ask for inputs, and I did it for so long because I am not in a formal circle. For example, sometimes an appointment is needed. Therefore I always take note of the appointment but sometimes unexpected things happen. ES2(2)*

So, this respondent has anticipated the unexpected things that could happen during work.

This statement was supported by another second echelon respondent who mentioned that many media could be used to create an open communication atmosphere. As the respondent said:

*For me, communication is not only like the written formal letter but also an email or others. ES2(2)*

Furthermore, another second echelon respondent is used to having open communication by using an informal style. According to him, informal communication would make the lower level more open minded to the higher one so that the higher level could motivate the lower ones to better face any problems. As the respondent said:

*Because of the informal communication, they become open to share any shortcoming relating to the assignments. Furthermore, they are willingly to share their personal problems so that the trouble could be identified and we, the superiors, could motivate them. ES2(4)*
Another second echelon respondent has more initiative to create an open communication atmosphere. He not only invites his staff to come to his room to discuss the job but he also goes to his staff’s room. He clarifies the details as follows: *I invite them here or informally I come to see them coincidently.* ES2(4)

The third echelon respondent declared that staff may give opinions to the higher level. He further said:

*I regard my staff not as subordinates but as work partners. If I make a mistake, I can accept inputs even from my staff.* ES3(3)

Furthermore, another third echelon respondent stated:

*We adhere to an openness system so that anybody could share any opinions to reach the organization’s objective. We regard them as our work partners, more than our staff. We do not want to put out their creativity since anyone could share his/her ideas.* ES3(6)

Another respondent from echelon 3 reported *We let them talk and we will discuss again what the problem is.* ES3(7). It seems this respondent allows the subordinates to communicate any problems that occur in the office. So, this respondent creates openness towards the staff.
Moreover, another third echelon respondent reported:

\textit{In my case I build openness. There is but only organization interest and no individual interest. ES3(2)}

Furthermore, the other third echelon respondent stated:

\textit{Periodically, we set out to gather our colleagues once for two or three months and let them share their mind to the Head of Division or me. The solution of the problems is also discussed here. ES3(7)}

And another third echelon respondent also said:

\textit{My previous style two years ago was authoritarian. I feel very difficult to delegate the job to the staff. I will move into the delegation and facilitation the job because they are really capable. I changed the style. It has been one year since I changed the style to delegate and to empower all of the staff. ES3(5)}

The fourth echelon respondent stated that he is open to be criticized, so that his staff may give either critics or inputs to him as their superior. In a government office like the MoNE, the institution’s budget is determined annually. Unfortunately, the lower level does not know how much the budget is for his/her division. Since this respondent, a fourth echelon, is open with the budget information to his superiors, all of his staff try to use the budget. Furthermore, this respondent stated:
I have a periodic schedule to have a discussion with my colleagues. I am so open to be
criticized. I suggest criticizing because if I am not criticized, I would not know what
kind of success that I am going to achieve. I am also so open to inform the recent and
the following year budget, no matter I won’t be longer to be here but let them talk it
over with my successor latter. ES4(2)

Furthermore, another fourth echelon respondent argued:

We still have to respect our subordinates by listening to their opinions and
considering the negative and positive ones. Subordinates should not always follow the
superiors. ES4(8)

In addition, this respondent said:

But as for me, I want to listen to the opinions of subordinates and then we screen. So,
being superior, we should listen to the subordinates. I am always open so do not let
subordinates be afraid of the superior. So the transparency and communication
between superiors and subordinates needs to be maintained. ES4(8)

There is an open system between the fourth echelon and the staff. The fourth echelon is the
one who evaluates the staff. So, when the staff have problems with their work, they will ask
the direct superior, the fourth echelon member, to get further information. As the respondent
from the staff reported I discuss my problem with my boss. My boss will give me the pointer how to
handle it. S(11)
Furthermore, this respondent, a staff, further stated:

_We solve the problems together. When my superior assigns me some work, I could discuss any problems that come up with him._ S(11)

Moreover, another respondent from the staff reported:

_When superiors ask us to do something we do it. Should there be weaknesses on our part, we discuss them._ S(4)

This statement was supported by another respondent from the staff, who stated:

_If any staff has any trouble dealing with their work, they could discuss it with their superior, then the superior will give them the needed pointers. So, there is an open system between the superior and the subordinates._ S(1)

In addition, another respondent who is also a staff from the staff argued:

_There is no gap between superior and subordinates. It is just to the extent of structure but when we are not in the office, everybody is equal. So we have an openness culture_. . . S(6)

While some of the respondents who are echelon 3 officers said that they had already built an open system of communication among them, the superior and their subordinates, a third echelon respondent thinks that the social differences may create a gap leading to a communication breakdown. As this respondent, echelon 3, revealed:
The cultural communication in our organizational culture is not 100% successful yet. There are still some obstacles hampering it, since it is a mere lip service or accessories. As long as we are unable to dispose of our accessories\(^{22}\), there will be distortion in communication. ES3(4)

This statement is supported by another respondent, a staff member, who hesitates to talk to his superior and said, *Sometimes there is a distance. There are things that we can not communicate to superiors S(12).*

In short, although some echelon 3 respondents already used an open communication system between the superior and the subordinate, the barrier still remains. There is still a hierarchical system among the government employees at the MoNE.

### 4.4.2. The commitment

Some respondents at the higher level said that commitment is important for change. They are committed to change. The first echelon member reported: *Commitment becomes important. It needs to be owned by institutional leaders in all levels. ESI(1)*

Moreover, another first echelon respondent stated that the higher level has responsibility to staff so that they will commit to the system. As this respondent said:

> When the staff have no commitment, it becomes the responsibility of the superior. It is the superior who must guide those reluctant people. ESI(3)

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\(^{22}\) Dispose of our accessories means that this person allow employee threat them as an equal.
Furthermore, another first echelon respondent argued:

*We should have an integrity pact between the minister and first echelon, among not only the first echelons and the second ones but also the second echelons and their subordinates. We should have commitment too. It is true that there are different authorities. That is what is called bureaucracy. Functions must be arranged. With the mutual commitment, we can lead to good service. Superiors must be consistent.*

ESI(2)

The second echelon respondent argued that regarding the change, he not only commits to support the change but also tries to assess unpredicted things, by saying:

*My principle in working is when I already had a work contract with this institution, I must love my job for good, but since I am also a religious person, my work should be beneficial. If it is possible, working is also a part of devotion. First, working is not only the place for earning money but also the place where I can be smarter. I was also equipped with knowledge and skills though limited. Secondly, as a breadwinner, I have to feed my family. If I work well and have a kosher income, I will give it to the family, then it is an act of devotion. The third, if I can influence people, or institutions to better directions, this is an act of devotion, until I assume that however small it is, I want my life to be more meaningful not only for myself and family but also to the office, society and country, as well as religion. This is the crucial one. Therefore, when I already have commitment with the office, part of the office, we want to go forward. We must not be hypocrites.*

ES2(2)

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23 Kosher income is legal and acceptable income
This respondent further argued:

We should actively take part to maintain this change for a good purpose but not only do we support but also criticize. Should there be in the course of action, it is not satisfying; we must take part to criticize as well. ES2(2)

Furthermore, another respondent who is also an echelon 2 from the directorate who has already implemented ISO underlined that commitment is needed for change. As the second echelon respondent said:

The ISO says so. Whatever it is not to mention in the changes, even in reaching the reliability, indeed needs the commitment and the comprehensive control. Especially in the changes, the control must be per minute or per second. It should be commitment as well. ES2(1)

However, the other second echelon respondent reported that although commitment is important, based on this respondent’s experience, it is not necessary to have commitment from all of the people in the organization. Five percent of the entire employees are enough; the rest will come after.

Based on my experience if we wait for having commitment from all the people, it will never move. To begin the change, I need a maximum of 5% or at least 3% from the population, who have commitment to change, is enough. ES2(5)

---

24 5% means this respondent does not need all the employees follow his rule or change but for the first step he just need 5% from his staff
In addition, another third echelon respondent revealed:

> It is commitment that strengthens the change. If there is no commitment, change will never happen. Without having the policy to have it, the change will not go smoothly.  
> ES3(2)

Another third echelon respondent reported:

> Superiors should be a role model, for instance in terms of discipline of attendance. If there is a role model from superiors, the staff will willingly follow. Do not always blame the staff. ES3(1)

The other third echelon respondent argued:

> We should learn from a lot of successful people or organizations. There is nothing wrong with doing so. Commitment should be collective action, not individual one. The top management is unable to do everything if the middle management and the lower level do not have the required commitment. ES3(4)

Furthermore, another fourth echelon respondent argued:

> Commitment from the bottom to the top is very important. Should there be no commitment, it will be difficult to reach the goal. So, commitment from each individual together with the responsibility covering all the staff up to the minister is important. ES4(6)

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25 Collective action in this sentence means that this respondent thinks for change, the higher level and lower level should have commitment for the change.
All respondents came to the same point, that commitment is very significant in facing change. In fact, a fourth echelon respondent stated:

\textit{Commitment is very important because with this new system, the employee will get the precise working hours with the reward as a return. Furthermore, there will be a bureaucracy reform and followed by the good performance and good remuneration system. Moreover employees can get performance improvement with a remuneration system that promotes the welfare. ES4(1)}

Moreover, another fourth respondent declared:

\textit{When the organization has the strong commitment to execute any programs using both mechanism and efforts, it will run well. ES4(5)}

In summary, most of the higher level officers know that commitment is important for change and said that it should come from all of the employees; commitment is not only necessary at the higher level but also at the lower level. One of the officers stated firmly that it is not necessary to have commitment from all of the people of the organization but commitment from a few of them is reasonable for facing change.

Unfortunately, some of the staff have not previously heard of a performance management system and so they do not know any details of the concept. Although the higher level respondents knew the details of the system and the importance of commitment, they have not encouraged their subordinates to make the change.
While one of the staff respondents said that he does not know the performance management system in detail, the other one stated that he does not know it so far, because of not being trained yet. Another one, a staff, also said that he had heard about the performance management system, but he does not have any details about it yet.

In summary, the higher level employees knew and declared the significance of commitment in making the change, but, on the contrary, many staff do not know about the performance management change.

4.4.3. Being optimistic in facing change

Referring to the interviews, some respondents feel very optimistic that the change will be successful and fix the current system. As a first echelon respondent argued:

*The objective of the change must be success but there must be a transition period,* for change management, *by then chaos will not occur.* ES1(1)

Another first echelon respondent further declared that the management is enthusiastic about change.

*Management is not stagnant. Management is dynamic. It changes to keep updated with the development of science and technology. So we have to be dynamic. We cannot stop. There are changes in this world. One thing for sure is changes. Therefore, should we not be aware of changes, we will be left behind.* ES1(3)
In other words, this respondent mentioned that management keeps on changing and change may bring a better system.

In fact, the second echelon respondent said:

> Based on the survey done by the outside consultant we hired, based on the employees’ attitude and facilities, about 60% or 70% of us are ready since we learned a lot\(^{26}\). We have used ISO since our former Ministry. The core of ISO is changing the employees’ attitude. ES2(5)

Furthermore this respondent also reported:

> It has not changed all of the employees. Based on the outside consultant, which is independent taking a picture of our work performance and the way we work, it could be said that we are ready 70% to change. ES2(5)

His statement showed optimism in making the change based on the outside consultant’s survey results.

Furthermore, the third echelon respondent stated that all employees should be ready for the change:

> Like being outlined by the internal ministry team of the bureaucracy reform, wishing that it will lead and reach the change, so, like or dislike, all of the people should be

\(^{26}\) Outside consultant- this respondent’s directorate hired the outside consultant to create ISO 9001:2000 system in his directorate.
ready for the changes with all of the implications. In fact, the changes pay more attention to the procedures, organization and Human Resource. ES3(6)

The fourth echelon respondent declared:

*It will be successful. We should not be pessimistic. We should be optimistic because optimistic people see something new as the effort to get solutions.* ES4(6)

While the staff respondent said:

*I cannot say that I am very pessimistic. Whenever there is a change, it is a result of experience. When there has not been any bad experience so far, then why should it be changed? That means there is something wrong and the change is needed to fix it. The previous minuses should be fixed for sure. That is why we need to be positive thinking.* S(5)

So, some employees seem very optimistic that change will fix the problems of the previous system.

### 4.4.4. Some pointers to make the change successful

**a. Change gradually**

A third echelon respondent suggested making the change gradually, not all at once, in order to make it successful:
It should be done gradually or step by step, since we have to keep the balance. The change implementation of the system could be carried out without interfering with the task. ES3(4)

Furthermore, another fourth echelon respondent argued:

Keeping in mind the situation and condition, this reform will run in half meaning that many old employees do not perform well compared to the new ones. It is easy to treat the new employees but it is quite difficult to treat the old ones. Reform is not only related to the new employees but also the old ones. I feel optimistic that this can be done but it is quite difficult. But one day it will run well. It is a matter of being accustomed to it. When they get used to it, everything would be fine and run well. So it will run well, although it takes time. ES4(1)

And another fourth echelon respondent reported:

The problem is that the changes are not the choice, but they should be applied, as they are due to the top down policy. It is a must or an obligation, so we could not say no, though. That is why we see these changes are good, but we also find the weaknesses. ES4(5)

The respondent from the staff argued:

It will improve the current system. With the change and the new system I believe there will be a positive change. Maybe it can also be suggested that the system not be carried out at once. It should be carried out gradually and dissemination of
information should also be carried out so when the time comes to implement the new system, the staff will not be surprised. S(13)

Basically, most respondents showed a positive perspective, but change should be executed gradually.

b. Salary

Employees are now getting salaries which are not based on the merit system, so the employees at the MoNE who have good work performance will get the same payment as those who do not. The payment for a civil servant in the government will only consider the rank and the years of service. The echelon 1 respondent stated as follows:

Our take home pay is still not based on merit system but based on the rank and etc.
When the performance is below standard, they are reprimanded in a way that has nothing to do with their take home pay. ES1(1)

Furthermore, another first echelon respondent gave the further details:

Increasing salary is beyond my authority because it is a national standard. It is the government’s policy in the national scope. We cannot do anything. ES1(3)

While, another second echelon respondent stated:

The salary system is the same for either active or passive ones since it only accommodates the rank and the years of service. The superiors in several places have thought to add welfare for good people by giving additional activities. ES2(2)
Moreover, another second echelon respondent said that there is a regulation dealing with salary and it is already standardized. ES2(4). This means that the salary is standardized based on the government regulations.

Furthermore, another second echelon respondent said:

*Recently, PNS salary uses the jargon of PGPS – pinter goblok pendapatan sama (either smart or stupid worker gets the same income) like me who works for 30 or 28 years also gets 5 million, there is not any system supporting me as the one who has big responsibility. ES2(5)*

Therefore, it is necessary to point out that salaries at the MoNE should be based on the employees’ performance. It is necessary to use performance management at the MoNE.

The third echelon respondent argued:

*For government civil servant the salary is already clear. Certain ranks with certain years of service will determine the amount of salary. ES3(3)*

Another third echelon respondent reported:

*The difference of amount of salary is determined by the length of service, the longer the length of service the higher the salary would be. ES3(4)*
Moreover, the fourth echelon respondent stated:

*Government Rule (PP) number 10 rules the civil servant salary based on the rank and years of service. For instance, I am in the rank of III-d and will get the salary based on III-d like the other employees with the same rank but when the years of service are different, the table will determine the amount of salary which is 22 years for me. It does not have anything to do with the diligence. The formula and the table are fixed since they are given. ES4(6)*

Furthermore, another fourth echelon respondent said *Those who are diligent or not, smart or not acquire the same amount of salary. ES4(9)*

The staff respondent stated:

*The salary system for government employees is already arranged based on the rank and the length of service. S(4)*

Furthermore, other staff respondents also give similar statements about the salary being the same whether an employee is diligent or not. One of them stated:

*So far we could say that being lazy or diligent as a government civil servant will get the given salary, because it does not make any difference, the lazy from the diligent one. S(9)*
In summary, as government employees or civil servants, the employees have salaries based on rank and length of service. Furthermore, there is no difference in salaries of high and low performing employees.

c. Competency development

Competency development has been executed in the MoNE. Although the training has been set, some respondents consider that this training\textsuperscript{27} is not suitable for the need. A first echelon respondent said:

\begin{quote}
Many are suitable and a few are unsuitable. Several training sessions have been conducted for unsuitable workers, to support the job. However, there are still many of them who are unsuitable because of the previous recruitment. Some of the employees here are senior. This is an old organization, so some are unsuitable and some are already in line with the competence. ES1(3)
\end{quote}

Furthermore, another second echelon respondent also stated:

\begin{quote}
We did the training. But it not perfect yet. Some of our workers do not go well with the position because of having an irrelevant background for the need. These people need special treatment to improve their competency. ES2(1)
\end{quote}

\textsuperscript{27} Most of trainings at the MoNE is not in line with the employees’ competencies. Therefore, most of the trainings are not suitable for what the employee need. This happens because there is no clear system to measure the performance of the employees.
The third echelon respondent further declared:

*Training is merely for the organization’s need. So their competences must be in line with the need the organization needs. In fact, the training is not always relevant to their competence. What knowledge we need is what we train them for.* ES3(6)

So the training will be given to the employees in line with the organization’s needs without considering the competency of the employees.

Furthermore, the fourth echelon respondent stated *We never deal with the individual tasks but we deal more with tasks in general.* ES4(10).

Some staff respondents said, although there is some training to develop their competency, the training is often not suitable for either their competency or the job needs. One of them stated:

*We have the competency improvement, like being apprentices either within the country or overseas which is one of the competency improvements. We have many kinds of education and training but due to the modest funds or time limitations not all people can do as others do. There are apprenticeships, education and training, going to college, getting S2 and S3 degrees for qualification improvement.* S(6)

Moreover, another respondent from staff stated: *The trainings may have relevance with our job but not that much.* S(2).
However, several respondents from the staff said that there has been no competency development yet. As this respondent argued; *There has not been any competencies development.* S(12)

In summary, there is competency development at MoNE, however, the development is not based on the employees’ competencies and sometimes is not in line with their job.

In short, although the great number of respondents reported that they feel optimistic about the change, some pointers need to be considered.

**4.4.5. Discussion of the research findings**

Recently there has developed an open system between the higher levels and lower levels. This can be seen from what the respondents said about how the higher levels treat the lower levels. The research findings show that openness has been developed in some directorates at the MoNE, so that the lower levels may either criticize or share an opinion with the higher level. The respondents argued that there is feedback from superiors. This feedback could be positive or negative (Wilkinson, Bacon, Redman and Snell 2010) depending on the employees’ performance. So, there is an indication that the working culture at the MoNE has changed a little from the previous culture. Whereas previously it was unacceptable in the working culture to have open criticism and negative feedback, the current culture is more open to criticism and negative feedback. However, there are still staff who hesitate to talk with the higher levels. In short, there is still a hierarchical structure at the MoNE but the power distance has reduced.
Furthermore, commitment from the higher level is needed to implement performance management system. All the echelon respondents will commit to the change; but only a few employees who got a commitment to the change in performance management implementation. On the contrary, the staff respondents still do not have any idea what this change is. It is interesting that the higher level employees have not involved their subordinates, the staff, in this change. In fact, what has been said by the superiors is different from the reality in practice. It is the opposite of what has been mentioned previously, that management support is important for effective change.

The research findings also point to how change should be done, such as, change should be step by step and there should be development of either the salary system or the competency system. According to the respondents, the salary system is not based on the employees’ performance and some training given is not suitable for their needs. So they know that there is something wrong with the previous system which requires changing.

In brief, there is an open system in the MoNE, although the hierarchical structure still remains. In fact, the working culture at the MoNE has been changed recently and to have more successful change, the above suggestions need to be carefully considered.

4.5. Conclusion

The research findings show that the MoNE employees, both the echelon members and the staff, have different interpretations and understanding of the concept of performance management. These differences may hamper the adoption of the new system and they need immediate clarification. Management support is also important for the change. Therefore, the higher level employees, the echelon members, should understand the concept of performance
management entirely and correctly, to make the MoNE ready to acquire these changes. Meanwhile, all respondents realized that DP3, the instrument to measure employees’ performance, do not work well since it could not distinguish the employees who have the good performance from those who do not. Because of this, the employees know there is something wrong with the previous system and it needs to be replaced with a new assessment system.

In addition, the research findings suggest some pointers, such as making the changes gradually and getting the salaries based on performance, for successful implementation of the new system. The MoNE management has developed some performance management principles covering monitoring, evaluating and giving feedback. It can be seen from what the respondents said what the MoNE has done (see table 4.5, 4.6, 4.7 and 4.8). However some procedures suggested in performance management system have been carried out in the MoNE, these have not been managed well yet. In practice, performance management in the MoNE could be illustrated as follows. The fourth echelon respondents are more ready to acquire the changes than the other echelons since the fourth echelon got used to implementing some of the suggested principles in performance management. In addition, the fourth echelon members, together with the staff, have adopted certain suggested principles in performance management. The findings also have clarified that the MoNE has the potential to acquire the changes in terms of performance management. To be ready to make the changes, all echelons at the MoNE should apply the strategy for the successful implementation of performance management.

In addition, the data shows that the MoNE employees already know the benefits of change. Most respondents agreed that the new system may have a positive impact. They show
positive thinking which is very important in accepting the changes. In fact, most employees are ready to accept the changes due to the promoted benefits but there are some employees who do not agree with the benefits. Although they do not agree with these promoted benefits, they still want to try the new system.

Additionally, the collected data shows that there is openness between the higher level employees and the lower ones. In fact, the working culture at the MoNE has recently\textsuperscript{28} changed. Although the power authority becomes a barrier in communication, as was mentioned in the previous chapter, this barrier is no longer at the MoNE. The barrier disappeared gradually when the higher level employees tried to be open with their staff and provided their subordinates with the opportunity to give criticism and input to their superiors. Currently, there is possible to give negative feedback. It is different from the descriptions in the literature about the Javanese culture in the public sector in Indonesia which describes awkwardness and reluctance to give open criticism. Furthermore, the open system has influenced communication between the higher level employees and the lower level ones because the higher levels are inclined to be more open to communicate with the staff and vice versa. It is another reason why the MoNE is more ready for introduction of change. On the other hand, the management does not give full support to the change. In fact, most of the staff do not understand the concept of change or of performance management. Although almost all of the high level employees realize the significance of commitment, they do not involve their staff in the process of the change.

\textsuperscript{28} Recently means that from what have been said by respondents, the culture at the MoNE is not the same as what the prior reference described such as power distance. In fact, the culture has changed such as open communication between higher level and lower level. Therefore, after gaining the data, the researcher concludes that recently the culture at the MoNE has changed.
Furthermore, the data also shows that some respondents are optimistic about change. There are three suggested points: the change should be step by step, either the salary system or the competencies should be developed well and the development should be based on the employees’ capacity and performance. Dealing with the salary and competency development, the respondents found there are mistakes in the current system and these need to be fixed immediately. They also realize mistakes in the process of recruitment so that some employees were put into the wrong place.

The next chapter will discuss performance management and readiness for change elements based on the echelon levels and staff level. Secondly, the analysis of the driving forces and restraining forces at the MoNE based on Lewin’s change model will be considered and, finally, there is clarification of the readiness of the MoNE to acquire these changes in terms of performance management.
CHAPTER 5
DISCUSSION

As discussed in the previous chapter, the MoNE is undergoing a performance management process change. To identify the readiness of this institution for the change, the specific issue of performance management that have done at the MoNE will be discussed. The readiness elements will be discussed as well. The discussion will be broken down into two parts: firstly, performance management elements which influence or not to the readiness for change and secondly, readiness for change elements which influence or not to the change.

Three important elements determining the success of performance management implementation are communication, commitment and culture. Meanwhile, efficacy, appropriateness, management support and personal valence are elements forming the readiness of the employees at the MoNE to execute the given change.

The first discussion covers research findings dealing with three elements performance management and the four elements readiness for change. The discussion will be broken down into echelon levels and staff. The second discussion will use the Lewin’s change model and force field analysis to determine from both performance management elements and the readiness for change elements which elements could be either restraining or driving ones. This section will be broken down into echelon levels and staff.
5.1 Performance management and readiness for change at echelon levels and staff level

This section discusses performance management which three elements of performance management. Then, four elements of readiness for change will be discussed also. Each element is analyzed against the findings and the descriptions are broken done by echelon levels and staff level.

5.1.1 Performance management at echelon levels in light of the findings at the MoNE

As discussed in the previous chapter, the collected data shows that some divisions at the MoNE have already implemented some of the suggested components in the performance management process, such as monitoring, evaluating, giving feedback and developing a reward system. The collected data shows the echelon levels have completed part of performance management. A superior respondent is accustomed to asking his subordinates to write a note stating whether they demonstrate good performance in their daily work, care about their own work and need guidance to accomplish their assignments. Monitoring, evaluating and giving feedback are the components which are important to the process of performance management. Another respondent spoke more about the given rewards which are not implicit. This kind of reward could be a promotion, taking an overseas study program, or an extra payment for outstanding achievement after executing a certain assignment. Then, regardless of the monthly salary, outstanding employees may get more payment than those who are not. These are in line with what literature said what performance management is (Pathlore 2005, Roberts 2001 cited in Dixit & Agarwal 2013, Paauwe et al. 2004).

The finding show that some respondents from the echelon levels gave the same responses in dealing with the inappropriateness of DP3 (which is used as the parameter to assess the
employee’s work performance); it could not reflect and measure the employees’ performance and could not determine the good from the poor performance. The findings show that the echelon level know that the current performance system is wrong. It leads to the agreement that the system should be replaced with the much better one.

In addition, there is some recognition about competencies development. The echelon levels reported that the competencies development at the MoNE is not based on the employees’ competencies. Sometimes the development is not in line with the job. So, in terms of the competencies, the employees know that there is something wrong with the recent competencies development and it needs to be changed.

According to the collected data, the echelon level respondents approve of adoption of performance management to make the needed changes which would be beneficial to the MoNE. As discussed in the previous chapter, the echelon levels know that performance management provides at least five benefits: having a better salary system, improving the employees services, creating a more effective work performance system, giving clarification on the duties of each employee and improving the discipline of the employee. The performance management system requires the MoNE to create a new payment system based on performance so the employees will get their salary based on their performance. This system also encourages the employees to give better service since the performance management system leads the employees to work more effectively and efficiently. Furthermore, it may create better service for the stakeholders. The MoNE would be required to have a new and more effective performance evaluation because a fair system affects the employees’ performance and they consider it to be fair. Since the MoNE also would be required to have clear duties for each employee, each employee will have clear-cut duties
which mean that his or her work is based on targets. Finally, discipline would be improved in terms of working hours because the employees will have a fixed time to execute their work. These benefits would make all the employees understand the value of performance management.

The collected data shows that echelon level respondents know the benefits of having performance management; getting performance management based payment and clarification of duties. In implementing performance management, the employees may realize the deserved advantages, since the system should be fair. Some experts elaborate further, including Ellig (1997), Jackson and Schuler (2002), and Ulrich, Brockbank, Johnson and Younger (2007) who believe that employees deserve to get fair treatment. Jackson and Schuler (2002) mentioned getting good payment and also explained further that performance management system could operate well if the system is transparent and fair, so that the employees who make great efforts gain rewards afterwards. Moreover, Ulrich and Brockbank (2005) stated that paying attention on the employees could be manifested by knowing themselves, their personal life and their needs.

In addition, even though the performance management system has not been implemented yet, the echelon levels respondents argue that they have carried out several aspects suggested in the performance management system, such as monitoring, giving feedback and evaluating. Since the MoNE already made the progress dealing with a reward system for an outstanding employee, implementing performance management system may improve the former system much better.
In short, the echelon levels realize that performance management has advantages for both individuals and the organization. The benefits of performance management, such as reward, are based on employee performance. Echelon levels are also sure that implementation performance management will be good if the reward system is based on employees’ performance. One of the factors that make performance management implementation successful is the organisation’s understanding of what employee expectations (Barry 1997).

The description of how the MoNE practices performance management at the echelon levels based on three elements of performance management is as follows:

5.1.1.1 Communication at echelon levels
In terms of communication in performance management, at echelon levels at the MoNE, open communication between the superior and the subordinate parties has already been recently applied as discussed in the previous chapter. Although some barriers still remain and the obligation for the MoNE as a government institution to implement a hierarchical system for posting the personnel, the authority gap gets reduced. At the MoNE echelon levels, this gap has been minimized.

5.1.1.2 Culture at echelon levels
Communication and culture are two important elements in performance management, since those elements could make the performance management implementation successful. Thus, with the open communication, the power distance culture is reducing at the MoNE. This situation is different from what have been said in the literature which mentioned that culture in civil service in Indonesia is high power distance (Sutiyono 2007; Hofstede 2005)). It is being reduced now at the MoNE. In other words, high power distance will lessen gradually.
The findings showed that other aspects of culture such as collectivism, femininity and uncertainty avoidance have not changed. However, the important thing in the performance management implementation, the power distance is being reduce, therefore the employees more open to higher levels. So, regarding this change, all the employees either echelon levels or staff can participate fully in succeeding the change. This is in the line what Lewin said that the change could not be successful without the active, willing and equal participation of all level employees (Burnes 2004).

5.1.1.3 Commitment at echelon levels

From the collected data, it can be concluded that the echelons’ comprehension of performance management differs from one another. Some echelons refer to the regulation while others refer to the work commitment and competency concepts. Some refer the system to the budget since they noticed the ineffective DP3 (see Table 4.1).

Indonesian government civil servants should refer everything dealing with their job to the government regulations. Some of the regulations about employee performance are PP number 30/1980 (Act. 30/1980) which was revised into 53/2010 (Act. 53/2010), ruling on the discipline for government employees. One of the echelon one said that this regulation is about reformation of the bureaucracy covering the discipline issue. In fact, the regulations do not talk about any performance management system, so it seems they are already misled.

Echelon level respondents regard performance management as discipline because of the reference to government regulation number 53/2010. Some other echelon level respondents are concerned about being punctual in coming to work, working during office hours and being satisfied with the given requirements.
The concept of performance management is interpreted differently by all echelon respondents (see table 4.1 and table 4.3) and so is different in practice (see table 4.5 and table 4.6). The respondents (echelons 1, 2, 3 and 4) do not have any common agreement with one another. This condition gives a picture that the echelon levels at the MoNE have a weakness in term of their commitment to the change. Meanwhile, the understanding of the employees for the change is important to change implementation. Otherwise, the change will fail in the implementation stage (Cheng et al 2007).

However, the findings show that respondents from higher levels at the MoNE will commit to the change. They stated that commitment is important for change and needs to be owned by institutional leaders. So, they know the importance of commitment to change but they need more knowledge about performance management to make them clear what performance management is.

The echelon levels already have commitment to change. In order to inform the change, they need to understand performance management completely. By having a complete understanding, they can socialize the concept correctly to the lower level. When the employees are sure of the benefits, they will have the commitment to accept the performance management system. Since the MoNE has adopted open communication, the benefits of performance management which have already been appreciated by the echelon levels could be socialized to the rest of the employees.

5.1.2 Readiness for change at echelon levels in light of the findings at the MoNE

This section below will clarify the readiness elements at echelon levels:
5.1.2.1 Efficacy at echelon levels

In terms of efficacy, as mentioned in the literature (Armenakis and Harris 2002; Holt et al. 2007 and Neves 2009), the employees working for the MoNE should be able to adapt to the change. They should be sure that they are skillful at adapting to the change. Besides, they could equip themselves with the knowledge needed for the change, and they should also be optimistic that their experience will help them adopt the changes successfully.

The data collected at the MoNE shows that the echelon respondents have adopted some parts of the performance management system at the individual level, covering monitoring, evaluation, giving feedback and giving rewards. It is concluded that some principles of the performance management system have been implemented at the MoNE by the echelon levels. These principles are monitoring, evaluating, giving feedback and reward and they support significantly the performance management implementation.

In fact, the echelon levels have done a monitoring system for the staff. The echelon levels went one step ahead in thinking about individual performance management, by trying to create a fair system for their staff. It could be concluded that the echelon respondents has the skill and knowledge of managing a good system to assess the performance of the staff. The echelon respondents also had experience to carry out parts of the performance management system. It could be said that the echelon respondent is capable of implementing the change. Furthermore, some respondents mentioned that they feel optimistic about the change. This feeling is important for change. It shows that the employees have a strong desire and capacity to make a change. In other words, they agree with the required change. The echelon levels
feel optimistic for the change. Therefore, the collected data suggests that most of the employees are ready to execute the required change (Holt et al., 2007).

Meanwhile, in terms of communication with the staff, the higher level respondents stated that communication is important for adapting to the changes in performance management. Some echelon respondents claimed that there is a more open relationship between the higher and the lower levels; the lower level accepts that they are able to give an opinion to the higher one.

These findings seem a little different from suggested by the literature review; that Indonesia has a very high power distance that establishes an authoritarian structure where rank and position are very important (Hofstede 2009b). Furthermore, in Indonesia, a problem in evaluating staff performance is the reluctance of the Javanese culture to openly criticize (Rohdewohld 1995).

However, recently, open communication has developed in some directorates at the MoNE so that the lower levels may either criticize or share an opinion with the higher levels. The higher level vice versa can discuss or event accepts what have been suggested by the lower levels. Therefore, the employees at the MoNE can more open now. In addition Sutiyono (2001) reported that national culture could hamper performance management, as negative feedback and open criticism is culturally unacceptable in Indonesia. However the findings show that the respondents argued that there is feedback from superiors. This suggests that currently, the power distance which is the national culture in Indonesia, has been reduced at the MoNE. Perhaps authority domination has dissolved gradually, or it could be concluded that an open system and communication has been used by some respondents, yet the barrier
still remains. Those findings show that, at the moment, the MoNE working culture has reduced the power distance. This means that there is a possibility for successful implementation of performance management. The employees will feel more confident because they can be more open with their superiors.

Those findings are in the line with what Armenakis and Harris (2002) said; that efficacy is one of the elements which makes employees ready for change and they would do their best to adapt if they were motivated, since they then had the confidence to be successful.

5.1.2.2 Appropriateness at echelon levels

In terms of appropriateness, as mentioned in the literature (Armenakis & Harris 2002; Holt et al. 2007), the change in performance management should give benefits to the MoNE and so the MoNE employees can recognize the benefits of the change in performance management. Therefore, the change will be suitable for the MoNE. The employees should know that the reason for the change makes sense for them and it is legitimized. Moreover, they should know the urgency of the change to make their job easier to do. If a change is appropriate and communication occurs creating urgency, it will make the job easier to do. Furthermore, based on the discrepancy theories, the employees should know that there is something wrong with the current system. So, the change is needed for both the organization and the employees. The following description elaborates on the picture at the MoNE, to show whether they already have appropriateness.

The data shows that some echelon levels approve of and accept the performance management and make necessary changes; which give advantages to the MoNE. As discussed earlier in this chapter, the echelon levels argued that this ministry could reap at least five benefits from
applying performance management, as follows: facilitation of a better salary system, boosting the employees’ service, creation of a more effective work performance evaluation, clarification of the duties of each employee and improvement to discipline. The findings show the importance of performance management for not only the employees but also the organization. The organization may meet its targets while the employees can do their job more easily.

Most of the MoNE employees, from echelons 1, 2, 3, 4, know the benefits of the change in performance management and only a few do not. In addition, a few of them also realize the shortcomings of the current system and the need for them to be fixed. As discussed in the previous chapter, several echelon levels respondents reported that performance management has disadvantages; the employees may work like a machine, and those who do not have any suitable qualification could be terminated.

As in the previous elaboration, the echelon levels know the current system needs to be revised since there is something wrong with DP3, the ineffective parameter accessing the work performance. Besides, the recent competency development also required revision.

In addition, some echelon levels respondents know currently that the salary given by the ministry is not based on their performance. The salary is determined by the rank, the position and the time of service. Therefore, the findings demonstrate that the employees know that the current performance system is wrong. This reflects a discrepancy in the system; which is wrong and needs fixing. (Armenakis & Harris 2002; Holt et al. 2007)
5.1.2.3 **Management support at echelon levels**

The literature suggests, in term of management support, the higher levels at the MoNE should commit to the change to performance management. They should not only encourage all subordinates but also give them a better understanding about how important the change is. In other words they should support the change. In addition, they should also give all subordinates a strong sign to make the change (Holt et al. 2007; Armenakis & Harris 2002; Neves 2009). On the other hand, the lower levels should understand what the change is. The following discussion describe the MoNE when there is management support.

The collected data shows the understanding of the echelons 1, 2, 3 and 4. As discussed, although it seems that the various echelon levels respondents understand what performance management is, they do not understand it entirely. The echelon 1 respondents are the ones who lead the change. But one of the three respondents elaborated on performance management from the organizational point of view, which is different from the individual point of view. Since this respondent is still confused about the concept, this kind of respondent needs more clarification about the change. On the other hand, echelons 2, 3 and 4 respondents have a better understanding, which is very important for the change. The different points of view in terms of performance management may become gaps and hamper the accomplishment of the new system if it is not fixed immediately. So, in terms of management support, the MoNE needs to equip more of its employees with knowledge of performance management.

Referring to commitment, it was found that the MoNE higher level respondents had commitment to the change. They also stated that commitment is crucial for the change and should be possessed by all institutional leaders.
5.1.2.4 Personal valence echelon levels

The literature review (Holt et al. 2007; Armenakis and Harris 2002) suggests that, in terms of personal valence, the MoNE employees should know that the change in performance management will give many advantages. The following discussion considers how the MoNE could develop personal valence.

The collected data shows that echelon levels already know the benefits of the change. They mentioned two out of five benefits of the system; having payment which is based on performance and clarification of duties. In fact, even though the performance management system has not been completely applied yet in this Ministry, the MoNE has already implemented some of the suggested principles of performance management such as monitoring, giving feedback and evaluation. In short, all of the employees may reap many advantages from the change (Armenakis and Harris 2002; Holt et al. 2007).

5.1.3 Performance management at staff level in light of the findings at the MoNE

Similar with the echelon levels, the staff level has also carried out some of performance management principles like what it was elaborated in chapter 4. It can then be concluded that both the staff and the fourth echelons have the same interpretation; not only in concept of performance management but also in practice. Either the staff or the fourth echelon has adopted performance management principles at the MoNE. One of the staff said implicitly that there is a reward – the extra payment for those with outstanding achievement after successfully executing the certain assignment.
The findings at the staff level dealing with the response to using DP3 as the parameter to measure work performance is similar to that at the echelon levels. The parameter failed to distinguish good employees from the poor employees and it cannot reflect or measure the employee’s performance. This respondent stated that DP3 is not objective. In other words, DP3 does not reflect the employees’ performance.

According to the collected data, the staff level respondents approve of the adoption of performance management and to make the needed changes which would be beneficial to the MoNE. The staff know that performance management will give benefits such as better salary, effective performance evaluation and discipline. Similar to the finding at the echelon levels, the staff level also considers performance management to be crucial because it may make meeting the required targets of their jobs much easier to achieve. Then the change will give either the organization or the employees the advantages. Meanwhile, the staff believe that the change in competency development is necessary to improve the staff competency. In other words, performance management system makes the staff possible to develop their own competencies because so far what they got is not in the line with their education background or their skills.

In short, regarding performance management at the echelon levels and the staff level, it brings very many advantages, since it may help the employees to better know what to do and what they can gain. Those who are outstanding may get more payments and opportunities than those of who are not, regardless of the monthly payments. The function of performance management could be used to assist in making administrative decisions, such as salary positions, promotions, retentions and recognition of individual performance De Cieri and Kramar (2003).
5.1.3.1 Communication at staff level

The staff have opportunities to convey their opinions regarding the job to the higher level. The higher level will appreciate that, but still the decisions rest with the higher level. Although the barriers still remain at the MoNE, especially between higher levels and lower levels, currently they are more open than they have been. The staff also receive feedback from their superiors regarding their jobs. In fact, the staff can communicate about their jobs with the higher level and the higher level will give any feedback needed to the staff. The staff can give input to the higher levels and the power distance culture has reduced. Thus, the communication will give effect to the implementation of change in order to communicate the better performance system at the MoNE, clarify the benefits of the change, and to improve competencies development for staff.

5.1.3.2 Culture at staff level

The responses from the respondents show that the working culture at the MoNE has changed. There is an open system between the higher level and lower level employees in some directorates. This means that the lower levels can criticize and share opinions with the higher levels.

Staff argued that communication between staff and the higher level is more open now. They can give input and criticism to the higher levels. So, it means that there is open communication at the MoNE. Consequently, the power distance at the MoNE is reduced at the staff level. In short, similar with the echelon levels, the staff have adopted parts of performance management. The staff level had already mentioned two important performance management elements which are communication and culture. As mentioned in the echelon
levels, other aspects of culture such as collectivism, femininity and uncertainty avoidance have not changed, but the important thing is the employees now can be more open to the higher level.

5.1.3.3 Commitment at staff level

The collected data also shows if the staff level referred the concept performance management to regulation, discipline, time management, the ineffective DP3 and work competency (see Table 4.1 and table 4.3). One of the staff stated that it is the given system, which should be applied. In this study, the MoNE needs to have an effective performance management system. Since the MoNE employees are concerned more about the bureaucracy reformation, they refer to performance management as regulation.

As commented earlier, the concept of performance management is interpreted differently among the respondents but it is clear that that comprehension of performance management is crucial to achieve successful change. It is illustrated in the findings chapter (Chapter 4, Table 4.1 and table 4.3). But unfortunately, managerial officers’ commitments do not meet with the subordinates’ needs.

In short, in order to get commitment at the staff level, more support from the higher levels is needed. The better communication atmosphere may promote the better understanding about the concept.

The collected data shows that staff levels have already realized the advantages of performance management by naming it a work performance based payment. It is explained in Chapter 4 that, like the echelon levels, the staff level have also satisfied some principles of
performance management such as monitoring, giving feedback and evaluation. They have been rewarded for outstanding performance with such as extra payment.

By applying this performance management, they hope the changed system would bring better rewards. When they do not have any information about the benefits of the change from the higher levels, the staff would not understand what the benefits might be. Two-way communication and commitment from the higher levels to the lower one, and vice versa, is needed to allow staff further understand the advantages they may get from the new system.

5.1.4 Readiness for change at staff level in light of the findings at the MoNE

This section will clarify the readiness at staff level:

5.1.4.1 Efficacy at staff level

As with the echelon levels, the staff level has already executed some of the performance management principles mentioned previously. It is clear that the staff realized their superior evaluates their job. They also stated that their superior gives them feedback to influence their work performance. The staff showed optimism for the change. The staff level respondents also agreed that they could now communicate much better with their superiors.

Referring to how strong their confidence is, the efficacy element implies employees may adapt successfully to change. In terms of this element the collected data shows that the MoNE is ready to adapt to change because they have adopted some suggested processes in performance management, applied transparent management in terms of the communication between the two parties (the superiors and the subordinates) and are optimistic about the required change.
5.1.4.2 **Appropriateness at staff level**

The data also shows that both the echelons and the staff already know of the benefits they could get from this performance management system (such as a better salary, effective performance evaluation, and more discipline). The staff also know that the current system has something wrong, especially the DP3, which needs to be revised. The staff also mentioned that there are disadvantages of performance management and also said that corruption still remains serious in a certain ministry which has implemented this performance management.

As mentioned, appropriateness, as one of the factors in the readiness to make a change, requires that it is necessary that individuals experience some forms of the change, yet there is disagreement about certain aspects of the change (Armenakis & Harris 2002). The findings show that performance management is important to the employees since it will provide benefit to the organization and jobs would be easier to do because of the more clearly defined targets. So, the change would be beneficial for both the organization and the employees.

In short, the appropriateness element in this present research means the agreement of the employees to adapt to the required change and improve the old system so as to work better in terms of effectiveness and efficiency. In terms of the appropriateness element the collected data and information suggests that the MoNE is relatively ready to adapt to the change, since the employees have realized the possible benefits they could get, such as facilitating the salary system, improving the employees’ service, building a more effective work performance assessment, clarification of the duties of each person and promotion of discipline. They also realize there is something wrong with the current system which needs fixing, for example, DP3, the form of assessment which could not reflect the employees’ performance.
5.1.4.3 Management Support at staff level

Similar to the echelon levels, the staff level has different understandings of the performance management concept. It is shown in Chapter 4 that the staff level claimed they already understood what is meant by performance management but in fact, their understanding is not thorough.

The data also showed that the staff only knew that the performance management system was going to be implemented in their institution, the MoNE. As mentioned in the previous chapter, the staff do not know the details of the performance management system, such as the concept and the working system. This is because some of the higher levels had different points of view about dealing with the concept of performance management, so that the change could not be accepted by the lower parties.

In short, the higher levels know the importance of commitment to change but they need more knowledge about what performance management is. Although the higher parties realize that it is important to have commitment to performance management implementation, they do not urge the lower parties to accept the change.

Management support is the factor which implies that an employee has approved the change based on his/her strong commitment (Armenakis & Harris 2002). But the facts indicate that the MoNE is not ready yet for making a change from the current system to performance management one. It refer to the fact that although most of the superiors already realized the importance of management commitment to make the change, their understanding of the concept about performance management is different. Consequently, their subordinates cannot
understand what performance management is. It could be concluded that not all superiors offer the change to their employees.

5.1.4.4 **Personal Valence at staff level**

The collected data shows that staff level respondents know the benefits of the change. However, in terms of clarifying duties, there is no staff member who said that the performance management system will clarify their duties. Furthermore, there are several employees who are not convinced that performance management will give personal benefits to employees. Therefore, it seems that personal valence appears for the management level, but not for the employees as individuals, especially at the staff level.

In short, through the personal valence element the employees could adapt to the change because of the advantages that they may get from the required change. However, personal valence appears for the management level but not for the individual level. So, referring to the personal valence element, the results and findings show that the MoNE seems to be not really ready to adopt to the change. Although the MoNE employees have clearly stated that they know the advantages of the change, including work assessment and that their income would depend on their performance, the benefits are not for the individual level.

5.2 **Analysis of the driving forces and restraining forces at the MoNE based on the Lewin’s change model.**

This section discusses the force field analysis. Then, driving and restraining forces at the echelon levels and at the staff level based on the performance management and readiness for change elements are clarified.
Based on force field analysis, this section describes the driving and restraining forces at the echelon levels and staff levels at the MoNE. The first section clarifies performance management elements which include the driving or restraining forces in terms of the echelon levels. The second section clarifies the readiness elements which include the driving or restraining forces in terms of the staff levels.

5.2.1 Driving and restraining force at echelon levels

The three important elements, communication, culture and commitment and the four elements in the readiness for change which are efficacy, appropriateness, management support and personal valence determining the successful implementation of the performance management is analysed. This analysis leads into a conclusion about whether the elements are the restraining or the driving forces.

In term of performance management elements, the data showed that the echelon levels at the MoNE have already implemented monitoring, evaluation, provision of feedback and a reward system, as parts of performance management. However, they implement these parts of performance management independently and in different ways. Since the echelon levels have already created an open communication system with the lower levels, open communication among them has been established. Above all, the culture of emphasising the power distance has already diminished at the MoNE.

The data reveals that the MoNE echelon levels notice that the benefits of this performance management are not only for the organization but also all entire employees. Some benefits are facilitation of the salary system, improving the employees’ services, having more effective performance evaluation, clarification of the duties of each personnel and promotion
of discipline. On the contrary, the current system needs to be revised because something is wrong. The DP3—the recent performance parameter, the salary system, and the competency development used currently are considered ineffective. Besides, communication and culture as the elements of performance management have a significant effect on clarifying the duties and the competency development of the employees.

It is assumed that the MoNE echelon levels understood the concept of performance management even though their understandings vary. They are optimistic for the change and so communication may lead to a complete understanding of the concept.

The study reveals that the benefits of performance management, the better payment system and the duty clarification, have been recognized by the MoNE echelon levels and this may invite the much better reward system based on performance. The recent open communication at the MoNE may support the socialization of the benefits promised by the system. The echelon levels said they are committed to the change.

**In terms of efficacy element**, the data shows that echelon levels may accept the change because they are optimistic about the required change and having already adopted some performance management principles. The open communication and the lessened power distance could lead the echelon levels to readiness for change. The echelon levels at the MoNE already have high efficacy towards the readiness for change.

**In terms of appropriateness element**, from the collected data it could be assumed that the echelon levels approve of adoption of performance management and will make the necessary adaptation which is beneficial to the MoNE since they are sure that the new performance
management is better than the current system and promotes many advantages. Besides, the recent competency development is ineffective. It leads to the conclusion that the echelon levels already had the appropriateness element dealing with their readiness for change. Although there are some echelon members who do not believe that change will have a positive impact, the optimistic feeling towards the new system will have a positive impact on the successful implementation of performance management.

**In terms of management support element,** the collected data shows that even though the echelon levels note the importance of commitment to the change, they need more knowledge to get to get a better understanding of the of concept of performance management. Having been optimistic towards the change, they will give the great support to the change. The study also reveals that regardless that they have different understandings of the concept, the echelon levels realize the importance of having commitment to the change. This demonstrates that the echelon levels already have this management support element dealing with their readiness for change.

**In terms of personal valence element,** the study also shows that the MoNE echelon levels believe many benefits are promised when this performance management system is applied thoroughly. They are also committed to the change. Assessment which is based on the employees’ performance and a fair reward system which is based on an accurate appraisal system may revise the present system into one that is much fairer and more accurate. This demonstrates that echelon levels already have this personal valence element dealing with their readiness for change.
To conclude, based on performance management elements, which are communication, culture and commitment, the echelon levels appear to support the change. And also, based on the readiness elements, which are efficacy, appropriateness, personal valence and management support, the echelons appear to support the change. As mentioned previously, the incentive earnings which the echelon levels can obtain from performance management will push the driving forces (Wood et al. 2006). Therefore, performance management and readiness elements in terms of the echelon levels can become driving forces. The incentive earnings to employees which is needed by the employees give a picture that the personal valence element is the dominant factor which can push the change.

The diagram 5.1 below gives a clear picture the driving and restraining forces in term of readiness for change in performance management at the MoNE for echelons levels based on Lewin’s change model.
Figure 5.1. Driving and restraining forces in the readiness for change in performance management at the MoNE for echelons

Note: This element will push the driving force at the MoNE
5.2.2 Driving and restraining force at staff

Referring to force field analysis, communication, culture and commitment are the three important elements for performance management and the four elements in the readiness for change covering efficacy, appropriateness, management support and personal valence as well. These elements will be analysed to discover the influence on performance management implementation. They could become either a restraining force or a driving force. The process of those elements becoming the driving force or the restraining force at the staff level is clarified further below.

In terms of performance management elements, the data shows that the staff levels at the MoNE have satisfied parts of the performance management system, such as monitoring, evaluation, giving feedback and a rewards system for the employees. Having an open communication system, the MoNE staff level commonly gives input to the higher levels. Since the MoNE developed an open communication system, the power distance has been reduced.

The data shows that the staff level at the MoNE realize that performance management will provide benefits such as facilitating the salary system, building a more effective performance evaluation and discipline. They also recognize that the DP3 in the current system is ineffective. Both communication and culture could impact on the effectiveness of either socializing the benefits of the upcoming system or developing the staff competency.

Referring to the research findings, the staff level also claim to understand the concept of performance management even though the understanding is not complete. In fact, they are
optimistic about the change. The open communication may lead them into a proper understanding of the concept.

It was found that the MoNE staff level realize the benefits of replacing the current system with the performance management system. The staff would be measured based on their performance so salary and rewards would be achieved fairly because of an accurate appraisal system. On the other hand, some of the staff is uncertain about benefits from application of performance management. The open system developed by the MoNE so far may help all the employees understand the benefits promised by the performance management.

**In terms of the efficacy element,** the data shows that the staff does not feel pessimistic about the change which means that they have optimistic feeling to the change and are satisfying some parts of performance management. Open communication and reduction of power distance at the MoNE will bring the staff to their readiness for change.

**In terms of the appropriateness element,** this study reveals that the staff approve of the implementation of the performance management at the MoNE since they understand the benefits that they may receive. They are also sure that the change will be an improvement and note that the recent competency development is not effective. It could be concluded that the staff level have the appropriateness in term of being ready for change since they show the positive readiness element.

**In terms of the management support element,** this research also suggests that the staff level know that commitment is crucial to the change but they need to have more information to enable acquisition of a complete understanding the concept of performance management.
This is not possible if both the echelon levels and the staff level have different understandings of the concept. Therefore, support from management is crucial to the successful implementation of performance management.

In terms of the personal valence element, it is assumed, based on the collected data, that the MoNE staff level is also certain that the performance management promotes many benefits for them. They also realize that the reward system they will get is based on an accurate appraisal system. However, there are several staff who are not sure about the benefits that they can gain from the change. So, personal valence seems to be at echelon levels, not at the staff level.

In conclusion, the performance management understanding among the high levels is not the same. This leads to the staff with the low commitment. The low commitment is triggered by conveying performance management differently done by each high level officer.

Thus, they communicate the change differently. So, communication and commitment are not delivered well by higher levels. In addition, based on the readiness elements, the higher level failed to promote the commitment to the staff. It makes the staff feel they lack management support. Feeling they lack management support may also influence the personal valence. Then, management support and personal valence may become a restraining force for change at the MoNE.
The figure 5.2 below gives a clear picture the driving and restraining forces in term of readiness for change in performance management at the MoNE for staff based on Lewin’s change model.

Figure 5.2. Driving and restraining forces in the readiness for change in performance management at the MoNE for staff
In short, regarding the force field analysis from the echelon and the staff level, there are differences in term of the elements that can be become driving forces and restraining forces for the change. Personal valence is one of the readiness elements that can push the change for the echelon. When the superior delivers performance management incorrectly to his staff, their understanding about performance management will be also incorrectly. This biased understanding may make them confused to carry out the change leading into the restraining force. On the other hand, the staff may have low personal valence due to the low commitment which is caused by seeing no benefits from the change they are going to make. And the low commitment the staffs have, the low support they would give.

According to Robbins et al. (2008), resistance to change can vary according to the level of the employee’s position in his organization. The resistance could be triggered by his habits, security, financial factors, the fear of being unknown and the process of information selective. The echelon levels, for example, are the first people to get information about the changes so they are the people who can deliver this information to the staff. So, they know more about the changes than the staff do. Furthermore, in terms of security, the echelon levels could be more ready for the change, because they feel more confident than do the staff.

Therefore, performance management and the readiness for change elements is an important for the success of performance management implementation. Without having the readiness for the change, the MoNE would face problems in moving to the next step; the changing and freezing process. From the data found in this study, there are three elements performance management elements (covering communication, culture and commitment) and four elements readiness for change (covering efficacy, appropriateness, management support and personal valence) at the MoNE which suggest that there is progress in support for the change for
performance management at echelon levels. However, for the staff level, the findings show that two performance management elements, which are communication and commitment elements and two of the readiness elements, which are management support and personal valence elements, are a restraining force which will hamper the change process. The staff levels lack management support and this impacts on the other element, which is personal valence; these can become restraining forces. In short, it seems from the insights produced in this small exploratory study that due to the lack of communication, commitment, management support and personal valence at staff level the MoNE employees are not ready yet to adapt to the change.

5.3 The implementation framework from this study

As discussed above, this study has created the implementation framework from the three elements of performance management and four elements from readiness for change. These elements can be used to see the readiness for change in term of performance management at the MoNE. The elements can become either the driving or the restraining force at the MoNE. Therefore, the MoNE can see what elements that its Ministry should get attention. This implementation framework collaborates performance management elements and readiness for change elements by Lewin’s change model using force field analysis to determine whether the force is driving or restraining.

Figure 5.3 below will give the picture of the implementation framework of this study.
Figure 5.3
The implementation framework of readiness for change at the MoNE

Unfreezing

Readiness for change elements

- Efficacy
- Appropriateness
- Management Support
- Personal Valence

Change Capacity

Restraining Force

Freezing

Performance management elements

- Communication
- Commitment
- Culture

Readiness

Driving Force

Change Capacity

Time
5.4 Conclusion

This study has developed a new implementation framework that can be used to assess the readiness of an individual in the organisation in order to accept the change in performance management system. This implementation frame is based on the two theories which is readiness for change theory and performance management theory. The combination of the two theories is put in the Lewin’s change model to more clarify about the elements which can become a restraining or drive force for the change.

The finding showed that at the MoNE there are different elements that can become restraining or driving force. All those elements have already discussed in this chapter such as communication, commitment, management support and personal valence which can become restraining force at staff level.

Based on the description above, the analysis of restraining and driving forces in terms of performance management and readiness for change elements when they are put in the Lewin change model shows that the MoNE has not been ready yet for the change.

This chapter has already mentioned that there are two different models of readiness for change at the MoNE (see figure 5.1 and figure 5.2). Therefore, the next chapter discusses the answers to the research questions, the theoretical implication of the two models, and the implications for practice. It makes recommendations to the MoNE, and discusses contributions, issues for further research and draws conclusions.
CHAPTER 6
IMPLICATIONS AND CONCLUSIONS

Chapter 5 discussed the performance management and readiness for change elements that can become driving or restraining forces to the change. The analysis based on the Lewin’s change model to get to know whether there is driving or restraining force at the MoNE, was clarified. Then, the readiness for change at the MoNE was considered and two different models of readiness for change at the MoNE were outlined. The implementation framework is emergent from the discussion chapter.

Chapter 6 discusses the answers to the research questions, the theoretical implications of the two different models of readiness for change and the implications for practice. It makes recommendations to the MoNE, and considers contributions, issues for further research and the conclusions of this research.

6.1. The answers to research questions
The research accomplished all of the three research objectives: knowing the MoNE employees’ level of understanding of the change objectives for the employee performance management, knowing the MoNE employees’ understanding of the change status in the implementation of the new employee performance management system, and understanding the organizations’ readiness elements for the change at the MoNE. The research questions were designed to lead the research and to meet these objectives, and to facilitate identification
of the readiness for change at the MoNE. As mentioned in chapter three, to answer to the sub research questions, echelons 1,2,3,4 and the staff at the MoNE were interviewed.

The discussion below further clarifies the answers to each sub research question:

The first sub question which should be answered is “What is the employees’ prior knowledge in dealing with performance management at the MoNE?”. As mentioned in Chapter 5, this study found the following pointers to the current situation at the MoNE. Although the employees comprehend the concept of performance management differently, all the higher levels know the importance of commitment to the change. Since there is a gap in understanding of the concept among the different parties, the superiors (the echelon levels) and the lower parties, the majority of the staff do not comprehend the concept well. It could be concluded that since there is no clear signal for change, the higher parties do not involve their subordinates. Management support is also important and the MoNE employees should learn more about the concept of performance management. The data shows that the employees do not comprehend the concept of performance management completely yet. They try to understand the concept based on their own experience, and, as a result, their understanding varies from one to another. The management support needs to be improved and so does the employees’ comprehension of the concept of performance management. The higher levels need to get attention to their commitment which can influence to how they communicate the change. Thus, because the staff levels lack management support and this give impacts on the other element, which is personal valence; these can become restraining forces. Therefore, it seems from the insight produced in this small exploratory study, due to the lack of communication, commitment, management support and personal valence at staff level the MoNE employees are not ready to adapt the change.
The sub question number two is “Does the MoNE readiness contributes to the better quality of the change?” As was discussed in Chapter 5, given the fact that the MoNE has already applied some parts of the performance management principles, some employees have both the skills and experience to carry out the performance management system and they are considered successful in adapting to change. Besides, a better change in working culture, which tends to be more open and egalitarian between the superiors and the subordinates, indicates that the MoNE could carry out this change. Being optimistic is also another advantage for success in the implementation of workplace performance management. This meets the efficacy elements and shows that the MoNE has high efficacy. On the other hand, the MoNE showed weakness in terms of management support and personal valence. In short, the employees’ optimism would be in vain without any support from management and it could have a bad influence on the personal valence element; that is, the employees’ interest in receiving the benefits of the change. To be better prepared for change, the MoNE should be concerned more with enhancing support from management and paying more attention to the personal valence element. The MoNE readiness would be better if the employees’ commitment and their personal valence also improved significantly.

The sub question number three is “What is the status of readiness of the MoNE to change employee performance management in general?” As mentioned previously in Chapter 5, the positive aspects that were found are that the employees realize the benefits of the changes; they have already implemented a few parts of the concept of performance management and they realize the problems in the current system need to be fixed. These findings are in line with the appropriateness element; the MoNE would be ready for change if it was able to reduce the disadvantage factors. The results and findings show not only positive support for the element of appropriateness, or the performance management theories, but also show the
relationship between both of management support and the readiness for change. The relationship indicates that the MoNE employees are ready to make the change. Even though the appropriateness is quite good, it is not complete while the management does not give positive support. To conclude, the status of readiness to adopt the new performance management in general could be benefited if the management supported the change completely.

The sub question four is “What organisational factors should be identified in order to help the MoNE to achieve a successful implementation of employee performance management?” As mentioned in Chapter 5, the MoNE should clearly explain the advantages of the change to the employees, for example, the feedback about their performance leading to rewards for the outstanding employees and paying an income based on their working performance. In fact, the MoNE is assumed to have personal valence. On the other hand, the data shows that there is a relationship between personal valence and performance management if more benefits are given not only to individuals but also to the management level. The MoNE is not ready yet in terms of the personal valence as it still needs positive support from the management for a strong commitment to change. The data also showed suggestions for ways to create individual benefits; the salary should be based on the work performance, competency should be developed to improve the employees’ skills, and the employees’ reward system must also be based on their working performance. These individual benefits also must be supported by the management.

The research question: “To what extent is the Ministry of National Education in Indonesia ready to implement the employee performance management system?”, can be answered now. The answer to this research question is that the MoNE is not ready yet for this change.
As mentioned previously in this chapter, the sub questions above also explain why the MoNE is not ready yet to change, which are as follows:

- Referring to the lack of communication, commitment, management support and personal valence at staff level, it seems from this small exploratory study, the MoNE employees are not ready yet to adapt to the change.
- The MoNE readiness will improve very much when the commitment can be improved and the confidence and the personal valence of the employees can be developed.
- The status of readiness at the MoNE to adopt employee performance management in general would be better if the management gave positive support to the change and properly communicated the change to the lower levels.
- The MoNE needs to make sure that the employees will get benefits at the individual level and the personal valence element needs positive support from management with the commitment to adopt the changes.

Therefore, there are several elements which the MoNE needs to be aware of to achieve success in the change to performance management.

6.2. Implications of the research

The implications of this research are divided into two parts which are implications for theory and implications for practices. The implications of the research is clarified as follows:
6.2.1. Implications for theory

The research shows the significant relationship between the theory of performance management and the readiness for change. This may contribute to the theory. It is essential that the organization understand what the change is otherwise the change would be insignificant. The unfreezing process which refers to motivation and readiness for change is needed to determine the readiness while communication, culture and commitment determine the performance management implementation. These are elaborated as follows:

Having the change in the well-established system, an institution needs the unfreezing process. When the unfreezing process happens, the readiness of the individual or the organization needs to be determined. This research, as mentioned in Chapter 2, assumed the process of unfreezing is similar to readiness. Since the focus of this research was to determine the readiness for performance management system, it found three important elements determining the performance management implementation. They are communication, culture and commitment. To study the organization’s readiness for change further, it used the four elements influencing the individual readiness for change: efficacy, appropriateness, management support and personal valence. The results of the study, which are discussed in Chapter 5 show that the MoNE performance management elements and the individual readiness for change can be used to prepare the change in term of performance management. This result divided into readiness for change at echelon levels and staff level.

At echelon levels, the three performance management elements and the four readiness for change elements are appear to support the change (figure 5.1). However, at staff levels, there is lack of communication, commitment, management support dan personal valence (figure 5.2).
In short, to have the driving force focused in a good direction requires support both of performance management and readiness for change in each level of the organization.

6.2.2. Implications for practice

According to Lewin (1947), if an organization is about to make a change, it must carry out the unfreezing process which makes the employees ready to execute the required system. The employees need to change their mindset and there is no status quo. The unfreezing process of the research referring to motivation and readiness for change puts forward three performance management elements covering communication, culture and commitment. As mentioned previously in Chapter 2, communication between higher levels and lower levels is important so as to communicate the change correctly, understanding culture is important for the successful implementation of performance management, and the successful implementation of performance management is dependent on the commitment of management. Afterwards the four elements of readiness for change, efficacy, appropriateness, management support and personal valence, are taken into account. Efficacy is the employees’ belief that they are capable of implementing a proposed change. Appropriateness is employees’ belief that the proposed change is appropriate for the organization. Management support is employees’ belief that the leader are committed to the proposed change, and personal valence is employees’ belief that the proposed change is beneficial to organizational members. This research concluded that communication plays the important role in socializing the organizational change plan and good management support cannot be formed without good communication. The unfreezing process referring to motivation and readiness for change would be accepted by all individuals only if both performance management and the readiness for change show positive support (driving force). The support from performance management
and readiness for change elements may improve the driving force in the expected direction of the organization.

6.3. Contributions

The research contribution of the study is as follows:

1. To the theory development

Recently, efficacy, appropriateness, management support and personal valence as the readiness for change elements have been used to determine the individual readiness for change while in this research, three other elements in performance management covering communication, culture and commitment are also involved. These elements are also important in determining the successful implementation of performance management and contribute significantly to either a driving force or a restraining one in an organization. These also could be used to know the readiness of all of the levels, from the lowest to the highest, to guarantee the smooth running of the change process.

The readiness elements could not stay independent. Those elements have a mutual effect on one another. Readiness elements should be seen completely and the influence of each of them determined. The elements identified in the literature review are intended to be side by side. The research found the complexity of the relationship among the elements and the different effect in is shown by each element. Above all, these elements should be determined as a whole.

2. To government in general

a. Besides considering readiness which should be formed by the government as the crucial and general element for all kind of changes, these research findings could
also be used as a model for other ministries with similar characteristics, especially in Indonesia, to determine the readiness for performance management implementation.

b. This could be the case for many levels of government in Indonesia which need to pay more attention to management support, without forgetting other elements for the success of change to performance management.

6.4. Recommendations

The research findings come to the following recommendations for the MoNE:

1. The recent DP3 does not meet the required principles in performance management which should be applied by the MoNE. The system has to develop all employees for the future needs and make their work much clearer. Recently, there must have been some misunderstanding about what the performance management should do and the current DP3 system. These should be revised to satisfy the ideal performance management system.

2. Reducing the restraining forces is needed to move to the second step in Lewin’s model. The research data shows that no matter that almost all of the echelon respondents claimed that they already understood performance management, they actually do not have a complete comprehension. So, all echelons should have a complete understanding and have the same interpretation of the concept of performance management as a complete system. They should equip the employees with more knowledge about the required change. Therefore, the high level management at the MoNE needs to keep up to date with the change to performance management. The higher levels should not merely say they have a commitment to the change without involving the lower levels.
3. Since all of the echelon levels are the ones who inform the change of the organization, they should maintain good communication with the staff so that the needed information about the change can be delivered thoroughly and tasks can be managed well.

4. While the high level respondents showed high commitment to change and realize that it is crucial to have commitment from all institutional leaders, the lower level respondents, the staff, do not understand the change and so commitment is impossible. Therefore, the echelon levels should give much attention and support to the change. They should have commitment to the change and provide accurate information so that the lower level understands the important of the change and the weakness of the readiness for change elements dealing with management support and personal valence at the staff level can be overcome. These efforts are also meant to get rid of the negative impacts of insufficient management support on the rest of readiness for change elements. The MoNE employees do not restrain the organisation from making the change, but not having a complete understanding of the performance management concept can become a restraining force.

5. All of the MoNE echelons have different interpretations of practicing performance management. The fourth echelon respondents are the only echelon supervising the staff directly and claimed that they have already carried out monitoring, evaluation, feedback and reward for the staff. Their sub ordinate, the staff, confirmed that what was claimed by echelon four is correct. Therefore, all of the echelon levels have to show complete efficacy as demonstrated by both echelon 4 and the staff to execute the required change in performance management.

6. It should be assured that the senior managements at the MoNE have the correct understanding about the change and performance management. The MoNE should
develop either training or development programs to give the employees, especially the higher levels, the same understanding in terms of the change to performance management. Armenakis et al. (1999a) suggest training and development may reinforce all message components when they are connected to an organizational change. In addition, Dennis and Mike (2009) argue that training and education are needed to successfully implement a change initiative. The employees should have a complete comprehension of what performance management is. Furthermore, when the higher levels have the same understanding, it will be easier to deliver the concept of performance management to the lower levels. They can motivate the lower levels to embrace the change. Moreover, training and development can be used to remove the restraining forces such as efficacy, appropriateness and personal valence. The employees would understand better what they must do to get rid of the low efficacy as a restraining force. If the employees are happy and not worried, since they understand that they could reap the benefits of the change, then the restraining force, low appropriateness, could be removed. It is a fair change because the employees would gain qualifications and this could remove the low personal valence as a restraining force.

**The recommendations to the MoNE and other government departments:**

It is urgent that the MoNE and other government departments pay more attention to the readiness which is a part of the policy to start their bureaucracy reformation.
6.5. Issues for further research

It is suggested that further research deal with the following issues:

1. The model which is appeared (used) in this research can be reused with the other additional performance management and readiness for change elements. Then the question is whether it is necessary to have other elements to assess the readiness of a certain organization to carry out a change.

2. The model used in this research could be to test whether the performance management elements and readiness for change elements give significant change to an organization.

3. Given that this research model was implemented in a certain organization and limited to a number of respondents, the MoNE, future research could be conducted by covering other government organizations with many more respondents so that generalization to other institutions is possible.

4. More research needs to be done to determine how the different elements affect each other.

6.6. Conclusions

This study suggests a new implementation framework that can be used to assess the readiness of individuals in an organization to accept change to a performance management system. This implementation framework is based on two theories, which are readiness for change theory and performance management theory. The combination of the two theories is put into Lewin’s change model to better clarify the elements which can become restraining or driving forces for the change.
The findings showed that at the MoNE there are different elements that can become restraining or driving forces. All those elements (such as communication, commitment, management support and personal valence) have been discussed in Chapter 5. These can become restraining forces at the staff level. In addition, the communication element is needed to support the driving force at both the echelon levels and at the staff level.

The research question of this study has been answered by concluding that it seems from the insight produced in this small exploratory study, the MoNE is not ready yet for change. The MoNE needs to pay attention to several elements to achieve successful performance management implementation.

Although this research has been carried out at the MoNE, it could be implemented in other organizations. This implementation framework should be applicable to other institutions willing to apply performance management. Improvements in readiness for change will then be seen over a greater length of time.
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Appendix 1 Interviews protocol

Readiness for change
The case of performance management at the Ministry of National Education, Indonesia

Objectives
1. To determine the prior knowledge towards the purpose of the change into performance management at the MoNE.
2. To examine the understanding of employees at MoNE of the current change status in employee performance management.
3. To determine the presence or absence of organisation readiness factors for the change.

Objectives 1
1. What is employees’ prior knowledge dealing with performance management at the MoNE?
   a. Do you know what is performance management is?
   b. Are you aware that government will implement performance management soon at the MoNE?
   c. What is your role in this change?
   d. Can you give an overview that it will affect in your department?

2. Does the MoNE readiness contribute to the better quality of change?
   a. What do you think about the change?
   b. How do you think employee performance management will work at the MoNE?
   c. How important for effect employee performance management that employee understand the MoNE goals? What the implication for your department?
Objective 2

3. What is the status of readiness of the MoNE to change employee performance management in general?
   
   a. How do you think employee performance management might impact on your department? Why?

Objective 3

4. What organizational factors should be identified in order to help the MoNE to achieve a successful implementation of employee performance management?
   
   a. How do you plan to encourage for better performance?
Canberra, 6 Januari 2010

Perihal: Permohonan ijin untuk Penelitian S3

Kepada Yth.
Bapak Sekretaris Ditjen PMPTK
Depdiknas
Jl. Jenderal Sudirman, Jakarta

Dengan hormat,

Kami yang bertandatangan di bawah ini:
Nama : Meliyanti, S.Kom, M.Si
NIP : 132298128
Unit Kerja : Staf pada subdit pengembangan SDM diklat, Direktorat Pembinaan Diklat, Ditjen PMPTK, Depdiknas

Saat ini sedang melaksanakan tugas belajar untuk jenjang S3 (Doctorate degree), pada Faculty of Business and Government di University of Canberra, Australia.

Kami bermaksud untuk melakukan penelitian (fieldwork) di Direktorat Jenderal Peningkatan Mutu Pendidikan dan Tenaga Kependidikan (Ditjen PMPTK), pada tanggal 1 Maret s/d. 30 Juli 2010. Penelitian ini merupakan salah satu bagian dari penyelesaian Disertasi yang bertopik 'Manajemen Kinerja pada Departemen Pendidikan Nasional'. Adapun, tujuan penelitian ini adalah untuk mengetahui aplikasi manajemen kinerja yang potensial untuk Departemen Pendidikan Nasional. Secara umum saya akan melakukan wawancara dan focus group. Mohon kiranya perkenan Bapak untuk dapat memberikan ijin melakukan penelitian sebagaimana dimaksud di atas.

Perlu kami informasikan juga, bahwa sebelum melakukan penelitian ini, kami telah mengajukan persetujuan etik (ethics approval) pada University of Canberra yang pada intinya adalah untuk menjamin kerahasiaan data/informasi yang diperoleh dan di penuhinya hak-hak responden.

Sebagai bahan pertimbangan kami sampaikan daftar riwayat hidup, surat pernyataan sebagai mahasiswa dan permohonan ijin untuk melakukan penelitian dari University of Canberra, Australia, seperti terlampir.

Atas perhatian dan perkenan Bapak, kami ucapkan terima kasih.

Hormat kami,

Meliyanti
Faculty of Business and Government
University of Canberra, ACT-2601, Australia
E-mail : meli.meliyanti@canberra.edu.au

Tembusan:
1. Bapak Dirjen PMPTK
2. Bapak Direktur Pembinaan Diklat
4 January 2010

TO WHOM IT MAY CONCERN

Re: Mrs Meli Meliyanti

This is to certify that the above named student is enrolled full-time in the University of Canberra in the course Doctor of Business Administration, course code 851AA, which Mrs Meliyanti commenced in second semester 2008. Mrs Meliyanti would like to continue undertaking research for her D Business Administration in Indonesia, at The Ministry of National Education of Republic of Indonesia. Mrs Meliyanti expects the research will take about four to five months. Mrs Meliyanti has discussed this proposal with her supervisor, Dr Wahyu Sutiyono, and Dr Sutiyono has given her support.

Mrs Meliyanti requires a letter from The Ministry of National Education of Republic of Indonesia indicating their support for Mrs Meliyanti to undertake this research. The Committee for Ethics in Human Research at the University of Canberra requires this evidence of approval.

If you have any questions, please do not hesitate to contact me.

Yours sincerely,

Ms Penny Cameron
International Student Advisor
University of Canberra
Canberra ACT 2601
Tel +61 (02)6201 5880
Fax +61 (02) 6201 5040
Email: Penny.Cameron@canberra.edu.au
Appendix 3 Letters from the MoNE

KEMENTERIAN PENDIDIKAN NASIONAL
DIREKTORAT JENDERAL
PENINGKATAN MUTU PENDIDIKAN DAN TENAGA KEPENDIDIKAN
Gedung D Lt 16 Jl. Jenderal Sudirman, Senayan – Jakarta 10270
Telepon: 021-57974135, Fax 021-57946136

Nomor : 1601/Pt/KP/2010
Lampiran : 
Perihal : Permohonan ijin untuk penelitian S3
(wawancara dan focus group)

27 Januari 2010

Kepada Sdr. Meliyanti
Faculty of Business and Government
University of Canberra, ACT, Australia

Schubungan surat Saudara tanggal 6 Januari 2010, tentang permohonan ijin untuk melakukan penelitian dengan topik ‘Manajemen Kinerja pada Departemen Pendidikan Nasional’ di Direktorat Jenderal Peningkatan Mutu Pendidikan dan Tenaga Kependidikan (Dijen PMPTK) Departemen Pendidikan Nasional Republik Indonesia, bersama inikali sampaikan bahwa pada prinsipnya kami menyetujui dan mendukung kegiatan penelitian yang akan Saudara lakukan.

Demikian kami sampaikan, atas perhatian Saudara dicapkan terimakasih.

Kepala Direktorat Jenderal
Sekretaris,

Ir. Giri Suryatman
NIP. 19550950 198311 1 001

Tembusan Yth.:
1. Bapak Dirjen PMPTK, Depdiknas
2. Bapak Direktur Pembinaan Diklat, Depdiknas
MINISTRY OF NATIONAL EDUCATION
DIRECTORATE GENERAL
QUALITY IMPROVEMENT OF TEACHERS AND EDUCATION PERSONNEL
Building D, 16th Floor Jl. Jenderal Sudirman, Senayan - Jakarta 10270
Telp: 021-57974165, Fax: 021-57946166

Jakarta, 27 January 2010

Permission for Doctoral research (interview and focus group)

To, Mrs. Meliyanti
Faculty of Business and Government
University of Canberra, ACT, Australia

We have received your letter about asking for a permission to do a research in the Directorate General Quality Improvement of Teachers and Education Personnel (QITEP), Ministry of National Education (MoNE), Republic of Indonesia, the research topic is “The effectiveness of Performance Management in the Ministry of National Education”. The Ministry of National Education in Indonesia agrees to support all of your research activities related with the programme.

Yours sincerely,

G. Citri Suryaningan
Secretary Director General of QITEP

Copies:
1. Director General of QITEP, MoNE;
2. Director of Training and Education Development of QITEP, MoNE.
Appendix 4 Letter for interviewees at the MoNE

Dear Participants,

Subject: invitation for participate in the research

My name is Meliyanti. I am undertaking the Professional Doctorate in Business Administration at the University of Canberra, Australia, I am conducting research entitled “The Effectiveness of Performance Management in the Ministry of National Education of Indonesia”. The aim of the research is to investigate the potential of performance management in the Ministry of National Education of Republic of Indonesia.

This research will give a significant contribution to improve the performance management at individual level for each employee in MoNE. It will also give recommendation what is appropriate performance management that could be implemented in MoNE.

I would like to invite you to be a participant in this research. You will be involves as an interviewee to provide information about the current performance management in the Ministry and discuss a about the alternative of performance management that can be implemented for MoNE. You will be asked to answer a number of questions. The interview will last for about one hour.

Your participation is voluntary and you may withdraw at any time without providing an explanation, or refuse to answer questions without any consequences. I will provide you with an inform consent form for your approval. I would like to ask your agreement to record the interview.

I guarantee that the interview will be extremely confidential and your anonymity is maintained. No one will have access to the information except the researcher. Any report from this research will be in aggregate form and your identification is not revealed.

If you need a report of this research, please put your name and address in the informed consent form which will be given in the interview and the report will be sent to you.

For your information, this research has been approved by the Committees for Ethics in Human Research of the University of Canberra. If you have any questions about the research, please contact the researcher with the contact details below.

Thank you for your attention and cooperation.
Regards,

Meliyanti
Faculty of Business and Government
University of Canberra
ACT-2601, Australia
Tel. +61 2 6201 5776
Email. meli.meliyanti@canberra.edu.au
Appendix 5 Informed Consent Form

Project Title
The Effectiveness of Performance Management in the Ministry of National Education of Republic of Indonesia

Consent Statement
I have read and understood the information about the research. I am not aware of any condition that would prevent my participation, and I agree to participate in this project. I have has the opportunity to ask questions about my participation in this research. All questions I have asked have been answered to my satisfaction.

Name : 
Signature : 
Date :

A summary of the research report can be forwarded to you when published. If you would like to receive a copy of the report, please include your mailing address below:

Name : 
Address :
Appendix 6 Ethic Approved

11th March 2010

COMMITTEE FOR ETHICS IN HUMAN RESEARCH

Approved

Project number 09-136

Mrs Meli Muliyantri
Faculty of Business and Government
University of Canberra
ACT 2617

Dear Mrs Muliyantri

The Committee for Ethics in Human Research has considered your application to conduct research with human subjects for the project entitled *The Effectiveness of Performance Management in The Ministry of National Education of Republic of Indonesia*.

The Committee made the following evaluation:

Approval is granted until 30/12/2011 the anticipated completion date stated in the application.

The following general conditions apply to your approval. These requirements are determined by University policy and the *National Statement on Ethical Conduct in Research Involving Humans* (National Health and Medical Research Council, 2007).

1) You must immediately report to the Committee anything which might warrant review of ethical approval of your project, including:

   (a) serious or unexpected adverse effects on participants;
   (b) proposed changes in the protocol; and
   (c) unforeseen events that might affect continued ethical acceptability of the project

2) Monitoring: You, in conjunction with your supervisor, must assist the Committee to monitor the conduct of approved research by completing and promptly returning project review forms, which will be sent to you at the end of your project and, in the case of extended research, at least annually during the approval period.

3) Discontinuation of research: You, in conjunction with your supervisor, must inform the Committee, giving reasons, if the research is not conducted or is discontinued before the expected date of completion.

4) Extension of approval: If your project will not be complete by the expiry date stated above, you must apply in writing for extension of approval. Application should be made before current approval expires: should specify a new completion date; should include reasons for your request.
## Appendix 7 DP3 Form

### RAHASIA

5. LAIN-LAIN

<table>
<thead>
<tr>
<th>9. DIBUAT TANGGAL, 31 DESEMBER 2011</th>
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<tbody>
<tr>
<td>Pejabat Penilai,</td>
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<td>N.I.P.</td>
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10. DITERIMA TANGGAL, 06 JANUARI 2012

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<th>Pegawai Negeri Sipil Yang Dinilai,</th>
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11. DITERIMA TANGGAL, 09 JANUARI 2012

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<th>Atasan Pejabat Penilai,</th>
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<tr>
<td>N.I.P.</td>
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### RAHASIA

<table>
<thead>
<tr>
<th>2. PEJABAT PENILAI</th>
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<tbody>
<tr>
<td>a. Nama</td>
</tr>
<tr>
<td>b. N.I.P.</td>
</tr>
<tr>
<td>c. Pangkat, Gelaran atau jabatan</td>
</tr>
<tr>
<td>d. Unit/Instansi</td>
</tr>
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</table>

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<thead>
<tr>
<th>3. ATASAN PEJABAT PENILAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Nama</td>
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<tr>
<td>b. N.I.P.</td>
</tr>
<tr>
<td>c. Pangkat, Gelaran atau jabatan</td>
</tr>
<tr>
<td>d. Unit/Instansi</td>
</tr>
</tbody>
</table>

**DAFTAR PENILAIAN PELAKSANAAN PEKERJAAN**

**PEGAWAI NEGERI SIPIL**

**KEMENTERIAN PENDIDIKAN NASIONAL**

**UNIVERSITAS XXXXXXXXXX**

**JANGKA WAKTU PENILAIAN**

**BULAN JANUARI 2011 - DESEMBER 2011**

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Based on The Regulation of Government Number 10 / 1979 dealing with the Implementation Assessment of Civil Service Work (DP3), there are 8 pointer which are attitudes and behavior, allegiance, responsibility, loyalty, integrity, cooperation, initiative and leadership. However, the leadership criterion is only for higher levels; the staff only have 7 pointer for their assessment.

The ranges of values are:

a. Excellent : 91-100
b. Very Good : 76-90
c. Good : 61-75
d. Fair : 51-60
e. Poor : below 50
DP3 is given by echelon levels to the employees who are below them such as echelon four give assessment to the staff, echelon three give assessment to echelon four and echelon two give assessment to echelon three. The assessment is done one a year.
# Appendix 8 Themes of Data Collection

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CODE</th>
<th>RESPONDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme 1</strong></td>
<td>An understanding of employee performance management at the MoNE.</td>
<td>ES1(1), ES1(2), ES1(3), ES2(1), ES2(2), ES2(3), ES2(4), ES2(5), ES3(1), ES3(2), ES3(3), ES3(4), ES3(5), ES3(6), ES3(7), ES4(1), ES4(2), ES4(3), ES4(4), ES4(5), ES4(6), ES4(7), ES4(8), ES4(9), ES4(10), S(1), S(2), S(3), S(4), S(5), S(6), S(7), S(8), S(9), S(10), S(11), S(12), S(13), S(14), S(15)</td>
</tr>
<tr>
<td><strong>Theme 3</strong></td>
<td>The employees’ perception of the MoNE’s potential performance management</td>
<td>ES1(1), ES1(2), ES1(3), ES2(1), ES2(2), ES2(3), ES2(4), ES2(5)</td>
</tr>
<tr>
<td>Theme 4</td>
<td>The ability to do performance management at the MoNE</td>
<td>ES1(1), ES1(2), ES1(3)</td>
</tr>
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<td>---------</td>
<td>---------------------------------------------------</td>
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<tr>
<td></td>
<td>This theme discusses the potential of the MoNE to alter the current system to a performance management system</td>
<td>ES2(1), ES2(2), ES2(3), ES2(4), ES2(5)</td>
</tr>
<tr>
<td></td>
<td>S(1), S(2), S(3), S(4), S(5), S(6), S(7), S(8), S(9), S(10)</td>
<td>S(11), S(12), S(13), S(14), S(15)</td>
</tr>
</tbody>
</table>
## Appendix 9  Themes and Quotation

<table>
<thead>
<tr>
<th>Themes</th>
<th>Quotation</th>
</tr>
</thead>
</table>
| Themes 1  
An understanding of employee performance management at the MoNE. | The MoNE as a government institution has a particular regulation which deals with personnel or official matters such as employee performance management or working performance improvement. Formerly it is mentioned in the government regulation number 30/1980 which is revised latter in a government regulation number 53/2010 ruling the discipline issues for government civil servants. ES1(2). |
| | The key is how we change our mindset, behavior and attitude. Our focus used to be bureaucracy. Now our focus is on public service. The requirement to improve the performance is the support from any competent human resources. We must always think efficiently, transparently, accountably. I would be steady as long as there is the support. ES1(2) |
| | The commitment to work is the key word towards performance improvement from all the employees. This is what we must create so that we must be able to give motivation to the staff to be willing to work in order to have commitment to do their work. ES1(3) |
| | To acquire the knowledge, values and skill there should be training. Then when the employees did not have the certain knowledge yet, this required knowledge should be given for example if they are not able to make letters, they should be trained to get used to do the correspondence. ES1(3) |
| | Now we are determined through our performance, I guess. That is the reason why we have performance-based budget although from my point of view, it is not perfect yet, it goes to that point. In running the program, we do not just spend the MoNE and be responsible for it administratively, but see the performance, whether the productivity is good or not. ES1(1) |
| | There is a standardized for evaluating the employee performance which is called DP3. Many aspects like loyalty, innovation, and cooperation were evaluated. ES1(1) |
| | It is how to arrange any personal abilities of the certain organization. So, performance management is the system of the management. ES2(1) |
| | The work contract of our institution with the minister is further broken down into what is called operational work |
programs. This elaboration refers to the attainment of the main performance and key performance indicators. In terms of personnel affairs the indicators refer to career development system which is done through training and certification.ES2(3)

The simple comprehension of management is how we can reach the objective of this organization by empowering in a positive way all of the existing human resources... There is indeed individual accomplishment to his/her duty and function but in the end it could reach the entire goal that we want to achieve together.ES2(2).

What is my answer?

Because we are talking about civil servants, we cannot refer to the people knowledge because there is no legal certainty. The civil service is uniformity then all of the activities should be based on act of the state.ES2(4).

As a government employee or civil servant everything that should be done must refer to the government regulation. The employee cannot refer to the people knowledge because there is no legal certainty. ES2(4).

DP3 is used to evaluate the employee. There is like and dislike, for instance in assessing loyalty to the state which should be given no less than 90. ES2(4)

It is how every staff, human resource, in an organization can work optimally to achieve the objective of the organization. In the government institution there are vision and mission and there are programs to be achieved. ES3(2)

Every human resource has to be mobilized to achieve the objective of the organization. Firstly, we start with myself as superior. I have to set an example to all my staff that discipline is the most important factor to reach an objective. For example, by 7.30 am, I am already in the office. Although there are no staff yet, there is something to be done. At that time for example I receive a SMS from my superior, that is what I should do. After the staff have arrived then we distribute the tasks. Finally, the disposition\textsuperscript{29} is distributed to the staff. ES3(2)

The performance is the result of integration or mixture among ability, motivation and opportunity to use the ability and motivation. ES3(5)

\textsuperscript{29} Disposition means this respondent gave instruction to his staff to do the job.
I think remuneration must be as far as an individual’s performance. It is clear who does what and what the result is. That is my understanding that we are heading for that direction since now there is no difference between the diligent ones and the less diligent ones. There is no parameter for this besides the list of assessments on job performance (DP3). ES3(7)

My understanding on performance management is firstly in this Ministry of National Education even in Directorate General ... and below ... all employees have the evaluation list named DP3. It is used to evaluate all employees from staff to the structural level officials from echelon 4, 3, 2, even to first echelon. ES3(4)

The performance here is evaluated through DP3 by respective superiors. All officials up to the fourth echelons are responsible to evaluate the performance of their staff through DP3 consisting of 7 elements. We only refer to DP3 since it is in line with the regulation.ES3(3)

But, the implementation of DP3 is far from expectation due to the fact that the objectivity has not been implemented in terms of hierarchy or hierarchical structure. ES3(4)

Performance based management is a process where all activities are directed to raise the performance of individuals, which is aimed at organizational performance. ES4(10)

How the superior and the subordinate work, there is transparency, there is mentoring, guidance, and the most important one, there is trust between the superior and the subordinate and vice versa. When there is not any trust, we could not be able to carry out any assignment. ES4(4)

Every employee should know their job role. When they know the job role, it will be easy to distribute the workloads to each personnel. ES4(1)

Someone’s ability to perform the given or the required duties are formulated the main duties and function. Besides the main duties and function from the superiors, there would be duties out of those main duties and function. ES4(2)

Most of the young generation has low working motivation and I do not know why. I think at the present, the motivation for working and being disciplined are not satisfied. ES4(8)
I just understood that performance management as a general system is the systematic system increasing the work performance to be more professional. ES4(5)

The indicator, assessing the working performance, should cover the discipline, like at least the employees should abide by the required working hours. In fact, the individual competence of the staff would be influenced by his or her former working conditions, like the position he/she had held and the competence that the former work needed. ES4(6)

The performance management for the civil servant government always refers to the available the regulation, the recent approved government regulation (PP) 53/2010. ES4(6)

DP3 consisting of indicators assessing the employees’ working performance should be filled out every year. ES4(1)

I do not know how to fill in DP3. The items in DP3 do not describe performance. ES4(3)

As government employees all what we do should be in accordance with the regulation covering the ministry regulation, the government or from the president’s ones. S(4)

Employee performance management has something to do with discipline and then performance. S(6)

Performance management is about how to handle our job with specific times which will give the best results. S(14)

Annually, at the end of the year there will be DP3, consisting of eight pointers for the superiors and seven pointers for the staff. S(7)

| c)   | Well, I think it is about how to manage the employees and how to improve their performance especially for us in ... (name of her directorate). S(5) |
| d)   | Performance management is about how to manage and how to improve employees’ performance. S(14) |

DP3 will describe in Appendix 7 including eight pointers, when the MoNE should fill the DP3 from and How they fill it.
<table>
<thead>
<tr>
<th>Theme 2</th>
<th>Performance management in practice at the MoNE</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>In my system, I always convey my duties division through work monitoring forums, meetings, leaders’ meetings of mechanism. My way is there was weekly monitoring to ask for all work.</strong> ES1(2)</td>
</tr>
<tr>
<td></td>
<td><strong>We monitor the performance in on a monthly basis. I do not monitor per individual. I monitor per directorate (Director). Each directorate will monitor per division head. The division head will monitor per sub division head. The one who knows the individual is on the level of sub division head.</strong> ES1(2)</td>
</tr>
<tr>
<td></td>
<td><strong>I myself not only in the meeting, on certain occasions, I also evaluate the directors. Please do this. I did that. So, there is a mechanism, routine, monthly meeting but there are also special sessions in line with the need. We also discuss anything about work.</strong> ES1(3)</td>
</tr>
<tr>
<td></td>
<td><strong>For example, the employees who are the drivers have to go at 3 am taking the car in the office to pick up the other employees and they come home later, taking the employees back home. Incentives must be given to them. That is the incentive system that we apply for those who deserve it.</strong> ES1(2)</td>
</tr>
<tr>
<td></td>
<td><strong>The existing reward does not focus, or it was given to those having achievement. The objective is not for having a reward due to good performance but for work accomplishment.</strong> ES1(3)</td>
</tr>
<tr>
<td></td>
<td><strong>The employees who must get any additional work and go home late should deserve the incentive as well. I am sure that the payment is bigger than the salary.</strong> ES1(2)</td>
</tr>
<tr>
<td></td>
<td><strong>There are employees who carried out the given tasks and acquired good feedback from me, but there may also be employees who do not get any good feedback. This is also a kind of performance appraisal.</strong> ES2(4)</td>
</tr>
<tr>
<td></td>
<td><strong>The reward could be a chance to get a scholarship, such as having an overseas study, for example finishing S2 (master’s) degree.</strong> ES2(1)</td>
</tr>
<tr>
<td></td>
<td><strong>I ask my good staff to go abroad. That is reward.</strong> ES2(2)</td>
</tr>
<tr>
<td></td>
<td><strong>Now we have ISO. This provides a mechanism to pick out dedicated employees with great achievements every four or six months. Using the required instrument, dedicated and outstanding employees are chosen by the selected assessing team from amongst themselves. So, it is not carried out by an independent team but based on approval indicators.</strong> ES2(1)</td>
</tr>
</tbody>
</table>
We always direct and observe on how they do their work. Handling trouble means making some improvements in the SOP (Standard Operation Procedure) ruling the work procedures. So, to improve any work quality, we have to carry out both directing and observing periodically. ES3(6)

Work program is started from main duty and function of ... (name of Directorate General) either in the level of Echelon 1 or Echelon 2 managing divisions. So we are heading for that way to achieve performance. ES3(6)

To measure performance of each level, we only start from our work program for each level of echelon I, II up to the staff. So we just rely on any conventional work program. ES3(2)

For those with good performance, we give them tasks in certain activities. Those who are involved in certain activities can be given some kind of compensation in terms of financial matters. ES3(1)

Commonly, reward is honorarium covering the fee for overtime. We will give a kind of honorarium for any assignments which should be executed completely immediately. ES3(6)

Any opportunities like taking overseas study or being involved in the certain activities should be prioritized for any hard workers or outstanding ones. ES3(2)

Every day I see. Should there be something crucial, I will take note of the employees and guide them. ES4(1)

They do not know if I monitor them. I always reflect my notes by inviting them to eat out, maybe eating fish or something else after completing the assignment at the end of the year. After eating, I ask my colleagues to criticize my weaknesses. If something made me seriously mad, I do not want to get angry too long. It turned out, along with the running age, there will be slow. ES4(2)

I implement rewards and punishment. Seeing the fact that some of my staff are not diligent then I call them and they say sorry for doing that. When, in a month, they only come for a week to the office and it happens on and on, I not only call them but also give a punishment. Should there are activities from sub directorates, I will prioritize those who are diligent through their work achievement and discipline records. Should there be activities from sub directorates A for instance, I select the diligent ones. We see from their work achievement and discipline. ES4(1)

I will give the outstanding employees any chance, like invitations from anywhere, besides giving them more workloads. Then for the ones who show bad work performance, I almost never give them more workloads since it is considered dangerous. After being given a reprimand, I will reduce their workloads and their DP3 score would not be improved. Those who work diligently, I will involve them in many activities compared to those who are so
<table>
<thead>
<tr>
<th>Theme 3</th>
<th>The employees’ perception of the MoNE’s potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With the new system there will be no social jealousy like the staff who is not punctual but acquires the same amount of salary. S(12)</td>
</tr>
</tbody>
</table>

"Reward is not merely in terms of money. In this directorate, there are scholarships ...(name of fund) for S2 (master’s degree) in ... (name of the university), ES4(6)"

"Our directorate has evaluated our employees for three years and this is considered the best evaluation in term of performance, reward and punishment since ISO is used. This is a quarterly evaluation which could become the employee evaluation model covering the evaluation among the staff, employees and the division head, sub directorate head and the director. S(6)"

"Our superior always gives us direction if we do not understand about our job. For example when we create leaflet of the organization, our superior always monitors our job until we did it. S(5)"

"The employee evaluation could be either direct or indirect one. When the superior gives the appraisal as soon as the employees show the satisfying result, the superior did the direct evaluation. Vice versa, the superior gives the reprimand for those who make mistakes. On the other hand, the indirect evaluation is made, if it is based on DP3. S(6)"

"The special appraisal like overtime fee or any policy incentive goes to the ones who work more than the used to be working hours. S(9)"

"Regardless the monthly payment, work appraisal in my office is not bad. I could say, it is very good if we talk about recognition from superiors to the staff. I would say that my work is fairly appreciated like when I did overtime. If only we did more tasks, we could get the extra payment. So, the more assignment we could do, the more money we could get. S(11)"

"We get Satyalancana. This is the reward for those who carried the assignment out for the certain years without any fault. S(7)"

"lazy. ES4(7)"

"The effectiveness and efficiency may be accomplished since all employees keep on working based on the required"
<table>
<thead>
<tr>
<th>performance management</th>
<th>performance with the certain payment as in turn. ES1(1)</th>
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<tbody>
<tr>
<td></td>
<td>The recent system allows an employee to get the same income no matter he/she is active or not. In fact, the income should differ from the current system so that the employee may get the fair income based on their work performance. ES2(2)</td>
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<td></td>
<td>The organization objective that we would like to achieve is having the work management performance based on the remuneration system. Therefore there is not the basic salary anymore but it will be like credit points. Then someone may get 30 million per month depending on the work performance... ES2(5)</td>
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<td>Hopefully, it would be much better because it would be seen in term of quality/work results. Then the work could be systematic, and the salary/income would be based on the working time and the output. ES4(4)</td>
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<td>Clearly, I really support this change. I believe this is the result of the thoughts of many people. The benefit in my opinion is that we provide better service to minimize unwanted things especially dealing with personal matters. Many people say that without the MoNE things will not get done. This makes me sad, as far as I know it is not right. This can be minimized with this change. I am sure that things will be better. With this change it is expected that we can give better and faster services. ES3(3)</td>
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<td>The change in performance management can give the better service to the society with the expectation: people should not be too many, but a few people, as long as they are effective and efficient. So, all may work well. ES2(2)</td>
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<td></td>
<td>Should it occur in the MoNE, it will become more efficient and be able to reach the proclaimed target in the strategic plan. ES1(1)</td>
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<td>If the performance management system is appropriate and socialized well, it is certain to give benefits. It means in the government line up services. The public service gets faster, more accurate, more efficient and more effective. It is beneficial. ES4(10)</td>
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<td>People will be evaluated from the performance. ES1(1)</td>
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<td>When performance based management is applied to the entire employees, it will be a good model in the country. Since the MoNE is one of the biggest ministries, the influence will be quite significant to improve the quality of the human resources so both the organization and the society could perform the effective performance evaluation on the condition that it is applied objectively based on the required performance management criteria. ES3(4)</td>
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<td>The employees will be evaluated and placed. The job that is supposed to be done by 10 people, but it is done by many people then the rest should be transferred to the other places. S(6)</td>
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<td>Working atmosphere would be better. Either the target or the people’s work would be clear besides it binds and controls both our efforts and motivation. ES3(5)</td>
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<td>Staff is forced to be punctual knowing their main duty and function. Since they are given targets, they will try to reach the targets. ES3(7)</td>
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<tr>
<td>It should be better as a performance management system will give the direction to clear duties and functions in Bureaucracy reform. ES4(1)</td>
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<tr>
<td>The punctuality in accomplishing the job would be precise. It could be target oriented and the achievement would be higher. ES4(3)</td>
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<td>Should it be implemented well, each staff may already know his/her main function and duty; I am sure that it will be significant for the improvement of employees’ performance since there are rewards and punishment. ES4(6)</td>
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<tr>
<td>Conceptually, the benefits of bureaucracy reform will actually be more advantageous to us meaning that we will be more disciplined with time and the work will be more directed. ES4(1)</td>
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<td>At least when the employees come, they know what to do. Secondly, it will be the additional reward like being the outstanding employee of the year. The orientation is to broaden their knowledge. When discipline is upheld, we do not want to feel that we will bear all the work. S(9)</td>
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<td>At least in terms of time management, by then gradually we can come and go home on time, do any assignment with full responsibility. S(8)</td>
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<tr>
<td>The time will be managed well. When we already knew the limit, we could set what we should do based on the given time so the time will be more efficient and useful. S(8)</td>
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<tr>
<td>Employees will be smarter, more disciplined and more optimum for doing the job. If we are disciplined, it will give</td>
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impact to our performance. S(6)

It would be more organized, well, like the working hours would be tighter and everything would be based on the product we make. Furthermore people also will be energetic. S(5)

Personally, I do not believe it since there are the facts in our life like what happened in ... (name of one ministry that already implemented a performance management system). Although their salary had been upgraded up... (percentage), there are corruptions which are much bigger than ever. That's the reason why I am so pessimistic. S(9)

The negative one is our mental state. Why do we have to work hard? We already get big salaries. This is what I always worry. Maybe others have not thought about it, but I did. No matter my thought is right or wrong, this could be a nightmare take Gayus, for example, Gayus already had remuneration but his mental state has deteriorated. ES4(2)

If we have a big salary without feeling grateful and responsible, all will mean nothing. ES4(2)

Should this system be implemented, we will be like a machine and it is difficult for Indonesians since we have a sense of family factor. For instance, we have a lot of work to do, suddenly, one of our employee’s parents passed away. Can we order all to work as usual? At least, the employee whose parents passed away could not go to work. So, the eastern culture will pop up. One of the employees got married during the workdays. It is impossible for us not to come. We will go to the wedding instead. Those things should be accommodated. Regardless of the benefits, it should not be too mechanical, otherwise we will be like a robot. Are we ready for those culture transformations? In fact, the leader himself/herself orders us to go to the wedding. How can we refuse his instruction? Many people will hate us, if we did not go. ES4(3)

The consequence of implementing performance management is the reduction of staff due to the rapid development of science and technology. We already knew the bureaucracy efficiency in some ministries. According to the job analysis in 1990, it is highly recommended to lay off 50% of the current employees in one of the main units for the certain ministry. Certainly, the impact would be on the human resources especially those with irrelevant qualifications and shows discouragement to the organization. Should this performance management be applied, like or dislike, the layoff must be taken. ES3(4)

The employees who were recruited in the 1970s or 1980s are different from those who were recruited in 1990s. Those being recruited in 1980s will have the obstacles in using the computer. It will be weird if a senior high
school graduate cannot operate the computer, nowadays. Certainly, the level of adaptation towards the change for junior staff is better than the senior ones. ES2(4)

the weakness is if the undisciplined colleagues could still be given the same opportunity to get involved in certain activities. There will be jealousy. S(12)

Theme 4
The ability to do performance management at the MoNE

In the office, I apply a small-scale democratic system. We always discuss the problems together. We appreciate their opinion but the decision in the meeting is for the highest. I accommodate their opinions first so they will be appreciated. ES1(2).

I always greet anyone I meet including the security. It is not difficult to say thanks. There will not lose anything. That is an interpersonal relationship. We have to cultivate it. The toughest thing is in the governmental circle is to respect the differences. It is very difficult to do. ES1(2).

I do not use feudalistic power so that we have our own personal communication. ES1(1).

Please notice that I am as a directorate general having a mandate as a public servant. I should put forward the public demand, which in formulating a policy demand means bottom up not the top down one. That’s what I did so far. ES1(3)

In my office, they are allowed to criticize my policy even the lowest staff, he can make it. Once they come to see me when they do not agree with my policy. ES2(5)

The point is just let them make up their mind in the line with their position. Do not do everything by yourself. Sometimes people make mistakes; go on when it is necessary to give the feedback. So, they could work comfortably. When they made the mistakes, not on purpose but the process of learning, I would cover them, on the other hand, whenever they made the mistake on purpose systematically, I would give them the punishment. ES2(5)

What we develop here is like LSM (social society institution) patterns. We give much freedom to the staff so that they may criticize their leader as well his policies. We cannot be top down on and on. ES2(1)

I have a trick; I even asked one of the meeting participants to ask the given question, which is as if it is his idea in a meeting to let other people feel free to give any response. That is how I appreciate them, since if the idea is right
away from me, they will say yes directly, due to their awkward feeling. So they will give more input, including the criticisms, since they think it is from their peers. No matter how bad or good the policy is, if I am the one who conveys it, they will accept it right away without any complaints due to I am their superior. I do not use top down thoroughly. Although I have my own policy, I often meet the one who has the closest subject matter to convey my idea to invite many responses from the floor. ES2(1)

My communication with staff is not only in a periodic meeting but also we often make a phone call and I often ask for inputs, and I did it for so long because I am not in a formal circle. For example, sometimes an appointment is needed. Therefore I always take note of the appointment but sometimes unexpected things happen. ES2(2)

For me, communication is not only like the written formal letter but also an email or others. ES2(2)

Because of the informal communication, they become open to share any shortcoming relating to the assignments. Furthermore, they are willingly to share their personal problems so that the trouble could be identified and we, the superiors, could motivate them. ES2(4)

I invite them here or informally I come to see them coincidently. ES2(4)

I regard my staff not as subordinates but as work partners. If I make a mistake, I can accept inputs even from my staff. ES3(3)

We adhere to an openness system so that anybody could share any opinions to reach the organization’s objective. We regard them as our work partners, more than our staff. We do not want to put out their creativity since anyone could share his/her ideas. ES3(6)

We let them talk and we will discuss again what the problem is. ES3(7).

In my case I build openness. There is but only organization interest and no individual interest. ES3(2)

Periodically, we set out to gather our colleagues once for two or three months and let them share their mind to the Head of Division or me. The solution of the problems is also discussed here. ES3(7)

My previous style two years ago was authoritarian. I feel very difficult to delegate the job to the staff. I will move into the delegation and facilitation the job because they are really capable. I changed the style. It has been one year since I changed the style to delegate and to empower all of the staff. ES3(5)
I have a periodic schedule to have a discussion with my colleagues. I am so open to be criticized. I suggest criticizing because if I am not criticized, I would not know what kind of success that I am going to achieve. I am also so open to inform the recent and the following year budget, no matter I won’t be longer to be here but let them talk it over with my successor latter. ES4(2)

We still have to respect our subordinates by listening to their opinions and considering the negative and positive ones. Subordinates should not always follow the superiors. ES4(8)

But as for me, I want to listen to the opinions of subordinates and then we screen. So, being superior, we should listen to the subordinates. I am always open so do not let subordinates be afraid of the superior. So the transparency and communication between superiors and subordinates needs to be maintained. ES4(8)

My boss will give me the pointer how to handle it. S(11)

We solve the problems together. When my superior assigns me some work, I could discuss any problems that come up with him. S(11)

When superiors ask us to do something we do it. Should there be weaknesses on our part, we discuss them. S(4)

If any staff has any trouble dealing with their work, they could discuss it with their superior, then the superior will give them the needed pointers. So, there is an open system between the superior and the subordinates. S(1)

There is no gap between superior and subordinates. It is just to the extent of structure but when we are not in the office, everybody is equal. So we have an openness culture . . . S(6)

The cultural communication in our organizational culture is not 100% successful yet. There are still some obstacles hampering it, since it is a mere lip service or accessories. As long as we are unable to dispose of our accessories, there will be distortion in communication. ES3(4)

Sometimes there is a distance. There are things that we can not communicate to superiors S(12).

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31 Dispose of our accessories means that this person allow employee threat them as an equal.
Commitment becomes important. It needs to be owned by institutional leaders in all levels. ES1(1)

When the staff have no commitment, it becomes the responsibility of the superior. It is the superior who must guide those reluctant people. ES1(3)

We should have an integrity pact between the minister and first echelon, among not only the first echelons and the second ones but also the second echelons and their subordinates. We should have commitment too. It is true that there are different authorities. That is what is called bureaucracy. Functions must be arranged. With the mutual commitment, we can lead to good service. Superiors must be consistent. ES1(2)

My principle in working is when I already had a work contract with this institution, I must love my job for good, but since I am also a religious person, my work should be beneficial. If it is possible, working is also a part of devotion. First, working is not only the place for earning money but also the place where I can be smarter. I was also equipped with knowledge and skills though limited. Secondly, as a breadwinner, I have to feed my family. If I work well and have a kosher income$^{32}$, I will give it to the family, then it is an act of devotion. The third, if I can influence people, or institutions to better directions, this is an act of devotion, until I assume that however small it is, I want my life to be more meaningful not only for myself and family but also to the office, society and country, as well as religion. This is the crucial one. Therefore, when I already have commitment with the office, part of the office, we want to go forward. We must not be hypocrites. ES2(2)

We should actively take part to maintain this change for a good purpose but not only do we support but also criticize. Should there be in the course of action, it is not satisfying; we must take part to criticize as well. ES2(2)

The ISO says so. Whatever it is not to mention in the changes, even in reaching the reliability, indeed needs the commitment and the comprehensive control. Especially in the changes, the control must be per minute or per second. It should be commitment as well. ES2(1)

Based on my experience if we wait for having commitment from all the people, it will never move. To begin the change, I need a maximum of 5%$^{33}$ or at least 3% from the population, who have commitment to change, is enough. ES2(5)

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$^{32}$ Kosher income is legal and acceptable income
$^{33}$ 5% means this respondent do not need all the employees follow his rule or change but for the first step he just need 5% from his staff
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<th>Source</th>
<th>Statement</th>
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<tbody>
<tr>
<td>ES3(2)</td>
<td>It is commitment that strengthens the change. If there is no commitment, change will never happen. Without having the policy to have it, the change will not go smoothly.</td>
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<td>ES3(1)</td>
<td>Superiors should be a role model, for instance in terms of discipline of attendance. If there is a role model from superiors, the staff will willingly follow. Do not always blame the staff.</td>
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<tr>
<td>ES3(4)</td>
<td>We should learn from a lot of successful people or organizations. There is nothing wrong with doing so. Commitment should be collective action, not individual one. The top management is unable to do everything if the middle management and the lower level do not have the required commitment.</td>
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<tr>
<td>ES4(6)</td>
<td>Commitment from the bottom to the top is very important. Should there be no commitment, it will be difficult to reach the goal. So, commitment from each individual together with the responsibility covering all the staff up to the minister is important.</td>
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<td>ES4(1)</td>
<td>Commitment is very important because with this new system, the employee will get the precise working hours with the reward as a return. Furthermore, there will be a bureaucracy reform and followed by the good performance and good remuneration system. Moreover employees can get performance improvement with a remuneration system that promotes the welfare.</td>
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<td>ES4(5)</td>
<td>When the organization has the strong commitment to execute any programs using both mechanism and efforts, it will run well.</td>
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<tr>
<td>ES1(1)</td>
<td>The objective of the change must be success but there must be a transition period, for change management, by then chaos will not occur.</td>
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<td>ES1(3)</td>
<td>Management is not stagnant. Management is dynamic. It changes to keep updated with the development of science and technology. So we have to be dynamic. We cannot stop. There are changes in this world. One thing for sure is changes. Therefore, should we not be aware of changes, we will be left behind.</td>
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<td>ES2(5)</td>
<td>Based on the survey done by the outside consultant we hired, based on the employees’ attitude and facilities, about 60% or 70% of us are ready since we learned a lot. We have used ISO since our former Ministry. The core of ISO is changing the employees’ attitude.</td>
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34 Collective action in this sentence means that this respondent thinks for change, the higher level and lower level should have commitment for the change.

35 Outside consultant: this respondent directorate hires the outside consultant to create ISO system in his directorate.
It has not changed all of the employees. Based on the outside consultant, which is independent taking a picture of our work performance and the way we work, it could be said that we are ready 70% to change. ES2(5)

Like being outlined by the internal ministry team of the bureaucracy reform, wishing that it will lead and reach the change, so, like or dislike, all of the people should be ready for the changes with all of the implications. In fact, the changes pay more attention to the procedures, organization and Human Resource. ES3(6)

It will be successful. We should not be pessimistic. We should be optimistic because optimistic people see something new as the effort to get solutions. ES4(6)

I cannot say that I am very pessimistic. Whenever there is a change, it is a result of experience. When there has not been any bad experience so far, then why should it be changed? That means there is something wrong and the change is needed to fix it. The previous minuses should be fixed for sure. That is why we need to be positive thinking. S(5)

It should be done gradually or step by step, since we have to keep the balance. The change implementation of the system could be carried out without interfering with the task. ES3(4)

Keeping in mind the situation and condition, this reform will run in half meaning that many old employees do not perform well compared to the new ones. It is easy to treat the new employees but it is quite difficult to treat the old ones. Reform is not only related to the new employees but also the old ones. I feel optimistic that this can be done but it is quite difficult. But one day it will run well. It is a matter of being accustomed to it. When they get used to it, everything would be fine and run well. So it will run well, although it takes time. ES4(1)

The problem is that the changes are not the choice, but they should be applied, as they are due to the top down policy. It is a must or an obligation, so we could not say no, though. That is why we see these changes are good, but we also find the weaknesses. ES4(5)

It will improve the current system. With the change and the new system I believe there will be a positive change. Maybe it can also be suggested that the system not be carried out at once. It should be carried out gradually and dissemination of information should also be carried out so when the time comes to implement the new system, the staff will not be surprised. S(13)

Our take home pay is still not based on merit system but based on the rank and etc. When the performance is
| **below standard, they are reprimanded in a way that has nothing to do with their take home pay.** | ES1(1) |
| Increasing salary is beyond my authority because it is a national standard. It is the government’s policy in the national scope. We cannot do anything. | ES1(3) |
| The salary system is the same for either active or passive ones since it only accommodates the rank and the years of service. The superiors in several places have thought to add welfare for good people by giving additional activities. | ES2(2) |
| There is a regulation dealing with salary and it is already standardized. | ES2(4) |
| Recently, PNS salary uses the jargon of PGPS – pinter goblok pendapatan sama (either smart or stupid worker gets the same income) like me who works for 30 or 28 years also gets 5 million, there is not any system supporting me as the one who has big responsibility. | ES2(5) |
| For government civil servant the salary is already clear. Certain ranks with certain years of service will determine the amount of salary. | ES3(3) |
| The difference of amount of salary is determined by the length of service, the longer the length of service the higher the salary would be. | ES3(4) |
| Government Rule (PP) number 10 rules the civil servant salary based on the rank and years of service. For instance, I am in the rank of III-d and will get the salary based on III-d like the other employees with the same rank but when the years of service are different, the table will determine the amount of salary which is 22 years for me. It does not have anything to do with the diligence. The formula and the table are fixed since they are given. | ES4(6) |
| Those who are diligent or not, smart or not acquire the same amount of salary. | ES4(9) |
| The salary system for government employees is already arranged based on the rank and the length of service. | S(4) |
| So far we could say that being lazy or diligent as a government civil servant will get the given salary, because it does not make any difference, the lazy from the diligent one. | S(9) |
Many are suitable and a few are unsuitable. Several training sessions have been conducted for unsuitable workers, to support the job. However, there are still many of them who are unsuitable because of the previous recruitment. Some of the employees here are senior. This is an old organization, so some are unsuitable and some are already in line with the competence. ES1(3)

We did the training. But it not perfect yet. Some of our workers do not go well with the position because of having an irrelevant background for the need. These people need special treatment to improve their competency. ES2(1)

Training is merely for the organization's need. So their competences must be in line with the need the organization needs. In fact, the training is not always relevant to their competence. What knowledge we need is what we train them for. ES3(6)

We never deal with the individual tasks but we deal more with tasks in general. ES4(10).

We have the competency improvement, like being apprentices either within the country or overseas which is one of the competency improvements. We have many kinds of education and training but due to the modest funds or time limitations not all people can do as others do. There are apprenticeships, education and training, going to college, getting S2 and S3 degrees for qualification improvement. S(6)

The trainings may have relevance with our job but not that much. S(2).

There has not been any competencies development. S(12).