

The Efforts of Performance Improvement of Regional Water Company (PDAM) to Serve Costumers in Samarinda City

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Abstract

This research used a qualitative approach with focus on performance of services unit PDAM (Perusahaan Daerah Air Minum / regional water company) in Samarinda and the gap between the performance of the service to the consumer expectations. Purpose of this study is: to describe and analyze of performance, the gap between performance of services unit PDAM with the consumers expectation, and effort to improving performance of services unit PDAM in Samarinda in terms of public services.

Result of research that in executing public service duties, services unit face some constraint. The constraints become which factors block in achieving the target and organization goals so that almost all the target and goals are not realized. Do not achieve this goals because quality of performance all staff, as organization task developer, both in quantity or quality is still lower, specially in response to service demand and delivery of consumer complaints, the community. Less active and slow in response to the demand of public service from customers resulted in a gap between the performance of service unit to the consumers expectations. Though, the policy improving of performance service in all service unit PDAM in Samarinda have been made and specified through RKAP (Rencana Kerja dan Anggaran Perusahaan / workplan and budget of company) as effort to repair public service tasks performed by the company.

Keywords : Public Service Performance

1. Introduction

Water clean is one of the fundamental requirement in life of society and the most important component to create a healthy society. Therefore, the supply of clean water suitable for consumption is a fundamental task of PDAM which in continuance must race with growth of population increase and industrial development of the region is quickly. In running the mission of governance of region in public service area (clean water supply). PDAM ought provide excellent service to the community both in the continuity, quantity, and quality.

PDAM is one of the Regional Owned Enterprises (BUMD) initially started on official business under the local government, then become Regional Water Company (PDAM) based on to Law No.6 Year 1974. Company of this region is function to supply of clean water of which delivery fully to local governance in each region. PDAM is not only viewed as Regional Owned Enterprises (BUMD) profit oriented, but also have to be viewed as one absolute economics actors that given services of satisfying at consumer society. This condition is indeed a reality that very dilemma and undeniable because on one side growth of resident is quickly has resulted water potency which progressively minimize, while the other side the amount of water demand continue to increase. Until now, PDAM to be the only company of public service in clean water supply area. If the company is unable to manage supply and demand better, the presence and role of PDAM will always colored by focus by the consumers society.

Various parameters are used to see performance of PDAM which can be grouped into two approaches. The first approach is to see the performance of services from the service provider perspective and both approach see the performance of services from service users perspective which can be measured from consumers side, that is seen consumers perception to actual service that accepted and consumers expectations. Ideally, the actual gap between perception and consumers expectations should not exist. This means that given by performance of service is good and as according to consumers expectations. As Parasuraman, *et.al* (1990) in Dwiyanto, *et.al* (2002) suggested that performance of good public service can be seen through as indicator of physical. Aspects of physical that given, such as the available a building of service that representative, facilities of services such as

a TV, comfortable waiting room, equipment of supporter owning high technology, such as computers, appearance attractive forces such as uniforms and accessories, and also various services office facilities that facilitate to access services for the society.

Research question of this study are:

1. How is the performance of public service of service unit PDAM in Samarinda?
2. How is the gap between performance of services and consumers expectations?
3. Effort what is conducted to increase performance service PDAM to consumers satisfaction?

This research objective to describe and analyze:

1. Performance of service unit PDAM Samarinda in terms of public service.
2. The gap between performance of service unit PDAM Samarinda with consumer expectation.
3. Effort to improve performance of service unit PDAM Samarinda in terms of public service.

2. Literature review

2.1 Empirical Review (Previous Research)

Nurse (2005) the result of research, entitled “Relationship Performance Appraisal, Employee Development and Organization Justice” is there no significant difference in perception between federal respondents and non join an associating about the majority of procedural elements are used.

Heinrich (2002) research with a focussed on issues of performance management and question its effectiveness as a policy tool to improve the performance of government accountability. Empirical results confirm that the use of administrative data in management performance can provide useful information to public managers about making the policy to improve organization performance.

Isworo (2006) the result of research, entitled “Expectation Societies to Public Bureaucracy”. Is found is not easy to government bureaucracy fulfill demand and desire of society which its amount many and variety. But basically society very hungering for fair bureaucracy service, that is the existence of certainty, security, and viability life.

2.2 Teoritical Review

2.2.1 Bureaucracy Performance

Ability according Thoha (1995) that as one maturity element related to knowledge and skills that can be obtained from education and experience or training. While maturity according Haersey (1995) is maturity of work associated with the ability to do something. This related to knowledge and skills, people who have knowledge and experience to execute certain duties without others instruction.

Bernadine and Russel (1993) states that performance as : the period of outcomes produced a specified job function or activity during a specified time period. Emphasized on aspect of outcomes or obtained by final result after an activity or work during certain period of time. Performance only related to a series of result obtained by an employees during specified period and do not the including personal characteristic of employees are assessed. Performance shows, “the execution or fulfillment of a duty” (implementation or achievement of a task) or “persons achievement under test conditions” with efficiency concept in administration hence performance should be measured.

There are a various view of the experts about the performance, for example according Gibson, Invancevich, and Donnely (1994) in Idris (2006) states that performance or work performance is desired of the perpetrator. Dharma (1995) defines performance as work performance as realization of what is done by the employees or the organization that is usually used as the basic of assessment of the employee or the organization. Performance is something that is done by the products / services produced by a person or group of people. Hasibuan (1991) enhancing that work performance do not only related to the quantity but also the quality of jobs that can be finished by individual in certain period of time. Thus, performance is intended as a form from effort, both in quantity and quality, produced by a person or an organization to achieve the organization goals were often used as an assessment to producer. However, performance ascription as work performance seems only emphasize the aspects of quality of just efficacy so that bear partial meaning. Though, a review of performance in term of quantity and quality can be means as a result of work is less, low, normal, bad, and so on (Keban, 2004).

Performance should describe the result, not the ability, means or behavior. Perhaps, the ability, means or behaviors determine or influence of outcome or level of achievement, but no be part of the result. Ability, means, or behaviours only becomes a explanations factor why obtained result reaching a certain level (Keban, 2004).

2.2.2 Public Service

Public service is one of the tasks of government in development (Sutopo and Sugiyanti, 1990). Government must be able to give service as well as possible to society as according to holded doctrine by government as a “public servant”. This doctrine very strong attached to the scope of duty is owned by government as mediator and also a facilitator. Government must provide excellent service in managing need of society for concerning administration and also investment.

The government’s task according Thoha (1995) is to serve society, where service duty more emphasizing at of effort prioritize public interest, where facilitating business, shorten time the implementation process and give satisfaction to society. While duty arrange more emphasizing at power in bureaucracy position.

For public service organizations, information about the performance is certainly very useful for assessing how far public services given by organization to fulfill satisfying expectations to service users. The performance assessment of public service bureaucracy is not enough done by using indicators in bureaucracy such as efficiency and effectiveness but should be seen also from the indicator to the service users as community satisfaction and resposivitas (Dwiyanto, 2002).

Kaban (2005) states that performance assessment should have been guided by a paradigm that is directed not only to solve the problems in the organization, but also should pay attention and fulfill needs of the public which they ought to serve (public service) which is the organization’s mission of public service in general. Outward oriented paradigm referred to as new public management paradigm (new public management). Basic performance assessment is not solely on the process to be taken, but rather wide that is with quality of service (Kaban, 2005).

To push its form is quality of maximum public services, the central government through Menpan release decree Menpan No.63/Kep/M.PAN/7/2003 about public guidance of management of public service. In addition, the government has made a minimum service standards which included in Compilation and Applying of Minimum Standard Service and Regulation of Ministry of Republic of Indonesia No. 79 Year 2007 about Guidance of Arrange Plan minimum standards service. With published of guidance for implementation of public service are expected to be quality public service (Prianto, 2006).

According Tjiptono (2007) that quality of service has an effect on satisfaction consumers. Quality of service as fulfillment of the expectation/needs of consumers, where service told with quality if can provide product and or service as according to needs/expectation consumers (Ibrahim, 2008).

Then that the performance of public service quality is good, if there is a dot encounter between the expectations of society (consumers) with the reality of services given by government organizations. Or in other words there is a dot encounter between the two needs, namely the need for the public (society/consumers) to get a quality service, with management/government to provide services that fit the needs of the society/consumer, then the point of attention continues to focus on fulfill the needs/expectations and satisfaction of the society/consumers.

Satisfaction of society/consumers can be seen from feels of someone after comparing between performance which he felt to be compared to its expectation (Kotler, 2000). Satisfaction or dissatisfaction of consumers is the respons of consumer e to the assessment of the perceived discrepancy between prior expectations and actual performance are perceived (Fandy in Nasution, 2004). Thus, consumer satisfaction or dissatisfaction can be seen from the conformity or unconformity (gap) between customer expectations with the accepted service performance.

3. Framework

Framework in this study, as in the following figure :

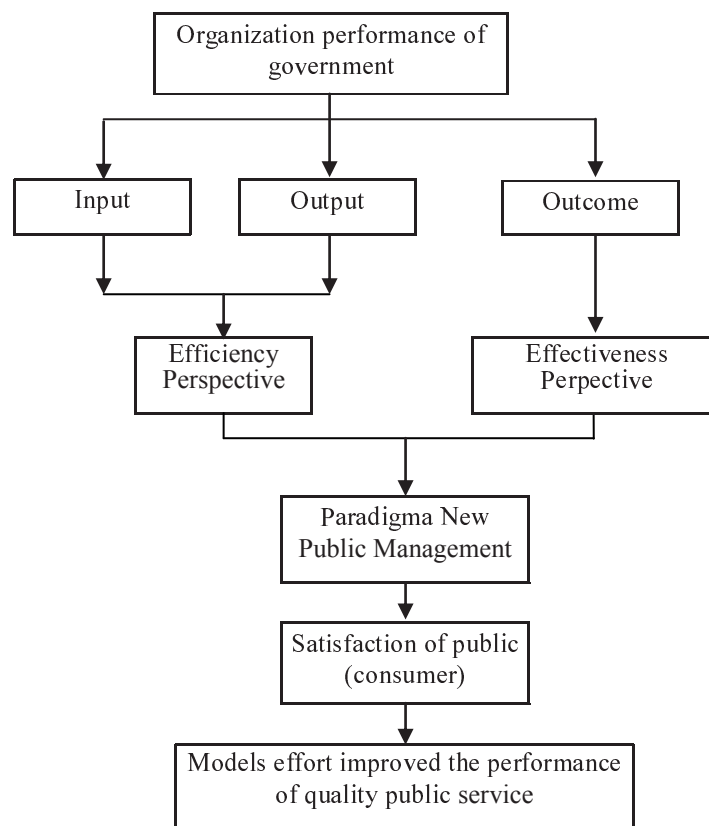


Figure 1. Path Think Research

4. Locations and Methods

This study will be conducted in the Samarinda, Province of East Kalimantan, Indonesia. Precisely at services unit of PDAM Samarinda. This study used a qualitative approach. Methods of data collection in this study are : indepth interview from informants, observation, and documentation. Researchers used indepth interviews as the main technique for collecting primary data. Informan is Director of PDAM, KTU, Head of personnel area, Head of Service unit, Kasie of Service Unit, Field Officer, Head of Public Relations, Kasie of Public Relation, Member board of Commision II and Commision III, Employee partners, and customers. While observations conducted to careful situation, events or actions directly related to the research focus.

This study using analytical techniques and interactive model of Miles Hubermen (1992). In this interactive data analysis through three activity band which concurrently that is : data reduction, data presentation, and conclusion/verification. Further analysis was performed to compare with the result of previous research. By comparing the similarities and differences its characteristic, relevansi and contribution to this result of research so that found by meaning significant.

5. Result of research and Discussion

5.1. Performance of Services Unit in Quantity

Implementations of the operational tasks PDAM Samarinda required work plan and budget of the company based on the decree of the minister about Regional Autonomy No. 8 Year 2000 date 10 August, 2000 about guidance Accountancy PDAM. Work plan and Budget of services unit refers to the form RKAP-SKBU that has been provided by central office PDAM Samarinda. RKAP includes programs and activities to be implemented as well as the budget that finance the implementation of programs and activities in the period of 1 (one) year.

Procedure and process of bureaucracy which must be passed by in making and authentication of RKAP can be seen more clearly as an illustration that depicted in Figure 2 as follows :

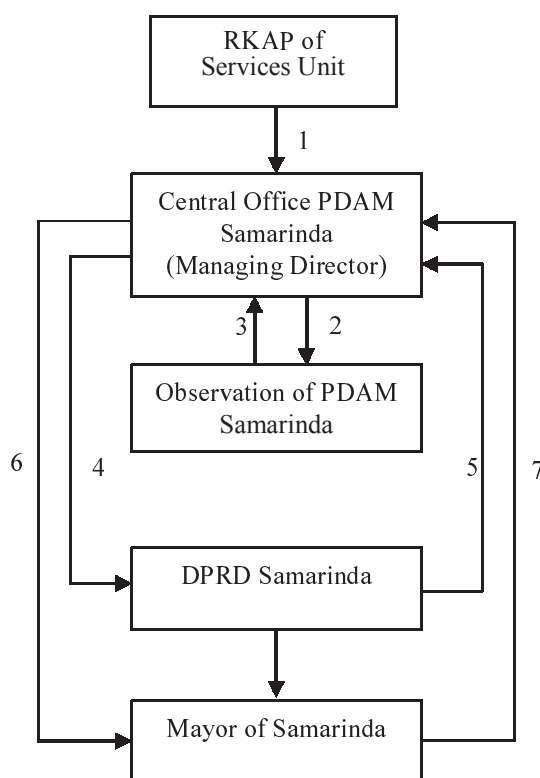


Figure 2 : Procedure authentication of RKAP
 Source : Service Unit PDAM Samarinda, 2011

Work plan and budget of company (RKAP) as the operational work guidance and also as the basic for assess the performance of the service unit PDAM Samarinda. Performance of service unit assessed from result of activity through attainment of planned targets of each service unit in Samarinda during the period of one year. The type of activities is executed in each service unit include technical activities, subscription relation activity and financial administrative activities.

Thus, the assessment of performance of each service unit based on information from RKAP (Plan of work and budget of company) and the PDE (Electronic Data Processing) PDAM Samarinda. Plans or targets only based on assumption of previous year target data.

Discrepancy between the targets which have been planned with its realization for example caused by the lack of accurate information that is used as the basic to plan activities that will be execute.

Besides, another obstacle found by process and procedures is very hierarchical bureaucracy related to attainment of targets. To execute program and activity within RKAP, hence the staff of PDAM in service unit or the central office Samarinda have to wait for Warrant of work (SPK) for the execution of various public service.

Problems of quality of service have not been seen in the company's work plan (RKAP) PDAM Samarinda. RKAP is visible only in the programs and activities planned and expressed in terms of quantity. For example, procurement fulfillment of new extension installation the pipeline by 90 percent. The attainment of targets expressed as company's performance in providing services to consumers, regardless of the quality of service provided to consumers.

5.2. Gaps Between Standard of Service which not consistent with Performance of Service Unit

The standard of service is a measure agreed by the service providers, service users and other stakeholder on various aspects of service, such as time, cost, manner and procedures of standard. Standard of service include :

1. The attitude of service providers to service users in practices giving of services, such as addressing cordially and behave respectfully.
2. Rule of service and rights of service users have to be fulfilled.

3. Expense of service which must be paid by service users to obtain services.
4. Time of service which required to obtain services.
5. Mechanisms to submit the complaint on dissatisfaction on practice management of services.
6. The availability of services information that can be accessed by service users and stakeholders.

Meanwhile, the standard of service that is used by the service unit PDAM Samarinda currently source from PDAM. Standard of services PDAM can not according with the perception of service receiver. This discrepancy is caused the consumer is not involved in the making of service standards so that what is expected by the consumer on the service standards are not considered. Due to the lack of attention the manager PDAM Samarinda on standards of quality of service expected by consumers, there arose various complaints from consumers.

Complaints from consumers proves that standards of quality of service received does not match the customers expectations. This matter indicate that problem on quality of services is given to consumers not yet owned standard of quality of service and specification of quality of services is agreed on among service giver with service receiver. As a result standard of quality of services yielded by the organizer of PDAM Samarinda less is precise used because standard of quality of service is made only pursuant to what thought by organizer of PDAM Samarinda, without involving the consumer so that the existing standards of quality of service is not as consumers expected.

5.3. Effort Improving Performance of Service PDAM Samarinda

Various attempts have been conducted by the service unit PDAM Samarinda in order to improve the performance of public service. These efforts decanted in the work plan and budget of company, RKAP, PDAM Samarinda include: (a) formed a team on reader of consumers metter reader to be optimal of acceptance for improving quality and generalization of services; (b) doing activity meet consumers each quarter; (c) cooperation and training of water loss reduction with Euro Promocapiwat Project; (d) the increase in revenue and decrease cost performed with the principles of efficiency and effectiveness. Despite efforts in achieving these effort have been conducted by PDAM Samarinda to increase quality of services on 2006 physically, but significant changes did not occur. This matter is caused the policy more directed and focused on reinforcement of financial.

Basic policy that focused on reinforcement of financial is sources from assumptions is used in the valuation of income to arrange RKAP, but its targets do not fulfilled because realization of account only 80 percent. While targets payment of account is specified minimum 90 percent. Not reach of this targets because by the use thrift of water by the consumers to avoid the progressive tariffs of water account. Besides, society also often conduct payment of account mistime.

Therefore, the targets of achieved is developing function giving of services to society Samarinda through supplying water clean which fulfilled is quality, quantity, and continuity, and also giving contribution to the revenue and expenditure of region Samarinda. Specification of target and objectives to be achieved is a) provide supplying water is best for the society, b) supporting development and urban services, c) embodies professionalism management of company.

To achieve these goals, the managers of PDAM Samarinda will conduct several programs as follows :

1. Technical field, include :
 - a. Program of optimalisasi production capacities in all installation.
 - b. Water loss reduction program 1-3 percent
2. Common field, include :
 - a. Program of services improvement
 - b. Program of asset inventories
 - c. Program of social welfare increase and professionalism of work
3. Finance, include :
 - a. Program of budgeting system integration and financing plans
 - b. Program of transparency implementation, efficiency, and accountability in management of company's finance.
 - c. Program of company fixed asset reappraisal

PDAM Samarinda establish general policies that function as guidance for each filed and the company in setting policy and formulation of the work program and budget each year.

Observing the real conditions and future plan target, the company establishes public policy, such as :

1. To repair of weakness internal of company in order to transition of open opportunities, hence PDAM Samarinda specify internal repair strategies which have the character aggressive (Agresive Maintenance

- Strategy) that doing internal reforming quickly and integrated of implementation based on scale of priorities.
2. Assign two actions have multiple effects, namely :
 - a. Prevention of water loss gradually until the optimum point or tolerance range (25%).
 - b. Additional of capacity production and coverage of services by gradually at 80%.

Efficacy degrade water loss level will have two direct effects. First, the availability of the volume of water ready to sell is bigger, which means an increase in water sales. Secondly, productions costs are absorbed on water lost by the insured consumers who wear them. Besides, it also conducted effort to reduce water loss reduction. Starting from a figure of performance of services unit PDAM Samarinda, especially in term of quality of service, then the model of effort to improve the service performance of PDAM Samarinda like in the picture below.

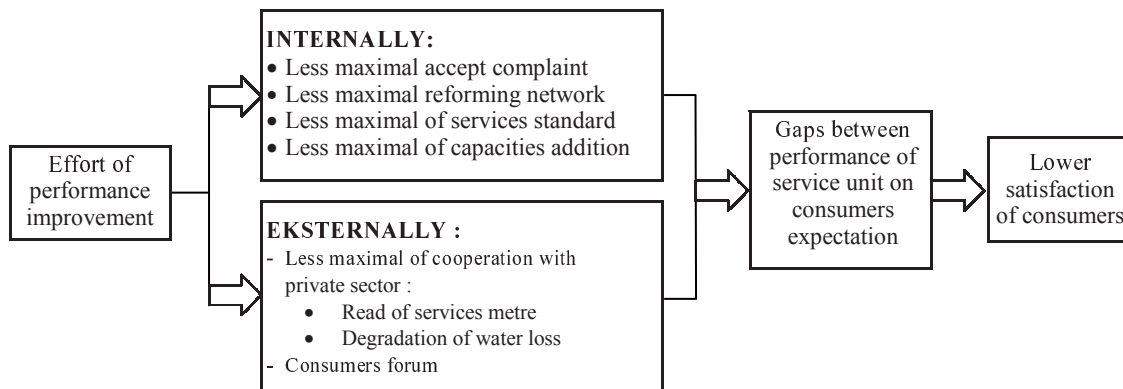


Figure 3. The Models Effort of Improvement of performance service on service unit PDAM Samarinda

Assessment of service performance with using exact measurement is a effort very worthwhile for public service organizations. By knowing the advantages and disadvantages, obstacles and push someone, then opened the way to do reforming become professional.

This research emphasize rightly organizations of public government in conducting assessment of performance based on by paradigm do not only for solving problem in organizations, but also should pay attention and fulfilled the needs of society. Because of all the services and products which is produced by government sector organizations to fulfilled the expectations and desires of the society (consumers). Oriented paradigm into and out of the problems faced by an organizations is the paradigm of New Public Management (NPM). In the context of NPM, assessment of performance should be seen as a continual effort in order to repairing the performance og government organizations. Basic assessment is not solely on gone through process, treatment to subordinate or society, but more broadly with regard to quality of service, related to mission and vision or organization values, according to what done by public organization with aspiration and needs/expectation of society (Keban, 2004).

Therefore, this study supports the paradigm of NPM and approach of employee enableness and community as pointed out above, the model effort of performance improvement on service unit PDAM Samarinda recommended as the following figure.

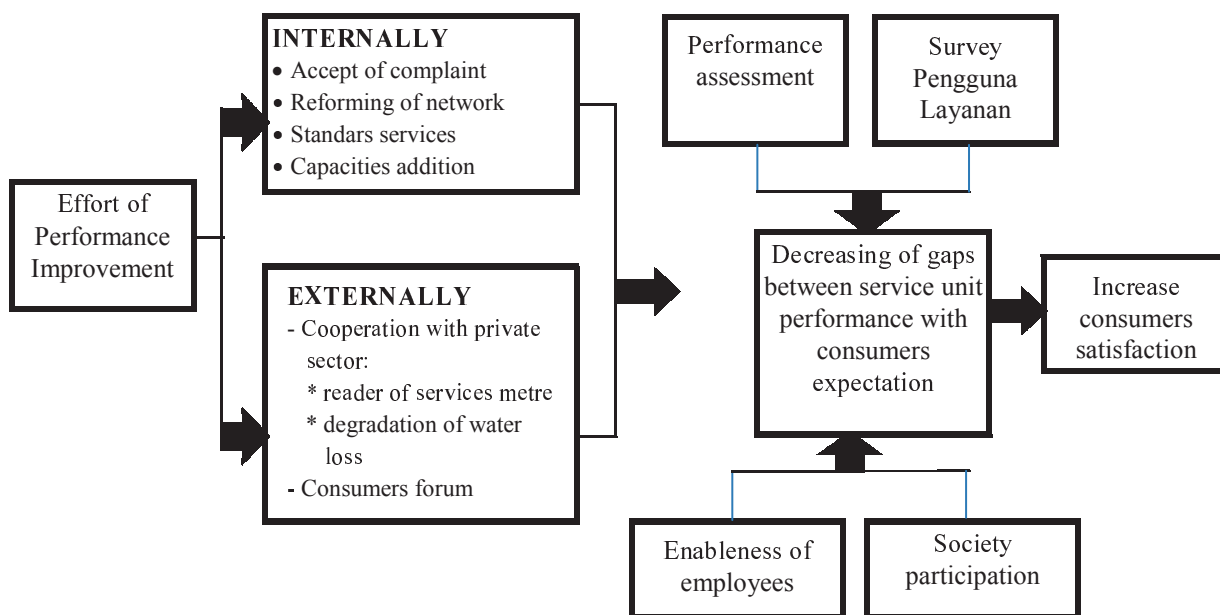


Figure 4. Recommendation Model

6. Conclusion

The conclusion of research is executing public services duties, services unit face some constraint. These constraints become the factors hindering in achieving the targets and objectives of the organization so that almost all the targets and goals are not realized. Not reached this targets because by quality of performance all staff, as a developing task of organization, both in quantity and quality is still low, especially in response to service request and complaint consumer /society. Less response and inaction in response to the consumers demands of public service resulted in gap between the performance of services unit with consumers expectations. Though, policy of performance improvement in all services unit PDAM Samarinda have been made and specified through RKAP as effort to repair public service duty performed by company.

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