



EMPLOYEE PERCEPTIONS AND SUPPORTS FOR CHANGES IN PUBLIC SECTOR: EMPIRICAL EVIDENCE FROM THE DIRECTORATE GENERAL OF TREASURY MINISTRY OF FINANCE IN INDONESIA⁰

Agustinus Prasetyo^(a)

^(a) State Treasury Service Office of Padang Sidempuan; e-mail: prasetyo.agust@gmail.com (corresponding author)

ARTICLE INFO

ARTICLE HISTORY

Received

27 Agustus 2012

Accepted to be published

26 November 2012

KEYWORDS:

change strategies,
employee perceptions,
driving factors,
change resistance

ABSTRACT

This study sought to explore employee perceptions towards the change strategies implemented in the Directorate General of Treasury in Ministry of Finance in Indonesia (henceforth the Treasury). To this end, it involved respondents from several Treasury offices, including those who worked in central, regional, and district offices. Data obtained through interview, questionnaire, observation, and informal discussions were analysed qualitatively. This article began with reviewing literature on change implementation in public sector before proceeding with the discussion on changes in the Treasury. The findings indicated that 81% of respondents supported to the implemented change initiatives. The change strategies were perceived to have positive impacts to employees, the Treasury, and service-receivers, but to some extent they were perceived to have some drawbacks. Several respondents' suggestions were included in the last section.

Penelitian ini bertujuan untuk mengetahui pendapat pegawai terhadap kebijakan perubahan yang diterapkan Direktorat Jenderal Perbendaharaan Kementerian Keuangan di Indonesia. Penelitian ini melibatkan responden yang merupakan pegawai Direktorat Jenderal Perbendaharaan, yang bekerja di kantor pusat, kanwil, dan kantor daerah (Kantor Pelayanan Perbendaharaan Negara). Data yang diperoleh melalui wawancara, kuesioner, observasi, dan diskusi non-formal dianalisa dengan metode kualitatif. Literatur tentang perubahan di sector public dibahas dalam artikel ini sebagai dasar untuk diskusi tentang perubahan yang diterapkan di Ditjen Perbendaharaan. Penelitian ini menyimpulkan bahwa sebanyak 81% responden mendukung dilakukannya perubahan. Strategi perubahan yang diterapkan dipandang positif bagi pegawai, organisasi, dan penerima layanan, namun dalam pelaksanaannya ada yang berdampak kurang baik bagi pegawai. Terhadap hal tersebut, masukan dari responden dibahas di bagian akhir laporan penelitian ini.

1. INTRODUCTION

1.1. Background to the study

The long-term impacts of the 1997 Asian Financial Crisis in the Indonesia's public administration is evident, particularly, in the Ministry of Finance's administration. One significant impact is the first round of bureaucratic reform marked by the promulgation of financial legislation package, consisting of Law No. 17/2003 on Public Finance, Law No. 1/2004 on the State Treasury, and Law No. 15/2004 on the Audit on State Financial Management and Accountability. The Law No. 17/2003 has replaced *Indische Comptabiliteits Wet (ICW) STBL 1925*, the Indonesian public financial law inherited from the Dutch. This new provision has adopted international best practices in public financial

management, such as, the principle of check and balance in budget implementation stage, where by both Ministry of Finance and Executing Agencies conduct. The implementation of these new legislations has led to the change in business process and human resource management within the Treasury.

Regarding the implementation of change in human resource management, employee resistance is likely the most often cited problem encountered by change management. To address this problem, besides improving change managers' capability, it is also essential to align employees with the change strategies at the same time. Without their alignment in the change strategies, it is unlikely that the change will gain their ultimate goals. It is congruent with

⁰ The Shorter Version with Minor Modification of the Thesis in Master of Public Administration Management Titled: Change Initiatives in Human Resource Management in Treasury in Indonesia: Employees' Perspectives

Heracleous' (2002 cited in Elving, 2005:130) view that encouraging participation from employees, addressing their concerns in the change initiatives, or ensuring managers act as role models for the changes are believed to create effective change. Regarding managerial roles, Effendy (2011:1) states that '(s)trong commitment and political support from top leadership is a key to successful implementation of bureaucratic reform'. This notion suggests that employee alignment and manager responsibility to promote the change are believed to be essential for effective change implementation.

1.2. Introduction to the problems

Gaining employee alignment to the change initiatives in the Treasury is not straightforward. One of the challenges is the unique nature of the work in the Treasury which is reflected in the Treasury's cultures and values within, such as, the structured hierarchy of decision-making, the employee promotion and rotation practices, the way of work accomplishment, the interactions between employees and service-users, and the availability of training programs. These factors possibly influence employee perceptions towards the change initiatives. Since it has been existed for a relatively long time, it is predicted to hinder the implementation of the changes. It is consistent with Greasley, Watson, and Patel (2008:385) who claim that there are difficulties in implementing change in the public sector if they are perceived to confront public sector 'social values' and the strong underlying bureaucratic culture. Departing from this argument, this study will focus on the exploration of employee perceptions about the change drivers, resistances, strategies and employee supports to the change initiatives in the Treasury.

1.3. Purpose of the study

This study has two purposes, to seek insight into employee perceptions towards the change initiatives in the Treasury and to explore the levels of employee supports to the change initiatives. In doing so, this study contributes to the academic discussion about organisational change.

1.4. Research questions

This study develops several research questions as follow:

1. What were the driving factors for change in the Treasury?
2. What were the challenges to implement change in the Treasury?
3. What has changed in the Treasury?
4. How did employees perceive the change in the Treasury?
5. How much was employees support to the change in the Treasury?

2. LITERATURE REVIEW

2.1. Driving factors for change in public sector organisations

External forces and internal adjustments are likely to lead to organisational changes. These two factors commonly take the form of competition, shifting in stakeholders' expectations, advance of technologies and legal development (Mohrman *et. al.* 1990 cited in Mishra, Bhaskar and Khurana, 2007: 88; Beer, 1997:49; Baker, 2007:5). Wining in market competition is not solely the interest of private sector organisations. There has been a trend in public enterprises to persistently improve their service quality to satisfy customers. This new trend has gradually been adopted in public sector organisations. In addition, such provision quality which is the characteristic of good governance has been introduced as a competitive product within the Ministry of Finance. In doing so, service quality is arguably as an incentive to implement changes in Treasury.

Although service-users in public sector organisations cannot switch to other service providers due to the characteristic of the services, *excellent service* has categorized as a public's demand in Indonesia, particularly in the Treasury. In response to this expectation, the Treasury has formulated excellent service in its strategic plan and defined as a way to realise good governance.¹ To carry out this plan, it needs to make some adjustments within the organisation.

Information communication technology (ICT) can act as both a driving and a facilitator for change. The widespread use of the internet has facilitated richer, fuller and often immediate interactions within and beyond organisations (Solomon 2001 cited in Baker, 2007:10). On the other hand, the adoption and adaptation to advanced ICT is claimed to change all organisational structures, which in turn are expected to increase interconnectivity across traditional boundaries and hierarchies (Baker, 2007:11). The adoption of advanced ICT as a change driver in the Treasury, for example, has increased the need for skilful employees. This condition has been responded through conducting ICT related training programs for employees and recruiting new employees with the ICT education background.

It is believed that organisational legal requirements are part of the organisational environment, which changes alongside structural and social changes (Baker, 2007:8). This change can be driven internally as well as externally. The perception of new regulations as internal drivers comes from the notion that regulations and legislation could be

¹ Treasury's strategic plan in the bureaucratic reform section stresses the effort to combat corruption through the internalisation of Treasury's code of conduct and direct supervision from super-ordinate to actualise good governance and clean government. Further information about Treasury's Strategic Plan: <http://www.perbendaharaan.go.id/new/?pilih=hal&id=26>

developed from the need of organisations to have a legal basis to implement changes. From different point of view, legislation is mostly a powerful external driver for change, since it is product of powerful stakeholders, which are the community's representatives. For example, tax regulations on imported peas. These legislations, in some extent, will influence the financial policy for peas food related industries.

Departing from the aforementioned driving factors for change, this study hypothesis:

H1= the shift on stakeholder demands is the strongest driving factor for change in the Treasury.

2.2. Resistance to change in public sector

The term of 'resistance', in the study of organisational change among some researchers has been debatable. For example, Den and Goldberg (1999:26) claim that "people do not resist change, per se". They explain that what people worry about are the effects which cause of loss of earnings, loss of comforts, or loss of position, but these are not similar to resisting change per se. Employees may resist the unknown, being dictated to, or organisational ideas which are unlikely to be feasible from the employees' perspectives. From different perspectives, Watson (1971:746) argue that people are eager for some kinds of change in their lives and circumstances, such as, getting a better life, better wages, more freedom, etc., but not for the shifts opposite to these. Following Mullins (2002), Greasley *et al.* (2008:385) add that resistance to change is generally in relation to habits, inconvenience or loss of freedom, economic implications, security in the past, and fear of the unknown.

Resistance to change is likely comes from organisation members who do not see any importance for conducting changes or who are unable to adapt to the new strategies. In this condition, employees are likely to have small concerns, reflected in their attitudes, to any new strategies. If they maintain this condition, some researchers, for example, Kleinn & Sorra (1996:1055) predict that implementing new strategies will fail because employees apply less frequently, less consistently, or less constantly than is needed for a maximum benefit. In turn, their supports to the transformation strategies will be low.

From the above literature, this study develops hypothesis as follow:

H2=Resistance to change in the Treasury mostly comes from internal organisation.

2.3. Strategies for implementing change initiatives

Designing appropriate change strategies should be made for undertaking change in public sector organisation since implementing change in public sector organisations is believed to be more challenging than in private sector. It is because these efforts are likely to challenge the bureaucratic culture of rules and regulations. Moreover, few studies on the change in public sector organisation are available.

Greasley *et al.* (2009:386) point out that most models for implementing change are designed for private sector situations. It can be said that public sector managers are difficult to obtain reference for implementing change strategies. Regardless this difficulty, some strategies are proposed below

2.3.1. Managerial competencies for creating work climate for change

Conducting a change in public sector organisations is unavoidable, although a study has found that about 70% of organisational change implementation in private sector did not achieve the intended goals (Balogun and Hailey, 2004 cited in Paton and McCalman, 2008:3). The optimism comes from the belief that managers have competencies to create a work climate for change as Amagoh (2008:5) believes that organisational changes can be managed. Work climate for change by definition refers to "shared perceptions of the events, practices, and procedures and the kinds of behaviours that are rewarded, supported and expected" (Kleinn & Sorra, 1996). By presenting these conditions, it is believed that organisation members are able to implement changes. These require managers' ability to transform organisational strategies into job-related and individual skills and behaviours that people can understand and implement in support for change.

Some scholars propose that creating work climate for change can be achieved by implementing a management by objectives (MBO) approach (Drucker, 1954 cited in Gagnon, Jansen, and Mitchael, 2008:427). In the MBO approach, a hierarchy of employees' objectives derived from an organisation's strategic goals are discussed. It also underlines the engagement of employees in decision making processes, developing goal setting, and objective feedback. It is believed that management will gain employee supports if all three components are implemented properly from top to bottom levels.

Other researches, Kaplan and Norton (1992 cited in Gagnon *et al.*, 2008:427) suggest that managers could implement a balanced score card approach to gain employee engagement to organisational strategies. It is argued that the Balanced Score Card provides both relevant and balanced information in a concise way which managers need, creating a conducive environment for learning and eliminating the need for managers to select what type of control system to use at any given time (Mooraj, Oyon and Hostettler, 1999:481). Balanced score card is able to link between four areas, namely, financial aspects, customer relations, internal business process, and the organisation's learning and innovation activities. Although the balanced score card approach has been criticised for being too general that need translation for each special condition (for example, Butler, Letza and Neale, 1997:252), but this approach is able to link the measurement between organisational visions and strategies.

2.3.2. Increasing employee commitment through communication

It is believed that employee commitment can be developed through a good communication. Some scholars argue that communication is essential for implementing effective organisational change (Schweigner dan Denisi, 1991 cited in Elving, 2005:129). Communication is a key success for organisational change because it is a tool for announcing, explaining, and preparing people for change and for its positive and negative consequences (Spike and Lesser, 1995 cited Kitchen and Daly: 50). In other words, besides as a role model of changes, top management must have the ability to communicate the change strategies effectively.

Communication is overarching to create employee commitment. It needs to be implemented from the development of strategy to its implementation. Lewis (1999 cited in Elving, 2005:129) states that communication is important from the first step of developing plans to change. In this way, it is believed that employees who will be affected by the change will understand and prepare for the change. In turn, it possibly reduces the chance for employees to grow the seeds of resistance. In the implementation stage, effective communication is believed to be able to preserve or improve performance through maintaining employee commitment to the change.

2.3.3. Increasing employee commitment through training programs

Another strategy proposed to strengthen employee commitment is through training programs. Gagnon *et al.* (2008:439) believe that training programs to facilitate knowledge and commitment are important during the strategic design phase. However, a study has found that public service change initiatives are sometimes undermined by training programs, especially when conducted in under-staffed and under-resourced areas of training and technologies (Foster and Hoggett, 1999 cited in Greasley *et al.*, 2009:386). To these critical events, change managers should pay more attention to training programs in order to actualise change. Training programs which are not conducted properly are meaningless for developing employee commitment.

Regarding the strategies to implement the change, this study proposes a hypothesis:

H3= For a successful implementation of organisational change, managers must design appropriate change strategies and develop employee engagement.

3. RESEARCH METHODOLOGY

3.1. Research design

The operations of this study started from the study goals, namely, to gain insights into the employees' perceptions about change initiatives and to explore employee alignment level to the change initiatives. To this end, the researcher reviewed relevant literature about driving factor to the changes,

resistance to the changes, and strategies to implement the changes. Research questions were, then, developed from these reviews which would be answered through this study. Since this study would observe social phenomena in Treasury it applied a qualitative research approach. It is in line with Polkinghorne's (2005:138) notion that the main purpose of qualitative research method is describing and clarifying experience as it is lived and constituted in awareness. Furthermore, human experience is unlikely the object of nature because it changes not in accordance to mathematical patterns, making it difficult to investigate through the quantitative approach. Qualitative research is useful to help people in understanding apparently illogical behaviours (Barbour, 2008:12). Based on these notions, a qualitative research method would be more appropriate to be used in this study than a quantitative research method.

3.2. Data collection methods

This study used four data collection methods. Firstly, data was collected through questionnaire. The questions stem from main ideas described in the literature review section. The questionnaires were pilot-tested to some employees in Treasury to ensure that the questions were clear in terms of language, content, and met the research objectives. Most of the questions were designed to be open-ended to allow respondents to provide their opinions in detailed and the rest was multiple-choice questions. Secondly, data was collected through interviewing employees in Treasury from the levels of echelon II manager, echelon III managers, echelon IV managers, and employee staff in different areas in order to obtain various perceptions. The interview process was conducted by telephone and recorded to get a verbatim data. In these two methods, the respondents were advised to disclose their names or personal information for confidentiality purpose. They also could withdraw from the study if they were not happy to provide responses. Thirdly, observation, the observation was conducted in Treasury office from 10 to 11 January 2011 in Semarang, from 9 January to 30 May 2012 in Jakarta, and from 4 June to 31 July 2012 in Padang Sidempuan. Lastly, secondary data were obtained from Treasury's website, Indonesian government regulations and employees in several Treasury offices. These data were used as supplementary information.

3.3. Sampling method and research participants

Applying selective purposive method for obtaining variety of ideas, this study involved 36 employees from different Treasury locations including those who worked in Treasury in central office, regional, and district offices. Among those participants, as many as 18 participants gave their opinion through questionnaire method, 15 participants were interviewed, and 4 participants engaged in informal conversation to provide

additional information. Since this study did not intend to make external generalisation, a small sample size can be said to be appropriate. Trumbull (2005:104) explains that researchers conducting qualitative research try to find out as much information as possible about individuals or phenomena through exploring detailed narrative explanations of the phenomena rather than statistic calculation. Furthermore, Trumbull (2005:104) states that such research can be done in a small group therefore the big sample size is not prerequisite. Moreover, the aim of qualitative sampling is not to create a representative sample, but more to reflect diversity (Kuzel, 1992; Mays and Pope, 1995 cited in Barbour, 2008:53). As it was stated above, this study involved 15 interviewees and 18 respondents. Some targeted interviewees failed to meet the appointment until the last minute. However, the researcher believed that 15 participants were appropriate to meet the minimum size sample for conducting interview as suggested by Guest, Bunce, and Johnson (2006 cited in Onwuegbuzie and Collins, 2007:289) who recommend 12 participants as minimum number.

3.4. Data analysis

First of all, the part of open-ended questions was separated from the multiple choice questions. Following Patton's (2002:463) notion, the responses from the open-ended questions together with the results from interviews were coded according to their categories of information as the first stage of data analysis. After all responses were categorised, the next steps were looking for the patterns and connections both within and between categories. Assessing the patterns of similarities and differences of respondents' responses were necessary in order to understand why people responded in particular ways.

When all patterns and connection within and between categories had been assessed, the further stage was interpreting data. In this stage, the researcher would find the important information gathered from the process of categorising and sorting data. Powell and Renner (2003:5) suggest considering the questions: "...what are the major lessons? What new things did you learn? What has application to other settings, programs, studies? What will those who use the result of the evaluation be most interested in knowing?" In order to enrich the information, the interview results were collated in this process. The next step was combining with the information gathered from the multiple-choice question response. Since the number of respondents attained was not enough for representing managerial-employees and staff-employees individually, they only represent individual stand of respondents.

Regarding the respondents' responses to the multiple-choices questions, the researcher categorised the answers into five levels as follows: "highly agree", "agree", "undecided", "disagree" and "highly disagree". The number of respondents who chose a statement was divided by the total number of respondents for

each question. The results were assessed against three ranges of categories, namely, low (0%-33.3%), medium (33.4%-66.6%) and high (66.7%-100%).

4. RESULTS AND FINDINGS

4.1. Employee perceptions about the driving factors for the changes

Regarding the first research question of what the driving factor for change, it was perceived differently among participants. When interviewees were asked to sequence some driving factors for change according to their strengths, 60% of them mentioned that public demand to actualise good governance as the top rank, where as the effort to reduce corruption was set in the second rank. This finding was consistent with the information gathered through questionnaire that 86% managerial respondents chose 'public demand to actualise good governance' as the strongest factor. This result is parallel with the previous research finding on organisational change that the shifting in stakeholders' expectations is a trigger to change (Mohrman *et al.*, 1990 cited in Mishra *et al.*, 2007:88; Beer, 1997:49; Baker, 2007:5). It means that external factor has been the primary change drivers in Treasury.

The aforementioned findings implied that employees understood that Treasury's stakeholders expected a better service in accordance with good governance requirements. It was in contrast with the practice of service delivery in the past which often being not transparent in procedures, many red-tape issues, and employees often expected additional rewards directly and openly from individual service receivers (S10 2011, pers. comm., Monday, 19 September). This condition was believed as one of the triggers for corruption within the Treasury's service-users' institutions.

This finding reveals that the first hypothesis, H1= the shift on stakeholder demands is the strongest driving factor for change was proven true.

4.2. Employee perceptions about resistance to implement the changes

In answering the second research question of the resistant factors for implementation of change initiatives in Treasury, data collected from interviews showed that 60% of interviewees perceived that employee attitudes or mind-sets were the most difficult to change. This finding was strengthened by 86% of respondents who considered that young employees having issues to change working culture in term of meeting working hour. Two of participants, coded as S4 and S6, commented that to change employee attitudes, a long and persistent process was needed since the attitudes had been grown for long time and stuck deeply in employees' souls and minds. They added that a sort of behaviour was likely to express the expectation towards a new working environment beneficial and motivating them

Regarding the issue on changing attitudes among young and old employees in term of time conformity,

the findings from observations in two different Treasury offices in 2011 and 2012 were not conclusive. As for State Treasury Service Office-Model, employees consisting of those with the ages from 25 to 45s were able to comply with office hour and carry out their routine activities properly. Although some of them went out to have breakfast, they straightaway got back to the office shortly after that. In contrast, in the State Treasury Service Office-Non Model, employees with relatively the same ages with the first office found difficult to change their attitudes in term of employee attendance during office hour. In the morning before 07.30 am, employees usually came to register in attendant machine. Some of them immediately went out for their own reasons and came back in the office at 09.00 am and so, while after lunch-break they would come in about 2.00 to 3.00pm. Their regularity seemed to happen for long time (observation was conducted from June to July 2012). This finding was parallel with the condition in other office of Treasury where participant coded as S14 worked. According to S14, some employees were in the office at the registration times in the morning and the afternoon, but they often left the office in between those times for individual reasons (S14 2011, pers. Comm., Thursday, 8 September). The same practices happened before the implementation of attendance machines. From their conversation, this employee perceived that it was unlikely to lose the job for doing a slight undiscipline because public servants were seen as permanent employees compared with outsourced employees.

There are two points can be learned from the above cases. Firstly, simply using employee age groups is not appropriate as indicator of change resistance. Secondly, applying electronic attendance machine to increase employee presentation during office hour is not straightforward. This finding suggests that a further research is needed to find out the root causes of this particular issue among employees. About this, the former Minister of Finance, Sri Mulyani Indrawati stated that one challenge to run State Treasury Service Office-Model, was gaining employees with appropriate integrity, culture and mind-set.²

This study shows the second hypothesis, H2= Resistance to change mostly came from internal organisation, was found true, particularly on changing employee attitudes and working culture.

4.3. The implemented change strategies in Treasury

Regarding the third research question of what changed in the Treasury, the finding of this study is described as follow. Before implemented in all offices throughout Indonesia on 1 October 2012 as stated in the Director General of Treasury's Decision No.KEP-

163/PB/2012, initially on 30 June 2007, the State Treasury Service Office-Model (*Kantor Pelayanan Perbendaharaan Negara Percontohan*) was firstly introduced in five offices namely, Jakarta, Semarang, Makassar, Surabaya, and Denpasar.³ Employees assigned in these offices were assessed regarding their soft and hard competency acquisitions. The soft-competency test measured the required employees' attitudes, while the hard-competency assessment looked their proficiency on accomplishing organisation core works. Through the opening of State Treasury Service Office-Model, significant transformation, take the form of the implementation of Standard Operating Procedures (SOPs), the introduction of 'one stop service' and the adoption of advanced ICT would be presented. The expected implications from these changes were a shorter time completion for several tasks, an increase in transparency and accountability, a paperless work method, a reduction in corruption, and a more secured and faster data processing.

In term of the introduction of SOPs in the Treasury, all respondents perceived that the introduction of SOPs could improve service quality since it gave a clear flow of documents and a shorter of task completion which beneficial for stakeholders. This finding was consistent with the interview results: 80% of interviewees underlined that the introduction of SOPs made the work clearer in term of employees' responsibility in every stage of the process and outlined the maximum time completion for particular tasks.

In practice, however, employees possibly fail to meet the required time to finish some tasks. One example about this case was mentioned by S18 who worked in one of State Treasury Service Office-Model. In January to September 2011, 6% of disbursement letters were completed over the time-limit. From a conversation with S18 it was found that in order to meet the required time completion for a disbursement letter, a strategy was applied to application registered after 11.00 am would be recorded as the following work day tasks. Applying this strategy was unlikely touch the ultimate goal to provide excellent service. Regardless the performance of aforementioned above, respondents perceived that the implementation of change initiatives had increased employee performance ranging from $\leq 25\%$ to 75%. Parallel with this finding, a recent unpublished survey on customer satisfaction conducted in the mid of July 2012 in one of the State Treasury Service Office in North Sumatera Province revealed that 63.8% of respondents were satisfied with the service provided. Although there was no comparative study, this finding implied that the implementation of the changes needed to be boosted.

² The detailed information about the launching of *KPPN Percontohan* is available at: <http://www.antaraneews.com/view/?i=1188877989&c=EKB&s=>

³ The detailed information about the Grand Launching of *KPPN Percontohan* is available in *Majalah Treasury, Edisi 04/2007* at <http://www.scribd.com/doc/19798884/Majalah-Treasury-Indonesia-Edisi-42007>

As aforementioned above, the new office layout aimed towards providing a one stop service, increasing service convenience, and reducing corruption. At this point, interviewee coded S13 affirmed that by avoiding of direct contact between employees and stakeholders through the new office setting made employees more focused on their tasks because stakeholders did not need to meet with middle desk employees during service process. All customer services were provided in the front desks. These changes were confirmed by S3 who explained that in the past service users were allowed to meet employees in the middle office area and 'bargained' about the works derived by unclear implementation of regulations (S3 2011, pers. comm., Tuesday, 6 September). It was likely that middle officers took control over the whole service process. Indeed, if this condition persists it possibly facilitates corruption and nurtures a chaotic public service delivery.

Aiming at corruption eradication, a new remuneration system has been introduced. Given this system provided a significant increase to employee income, 80% of respondents perceived that it was useful to reduce corruption. This strategy is congruent with Quah's (1999:72) notion that some factors which stimulate individuals to commit corruption are low salaries and ample opportunities to corrupt. Rewarding employees is one approach to gain support for implementing change. The idea underpinning this system is that individual employees need to be paid according to their performance. When employees are expected not to corrupt but to increase performance, they deserve to receive an appropriate income.

However, one respondent called S1 and 33% of interviewees perceived that implementing the new remuneration system could not reduce corruption straightaway. They underlined that 'improving moral and attitudes of employees were more essential for reducing corruption rather than simply focusing on the increase of employees' incomes'. In addition, all the aforementioned efforts should be supported by a misconduct prevention system and a strict enforcement of code of conduct.

From different point of view, the formulation of new remuneration is intended to motivate employees to increase performance. However, as a motivating factor this new system was chosen only by 40% of respondents. Moreover, there was sceptical perception from 33% of interviewees that the new system had no significant correlation with employee performance because the methods to define the amount of remuneration relied on the employees' grades which basically referred to employees' ranks for staff or the position of employee-manager, although for employee staff there were three layer choices to differentiate. Employee tenure would influence the ranks of employees but it would not reflect individual workloads. Similarly, managerial position did not accurately show their individual performance, since managers had various achievements to carry out their tasks. Some of them

merely waited for their staffs' outputs (S3 2011, Pers. Comm. Tuesday 6 September). Such a practice was in contrast with McLeod's (2005:10) notion that employees should be paid in line with their responsibilities and contributions to the organisation, not based on their tenure.

To improve the remuneration system as motivating factor, one respondent suggested that remuneration should be based on employees' real outputs (S10 2011, pers. comm., Monday, 19 September). One method to formulate performance based remuneration was to develop an accurate output measurement system (S11 2011, Saturday, 4 September). S11 added that developing integrated and multipurpose software for monitoring employee daily outputs and defining credit points for each output would be useful. By doing this, the relation between employees' incomes and performance could be drawn clearly.

Regarding employee performance measurement, S8 stated that recently, Treasury had introduced Key Performance Indicators (KPIs). KPIs were defined for managerial positions and employee-staff from top to the bottom layers. This method was perceived to motivate employees since each employee had their own targets. However, S8 added that as a performance indicator this method had no linkage with remuneration system. It remained a loose system reflected in its software application. Moreover, the implementation of KPIs (adopting 360° feedback) still opened to data manipulation because employees possibly negotiated with their peer-employees and sub-ordinates in order to obtain good evaluation results (S8 2011, pers. comm., Thursday, 8 September 2011). Accomplishing co-workers or staff's core tasks was not included in the assessment leading to unfair working relationship among employees. In the absence of an appropriate measurement, implementing new strategy can be said fruitless for employee performance and motivation.

4.4. Employee perceptions about communication methods for changes

Regarding communication media adopted to promote the changes, 67% of interviewees mentioned both formal and non-formal meetings facilitating by two-ways communication method had been the most often, whilst the Treasury's website and notification-letters were stated as the complement method. This finding was confirmed by 78% of respondent questionnaire. In line with this finding, Paton and McCalman (2008:50) explain that communication is a two way process whereby participants need to be listened and engaged. It could be said that the communication media implemented to deliver the change initiatives was consistent with communication literature.

In terms of employee involvement in decision making process, management in Treasury encouraged employees to participate in making decisions although the media used remained limited to meeting with

employees and survey. About this, 71% of respondents stated that decision makers often collected employees' opinions, for example through filling a form and on line service. This 'bottom-up' approach was perceived to entail employee participation in policy formulation. However, one interviewee stated that 'the final decisions were often not in accord with employee proposals without any clarification (S10 2011, pers. comm., Monday, 19 September). It seemed that Treasury collected employees' ideas, but included less in the decisions. Nurturing a gap between employees' expectation and the reality could create a tripwire during the implementation stage. As Lewis (1999 cited in Elving, 2005:129) suggests that communication is important in developing plans in order to gain employee commitment. Limiting employees in designing change strategies meaning that the notion to 'sweep in' diverse employee ideas (borrowing from Churchman's notion 1982 cited in McIntyre, 2004:50) was abandoned which possibly led to half-hearted employee to support the changes. Practicing such a condition for long time, it can be predicted that the change initiatives will gain minimal achievement as it possibly grow a resistance.

4.5. The Perceived change in human resources management

As an underlying factor for effective changes, improvement in human resources management and policy are imperative. In conjunction with this, the Treasury had increased its capacity in conducting training programs (S2 2011, pers. comm., Friday, 9 September). For example, besides technical training programs conducted in Treasury Learning Centre, there were managerial training programs for employees who would be promoted to managerial positions. Another program was a Career Path Training Programs to prepare employees for managerial positions (Source: <http://www.perbendaharaan.go.id/new/?pilih=news&aksi=lihat&id=2360>). In addition, the Treasury had introduced motivational training programs and competence based trainings to enhance employee soft-competencies through engaging internal and external provider, such as, Financial Education and Training Centre in the Ministry of Finance and ARA consultant (S3 2011, pers. comm., Tuesday, 6 September). This effort, to some extents contributed in developing the State Treasury Service Office-Model through preparing employees to pass the assessments.

Despite the improvement on training policy aforementioned above, 47% of interviewees perceived the opportunity to attend training programs remained limited. One example to support this perception was the research finding conducted by the Directorate of Transformation in Treasury: 84.5% out of 5.402 respondents were computer illiterate.⁴ It was believed

that one of the factors resulted this condition was the centralised training policies leading to the lack of ICT training program for employees in regional and rural offices. Moreover, some training programs required certain employee backgrounds and positions, as well as the candidates' capability to understand the contents of such programs, which not all employees possessed (S4 2011, pers. comm., Thursday, 15 September). This condition was likely to hinder the implementation of advanced ICT as the facilitating strategy towards service excellent from those who could get the access to training programs.

Basically, training programs are provided equally in order to meet the organisational needs of skilful employees based on training need analysis results. In practice, however, managers in branch offices often preferred to send employees from the members of their social-networks or younger employees (S13 2011, pers. comm., Friday, 13 September). In addition, there remained a practice of selecting candidates based on 'special friendship' rather than applying merit system relying fully on the employee database (S5 2011, Wednesday, 14 September). This practice particularly was applied for very competitive courses. If employees in the Division of Human Resource Development want to fully change they have to take account for the organisation needs through providing equal opportunity develop. Although time constraint for nominating candidates was the most often cited justification, it can be said that 'social networking' in some extent influence the decision making. Such a compartmentalised way of thinking in long term can create 'wicked problems' for the Treasury.⁵ Therefore, what needs to be change is not merely policy and practice, but for employees to change the way of thinking (McIntyre, 2003:2).

From different viewpoint, S8 mentioned that it would be difficult to provide adequate numbers of training programs if training were still centralised. Besides budget constraint, employees in branch offices could not leave their offices very often at the same time because it would affect the service quality in rural offices (S8 2011, pers. Comm., Thursday, 8 September). These conditions seemed to tighten the opportunity for attending training activities and to widen the ICT competency gap among employees which could potentially be the seed for resistance to changes.

In response to the above issues, some respondents provided suggestions to improve training program outcomes. The first suggestion was the need to develop and update a training blueprint and to be consistent in its implementation. This blueprint should be linked to employee database, so that competency gap could be monitored and evaluated

<<http://www.perbendaharaan.go.id/new/?pilih=news&aksi=lihat&id=2719>>

⁵ 'Wicked problems' in this case refers to problems resulted from interrelated factors, such as, bribery, the feeling of group cohesiveness, *rent opportunity* for employees working in powerful position when they are not in the same position will remain to be account for employees who previously received their favour, etc.

⁴ Detailed information about training of trainer activities on 18 October 2011 in Treasury of Gorontalo, Indonesia is available at

accurately (S5 2011, pers. comm., Wednesday, 14 September; S15 2011, pers. comm., Monday, 5 September). Secondly, providing minimum number of training involvements for employees was essential to refresh knowledge and to adapt with ICT advancement. It is congruent with Baker's (2007:43) contention that longitudinal training is essential particularly for cultural change. It is believed that a large budget for human resource development may be needed to obtain high quality employees for a long term organisational benefits. Thirdly, S15 also suggested decentralisation of training program to complement training programs conducted in the centre could be an alternative solution. Decentralising training activities was perceived to be able to address the training needs in different offices as it possibly provided specific trainings. In the operation of decentralizing training program, regional offices should provide a human resource development division with appropriate budget and programs.

Fourthly, some respondents suggested that sharing knowledge and experience among employees in a group discussion, particularly by those who just followed training programs were essential to increase employee capacities (S6 2011, pers. comm., Tuesday, 6 September; S10 2011, pers. comm., Monday, 19 September). This strategy needed to be facilitated by the organisation through its policy. The employees who share the knowledge are likely to become internal change agents. Thus, it is not only the managers who become change agents in Treasury, but also employees at the lowest level. Successful change can be gained through identifying 'indigenous source of change' (Baker, 2007:98). Internal change agents are likely to influence at day-to-day operational level and at policy level. This method can be cheaper than involving external change agents, but the results are likely to be significant if conducted regularly.

Regarding the policy of employee rotation from one assignment of position or location to another, the former Director General of Treasury, Herry Purnomo believed that shifting workplace could refresh employees in terms of working types and environments (<http://www.perbendaharaan.go.id/new/?pilih=news&aksi=lihat&id=2473>). This, in turn, is believed to increase employee performance. Towards this policy, 47% of respondents perceived employee rotation was able to refresh employees. During an interview, S26 commented that employee rotation in the Treasury could preserve the quality of services and maintain their sustainability in rural Treasury offices through having fresh employees. S8 and S20 added that this objective could be gained by appointing employees in the right place with supporting and appropriate resources. Furthermore, it could keep the Treasury's dynamic.

From different perspective, the patterns of employee rotation system were seen as a 'grey area' in terms of the length of time employees appointed in one position and the location for the next assignment (S4 2011, pers. comm., Thursday, 15 September; S7

2011, pers. comm., Thursday, 8 September). This uncertainty led the employees to be difficult to harmonise with their own plan particularly for employee-staff. Since the practice of the employee rotation was nationwide, 67% of interviewees considered this system increased living expense in new place coming from children's education, family reunion airfares, etc., because employee-staff were not eligible to get house rent facilities from the Treasury, unlike managers. They also stated that the uncertainty embedded in this system created psychological impact on employees and their families. Although normally employees would be rotated between two and four years, some employees could be in one location or position for more than five years.

Other negative effects of employee rotation involved the issue of children's education and family problems due to living separately and the quality of education. This probably led to feeling apathy to the organisation and raised anxieties (S7 2011, pers. comm., Thursday, 8 September). In addition, decision making for appointing employees was perceived to be subjective in some extent as managers in a certain level could interfere (S11 2011, pers. comm., Saturday 4 September) although assessment method had been adopted. For S1 and S8, this condition possibly led employees who could not afford the change to reduce motivation and performance.

In order to reduce the negative effects from the current systems, some interviewees suggested that the scope of rotation for staff and managers should be differentiated. Staff rotation should be regional because they do not hold certain managerial positions, while the scope of manager rotation could be national (S6 2011, pers. comm., Tuesday, 6 September). It was suggested that personnel division in the centre needed to develop and update personnel databases clearly connected to the employee rotation blueprint and employee preferences. This blueprint must be transparent to employees to seek feedback and 'transparency' in decision making process (S5 2011, pers. comm., Wednesday, 14 September). In addition, basic needs for all employees who move, staff and managers, have to be provided by Treasury to reduce stress in the new assignments so they could focus on their work (S1 2011, pers. comm., Tuesday, 6 September; S4 2011, pers. comm., Tuesday, 15 September; S6 2011, pers. comm., Tuesday, 6 September).

4.6. The perception about employee supports to the changes

Regarding employee attitudes toward the change, this study revealed that 57% of respondent managers perceived young employees had more positive attitudes towards the change in Treasury. It seemed that the view was based on the fact that young employees were easily to learn a new ICT because the change strategy in Treasury mostly related to the adoption of new ICT. It is parallel with Watson's (1971:756) findings that younger persons are

perceived to be more ready for change than those who, with age, have gained possessions, skills, or respect within the older arrangement of things. It suggested that their adaptability was reflected in their attitudes to commit to the change initiatives, including the skills and abilities to work with new technology. Those who perceived themselves incapable were likely to withdraw and tried to maintain the status quo as Argyris and Schon (1974, 1978 cited in Piderit, 2000:785) mentioned that resistance emerged from defensive routines. A similar assumption could be made with the older employees in the Treasury. They perceived themselves unable to move in parallel with the changes. However, 43% respondent managers did not see the different attitudes among young and old employees.

Finally, to answer the research question of employee respondent's support to the change, this study found 81% of respondents supported the changes implemented in the Treasury. For such a high support level towards the change initiatives, the Treasury should appreciate and use this support as effective as possible since employee engagement and support are the strengths for organisational development.

5. CONCLUSIONS

This study revealed the driving factors and the resistant factors to implement the change initiatives in Treasury in the perception of the participants of this study. Among other things, the shift in stakeholder demands materialised in good governance was in the strongest drivers as predicted in the first hypothesis, just on top of the efforts to eradicate corruption. To implement the change initiatives, however, managers in the Treasury had to address the resistant factors came from intern organisation that took the forms of employee attitudes, working cultures, and lack of appropriate ICT literacy. Shifting employee attitudes and working cultures were perceived the hardest ones. These factors are categorized as internal factors.

Changes in the Treasury included the development of the State Treasury Service Office-Model as an effort to provide excellent service through creating customer-focused culture; increasing employees' income; and improving the policy on employee rotation and training. In the State Treasury Service Office Model, SOPs, advanced ICT, new office layout towards 'one stop service' were introduced. The implementation of SOPs resulted in the omission of unnecessary stages in service delivery process, leading to a shorter service process, clearer service procedures and employee responsibilities. The adoption of new ICT was supposed to improve service quality, transparency, and data security. Additionally, employees perceived the training programs and remuneration systems had been better than the previous systems, but they still needed to be improved. Remuneration system should have a linkage with employee performance and employee performance measurement needed to be linked with

employees' real outputs. The employee rotation policy as an effort to refresh employees, for some employees, was perceived to have negative impacts from its embedded uncertainty. More than half number of respondent perceived that young employees were more adaptive and demonstrated more positive attitudes in terms of their adaptability with new ICT than old employees. Finally, 81% of respondents supported the change initiatives implemented in the Treasury which resulted in the increase of employee performance in the range between 25% to 75%.

6. IMPLICATIONS AND LIMITATIONS

6.1. Implications of the study

Based on the findings and discussion in Chapter Four, this study suggests that before proceeding with implementation of change initiatives, within the study participant perceptions, change managers in Treasury need to: firstly, minimize the identified resistances for implementing change strategies which mainly came from internal factors. Secondly, improving managers' communication skills and involving employees in decision making process are perceived to be essential to gain employee alignment which in turn is able to reduce resistance. Their involvement need to be reflected in the decision results, otherwise confirmation needs to be provided. Thirdly, applying KPIs only as a formal strategy without appropriate managerial supervision in all levels will be fruitless for employee performance, particularly in the rural offices. Fourthly, developing integrated software is supposed to be able to link between employee performance and remuneration system. Fifthly, before conducting training program, an appropriate training need analysis research should be carried out supported by updated employee's competency database. Regionalising the training activities is possibly to widen the opportunity for employee to access appropriate training. Finally, the high level of employee supports to the change initiatives should be perceived as an intangible capital for the change.

6.2. Limitations of the study

The researcher encountered some limitations regarding the practical and theoretical matters. The researcher was unable to obtain comparative data on the performance of employees before and after the implementation of change in the Treasury, and on employee satisfaction since there was no previous study in this field. This limitation had tightened by the allocated time and funding for data collection and analysis. In addition, as a novice researcher, it was common to lack understanding about theory in the field of research.

REFERENCES

- Amagoh, F. 2008. 'Perspectives on organisational change: Systems and complexity theories'. *The Innovation Journal: The Public Sector Innovation Journal*. Vol. 13. No.3. Pp. 1-14. Viewed from <http://www.innovation.cc/scholarly-style/amagoh3dec2008jag2rev1.pdf>, 23 June 2011.
- Baker, D. 2007. *Strategic change management in public sector organisations*. Chandos Publishing, England: Oxford.
- Barbour, R.S. 2008. *Introducing Qualitative Research: A student's guide to the craft of doing qualitative research*. London: Sage Publication.
- Beer, M. 1997. 'The transformation of the human resource function: Resolving the tension between a traditional administrative and a new strategic role'. *Human Resource Management (1986-1998)*. Vol. 36, No. 1. Pp. 49-56, viewed from <http://instruct.uwo.ca/business>, 15 August 2011.
- Butler, A., Letza, S.R. & Neale, B. 1997. 'Linking the balanced scorecard to strategy', *Long Range Planning*. Vol. 30. No. 2. Pp. 242, Elsevier Science Ltd., viewed from http://www.sciencedirect.com.ezproxy.flinders.edu.au/science?ob=MiamiImageURL&cid=271874&user=1272615&pii=S0024630196001161&check=y&origin=search&zone=rslt_list_item&coverDate=1997-04-30&wchp=dGLzVIB-zSkzV&md5=c87524e6f78653df949c3152a02fa041/1-s2.0-S0024630196001161-main.pdf, 3 August 2011.
- Dent, E.B. & Goldberg, S.G. 1999. 'Challenging "resistance to change"'. *the Journal of Applied Behavioral Science*. Vol. 35, No. 1. Pp. 25-41, Viewed from <http://search.proquest.com.ezproxy.flinders.edu.au/docview/236321697/fulltextPDF/132AF290A57FE30CFB/2?accountid=10910>, 2 September 2011.
- Effendy, S. 2011. 'The gene of outcomes in public service'. *The Jakarta Post*, 13 May, viewed from <http://www.thejakartapost.com/news/2011/05/13/the-gene-outcomes-public-service.html>, 2 August 2011.
- Elving, W.J.L. 2005. 'The role of communication in organisational change'. *Corporate Communication*. Vol. 10. No. 2. Pp. 129-138, viewed from <http://www.emeraldinsight.com.ezproxy.flinders.edu.au/journals.htm?articleid=1505957&show=abstract>, 27 July 2011.
- Gagnon, M.A., Jansen, K.J. & Michael, J.H. 2008. 'Employee alignment with strategic change: A study of strategy-supportive behaviour among blue-collar employees', *Journal of managerial Issues*. Vol. 20. No. 4. Pp. 425-443. Viewed from <http://robincheung.info/rsch8100/week4/resources/Employee%20Alignment%20with%20Strategic%20Change%20Gagnon%20et%20al%202008.pdf>, 26 June 2011.
- Greasley, K., Watson, P. & Patel, S. N. The impact of organisational change on public sector employees implementing the UK Government's 'Back to work' programme'. *Employee Relations*. Vol. 31. No. 4. Pp. 382-397. Viewed from www.emeraldinsight.com/0142-5455.htm, 23 June 2011.
- Kitchen, P.J. & Daly, F. 2002. 'Internal communication during change management', *Corporate Communications: An International Journal*, vol. 7, no. 1, pp. 46-53. viewed from <http://search.proquest.com.ezproxy.flinders.edu.au/docview/214191803/fulltextPDF/131C25D2A821AC09B08/2?accountid=10910>, 11 September 2011.
- Klein, K.J. & Sorra, J.S. 1996, 'The challenge of innovation implementation', *Academy of Management Review*. vol. 21, no. 4, pp. 1055-1080. viewed from <http://www.management>, 2 September 2011.
- McLeod, R.H. 2005. 'Private sector lesson for public sector reform in Indonesia'. Indonesian Project, Division of Economics, Research School of Pacific and Asian Studies, the Australian National University. Viewed from <http://www.crawford.anu.edu.au/acde/publications/publish/papers/wp2006/wp-econ-2006-02.pdf>, 18 October 2011.
- McIntyre, J. 2003. 'Participatory design: the community of practice (cop) approach and its relevance to strategic knowledge management and ethical governance'. *Journal of Sociocybernetics*. Vol. 4, No. 1. Pp. 1-21. Viewed from <http://www.unizar.es/sociocybernetics/Journal/dentro.html>, 15 August 2011.
- , 2004. 'Facilitating critical systemic praxis (csp) by means of experiential learning and conceptual tools'. Research Paper. *Systems Research and Behavioural Science*, John Wiley & Sons, Ltd., Vol. 21. No. 1. Pp. 37-61, viewed from <http://search.proquest.com.ezproxy.flinders.edu.au/docview/196859955/fulltextPDF/132BF98459839FA9A44/1?accountid=10910>, 26 August 2011.
- Mishra, B. Bhaskar, A.U. & Khurana, A. 2007. 'Development of organizational change questionnaire', *Global Business Review*, Sage Publication, New Delhi, No. 8. Pp. 87-97. Viewed from <http://gbr.sagepub.com/content/8/1/87>, 3 July 2011.
- Mooraj, S., Oyon, D. & Hostettler, D. 1999. 'The balanced scorecard: a necessary good or an unnecessary evil'. *European Management Journal*. Vol. 17. No. 5. Pp. 481-491, viewed from <http://www.sciencedirect.com.ezproxy.flinders.edu.au/science?ob=MiamiImageURL&cid=271956&user=1272615&pii=S0263237399000341&check=y&origin=&coverDate=31-Oct-1999&view=c&wchp=dGLzVBA-zSkWA&md5=c601561303ff8db069c2a91255887af7/1-s2.0-S0263237399000341-main.pdf>, 15 August 2011.

- Onwuegbuzie, A.J. & Collins, K.M.T. 2007. 'A typology of mixed methods sampling designs in social science research', *The Qualitative Report*, vol. 12, no. 2, pp. 281-316, viewed from, http://carbon.videlectures.net/2009/uni_lj/fdv/ecpr09_ljubljana/onwuegbuzie_mmr/MixedMethodsSampling.TQR.PublishedVersion.pdf, 2 September 2011.
- Paton, R.A. & McCalman, J. 2008. *Change management: A guide to effective implementation*, 3rd edn. London: Sage.
- Patton, M.Q. 2002, *Qualitative research & evaluation methods*, 3rd Edn. Thousand Oaks, London. Sage Publication.
- Piderit, S.K. 2000. 'Rethinking resistance and recognizing ambivalence: a multidimensional view of attitudes towards an organizational change'. *the Academy of Management Review*. Vol. 25. No. 4. Pp. 783-794, viewed from, <http://search.proquest.com.ezproxy.flinders.edu.au/docview/210980597/fulltextPDF/132AFDEC0AD6D3F1810/1?accountid=10910>. 6 September 2011.
- Polkinghorne, D.E. 2005. 'Language and meaning: data collection in qualitative research'. *Journal of Counseling Psychology*. Vol.52. No.2. Pp. 137-145, viewed from http://www.usc.edu/projects/rehab/private/docs/researchers/polkinghorne/3_polkinghorne.pdf. 2 September 2011.
- Powel, E.T. & Renner, M. 2003. 'Analyzing qualitative data'. *Program development & evaluation*. pp. 1-10. Wisconsin: University of Wisconsin-Extension, Madison.
- Quah, J.S.T. 1999. 'Comparing anti-corruption measures in Asian countries: Leason to be learn". *Asian Review of Public Administration*. Vol. 11. No. 2. Pp. 71-90. Viewed from <http://unpan1.un.org/intradoc/groups/public/documents/EROPA/ARPA-JulDec1999-Quah.pdf>. 7 October 2011.
- Trumbull, M. 2005. 'Qualitative research method'. in GR, Taylor (ed), *Integrating quantitative and qualitative methods in research*, 2nd edn., Chpt. 6th, pp. 102-127, Maryland: University Press of America Inc.
- Watson, G. 1971. 'Resistance to change'. *American Behavioral Scientist*. Vol. 14. No. 5. Pp. 745-764. Viewed from <http://abs.sagepub.com/content/14/5/745>. 15 August 2011.

APPENDIX A1. QUESTIONNAIRE FOR MANAGERS

Respondent's details:

Age :
Tenure :
Education Background :
Organisation :
Number of working in different locations :

About this study:

1. Aims of the study: to collect information about employees' perception of the change in Treasury.
2. Purpose: academically, to fulfil one of the requirements to complete my study in Master of Public Administration (Management). However, an appropriate access will be provided for Treasury to use the findings of this study.
3. Respondent confidentiality: Respondents do not need to give their identity other than required above. These details will be kept confidential by the researcher and will not be presented in the report. In this way, it is supposed that there will be not any risk to their in their work. Respondent may withdraw from this study if they feel inconvenient to respond the questions.

A. Participants' perception about the change drivers in Treasury.

How do you rank these potential change drivers in Treasury according to their strengths?

Put number 1 for the first strongest, number 2 for the second strongest, and so on.

No	Potential Change Drivers in Treasury	Rank
1	Public demand for realising good governance.	....
2	Efficiency in the use of organisational resources, such as, budget, equipments, employees, etc.	....
3	The advance of technology	....
4	Economic and political conditions	....
5	The implementation of policies from donor countries and agencies.	....
6	The change in legislations	....
7	Combating corruptions	....
8	Other factors, such as, .....	....

B. Challenges for implementing change in Treasury

B.1. In the list below, how do you rank these potential challenges to change in Treasury according to their strengths? Please rank according to their strengths by giving number. Number 1 is the first strongest, number 2 is the second strongest, and so on.

No	Potential Challenges	Rank
1	Adoption and adaptation of technology	....
2	Providing adequate education, skills and knowledge to employees	....
3	Change in employee attitudes and behaviour	....
4	To increase stakeholders' competencies to meet the need for excellence services.	....
5	Communicate about the change to employees	....
6	Create sustainable change to maintain a high quality of services	....
7	Others, such as. ....	....

B.2. Regarding employees' skills and competencies on the use of technologies, are there any difference between older and younger employees? Circle the letter in front of your answer.

- a. Yes, the older employees have skills and competencies than the younger.
- b. Yes, the younger employees have more skills and competencies than the older.
- c. No, they have the same skills and competencies.

B.3. Do you think that there are different attitudes to change between the older and younger employees? Circle the letter in front of your answer.

- a. Yes, the elders have more positive attitudes to the change than the younger.
- b. Yes, the younger employees have more positive attitudes to the change than the older.
- c. No, they have the same attitudes.

B.4. What factors make it difficult for the young employees to engage with the change? Tick your answer in the column correspond to your answer.

No	Factors	Answer
1	Adapting with new technology	....
2	Changing working cultures	....
3	Meeting working hours	....
4	Innovations and creativities	....
5	Other(s). ....	....

B.5. What do you think about employee rotation system in Treasury. You may answer more than one by ticking in the available column or write your comments.

No	Effects of employee rotation	Answer
1	It is a good system to develop employees' career.	....
2	It is good for avoiding boredom	....
3	It is good to increase employees' competencies in carrying out different tasks.	....
4	It is not good for a certain employees because ...	....
5	There is no advantages for employees, because ...	....
6	Other opinions, ....	....

- B.6. Please, give your opinions about the positive and negative effects of the implementation of employee rotation system to Treasury (organisation). Answer:
- B.7. Please, give your opinions about the positive and negative effects of the implementation of employee rotation system to employees. Answer:

C. Communication strategy

- C.1. In order to gain employee support, the change strategies need to be communicated to the employees and stakeholders. Please rank these strategies (where applicable) from the most often used to the least. You may answer more than one by ticking in the column.

No	Strategies	Answer(s)
1	Meeting with employees (communication in two ways direction)	.....
2	Treasury's websites	.....
3	Questionnaires/brochure/pamphlet/magazines	.....
4	Telephones and short message systems (SMS)	.....
5	Other(s).....	.....

- C.2. Please circle the statement that best describes the level of employee involvement in the development of change strategies.
- Policy makers always asked employees' opinion before making decisions.
 - Policy makers often asked employees' opinion before making decisions.
 - Decision making process was a combination of bottom-up and top-down process but the outcomes are often different with employees' proposals.
 - Decision making process was mostly in top down mode.

D. Impacts of the change initiatives in human resources to employees in Treasury

- D.1. Do you think that the implementation of change initiatives in Treasury has increased employee performance? Circle the letter in front of your answer and give your opinion.
- Yes, because
 - No, because
 - I do not know.
- D.2. In your perception, how much has the employee performance increased since the implementation of the change in Treasury? Circle the letter in front of your answer.
- ≥76%
 - 51% - 75%
 - 26% - 50%
 - ≤25%
- D.3. Do you think that the change in Treasury is perceived differently between the older and the younger workers? Circle the letter in front of your answer and give your opinion.
- Yes, because....
 - No, because....
- D.4. Do you agree that the change in Treasury has different effects in terms of increasing employees' discipline between the older and the younger workers? Circle the letter in front of your answer and give your opinion.
- Strongly agree, because ...
 - Agree, because
 - Neither agree nor disagree, because
 - Disagree, because ...
 - Strongly disagree, because ...
- D.5. Do you agree that the change may reduce corruptions in Treasury? Circle the letter in front of your answer and give your opinion.
- Strongly agree, because ...
 - Agree, because
 - Neither agree nor disagree, because
 - Disagree, because ...
 - Strongly disagree, because ...

E. Strategies to reduce technological competency gap between the older and the younger employees

- E.1. What do you think about the employee opportunity to attend technical training programs? Circle the letter in front of your answer and give your opinion.
- The older employees were likely to get more opportunity to attend training program than the younger, because ...
 - The younger employees were likely to get more opportunity to attend training program than the older, because ...
 - They have the same opportunity to attend training programs, because, ...
 - I do not know.
- E.2. Do you think that offering an early retirement to the old workers is urgent at this moment in Treasury? (Put circle in the letter in front of your answer).
- Very urgent, because ...
 - urgent, because
 - Not urgent, because ...
 - Not very urgent, because ...
 - I do not know, because ...
- E.3. Please, give your opinions about the positive and negative impact of early retirement to the individual employees who get it?Answers:
- Positive impact,
- Negative impact,

APPENDIX A2. QUESTIONNAIRE FOR STAFF

Respondent's details:

- Age :
- Tenure :
- Education Background :
- Organisation :
- Number of time working in different locations :

About this study:

1. Aim: Gather information about employees' perception of the change in the Treasury.
2. Purpose: Mainly for academic purpose to fulfil one of the requirements to complete studying in Master of Public Administration (Management). However, if the Treasury intend to use the results of this study, the researcher will provide the appropriate access.
3. Respondent confidentiality: Respondents do not need to give their identity other than required above. These details will be kept confidential by the researcher and will not be presented in the report. In this way, it is supposed that there will be not any risks to their status in the workplace. Respondent may withdraw from this study if they feel inconvenient to respond the questions.

A. Communication media

A.1. Recently, the way to provide services to customers are different with those in several years ago, such as, in terms of the procedures and the completion time for issuing *SP2D* (letter of transfer order) from 8 hours to 1 hour. Do you know why Treasury needs to change? Circle the letter in front of your answer. a. Yes, I know b. No, I do not know
If your answer is "no", proceed to question A.2; If your answer is "yes", how did you obtain the information about the change in Treasury? You may answer more than one by circling the letter in front of your answer or write your comments.

- a. Attending regular employee meetings
- b. Reading regulations
- c. Visiting Treasury's website
- d. Reading magazines, newspaper, television broadcasting, brochures, etc.
- e. Others.

A.2. In terms of the introduction of new regulations or strategies, what statement best describes the responses of managers in your office? Circle the letter in front of your answer and provide your opinions.

- a. Managers conducted meetings with employees to discuss new regulations or strategies immediately. Because...
- b. Managers conducted meetings limited to the affected employees and the urgent regulations or strategies. For general regulations, representative employees are preferred. Because...
- c. Managers rarely conducted a meeting with employees to discuss the new regulations or organisational strategies. Because...
- d. Managers let employees learn by themselves. Because...
- e. others, ...

A.3. How often did you attend meetings in regional office or central office of Treasury office last year? Circle the letter in front of your answer.

- a. More than twice a year.
- b. Twice a year.
- c. Once a year.
- d. Never.

A.4. Recently, Treasury has developed websites in every branch in rural areas. Regarding the existing website in Treasury, how often did you visit that website? Circle the letter in front of your answer or write your opinions.

- a. Every day since my works rely on the Treasury's website.
- b. More than once a week.
- c. More than once in two weeks.
- d. More than once a month
- e. Never, because.....

A.5. What do you think about the usefulness of Treasury's websites to increase employee competency? Circle in the letter in front of your answer and give your opinion.

- a. Very useful, because.....
- b. Useful, because.....
- c. Useless, because.....
- d. Very useless, because.....
- e. I do not know.

A.6. Recently, most of services provided by Treasury used software/application, such as, the service on issuing *fund transfer order (SP2D)*, *assets administration* and *data reconciliation* between financial reports prepared by executing agencies and the Treasury's financial database. Please rank your familiarity in operating softwares related to your works:

No	Descriptions	Answer
1	Very familiar (I am able to operate and I can handle if there is something wrong with the softwares).	....
2	Familiar (I am able to operate but I cannot handle if there is something wrong with the software).	....
3	Average (I am able to operate only on basic services).	....
4	Unfamiliar. (I do not know how to operate software).	....
5	I am not requested to operate software in my work.	....

- A.7. Do you agree that the implementation of standard operating procedures (SOPs) increases the service quality in Treasury? Circle in the letter in front of your answer and give your opinion.
- Strongly agree, because...
 - Agree, because...
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because...
- A.8. Do you think that the time for accomplishing every task set in SOPs is achievable? Circle the letter in front of your answer and give your opinion.
- Very optimistic, because...
 - Optimistic, because...
 - Neither optimistic nor unoptimistic, because...
 - Pessimistic, because...
 - Very pessimistic, because...
- B. Change initiatives in human resources management**
- B.1. Recently, Treasury has provided various technical training programs to employees. How often did you attend training programs last year? Circle the letter in front of your answer.
- More than twice.
 - Twice.
 - Once.
 - Never.
- B.2. How often did you attend training programs excluding technical training last year? Circle the letter in front of your answer.
- More than twice.
 - Twice.
 - Once.
 - Never.
- B.3. Recently, Treasury has introduced performance measurements, such as, key performance indicators (KPI) and employee performance contracts. Do you agree that these strategies will be effective to increase employees' performance? Circle the letter in front of your answer and give your opinion.
- Strongly agree, because ...
 - Agree, because....
 - Neither agree nor disagree, because ...
 - Disagree, because ...
 - Strongly disagree, because
- B.4. Since 2007, the Treasury has implemented a new remuneration system. Do you agree that the new remuneration system is effective to reduce corruption in Treasury? Circle the letter in front of your answer and give your opinion.
- Strongly agree, because...
 - Agree, because....
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because....
- B.5. Do you agree that the new remuneration system is effective to increase employee performance in Treasury? Circle the letter in front of your answer and give your opinions.
- Strongly agree, because...
 - Agree, because....
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because....
- B.6. Do you agree that the implementation of electronic attendance machines is effective to increase employees' attendance? Circle the letter in front of your answer and give your opinions.
- Strongly agree, because...
 - Agree, because....
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because....
- B.7. Do you agree that the implementation of electronic attendance machines is effective to increase employees' productivity? Circle the letter in front of your answer and give your opinions.
- Strongly agree, because...
 - Agree, because....
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because....
- B.8. The employee rotation policy is believed to increase employees performance. Do you agree with this statement? Circle the letter in front of your answer and give your opinions.
- Strongly agree, because...
 - Agree, because....
 - Neither agree nor disagree, because...
 - Disagree, because...
 - Strongly disagree, because....

- B.9. The employee rotation policy is believed to reduce corruptions. Do you agree with this statement? Circle the letter in front of your answer and give your opinions.
- a. Strongly agree, because ...
 - b. Agree, because....
 - c. Neither agree nor disagree, because ...
 - d. Disagree, because ...
 - e. Strongly disagree, because
- B.10 Please give your opinions about the positive and negative impacts of employee rotation system to the employee in the Treasury?
Answers:
Positive impacts: ...
Negative impacts: ...
- C. Employees' perspectives of the effort to provide excellent services in the Treasury**
- C.1. Do you agree that excellent services can be actualised through the implementation of reform policies in the Treasury? Circle the letter in front of your answer and give your opinions.
- a. Strongly agree, because...
 - b. Agree, because....
 - c. Neither agree nor disagree, because...
 - d. Disagree, because...
 - e. Strongly disagree, because....
- C.2. Did you have any experience about the difficulties on implementation of SOPs?
Answer :....
- C.3. Do you agree that the implementation of employee promotion system increases employees' performance in the Treasury? Circle the letter in front of your answer and give your opinions.
- a. Strongly agree, because...
 - b. Agree, because....
 - c. Neither agree nor disagree, because...
 - d. Disagree, because...
 - e. Strongly disagree, because....
- C.4. Do you agree that the policy on early retirement increases the quality of service in Treasury? Circle the letter in front of your answer and give your opinions.
- a. Strongly agree, because...
 - b. Agree, because....
 - c. Neither agree nor disagree, because...
 - d. Disagree, because...
 - e. Strongly disagree, because....

APPENDIX A3. INTERVIEW GUIDE

To meet the requirement for completing the degree on Master of Public Administration (Management), I am conducting research on ‘employees’ perceptions of the change in the Treasury. The following questions will be about the change implemented in the Treasury and the impacts of the change to organisation, employees and governmental agencies that receive services from Treasury offices.

You may withdraw from participating in this research if you feel uncomfortable. The finding in this study, however, is supposed to be useful for managers in the Treasury who intend to implement change initiatives in the future. Therefore, your answers will have direct or indirect impacts in the future of Treasury, employees and governmental agencies that receive services from the Treasury. I will keep interviewee information confidentially to prevent any risks for interviewees in the workplace. Should you have any questions regarding this study, please send an email to: prasetyo.agust@gmail.com.
 I thank you for your kind participation in this study.

Agustinus Prasetyo
 Master student in Public Administration (Management)
 Flinders University of South Australia, Adelaide, South Australia

Interviewee’s detailed information:

Name: Age: years
 Tenure: years Position in organisation:

1. Having a long tenure working in the Treasury, you have had many experiences regarding the dynamic in the Treasury. What have you experienced with the conditions before and after the reform in the Treasury?
2. In your perception, why does the Treasury need to implement change initiatives?
3. On the way to reach the conditions where Treasury is able to provide excellence service delivery, there have been a lot of challenges. What is the most difficult challenge for you?
4. What media did managers commonly use to inform the change to employees?
5. The change in the Treasury revolves around many areas, in terms of training programs. Do you think that the opportunities for employees to access training programs are adequate now?
6. As the nature of employee in public service has been carrying out the task according to the Government regulations. How do you think about the regulations in Treasury so far?
7. Do you have any opinion about assessment for employee promotions? Did you have experience with it? If you have some, would you tell me the most impressing for you? When did the assessment happen? What assessment about? How was the result?
8. What do you think about employee rotation system and its implementation in the Treasury?
9. What do you think about the plan to implement early retirement initiatives in the Treasury?
10. What do you think about the recent remuneration system in the Treasury in relation to the employees’ performance and corruption practices?
11. Do you think that employees in the Treasury voluntarily support the change?
12. Do you have additional comments about the change in the Treasury?

APPENDIX B1. INTERVIEWEES’ PERCEPTIONS ABOUT THE POTENTIAL DRIVING FACTORS IN TREASURY

Potential Driving Factors	Responses	
	Respondent Codes	Total
Public demand to actualise good governance	S1, S2, S4, S5, S7, S8, S10, S13 and S15	9/15
Efforts to reduce corruptions	S2, S3, S6, S7, S8, S10, S11, and S15	8/15
The introduction of new legislations	S1, S5, S6, S11, S13	5/15
The adoption of new technologies	S8, S11 and S13	3/15
The effort to increase efficiency and effectiveness in the utilisation of organisation resources	S3 and S11	2/15

APPENDIX B2. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE STRENGTH OF POTENTIAL DRIVING FACTOR FOR CHANGE

Potential Driving Factors	Responses							Total (R=Rank)
	S1	S2	S3	S4	S5	S6	S7	
Public demand for realising good governance.	1	1	2	1	1	1	1	R1 = 6//7 R2 = 1/7
The younger's awareness			1					R1= 1/7
The effort to eradicate corruptions	7	2	6	2	3	2	6	R2=3/7 R3=1/7 R6=2/7 R7=1/7
The introduction of new financial legislations.	2	6	5	5	2	3	2	R2= 3/7 R3=1/7 R5=2/7 R6=1/7
The adoption of advanced technologies.	3	4	3	3	5	4	4	R3 = 3/7 R4 = 3/7 R5 =1/7
Efficiency of organisational resources, such as, budget, equipments, employees, etc.	4	3	4	4	6	5	3	R4 = 3/7 R3=2/7 R5=1/7 R6=1/7
Economic and political conditions	5	5	7	6	4	6	5	R5 = 3/7 R4=1/7 R6=1/7 R7=1/7
The implementation of policies from donor countries and international agencies.	6	7	8	7	7	7	7	R7 = 5/7 R6=1/7 R8=1/7

APPENDIX B3. INTERVIEWEES' PERCEPTIONS ABOUT COMMUNICATION MEDIA USED IN TREASURY

Communication Media	Responses	
	Codes	Total
Formal and non-formal meeting with employees and Stakeholders in a two-ways communication (dialogue).	S1, S2, S4, S5, S6, S7, S8, S10, S13 and S15	10/15
Treasury's website	S3, S4, S5, S9, S13, and S15	6/15
Magazines, brochures, backdrops, pamphlets, etc.	S5, S13 and S15	3/15

APPENDIX B4. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE COMMUNICATION MEDIA THEY USED FOR DISSEMINATING CHANGES IN TREASURY

Communication Methods	Responses							Total (R=Rank)
	S1	S7	S8	S19	S20	S21	S26	
Formal and non-formal meeting with employees and Stakeholders in a two-ways communication (dialogue).	2	1	1	1	1	3	3	R1 = 4//7 R2 = 1/7 R3 = 2/7
Treasury's website	1	4	2	3	2	2	2	R2= 4/7 R1 = 1/7 R3 = 1/7 R4 = 1/7
Magazines, brochures, backdrops, pamphlets, etc.	3	5	4	2	4	1	4	R4 = 3/7 R1 = 1/7 R3 = 1/7 R5 = 1/7 R7 = 1/7
Daily informal communication	4	2	3	4	3	4	1	R4= 3/7 R3=2/7 R1=1/7
Short messages (SMS) and telephones	5	3	5	5	5	5	5	R5 = 6/7 R3 = 1/7
Social network communication							6	R6 = 1/7

APPENDIX B5. RESPONDENT-STAFF'S PERCEPTIONS ABOUT COMMUNICATION MEDIA USED IN TREASURY

Communication Media	Respondents' Response	
	Codes	Total
Formal and non-formal meeting with employees and Stakeholders in a two-ways communication (dialogue)	S3, S4, S10, S12, S11, S14, S17, S18, S22, S25, S27,	11/11
Treasury's website	S3, S4, S12, S11, S14, S17, S18, S22, S25 and S27	10/11
Regulations related to Treasury's works	S3, S4, S12, S11, S14, S17, S18, S22, and S27,	9/11
Magazines, brochures, backdrops, pamphlets, etc.	S3, S11, S14, S17, S22, S25 and S27,	7/11
Others (task-forces and stakeholders)	S22 and S27	2/11

APPENDIX B6. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT EMPLOYEE INVOLVEMENT IN DECISION MAKING PROCESS IN TREASURY

The Degree of Employee Involvement in Decision Making Process	Responses	
	Codes	Total
Policy makers often asked employees' opinion before making decisions.	S1, S8, S19, S21 and S26	5/7
Decision making process was a combination of bottom-up and top-down process but the outcomes are often different with employees' proposals.	S20	1/7
Decision making process was mostly in top down mode.	S7	1/7
Policy makers always asked employees' opinion before making decisions.		-

APPENDIX B7. RESPONDENT-STAFF'S PERCEPTIONS ABOUT THE IMPLEMENTATION OF SOPS TO INCREASE THE QUALITY OF SERVICES IN TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Strongly Agree	S1,S3, S4, S8, S16, S18 and S27	7/10
Agree	S12, S21and S22	3/10
Neither agree nor disagree		
Disagree		
Strongly disagree		

APPENDIX B8. INTERVIEWEES' PERCEPTIONS ABOUT THE EFFORTS TO PROVIDE EXCELLENT SERVICES IN TREASURY

Elements for Providing Excellent Services	Responses	
	Codes	Total
The introduction of SOPs	S1, S2, S3, S5, S6, S8, S10, S11, S14 and S15	10/15
Changes in office layouts	S1, S2, S3, S9, S10, S13, S14 and S15	8/15
Change in employee attitudes	S1, S3, S4, S8, S10, S11 and S14	7/15
Change in service transparency	S3, S5, S7, S14 and S15	5/15

APPENDIX B9. RESPONDENT-STAFF'S PERCEPTIONS ABOUT THE ACHIEVABILITY OF TIME SET ON SOPS FOR ACCOMPLISHING TASKS

Respondents' Perceptions	Responses	
	Codes	Total
Very optimistic	S1	1/11
Optimistic	S22, S27, S12, S8, S3, S19 and S16	7/11
Neither optimistic nor pessimistic	S21	1/11
Pessimistic	S4	1/11
Very pessimistic	S18	1/11

APPENDIX B10. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE INCREASE OF EMPLOYEE PERFORMANCE IN TREASURY

Respondents' Perceptions	Respondents	
	Codes	Total
≥76%		
51% to 75%	S4, S8 and S21	3/7
26% to 50%	S1, S21 and S27	3/7
≤ 25%	S22	1/7

APPENDIX B11. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE CHANGE INITIATIVES TO REDUCE CORRUPTIONS IN TREASURY

Respondents' Perceptions	Responses	
	Managers	Total
Strongly Agree	S1, S4, S27	3/7
Agree	S12, S21, S22	3/7
Neither agree nor disagree	-	-
Disagree	S8	1/7
Strongly disagree	-	-

APPENDIX B12. RESPONDENT-STAFF'S PERCEPTION ABOUT THE NEW REMUNERATION SYSTEM IS EFFECTIVE TO REDUCE CORRUPTION IN THE TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Strongly Agree	S3, S22, S27	3/10
Agree	S8, S12, S16, S19, S21	5/10
Neither agree nor disagree	S4	1/10
Disagree	S1	1/10
Strongly disagree		

APPENDIX B13. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE CAPABILITY OF EMPLOYEES TO OPERATE SOFTWARE APPLICATIONS

Respondents' Perceptions	Responses	
	Managers	Total
Older employees have more skills and capability to operate software applications	-	-
Younger employees have more skills and capability to operate software applications	S1, S21, S7, S8 and S26	5/7
Employees have the same skills and capability to operate software applications	S19 and S20	2/7

APPENDIX B14. INTERVIEWEES' PERCEPTIONS ABOUT THE CHANGES IN TREASURY

Interviewees' Perceptions	Responses	
	Codes	Total
There was lack of opportunity to attend training programs for employees	S2, S4, S6, S7, S8, S9 and S14	7/15
Managers often preferred to send employees from their group or the younger to attend training programs.	S1, S4, S9, S10, S12 and S13	6/15
Managers' preference in choosing employees to attend training programs was perceived to create IT competency gaps among employees in long terms.	S1, S4, S9 and S10	4/15
A certain kind of training programs were highly competitive or needed certain qualifications	S1, S4 and S6	3/15
Centralised technical training programs limited the capacity of training centre.	S8 and S14	2/15
Opportunity to attend training programs had increased in some degrees.	S1 and S5	2/15
External providers had been available for motivational training programs for managers.	S1 and S2	2/15
Employees who just got training and moved out would affect in the short term organisational stability.	S4	1/15
Certain jobs did not have training programs	S2	1/15

APPENDIX B15. RESPONDENT-STAFF'S OPPORTUNITY TO ATTEND TECHNICAL TRAINING PROGRAMS IN A YEAR

The Frequency of Respondents Attending Training Programs	Responses	
	Codes	Total
More than twice	S1	1/11
Twice		
Once	S21, S3, S19, S16 and S18	5/11
Never	S4, S8, S12, S22 and S27	5/11

APPENDIX B16. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT OPPORTUNITY TO ATTEND TECHNICAL TRAINING PROGRAMS

Respondent Perceptions	Responses	
	Codes	Total
The elders were likely to have more opportunities to attend training programs		
The younger employees were likely to have more opportunities to attend training programs	S1, S4, S12, S21, S22	5/7
They had the same opportunities to attend training programs.	S8 and S27	2/7

APPENDIX B17. INTERVIEWEES' SUGGESTIONS FOR IMPROVING THE QUALITY OF TRAINING PROGRAMS IN TREASURY

Respondent Initiatives	Responses	
	Codes	Total
The Division of Human Resources Development has to have a blueprint for creating a comprehensive training and providing equal training opportunity for employees	S1, S3, S5, S7, S9, S10, S11 and S15	8
Each employee should have minimum one opportunity to attend training program each year related to their jobs	S2, S4, S10 and S11	4
Group discussion about current issues in Treasury and sharing knowledge among employees are useful to improve employee competency and performance.	S6, S10 and S13	3
A specific training for beginners including those who never got training	S1, S9 and S10	3
Treasury has to decentralise training programs to the regional office.	S15	1
Organisation need to have employee database for training programs	S5	1

APPENDIX B18. INTERVIEWEES' PERCEPTIONS ABOUT REMUNERATION SYSTEM IN TREASURY

Respondent perceptions	Responses	
	Codes	Total
The new remuneration system is better than previous system but the implementation to define the employees' grades need to be improved	S1, S5, S6, S7, S10 and S13	6/15
The new remuneration system has positive impact in motivating employees to work in some degree.	S1, S2, S7, S8, S10 and S11	6/15
Remuneration is not automatically reduce corruption	S3, S4, S5, S9, S11, S14	6/15
The standards for defining staff's grades based on the staff ranks or position in the office does not relate to employee performance	S4, S9, S10, S11 and S12	5/15
Staff complaining about the grade was not responded appropriately by the managers	S7, S8, S10 and S15	4/15
The new remuneration systems possibly degrade employee motivation because the previous payment system allowed them to earn bigger incomes besides salaries.	S8 and S15	2/15
Managers were afraid of the staff to give the grades according to their performance	S4 and S9	2/15
In defining staff's grade, managers often involve emotional factor which led to manipulation and inefficiency, for example, giving the highest grade for low performance employees.	S11	1/15

APPENDIX B19. INTERVIEWEES' PERCEPTIONS ABOUT THE POLICY IN EMPLOYEE ROTATION SYSTEM IN TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Refreshing or reduce boredom	S1, S12, S3, S16, S17, S18, S26	7/15
Increase understanding about nationality, culture, social networks, etc.	S19, S27, S14, and S20	4/15
Increase the employee quality through doing different jobs and employee career	S1, S7 and S8	3/15
New experience to work in different locations/places	S25	1/15
Increase competitiveness	S10	1/15

APPENDIX B20. INTERVIEWEES' PERCEPTIONS ABOUT THE IMPLEMENTATION OF EMPLOYEE ROTATION POLICIES

Interviewees' Perceptions	Responses	
	Codes	Total
Increase expenses for settlement for staff, education for children, family reunion transport fare	S1, S4, S5, S6, S7, S8, S9, S10, S11 and S13	10/15
Uncertainties in terms of period to work in one location or position and where to move in the next rotation make employees difficult to make plan for their future, apathetic to organisation and anxieties.	S1, S2, S3, S4, S5, S7, S9, S11, S12 and S15	10/15
Issues on children education in term of administration, disparity of the quality of education between one area and another (Java Island and outside Java island)	S1, S4, S5, S6, S8, S9, S10, S11 and S13	9/15
Some employees faced family problems when they have to live separately (such as divorce and loneliness).	S1, S4, S6, S7, S8, S9, S10, S12 and S13	9/15
Employees who study from their own initiatives have to leave the study when they are move to other islands.	S1 and S9	2/15
Cultural shock, adaptation with local communities	S9	1/15

APPENDIX B21. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE PLAN TO REDUCE THE NUMBER OF EMPLOYEE

Respondents' Perceptions	Responses	
	Staff	Total
Strongly agree		
Agree	S3, S10 and S14	3/7
Neither agree nor disagree	S4, S16, S17 and S22	4/7
Disagree	S7, S11 and S12	3/7
Strongly disagree	S27	1/7

APPENDIX B22. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE PLAN TO REDUCE THE NUMBER OF EMPLOYEE

Respondents' Perceptions	Responses	
	Managers	Total
Very urgent	S8	1/7
Urgent	S1, S7 and S14	3/7
Not urgent	S19, S21 and S26	3/7
Not very urgent	-	-
I do not know	-	-

APPENDIX B2. INTERVIEWEES' PERCEPTIONS ABOUT THE POTENTIAL RESISTING FACTOR TO CHANGE IN TREASURY

Potential Resisting Factors to Change	Responses	
	Codes	Total
Employee attitudes or mind-sets	S1, S2, S4, S5, S6, S7, S10, S13, S15	9/15
Lack of technological competencies	S2, S3, S9, S10, S13, S15	6/15
The issues related to regulations	S5, S7, S9	3/15

APPENDIX B24. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE YOUNGER'S DIFFICULTIES TO CHANGE

Respondents' Perceptions	Responses	
	Codes	Total
Changing employee working cultures	S1, S8, S12, S21, S22 and S27	6/7
Meeting working hours	S1, S4, S8, S12 S21 and S22	6/7
Innovations and creativities	S1, S21 and S8	3/7
Mental instability	S22 and S4	2/7
Adapting with new technologies	S21	1/7

APPENDIX B25. RESPONDENT-STAFF'S PERCEPTIONS ABOUT THE IMPLEMENTATION OF ELECTRONIC ATTENDANT MACHINES TO INCREASE EMPLOYEE ATTENDANCE

Respondent Perceptions	Responses	
	Codes	Total
Strongly Agree	S22, S3, S27 and S16	4/11
Agree	S8 and S12	2/11
Neither agree nor disagree	S4, S19 and S21	3/11
Disagree	S18	1/11
Strongly disagree	S1	1/11

APPENDIX B26. RESPONDENT-MANAGERS' PERCEPTIONS ABOUT THE ATTITUDES OF THE ELDER AND THE YOUNGER EMPLOYEES TO CHANGE IN THE TREASURY

Respondents' Perceptions	Responses	
	Respondents	Total
Yes, the older has more positive attitudes to the change than the younger.	-	-
Yes, the younger has more positive attitudes to the change than the older.	S4, S12, S21 and S22	4/7
No, they have the same attitudes.	S1, S8 and S 27	3/7

APPENDIX B27. RESPONDENT-STAFF'S PERCEPTIONS ABOUT THE IMPLEMENTATION OF REMUNERATION SYSTEM TO INCREASE EMPLOYEE PERFORMANCE IN TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Strongly Agree	S1	1/11
Agree	S3, S8, S16,S21, S22 and S27	6/11
Neither agree nor disagree	S4, S19 and S12	3/11
Disagree	S18	1/11
Strongly disagree		

APPENDIX B28. RESPONDENT-STAFF'S PERCEPTIONS ABOUT THE IMPLEMENTATION OF PERFORMANCE MEASUREMENTS (KPI) AS STRATEGY TO INCREASE EMPLOYEE PERFORMANCE IN TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Strongly Agree	S1	1/11
Agree	S3 S22, S21, S27, S8 and S16	6/11
Neither agree nor disagree	S12, S4 and S19	3/11
Disagree	S18	1/11
Strongly disagree		

APPENDIX B29. RESPONDENT MANAGERS AND STAFF PERCEPTIONS ABOUT EMPLOYEE SUPPORT TO THE IMPLEMENTATION OF CHANGE INITIATIVES IN THE TREASURY

Respondents' Perceptions	Responses	
	Codes	Total
Strongly Agree	S1, S6, S7, and S16	4/16
Agree	S2, S3, S5, S8, S18, S19, S21, S22, and S27	9/16
Neither agree nor disagree	S4 and S12	3/16
Disagree		
Strongly disagree		

Note: Two respondents did not answer the question as instructed and excluded from at this session.