Public Service Innovation and the Diffusion of Innovation in Indonesia

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The purpose of this study is to describe the government of the Republic of Indonesia’s efforts to encourage improvement in the quality of public services through the Competition of Public Service Innovation (or Kompetisi Inovasi Pelayanan Publik/KIPP) since 2014. The public service innovation is triggered by KIPP and is carried out nationally by the Ministry of Empowerment of State Apparatus and Bureaucratic Reform (or Kementerian Pendayagunaan Aparatur Negara and Reformasi Birokrasi/Kemen PAN-RB) as a way towards innovation diffusion. Methods of this study involve a qualitative approach using document investigation procedure as a data collection technique with descriptive data analysis. The results showed that KIPP was able to create an innovation culture in the public sector. To conclude, innovation diffusion has a pivotal role in improving public service performance throughout Republic of Indonesia’s government. It has been going as expected through a variety of policy formats, programs, and activities.

**Key words:** Public service innovation, Diffusion of innovation, Indonesia.

**Introduction**

Since the 1990s, the public sector in Indonesia and other countries has faced environmental turbulence that must be responded to appropriately (Issac-Henry & Painter, 1991). One form of response is to make management changes in order to adjust to environmental dynamics (Suarez & Oliva, 2005). Currently, public sector institutions also experience a serious challenge in creating a supportive environment that fosters individual creativity (Al-Asfoua \textit{et al}, 2020).
Studies show that environmental turbulence does not affect the performance of the public sector if it is responded to appropriately (Boyne & Meier, 2000). This is based on a number of relevant principles in implementing change management programs (Cunningham & Kempling, 2009).

Studies on organisational change in the public sector by Kuipers et al (2014) shows the existence of three factors: context factor, content factor, and process factor. Context factor is an external and internal environment, content factor focuses on change, namely strategy, structure and the organisational system; and process factor is an intervention and process carried out in implementing changes.

These three factors are determinants for organisations in management. Walker et al (2007) is exemplary of this, as well as a reference in this study. In a very dynamic environmental situation, the public sector must be able to create a culture of innovation in a sustainable manner (Amber et al, 2019) so that it can provide optimal service to the community.

The Republic of Indonesia’s government strives to improve the quality of public services and to encourage the central and regional apparatus to innovate. Through the Ministry of Empowerment of State Apparatus and Bureaucratic Reform (Kemen PAN-RB), since 2014, the government has organised the Competition of Public Service Innovation (Kompetisi Inovasi Pelayanan Publik/KIPP) to create a culture of innovation through one institution on innovation. KIPP ultimately is able to trigger the birth of public sector innovation diffusion in providing the best public services.

This study aims to describe the efforts of the Republic of Indonesia’s government to encourage quality improvement of public services through KIPP since 2014 and focuses on the diffusion of innovation and public service improvement.

**Theory**

**Diffusion of Innovation**

Rogers (2003:5-6) defines the diffusion of innovation as a dynamic process of conveying new ideas through various communication channels in the form of sharing information or knowledge with the aim of achieving mutual understanding.

Vision, intellectual, and transformational leaders play a significant role in the success of the diffusion of innovation (Carreiro & Oliveira, 2019). The development of leadership communication channels affect the achievement of organisational outcomes as a result of dynamic relationships between employees and the organisation (Men, 2015).
Men (2015) emphasised that leaders must, as often as possible, use email, social media and face-to-face channels to communicate with employees in creating mutual understanding. With mutual understanding, the diffusion of innovation can be carried out optimally.

Leadership becomes an important factor in innovation diffusion. A study that conducted by Currie & Spyrido (2019) shows that shared leadership and the interdependency of hierarchical managerial or professional influence affect innovation diffusion. Innovation requires togetherness, reciprocity, and professionalism.

In the public sector, transformative leaders with mediating organisational learning and knowledge sharing have a very close relationship to employee innovation and the use of social media as a bridge between knowledge sharing and employee innovation (Khan & Khan, 2019).

The intention to adopt new ideas or new technologies as a result of innovation diffusion is also related to opinion leaders (Feder & Savastano, 2012). Meanwhile Cho, et al (2012) also identified that opinion leaders are the best initial adopter for diffusion with a varied effective role, which depends on the types of social network and innovation.

Public Service Innovation

Public sector innovation can be defined as “a dynamic process that changes the overall architecture of government.” It helps identify issues, challenges, develop new processes, and the creative selection and implementation of new solutions (Matei & Bujac, 2016). Innovation is a phenomenon inherent in every effort to improve public services in various fields to be more effective (Jena & Philipson, 2008; Zeng, 2017), of higher quality (Baier et al, 2015; Fadil et al, 2016), and more competitive (Ciocanel & Pavalescu, 2015; Kuncoro & Suriani, 2018).

Innovation in public services requires a creative mindset related to developing individual capacity and organisational leadership (Bekkers et al, 2011). The directions of individual capacity development in the era of digitising public services is intended to become accustomed and able to master technology appropriately in order to complete increasingly complex tasks and jobs (Busch et al, 2018). Based on their study, Al-Asfoura, et al (2020) argue that individual creativity and performance need a positive organisational climate and culture, individual attributes, job characteristics, and leadership.

Learning from a certain business sector experiences, transformational and transactional leadership styles and innovations affect business performance (Yildiz et al, 2014). Also, learning can adapt from the tourism sector, and organisational leadership that upholds ethics in public service is believed to have an impact on innovative service behaviour (Dhar, 2016). The
21st century is marked by a variety of dramatic changes; therefore, innovative leadership is needed to make radical changes (Şen & Eren, 2012).

The success of developing innovation in the public sector should use measurements that are relevant to established policy objectives (Arundel et al, 2019) namely improving service performance. In the public sector, service performance is characterised by high quality information, financial transparency, efficiency, effectiveness, and is also used to eliminate mistrust in the quality of services (Coste & Tudor, 2013).

**Methods**

This study describes the innovation of public services in Indonesia. The innovation is driven by competition in public service innovation in Indonesia. The primary data obtained is based on data or information provided by speakers from various groups of people who are concerned with improving the quality of public services in Indonesia. Meanwhile, secondary data is obtained from some documents that have been published by KemanPAN-RB. The documents contain a list of most competitive public service innovations in Indonesia during 2016 until 2019.

The data was analysed qualitatively to provide depth of value from each statement of informants and the information presented in each document.

**Results and Discussion**

**Diffusion of Innovation**

Competition of Public Service Innovation (KIPP), initiated by KemenPAN-RB, is able to realise a dynamic process with the idea of “one institution one innovation.” This idea seems to be an obligation for every public service unit in Indonesia to develop the creativity and innovation of public services according to their fields. Innovation diffusion in public services in Indonesia has been strengthened in the form of support from all interested stakeholders.

From this innovation diffusion, a pivotal role of evidence-based policy is also intended to create a policy for every problem that arises in society. Every policy in Indonesia refers to a document in a certain form, namely, National Middle-Term Development Planning or Rencana Pembangunan Jangka Menengah Nasional (RPJMN) for the next five years. Each public service executor unit must support the achievements of RPJMN optimally. However, the concept of evidence-based policy has not yet received adequate attention from the executive as a policy-making authority at both central and regional levels of government.
If every public service institution as a public sector delivery executor must create an innovation, then it must be supported by formal policies in the form of regulations so that it is not merely an appeal. Unfortunately, policy makers have low interest in conducting policy research in the field of public service administration. Meanwhile, the need to carry out administrative reform and governance reform is very urgent with a number of challenges and uncertainties. Presently, all countries including Indonesia are facing the COVID-19 pandemic. As one of instruments in dealing with change and uncertainty, administrative and governance reform is a factor that greatly determines the ability of the government to overcome various problems of public services such as inefficiency, ineffectiveness, or inaction in solving community affairs.

Innovation diffusion needs to involve a variety of elements both from the government and society. If KemenPAN-RB runs alone, not only cognitive information but also the affective and psychomotor apparatus in responding to the needs of society in an innovative way will slow down. As a result, apparatus awareness has declined to innovate because of limited information that can trigger them to be creative in developing public services. Therefore, KemenPAN-RB should involve all research and development (R&D) institutions in every ministry and government institutions, both at central and regional levels. KemenPAN-RB needs to unite each R&D institution so that it does not work alone. Currently, there is an overlap study result between one R&D institutions with another. Often found there are similar themes among institutions. By cooperating with various institutions both in Indonesia and other countries as collaborative partners, KemenPAN-RB can facilitate scientists, researchers, executive, community leaders, and policy-making authorities in order to build shared understanding about various public service policy issues.

The configuration of a harmonious relationship between R&D institutions synergises creation when conducting public service policy studies. In this context, KemenPAN-RB does not merely synchronise the study agenda, but also develops studies focusing on evidence-based policy and the benefits of study in the form of policy recommendations with target accuracy for policy recipients. An initiative initiated by KemenPAN-RB can be an important instrument in the development of bureaucratic reform through evidence-based public service policies to develop innovation networks. Public service innovations and improvement in Indonesia must also need a legally support by a formal law or regulation through the application of evidence-based policy and regulatory reform.

Regulatory reform can be developed through the results recommended from various evidence-based policy studies. This study produces several credible public service policy recommendations and is supported by the availability of qualified and professional human resources, for example, a competent policy analyst in functional staff, so that they can be guaranteed to be sustainable. Thus, through the diffusion of innovations involving many stakeholders, it will become a continuous public service innovation guarantee. So far, the
majority of government officials in Indonesia have reduced the meaning of policy to a mere set of regulations or laws. The security apparatus tends to be legal-formal. Whereas the meaning of policy in public services, for example, refers to every effort of government both at the central and regional levels towards improving the welfare of the community as the major goal or objective. In this context, we agree that to set a policy is not a goal to be achieved, but the goals of the policy itself are essential. All stakeholders hope that those who have an interest in developing the quality of public services in Indonesia in an integrated manner have the same perception about the meaning of a policy and then build policy reform towards a competitive Indonesian bureaucracy in order to provide people with quality public service delivery.

Innovation diffusion has substance, namely, how any data or information about reciprocal ideas or improvements to public services will be disseminated among stakeholders. Initiatives to unite the views of all R&D institutions in Indonesia can be considered as a dynamic and interactive forum. In this forum, it is hoped that all stakeholders will promote as many constructive suggestions or new ideas about developing innovative public quality for at least the next five years. Various ideas or novelties in the form of constructive input or suggestions are very much needed in each stage of policy making, especially in order to realise superior and competitive public services. Year 2025 is the last of 15 years and is a crucial moment in realising a superior and world-class Indonesian bureaucracy in public service.

In this context, KemenPAN-RB can realise the vision of bureaucratic reform in Indonesia by utilising various communication channels to share information or knowledge with the aim to achieve a mutual understanding among stakeholders. KemenPAN-RB needs excellent leaders and staff with a visionary, intellectual and transformative attitude so that they can play a significant role in realising the success of innovation diffusion among stakeholders as expected by Carreiro & Oliveira (2019). So far, staff and leaders in the ministry, with the full support of other officials and society, especially academics from credible higher institutions, have been able to develop communication channels that are useful in developing policies and triggering public service innovation activities in Indonesia. The officials and staff of the ministry is supported by the style and quality of democratic and participatory leadership so as to be able to boost the achievement of organisational outcomes in the form of thousands of proposals for public service innovation initiatives from various public service units spreading across the vast territory of Indonesia. If the ministry can achieve good performance, it is a tangible manifestation of dynamic relationships developed between staff, leaders, and external stakeholders, especially academics and observers of public service issues as theoretically illustrated by Men (2015).

The ministry is also under the leadership of each periodic leader and can be said to be "as often as possible" (most frequently) using various tools supported by the latest information and communication technology, such as e-mail, social media and also face-to-face channels to
communicate with employees in creating mutual understanding. This effort naturally enables innovation diffusion to be carried out optimally in order to promote the quality of public service development in Indonesia.

The diffusion of public service innovation in Indonesia can be seen in the presence of staff and leaders, that is, in their shared dialogue to create mutual understanding among stakeholders. This is the most important factor in innovation diffusion. Public service innovation is not a subjective initiative but is based on the fact that improving the quality of public services through innovation is basically an objective requirement of the community. The staff in KemenPAN-RB also work hand in hand to carry out the commands that come from the leaders to realise the goals of innovation. This is of course in line with the view of Currie & Spyrido (2019) who emphasised the importance of shared leadership, interdependency of hierarchical managerial or professional influence in affecting innovation diffusion. Based on this study, it can be affirmed that innovation diffusion and its success, especially in the field of public services, requires togetherness, reciprocal relations, and professionalism.

In various public service units in Indonesia, both at the central and regional levels, there are great and well-known transformative leaders in their respective regions with world-class achievements in serving the community. The city of Surabaya, for example, the second largest Indonesian city after Jakarta, is led by an irreplaceable female mayor. Surabaya is growing rapidly with a world-class level of public service characteristics. The renewal in this city can be achieved through mediating organisational learning and knowledge sharing with various stakeholders including entrepreneurs, scientists, non-governmental groups, and community media. Fortunately, there is a very harmonious relationship between the legislative body as a controller function and executive body as policy implementor that makes employee innovation in the local government of Surabaya very easy. The diffusion of information about creativity and the development of public innovation is also supported by the presence of the latest technology that allows each individual among stakeholders both internal and external to use social media as a bridge between knowledge sharing and employee innovation as emphasised by Khan & Khan (2019).

A very close and balanced relationship between the elements of internal and external government stakeholders and an awareness to improve the bureaucracy capability and thereby provide people with the best service for a sustainable period, is essential to adopt new ideas or new technologies as a result of diffusion of innovation. The involvement of a number of community leaders, scientists, researchers, and other stakeholders in Indonesia is critical as opinion leaders who are able to move each public service unit in innovating public services as confirmed by Feder & Savastano (2012). In this sense, this study proves that opinion leaders are the best initial adopter for innovation diffusion. They have an effective roles, which vary depending on the types of social networks and innovation as stated by Cho et al (2012).
Public Service Innovation

Based on documents published by KemenPAN-RB from 2016 to 2018, 233 of the most competitive public service innovations in Indonesia can be found. In 2016, the Top 35 were selected for Indonesia's public service innovation, as in 2017, and in 2018 the Top 99 were chosen.

Public sector innovation, as shown in the three annual documents, shows that there are dynamic processes that are able to change the face and form of government services to people. In the past three years, the face of bureaucracy can be identified with a better change in the form of public service malls that provide the public with helpful atmospheres. These changes are of course coupled with several challenges as a result of social, economic, political, and technological changes. As a result, the Indonesian government is determined to develop the latest processes in public services creatively and then consistently apply them as one solution to address the needs of community as public sector innovation is defined by Matei & Bujac (2016). Nowadays, in a number of cities in Indonesia both large and small can be found a phenomenon that is inherent in public services in various fields. This change can include the momentum to bring about more effective services (Jena & Philipson, 2008; Zeng, 2017), with a higher level of quality (Baier et al, 2015; Fadil et al., 2016), which are in accordance with the vision of the 2015 Indonesian Bureaucratic Reform, specifically the expectation to compete with other countries in the world, as Ciocanel & Pavalescu (2015) and Kuncoro & Suriani (2018) document in their studies.

Successful of innovations programs that have been initiated in Indonesian government bureaucratic environment, especially in the context of public services, are supported by official staff with a creative mindset. The Indonesian government under President Joko Widodo's leadership in this second period has a very strong commitment in developing human resources. This vision is very closely related to every effort to develop individual capacity and organisational leadership abilities, as stated by Bekkers, et al (2011). Various training and human resource development programs for the apparatus are systematically developed, which are directed at developing capacity and capability. What's more, currently the form of digitalisation in public services must be shown as a tangible product in fulfillment of Joko Widodo's campaign promise in the presidential election in 2019. The digital era with tangible manifestations of internet technology-based public services is also in line with a number of human resources quality development schemes, which aimed for each individual to attain mastery of the latest technology as well as to be able to use technology in a positive way and provide people with a prompt of public services at a most excellent level. This was stated by Busch, et al (2018), in their description of the digital era, its apparatus or human resources, and the performance of public services.
Since 2015, KemenPAN-RB, as a public institution in Indonesia, is directed by a businessman as Minister. Politicians and businesses have caused a minister, named Asman Abnur, to always try to apply political science and business for ministry. Not just learning everything that grows in realm of political science and from business sector, the PAN-RB ministerial leadership style is both transformational and transactional and inspires staff to increase their capacity or innovation power in order to achieve each of the ministry's specified targets. On an ongoing basis, PAN & RB ministers remain committed to developing endless public service innovation, as indicated by Yildiz et al (2014). Real evidence was obtained, in two consecutive years, namely 2017 and 2018, and the work of KemenPAN-RB was recognised by the United Nations. In 2019, the United Nations Public Service Award (UNPSA) held by the United Nations (UN), was awarded to the Indonesian innovation of “PetaBencana.id” owned by National Disaster Management Agency (or Badan Nasional Penanggulangan Bencana/BNPB). The award was recognised as the world's most prestigious recognition for excellence in public service innovation. One year earlier, public service innovation from Indonesia also won 2018 UNPSA, namely, Early Diagnosis and Treatment (EDAT) system from Bintuni Bay, West Papua Province.

The world-class award proves that the vision of world-class bureaucracy in 2025 is not merely a dream. Such achievements can be achieved thanks to the willingness of all stakeholders, staff and leaders, to learn from various sources of knowledge and practical experience. The learning outcomes result in the ministry's leadership capability to always position ethical factors as being rooted in a public service format. The element of technology itself cannot be eliminated in the context of meeting the needs of the community. Based on ethics that are firmly rooted in making social norms, the growth of innovative public service behaviour relates to the apparatus as illustrated by Dhar (2016). Entering the 21st century, all countries face a variety of dramatic changes. At present, there is the pandemic of COVID-19, which has changed the joints of individual and social life. In this context, bureaucracy must be able to provide a strong, creative, and always innovative staff and leadership to make radical changes in emergency and uncertain situations.

Benchmarks carried out by various countries to learn about public services in Indonesia and the success of development of public sector innovations that have received UN awards in the last two years in a row is an affirmation that public service innovation in Indonesia has reached a point of success. Successful innovation is ensured by the existence of measurements that are relevant to the established policy objectives, namely improving public service performance in a sustainable manner as stated by Arundel et al (2019). Meanwhile, real development of the changing face and format of public services is not just related to fulfilling the presidential campaign promises or having to adapt to the emergence of a digital era. The main sign of the public service platform is to meet the increasingly diverse needs of the community. Innovations made in Indonesia, especially in public service sector, must be followed by tangible
manifestations of service performance marked by the achievement of high quality information measures as an indication of open government, financial transparency for accountability, efficient use of resources, and disappearing mistrust in quality of services as already detailed by Coste & Tudor (2013). The last thing needs to be questioned sceptically, so it is also it is strongly recommended that it is studied in the future.

Conclusions

Innovation diffusion of public service throughout the Republic of Indonesia’s government both at central and regional levels has been going as expected through a variety of policy formats, programs, and activities. This is supported by the commitment to a constructive involvement of all stakeholders from Indonesia or other countries as partners. Clearly directed policies in improving public services are carried out through bureaucratic reform schemes and the Competition of Public Service Innovation/KIPP.

The prestigious achievements of Indonesian performance raises scepticism about open government, financial accountability, as well as resource efficiency, and the mistrust among stakeholders. In future, it is assumed that we will have a great opportunity to undertake some research in a very interesting light.

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