

THE EFFECT OF GOVERNMENT THEOLOGY AND ETHICS ON GOVERNMENT PERFORMANCE IN THE LICENSING AND INVESTMENT OFFICE OF TRENGGALEK REGENCY IN EAST JAVA PROVINCE

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Abstract: *The primary objective of this paper is to describe the empirical condition of “The Effect Of Government Theology and Ethics on Government Performance in the Licensing and Investment” as an effort to implement licensing service for society, which is one of the government policies to tackle the problems of unemployment, poverty, regional competitive advantage, economy, and welfare. The present study utilizes government theory, as well as government theology, government ethics, and government performance theories. Using these theories, the investigation is designed under quantitative approach, with survey technique as its primary method. The findings are analyzed using Swall Wright’s path-analysis. The result is that government theology and government ethics partially and simultaneously affect the performance of the Integrated Licensing and Investment Office of Trenggalek Regency. Government theology is a manifestation of acknowledgement of God, integrated in the practice of providing better services to public. In addition, government ethics represents the staff’s understanding of good and bad behaviors; a manifestation of their conscience in providing better services to public. These conditions lead to public trust towards government’s services.*

Keyword: *Governance, government theology, government ethics, and government performance.*

1. INTRODUCTION

Good management in government may accelerate the process of improving public welfare, as well as facilitate interaction between government and its subject as stated in the Regulation No 25/2009 on public services. Concerning the expected performance of regional government apparatus in providing services to improve public welfare; as set in Presidential Decree No 3/2006 on Investment Climate Improvement Package and in Regent’s Decree No 7/2008 on Delegation of Licensing and Investment Authority

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to the Licensing and Investment Office of Trenggalek Regency, there are several problems that need to be solved. Wicaksono (2007: 20) noted that "Indonesian bureaucracy is a fat and slow organization, and full of red tape. Bureaucracy in Indonesian government is unable to appropriately respond to people's needs, both in terms of accuracy and timeliness, so that not only people doubt bureaucracy, they even distrust it."

This statement reflects the actual condition of the Licensing and Investment Office (LIO) of Trenggalek Regency. The office faces a dilemma, emanating from the high number of licensing to be processed, on one hand, and the small number of staff on the other. The data from LIO of Trenggalek Regency shows that in 2014, there are 1774 office and building licenses to be processed by only two people. The condition is made worse by the problems in distributing licenses; including the inability to deliver fast licensing service due to geographical factors. For instance, four Sub-districts have to travel long distances (52 km for Panggul Sub-district, 29 km for Dongko Sub-district, 46 km for Munjungan Sub-district, and 44 km for Watulimo Sub-district) through hilly roads to process their license.

The data further states that there were a total of 4249 license applications in 2014, but only 4029 were completely processed. This is because the service is delivered and processed conventionally, in which the applicants have to come personally to the LIO of Trenggalek Regency. In addition, theologically speaking, the performance of LIO of Trenggalek Regency is not optimal. The government of Trenggalek Regency, particularly the Licensing and Investment Office, does not provide spiritual program for its employees; while the development of professional and responsible Civil Servants requires self-competence, physical health, and spiritual fitness. The requirement of spiritual fitness is based on the first principle of Pancasila; i.e. [believe in] One God. Pancasila is the five basic principles of Indonesia. It is the foundation that represents the values of the nation. The first principle of Pancasila represents the nation's moral value that believes in higher power that controls every aspect of human life. This is in line with the theocracy theory of Friedrich Julius Stahl in Schamndt (2007: 98) that "A nation is born because of Divine fate; the authority of a nation also comes from God's will and power."

In 2013, there were 42 complaints to the LIO, which indicates ethical problems in the institution. Code of ethics is "a series of norms and moral values that all professionals should uphold," (Sudarminta, 2012: 3). He further adds that every civil servant has to deliver the best service to the public, as required by his own field. The 42 complaints indicate that the staff of LIO of Trenggalek Regency have not fully comprehended and implemented its code of ethics. Firstly, the staffs are not careful enough in providing service that the licenses they issue cause public restlessness. Secondly, there is no widespread effort to inform the public about the licensing process so that the society is unaware of how to appropriately process their license applications. Thirdly, there is no consistency in terms of service implementation delivered by the

staff, which leads to complaints from the customers (society) concerning the complicated and confusing red tape in the licensing process and concerning the increase of licensing tariff.

Based on this background, several research problems are formulated for the study of “the Effect of Government Theology and Government Ethics on Government Performance in the Licensing and Investment Office of Trenggalek Regency” as follow:

- 1) How big is the effect of government theology on government performance in the Licensing and Investment Office of Trenggalek Regency?
- 2) How big is the effect of government ethics on government performance in the Licensing and Investment Office of Trenggalek Regency?
- 3) How big is the effect of government theology and government ethics on government performance in the Licensing and Investment Office of Trenggalek Regency?

2. GOVERNMENT PERFORMANCE

Boland (in Rohman, 2009: 24) stated that “performance is an achievement that an organization can achieve in certain period of time.” Government performance in the context of public service is a strategic subject of study. It is because public needs will always increase as the world advances, which means that the problems in government performance on providing public service will always exist. Government performance can be measured using various methods and techniques, based on the theories of performance. According to Palmer, in Mahsun (2006: 74), the indicators of government performance include:

- Cost indicator (total cost, unit cost)
- Productivity indicator (for instance, the number of tasks a staff can complete in a certain period of time)
- The level of utilization (e.g., to what extent the available services are utilized)
- Time limitation (for example, the average time needed to complete a unit of work)
- The volume of service (for instance, the assumption of work volume that government staff should complete)
- Customers’ needs (the amount of available services compared with the volume of potential applications/requests)
- Service quality indicator
- Customer satisfaction indicator
- Objective realization indicator

3. GOVERNMENT THEOLOGY

Government theology is a study on the existence of God and government as the representation of people's consolidation in assigning the authority to govern to the government. As Ndraha (2003: 76) noted, "the government exist because its subjects (people) exist." Government is a collection of authority given by the governed subjects. It means that government is positioned as the servant of its subject and the subject of its governance actively control the services provided by the government.

In providing service to the public, government has to have theological foundation. Ndraha (2003: 305-308) outlines three primary sources of theological foundation; i.e. awareness, experience, and belief. Theological Awareness. People's attitude of life is outlined in general as follow.

- Firstly, the attitude that views life as something natural, something taken for granted. People with this attitude experience and live their life as it is, without ever questioning about it too deeply.
- Secondly, there is the attitude that views life as something odd, amazing, magical, extraordinary, mysterious, and incomprehensible. This attitude may increase to a level in which life is sacred (William James in *The Varieties of Religious Experience* (1958) calls this *religious experience*; see also N. Drijarka in *Percikan Filsafat* (1964)).
- Theological Experience. Theological experience of life expands into a universal theological awareness. Notonagoro, in discussing the scientific accountability for the principle of theology in Pancasila (*Pancasila Dasar Negara*, 1962) draws empirical conclusions concerning: causes, changes, beginning and end, everything never exists, life, human desire, the nature of being able to do good/bad. Meanwhile, Saint Thomas Aquinas formulates empirical evidences of five kinds of theological experience that prove the existence of God (*Jay, the Existence of God*, 1964); including the evidence from motion, efficient cause, necessary vs. possible being, degrees of perfection, and God's (universal) design.
- Theological Belief. Based on his life experiences, one may conclude that God is Almighty and Most Benevolent in nature. These two characteristics of God will cause man to believe. Belief in this context is called theological belief. The Perambulation of the 1945 Constitutions of Indonesia contains a principle of theological belief; as stated in the third paragraph of the Perambulation, "Due to the grace of God Almighty and based on people's noble desire..." This statement implies that the nation is essentially a tool in the invisible Hand, as a means to channel His grace and gift.

3. GOVERNMENT ETHICS

Ethical Government means much more than laws. It is a spirit, an imbued code of conduct, an ethos. (John A. Rohr, 1998 : ix). Ethics allows us to put actions to a better

direction and to produce best policies. Ethics is a daily life issue that keeps growing and developing in every aspect of life, including in public service area. All government staff will be misguided if they do not understand the philosophical challenges of implementing ethics in daily life.

Ndraha (2003: 323) noted that “the government actors who work in hard environment and with great burden need strong foundation to hold on to; in this case, ethical foundation. It begins from ethical awareness, continues to desire of free will, inner decision; to accept, reject, or wait-and-see; self-commitment, willingness to act based on the commitment, and ethical responsibility.”

Government as a profession requires the actors to recognize his role in the profession. Government officials who work in licensing office should be able to recognize and understand their role and position as government agents in providing licensing service. The consequence of being in the profession of licensing service includes the involvement in relationship with the people of various characters. The government officials should be able to provide services in such a way that will make people feel comfortable and safe, and that do not involve too much red tape.

4. THE CORRELATION OF GOVERNMENT THEOLOGY, GOVERNMENT ETHICS, AND GOVERNMENT PERFORMANCE IN PUBLIC SERVICE

Theoretically, government performance in providing public service is influenced by two factors: the government theology that believes in God and God’s plan as transcendent basis and the government ethics that focuses on good and bad behaviors

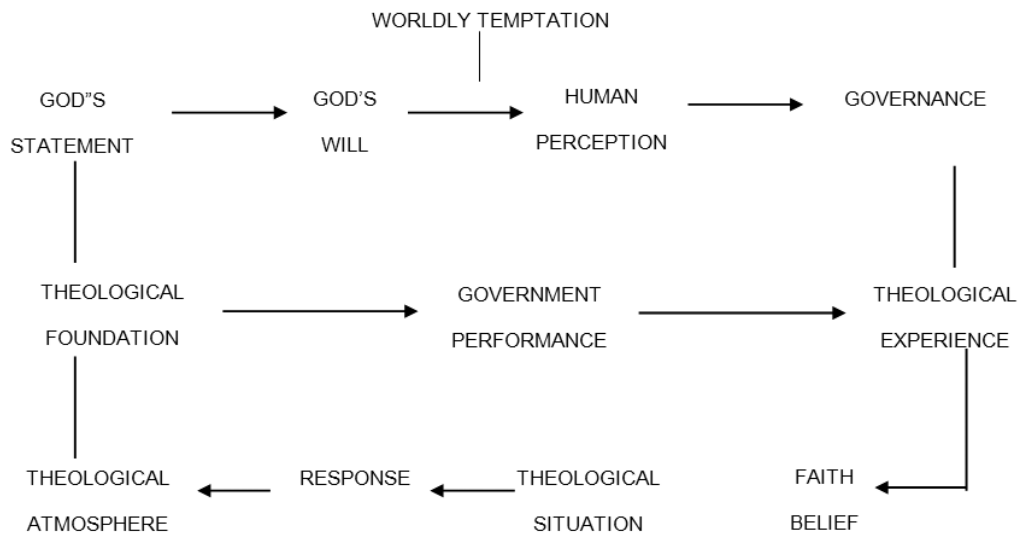


Figure 1: Government Theology System

(Source: Ndraha, 2002:315)

in interactional relationship between government and its subjects. It implies that an effective relationship between the government and the people in the context of public service can only be formed in an ethical situation that the government adopts and implements; i.e. the government ethics as the basis of interpretation of government theology. The correlation of government theology, government ethics, and government performance in public service is shown in Figure 1.

The figure indicates that government performance is highly dependent on the empirical condition of government theology. The relationship between the two is visible in the professional behavior and attitude of government workers (civil servants). The service will be useful and meaningful for the people if the government, in providing services, implements the attitude and behaviors based on God's teaching that requires man to do good to other men. Therefore, it is clear that the government theology will contribute good or bad effects, depending on its implementation; for instance "when a government official position himself in the group of do the least but earn the most, while in fact he do the most but earn the least, he will be disappointed. However, if he looks to the people below him, to the less fortunate, he will have positive attitude and be optimistic about life" (Ndraha, 2003: 312).

5. RESEARCH METHODOLOGY

The present study employs a quantitative design, using the survey method. There are three variables analyzed in the investigation:

- The first independent variable (X_1) is Government Theology.
- The second independent variable (X_2) is Government Ethics.
- The dependent variable (Y) is Government Performance.

The population of sample investigated includes all people who have received licensing service during 2014; i.e. 4029 people distributed in six sub-districts. To facilitate the implementation of the survey, a sample is chosen from the population using Slovin's sampling technique as follow:

The first independent variable (X_1)

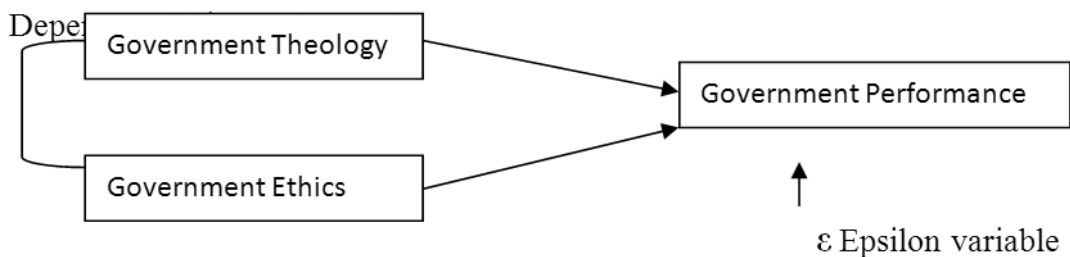


Figure 2: Research Variables Paradigm

$$N = \frac{N}{1 + Ne^2}$$

Note: n = Sample size, N = Total population, e = Sampling error rate of 1%, 5% and 10%

Based on the sampling formula, the sampling process results in 98 sample. Sample distribution is performed using the Probability Sampling technique of disproportionate stratified random sampling. It is “a technique employed to determine the number of sample when the population is disproportionately stratified” (Sugiyono, 2003: 93). Data is processed to prove the proposed hypotheses by testing it using relevant statistical measures. Since the variable of the study is multivariate, the researcher implements variable path-analysis to test the hypotheses.

The hypotheses of the study are:

- There is an influence of government theology on government performance in licensing service of the Licensing and Investment Office of Trenggalek Regency.
- There is an influence of government ethics on government performance in licensing service of the Licensing and Investment Office of Trenggalek Regency.
- There is an influence of government theology and government ethics on government performance in licensing service of the Licensing and Investment Office of Trenggalek Regency.

6. FINDINGS AND DISCUSSION

Hypotheses analysis aims to provide interpretation on the result of hypotheses testing, which are the findings of the study. As previously mentioned, the hypotheses testing are carried out quantitatively, using path analysis technique. The result of the testing is displayed in Figure 3.

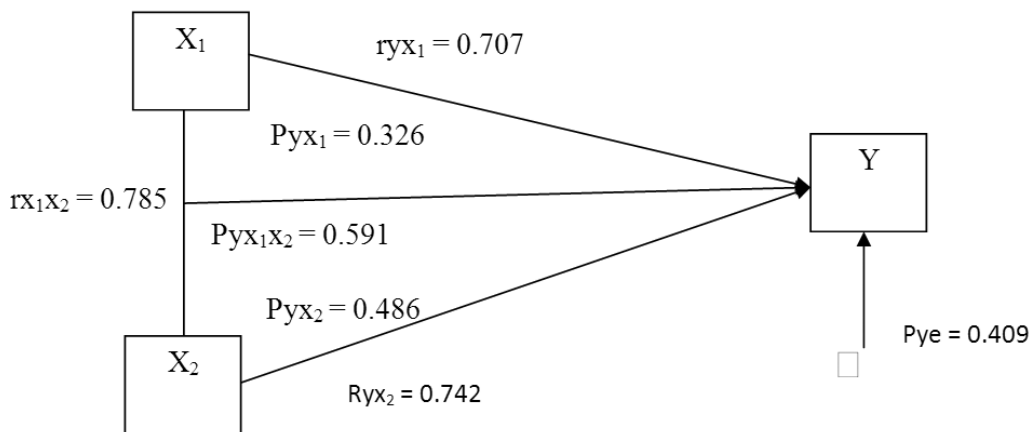


Figure 3: (Standardized) Coefficient Path Regression Diagram of the Research Variables

Source: The result of Coefficient Path calculation of the research variables using SPSS 16.0 software.

Note: X_1 = the first independent variable : Government Theology
 X_2 = the second independent variable : Government Ethics
 Y = the dependent variable : Government Performance
 ϵ = Epsilon variable : Other variables

6.1. The Effect of Government Theology (X_1) on Government Performance (Y)

Figure 3 displays the result of hypothesis testing for the effect of Government Theology (X_1) on Government Performance (Y). It can be seen that the correlation coefficient r is 0.707 and the direct correlation coefficient path is 0.326. The indirect correlation coefficient path is 0.124, while the total effect (the accumulation of direct and indirect correlation) p is 0.450. Significance testing of the correlation between the two variables results in t_{calc} of 3.083 and t_{table} of 1.985. It means that there is significant correlation (effect) of government theology, as the first independent variable, on government performance.

Direct correlation (effect) is the value of correlation coefficient of the first independent variable's (Government Theology) effect on the dependent variable (Government Performance). Indirect correlation (effect) is the value of correlation coefficient of the first independent variable's (Government Theology) effect on the dependent variable (Government Performance) through the second independent variable (Government Ethics). Concerning the direct and indirect correlations of Government Theology, it is found that the direct correlation coefficient is higher than the indirect correlation coefficient ($0.326 > 0.124$). It means that the direct correlation of the first independent variable (Government theology) on the dependent variable (Government performance) is more significant than its indirect correlation through the second independent variable (Government ethics). Therefore, government theology variable can independently and effectively improve the government performance in providing services to the public, particularly in licensing service.

6.2. The Effect of Government Ethics (X_2) on Government Performance (Y)

Figure 3 displays the result of hypothesis testing for the effect of Government Ethics (X_2) on Government Performance (Y) of the LIO of Trenggalek Regency. It can be seen that the correlation coefficient r is 0.742, the direct correlation coefficient path (p) is 0.486, the indirect correlation coefficient path (p) is 0.124, and the total effect (the accumulation of direct and indirect correlation) p is 0.610. Significance testing of the correlation between the two variables results in t_{calc} of 4.589 and t_{table} of 1.985. It means that there is significant correlation (effect) of government ethics, as the second independent variable, on government performance.

Direct correlation (effect) is the value of correlation coefficient of the second independent variable's (Government Ethics) effect on the dependent variable (Government Performance). Indirect correlation (effect) is the value of correlation coefficient of the second independent variable's (Government Ethics) effect on the

dependent variable (Government Performance) through the first independent variable (Government Theology). Based on the calculation of Government Ethics correlations, it is found that the direct correlation coefficient is higher than the indirect correlation coefficient ($0.486 > 0.124$). It means that the direct correlation of the second independent variable (Government Ethics) on the dependent variable (Government Performance) is more significant than its indirect correlation through the first independent variable (Government Theology). Therefore, government ethics variable can independently and effectively improve the government performance in providing services to the public, particularly in licensing service.

6.3. The Effect of Government Theology (X_1) and Government Ethics (X_2) Variables on the Government Performance (Y) Variable

The analysis result displayed in Figure 3 shows the total effect of Government Theology (X_1) and Government Ethics (X_2) variables on the Government Performance (Y) variable; with correlation coefficient value of 0.591. The lower value of correlation coefficient of Government Theology, compared with that of Government Ethics, indicates that Government Ethics is more influential on Government Performance than Government Theology. Considering this finding, it can be concluded that the improvement of government performance can (and should) be carried out by improving the government ethics, followed by improving government theology.

The aggregate correlation (effect) of both variables of Government Theology and Government Ethics is the accumulation of the total correlation (effect) of X_1 on Y variable and the total correlation (effect) of X_2 on Y, resulting in a value of 0.591. Therefore, the determination coefficient of the aggregate effect is 59.1%. The simultaneous correlation of X variable is higher than the partial correlation of X variable; which means that the Government Theology and Government Ethics variables will be more effective in affecting Government Performance if they are implemented simultaneously. The value of determination coefficient also allows us to calculate the effect of epsilon variable (other variables not investigated in this study); which is 0.409 or 40.9%.

7. CONCLUSION

The variable of government theology; based on the dimensions of theological belief, theological experience, and theological awareness, significantly influences the variable of government performance that is concentrated on cost, productivity, level of utilization, time limitation, volume of services, customers' needs, quality of service, customer satisfaction indicators, and realization of goals in providing services to public.

The variable of government ethics; based on ethical awareness, free will, conscious decision, self-commitment, and ethical accountability, significantly affects the variable of government performance that is concentrated on cost, productivity, level of utilization, time limitation, volume of services, customers' needs, quality of service, customer satisfaction indicators, and realization of goals in providing services to public.

The variable of government theology; based on the dimensions of theological belief, theological experience, and theological awareness; along with the variable of government ethics; based on ethical awareness, free will, conscious decision, self-commitment, and ethical accountability, significantly affect the variable of government performance that is concentrated on cost, productivity, level of utilization, time limitation, volume of services, customers' needs, quality of service, customer satisfaction indicators, and realization of goals in providing services to public.

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