



NEW PUBLIC MANAGEMENT IMPLEMENTATION OF PUBLIC SECTOR MANAGERIAL PERFORMANCE IN REGIONAL GOVERNMENT OF GORONTALO CITY

Roy Hasiru
Zayani Nurdin
Harnida

Tadulako University, Palu
roy_hasiru@ung.ac.id

Article history:	Abstract:
<p>Received: 3rd April 2023 Accepted: 10th May 2023 Published: 11th June 2023</p>	<p>This study aims to determine and analyze the effect of the implementation of the New Public Management on the managerial performance of the public sector in the Regional Government of Gorontalo City. The approach used in this research is quantitative. The number of samples in this study were 268 samples. Data analysis used descriptive and inferential (PLS). The results of this study indicate that (1) Descriptive results found that the variable implementation of New Public Management (NPM) has an expectation score of 84.79% (high category) with performance achievements on the implementation of New Public Management (NPM) of 77.47% (category Good). The public sector managerial performance variable has an expectation score of 82.83% (high category) with a performance achievement of public sector managerial performance of 79.14% (good category). (2) The implementation of the New Public Management (NPM) has a positive and significant effect on the managerial performance of the public sector in the Regional Government of Gorontalo City.</p>

Keywords: Managerial Performance, and New Public Management

1. INTRODUCTION

Public service management is oriented towards improving the managerial performance of the public sector. Mahoney (1963) revealed that managerial performance is the performance of individual members of the organization in managerial activities, including planning, investigation, coordination, evaluation, supervision, staffing, negotiation and representation. As managerial, it means that leaders must be able to regulate various indicators from the service input process to service output, namely community satisfaction because management in the public sector should focus on the extent to which an agency or government is able to fulfill the wishes of the wider community which also becomes a performance measure for agencies.

Managerial and staff performance in government must be measured, to see the achievement of targets that have been previously announced. Whittaker (1993) argues that performance measurement in government agencies is a management tool used to improve the quality of decision-making and accountability in order to assess the success or failure of the implementation of government activities (programs).

The emergence of performance-based management is part of the New Public Management (NPM) reform carried out by developed countries in Europe and America in the 1980s. The idea of NPM basically wants to "liberate" public managers from the shackles of bureaucratic rules and administrative control so that they can carry out their duties freely. As is the case with managers in the private sector, public managers will be rewarded if successful and vice versa will be penalized if they fail. In this way, public managers can utilize all their potential and competencies to produce maximum products, both goods and services for public services.

In its application in several regional governments, the positive impact of NPM can be seen from the 5 (five) core principles, namely: 1) Decentralized System, by moving decision-making authority closer to service recipients; (2) Privatization, by allocating public goods and services to the private sector; (3) Downsizing, by trimming and simplifying the number and scope of organizations in the government structure; (4) De-bureaucratization, by restructuring government organizations by emphasizing results rather than processes, and (5) Managerialism by establishing a business style in government organizations (Vigoda, 2003:813).

Although this doctrine shows great promise in improving government performance, recently there have been doubts about its success. NPM is considered not to place public services and democratic governance as well as civic

engagement as the center of attention (Denhardt & Denhardt, 2003: 24). Other experts also consider NPM to be less successful in elaborating partnerships between citizens, government and the private sector (Vigoda, 2003).

This research focuses on the Gorontalo City Government because the Gorontalo City Government is one of the government agencies in Gorontalo Province with good performance achievements in several aspects, namely in the aspect of Regional Government Administration Reports (LPPD), Regional Head Accountability Reports (LKPD), Accountability Reports. Performance of Public Agencies (LAKIP), Audits from BPK, assessments by OMBUDSMAN, and various other reports. This research is intended to determine the implementation of NPM in improving the managerial performance of the public sector. The subjects in this study were leaders from Regional Apparatus Organizations (OPD), both offices and agencies, even at the sub-district level, namely the sub-district head.

2. LITERATURE REVIEWS AND HYPOTHESES

2.1 Literature Review

2.1.1 Implementation of New Public Management

Bovaird & Loffer (2013:17) say that New Public Management is a movement to streamline the public sector and make it more comparative and try to make public administration more responsive to the needs of citizens by offering economic, efficiency and effectiveness measurements (value for money), flexibility choice, and transparency. The implementation of the NPM concept can be seen as a form of modernization or reform of management and public administration, depoliticalization of power, or decentralization of authority that promotes democracy. New Public Management focuses on performance-oriented public sector management, not policy. This New Public Management has undergone various orientation changes. Ferlie, et., al in Keban (2014), namely:

- a. The Drive orientation
- b. Downsizing and Decentralization Orientation
- c. Orientation in Search of Excellence
- d. Public Service Orientation

2.1.2 Managerial Performance

Performance is the success of team personnel or organizational units in realizing strategic goals which are the basis for performance measurement, it is necessary to determine the size and determine strategic initiatives to realize these targets (Mathis & Jackson in Arisudhana, 2014).

Latifa & Widyawati (2017) that the success of a government organization is not only measured by a performance perspective but also by looking at its financial management perspective. With proper regional financial management, it can provide certainty regarding the success or determination of an activity. Krismiaji (2011) defines that managerial performance is a manager who produces performance by mobilizing talents and abilities, as well as several different efforts of other people within their area of authority. Simamora (2012) defines that managerial performance is the result of the work or activities of a person or group within an organization that is influenced by various factors to achieve organizational goals within a certain period of time.

Managerial performance in local government is a description of the level of achievement of goals or objectives as an elaboration of the vision, mission and strategy of local government agencies that identify the level of success or failure in implementing activities in accordance with the agency's apparatus. Putra (2013) describes eight dimensions of managerial performance, namely: 1). Planning; 2) Investigations; 3). Coordination; 4). Evaluation; 5). Supervision; 6). Selection of Staff; 7). Negotiation; 8). Representative

2.2 Hypothesis

The relationship of new public management to public sector managerial performance has been proven, among other things, by Hookana's research (2008) that NPM and organizational culture have an effect on public sector managerial performance. Hambleton (2003) found that NPM and leadership influence the performance of public sector managers. Other research by Indrawati (2016) suggests that NPM influences Public Sector Managerial Performance, but Leadership Style has no effect on the relationship between NPM and Public Sector Managerial Performance, as well as in other research by raising organizational culture variables, Indrawati (2017) found that NPM affects Public Sector Managerial Performance, but Organizational Culture has no effect on the relationship between NPM and Public Sector Managerial Performance.

Proposition: The better the implementation of the New Public Management, the Public Sector Managerial Performance will increase

3. RESEARCH METHOD

This research was carried out using a quantitative research approach, with a quantitative paradigm. According to the problem raised in this study is an associative problem, namely a research question that connects two or more variables. The variable relationship in the study is a causal relationship, namely a causal relationship. The method used in this research is ex-post facto research. The location used as the object of research is the City Government of Gorontalo. The target of this research is employees in the City Government of Gorontalo.

The population in this study is based on the variables studied, namely managerial performance. The managerial referred to in this study is the leadership of the Regional Apparatus Organization (OPD), both the service and the agency, even at the sub-district level, namely the sub-district head. For a more objective assessment of managerial

performance, the researchers focused on agency secretaries, section heads, field heads, sub-section heads and section heads because (1) the target of this research was being able to answer objectively, (2) respondents were leaders in the smallest division an agency so that they understand the trade off in decision making by the leadership. The sample description for each agency is presented as follows:

Table 1. Number of Samples

NO	Regional Apparatus Organization (OPD)	Population	Sample
1	Staffing Agency for Education and Training	12	4
2	Agency for National Unity and Politics	14	5
3	Financial Institutions	24	8
4	Hospital Public Service Board. Prof. Dr. H. Aloei saboe	23	8
5	Regional Disaster Management Agency	15	5
6	Planning, Research and Development Agency	21	7
7	Archives and Library Services	12	4
8	Department of Maritime Affairs, Fisheries and Agriculture	30	10
9	Department of Population and Civil Registration	11	4
10	Department of Health	28	9
11	Office of Communication, Informatics and Encryption	15	5
12	Department of the Environment	20	7
13	Food Service	15	5
14	Department of Tourism, Youth and Sports	21	7
15	Public Works and Spatial Planning Office	21	7
16	Investment Service and PTSP	15	5
17	Department of Education	21	7
18	Department of Population Control, KB, PP and PA	21	7
19	Department of Trade and Industry	16	5
20	Department of Transportation	11	4
21	Public Housing and Settlement Area Office	10	3
22	Social Service and Community Empowerment	19	6
23	Department of Manpower, Cooperatives and SMEs	17	6
24	Inspectorate	8	3
25	Dumbo Raya District Office	33	11
26	Dungingi District Office	33	11
27	Hulonthalangi District Office	31	10
28	West City District Office	42	14
29	South City District Office	33	11
30	Midle City District Office	38	13
31	East City District Office	38	13
32	North City District Office	36	12
33	Sipatana District Office	33	11
34	Otanaha Hospital	4	1
35	Civil Service Police Unit	15	5
36	Regional Secretariat of Gorontalo City	40	13
37	Secretariat DPRD of Gorontalo City	9	3
Grand Totals		805	268

Source: Processed, 2022

4. RESEARCH RESULTS AND DISCUSSION

4.1 Research Results

1. Measuring Convergent Validity of New Public Management Implementation Variables

Table 2. Outer Loading Results of the New Public Management Construct

Variables	Indicator	Outer Loading	Standart	Status
Implementation New Public Management (NPM)	X.1	0.798	0.6	Valid
	X.2	0.816	0.6	Valid
	X.3	0.698	0.6	Valid
	X.4	0.784	0.6	Valid

Source: Processed PLS, 2022

Based on the results of data analysis, when viewed from the estimated value of the outer loading for each indicator, the Downsizing and Decentralization Orientation (X.2) indicator is the most important in reflecting the New Public Management variable. The results of the analysis show that the highest loading factor is found in the indicator, namely Downsizing and Decentralization Orientation of 0.816, so that this indicator is able to explain the implementation of the New Public Management variable better than other indicators. Furthermore, the loading factor of the indicator for building a work team of 0.698 is the smallest indicator in explaining the variable implementation of the New Public Management (NPM).

2. Measurement of Convergent Validity of Managerial Performance Variables

Table 3. Outer Loading Results for Managerial Performance Constructs

Variables	Indicator	Outer Loading	Standart	Status
Public sector managerial performance	Y.1	0.894	0.6	Valid
	Y.2	0.794	0.6	Valid
	Y.3	0.724	0.6	Valid

Source: Processed PLS, 2022

Based on the results of data analysis, when viewed from the estimated value of the outer loading for each indicator, the indicator, namely accuracy in carrying out interpersonal roles (Y.1), is the most important in reflecting the public sector managerial performance variable. The results of the analysis show that the highest loading factor is found in the indicator, namely Accuracy in carrying out interpersonal roles (Interpersonal Roles) of 0.894, so that this indicator is able to explain the variable managerial performance of the public sector better than other indicators. Furthermore, the loading factor of the decision-making role indicator (Decisional Role) of 0.724 is the smallest indicator in explaining the principle variable of public sector managerial performance.

The following shows the results of the highest outer loading value to the smallest outer loading value of each New Public Management variable, and Managerial Performance as shown in table 4.14 below:

Table 4. Results of the Highest to Smallest Outer Loading Values

Variables	Indicator	Outer Loading
<i>New Public Management (NPM)</i>	X.2 Orientasi Downsizing and Decentralization	0.816
	X.1 Orientasi The Drive	0.798
	X.4 Orientasi Public Service	0.784
	X.3 Orientasi in Search of Excellence	0.698
Managerial performance	Y.1 Interpersonal Roles	0.894
	Y.2 Accuracy in carrying out the role of information provider (Informational Roles)	0.794
	Y.3 Accuracy in carrying out decision-making roles (Decisional Role)	0.724

Source: Processed PLS, 2022

3. Average Variance Extracted (AVE) and square root of AVE

Table 5. Discriminant Validity Results

Variables	AVE	Standart	Status
Implementation New Public Management (NPM)	0.611	0.6	Valid
Public sector managerial performance	0.601	0.6	Valid

Source: Processed PLS, 2022

Based on the table above, the results of the AVE value of the New Public Management (NPM) implementation variable and the managerial performance of the public sector are > 0.6. Thus it can be stated that each variable has good discriminant validity.

4. Influence Coefficient Value

Based on the results of the study, it was found that the variable implementation of New Public Management (NPM) had an effect on managerial performance of 29.70%. If the coefficient of determination is related to the prerequisite analysis test (inner model), then the public sector managerial performance equation fulfills the Goodness of Fit test.

5. Hypothesis Testing Results

Based on the data processing that has been done, the results can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the tcount and P-values. For more detailed results are displayed in the following table:

Table 6. Hypothesis Testing Results

Type Influence	Influence	t Statistic	P-Value
Direct	X->Y	6.206	0.000***

^{ns} not significant
 *. Significant at the 0.1 level (2-tailed).
 **. Significant at the 0.05 level (2-tailed).
 ***. Significant at the 0.01 level (2-tailed).

Source: Processed PLS, 2022

Based on the table above, the results of hypothesis testing can be interpreted by classifying the influence of the variables:

6. Effect of New Public Management (NPM) Implementation on Public Sector Managerial Performance

The tcount value of the effect of the implementation of the New Public Management (NPM) on managerial performance obtained a result of 6.206 with a probability value (P-value) of 0.000. The tcount value of 6.206 is greater than the ttable value of 1.96 (6.206 > 1.96). The P-value is smaller than the probability value of 0.05 (0.000 < 0.05), then Ha is accepted, which means that the implementation of the New Public Management (NPM) has a positive and significant effect on the managerial performance of the public sector in the Regional Government of Gorontalo City. The positive and significant influence shows that the implementation of the New Public Management (NPM) will make managerial performance even better where the New Public Management (NPM) will become a guideline for managers or agency leaders in carrying out their duties and responsibilities.

4.2 DISCUSSION

4.2.1 The condition of the implementation of the New Public Management (NPM) and the managerial performance of the public sector employees at the Regional Government of Gorontalo City

1. Implementation of New Public Management (NPM)

The concept of New Public Management indirectly arises from harsh criticism of public sector organizations and has given rise to movements and demands for public sector management reform. New Public Management then influence the process of change in public sector organizations in a comprehensive manner almost throughout the world. The implementation of decentralization, devolution, and modernization of public service delivery is the emphasis of the New Public Management movement. Janet and Robert (2007:12) explain that New Public Management refers to a group of contemporary ideas and practices that essentially use private sector and business approaches in the public sector. The New Public Management has become normative which signals a major shift in the way we think about the role of the public administrator.

The results of the descriptive analysis for the implementation of the New Public Management (NPM) found that the variable implementation of the New Public Management (NPM) had an expectation score of 84.79% (high category) with performance gains on the implementation of the New Public Management (NPM) of 77.47% (good category). This shows that officials in the Regional Government of Gorontalo City always want and dream of implementing the New Public Management (NPM) which makes good management and administration, finance and service to the Regional Government of Gorontalo City, but in reality this is still difficult to achieve with which ultimately requires follow-up on a high priority scale. This is because Gorontalo City as the center of Gorontalo Province (Provincial Capital) is still not optimal in providing good service, where the score for service is still held by Bone Bolango Regency. So that the City of Gorontalo must try even more optimally in obtaining the best results in governance.

These results are in accordance with the opinion of Bovaird & Loffer (2013: 17) that New Public Management is a movement to streamline the public sector and make it more comparative and try to make public administration more responsive to the needs of citizens by offering measurements of economy, efficiency and effectiveness (value for money), flexibility of choice, and transparency. In relation to the New Public Management (NPM) paradigm, the role of service providers is very important in providing strategies, innovations and breakthroughs in order to provide quality services in order to achieve excellent service for the community. Public trust in the quality of public services will be higher in the implementation of professional work carried out by members of the profession. Good service will certainly be born with the availability of the budget and its management because of an important aspect of service, namely tangible (physical evidence) service. These things will also not be created properly if the organizational capacity of the

public sector of government is not optimal, the internal control system and even the placement of employees who should refer to how the competency components work.

2. Public sector managerial performance

Managerial performance according to Mahoney in Desi Yulianti (2014: 12) is defined as: Performance of individual members of the organization in managerial activities, including planning, investigation, coordination, supervision, staffing, negotiation and representation. Narsa and Yuniawati (2003:24) state that managerial performance is the performance of individuals in managerial activities. Managerial performance for government organizations is a measure of the success of government management. The better the managerial performance, the better the government organization will be. In pushing managerial performance for government organizations in theory and practice, there is a concept that becomes a reference for implementing government management. When good managerial performance is implemented through New Public Management and supported by Good governance, it is certain that government organizations will run well and effectively

The results of the descriptive analysis of public sector managerial performance found that the public sector managerial performance variable had an expectation score of 82.83% (high category) with performance gains on public sector managerial performance of 79.14% (good category). This shows that the heads of government agencies in the Regional Government of Gorontalo City tend to have high expectations of obtaining good managerial performance where this performance will have an impact on improving individual employee performance to collectively organizational performance. The performance that is still not optimal is due to the coordination and communication that has not been maximized in an organization which is directly coordinated by the head of the agency. When leaders carry out their duties and functions properly, their individual performance will be good which has implications for the performance of subordinates to the performance of agencies that are able to provide good services, effective, efficient and economical administration and financial governance of the Gorontalo City government.

Then for the public sector managerial performance indicators it consists of 3 indicators where each indicator is located in a different quadrant. The indicators that need to get follow-up to be optimized are accuracy in carrying out Informational Roles which means that managers in public government agencies (Heads of services, heads of fields and heads of sections) must always be able to be informers to employees by emphasizing various important information for the work process effective and efficient way for employees in carrying out their duties and responsibilities as service providers to the community.

This is in accordance with the opinion of Sutapa and Choriyah (2013) that managerial performance is based on management functions which include planning, investigation, coordination, evaluation, supervision, staff selection, negotiation, and representation. The ideal managerial performance is an illustration of the extent to which the level of success in achieving the implementation of an activity/program/organizational policy in realizing organizational goals, the outcome of the work of the organization in realizing the strategic goals set by the organization, customer satisfaction, and its contribution to the economic development of society. Managers (heads of agencies) are responsible not only for providing physical services, but also for good business management, therefore management needs to realize value for money (VFM) in the activities carried out. Value for money is a performance measurement to measure the economy, efficiency and effectiveness of an activity, program and organization.

4.2.2 The Effect of New Public Management (NPM) Implementation on Public Sector Managerial Performance in the Regional Government of Gorontalo City

The results of testing the hypothesis found that the implementation of the New Public Management (NPM) has a positive and significant effect on the managerial performance of the public sector in the Regional Government of Gorontalo City. The positive and significant influence shows that the implementation of the New Public Management (NPM) will make managerial performance even better where the New Public Management (NPM) will become a guideline for managers or agency leaders in carrying out their duties and responsibilities. The importance of the terms of reference in the implementation of the New Public Management Management (NPM) will encourage the Gorontalo City government to become an innovative and compliant city in the administration of public services, financial management to various other administrative matters.

This result is in line with the statement from Hookana (2008) that NPM and organizational culture influence the managerial performance of the public sector. Hambleton (2003) found that NPM and leadership influence the performance of public sector managers. New Public Management focuses on performance-oriented public sector management, not policy. The use of the New Public Management paradigm raises several consequences for the government, including demands for efficiency, cost cutting, and tender competence (Hanafi & Nugroho, 2009). New Public Management provides a drastic change in public sector management from the traditional management system that impresses Rigid, bureaucratic and hierarchical models become a public sector management model that is flexible and more market-accommodating. These changes are not just small and simple changes, but have changed the role of government, especially in terms of the relationship between government and society.

The most important thing in the reform of governance in Indonesia is an effort to realize good governance. Reforms at the Regional Government level will mainly be directed at making corrections to various implementation policies in the era of regional autonomy, especially those that are closely related to improving the quality of public services directly related to meeting the needs of the community. One very strategic aspect in the implementation of

regional autonomy is the regional financial aspect. A district or city autonomous region will have high capacity in realizing its vision, when the area concerned besides having reliable human resources, natural resources, strategies, policies and program plans includes adequate regional financial capacity.

An information system is a system that provides information for management in making decisions and also for carrying out operations, where the system is a combination of people, information technology and organized procedures. With the existence of this information system, the public will be able to clearly know about the procedures for licensing services needed so that they can prepare the requirements needed before coming to Gorontalo City (time and cost efficiency).

The implementation of a management information system basically involves two main components, namely the user and the system. Through the collaboration of the two components, managers will be greatly assisted in knowing how far the management and development of the organization are. The right management information system will bring an organization or company to be better.

These results are in accordance with the statement from Alzaanin & Sulaiman (2020) that there is a significant influence from the management information system on employee performance. In government organizations, if the performance of government apparatus resources is good, then the performance of government institutions or the bureaucracy will also be good. Because of this, various government agencies are competing to improve the performance of their employees, one of which is through the application of information systems, both the use of tools to obtain information, and adapting to the existence of increasingly sophisticated information technology.

5. CONCLUSION, IMPLICATIONS AND LIMITATIONS

5.1 Conclusion

1. The implementation of the New Public Management (NPM) has a positive and significant effect on the managerial performance of the public sector in the Regional Government of Gorontalo City. The positive and significant influence shows that the implementation of the New Public Management (NPM) will make managerial performance even better where the New Public Management (NPM) will become a guideline for managers or agency leaders in carrying out their duties and responsibilities.
2. The descriptive results found that the variable implementation of the New Public Management (NPM) has an expectation score of 84.79% (high category) with performance achievements on the implementation of the New Public Management (NPM) of 77.47% (good category). The public sector managerial performance variable has an expectation score of 82.83% (high category) with a performance achievement of public sector managerial performance of 79.14% (good category).

5.2 Implications and Limitations

Based on the research results and research conclusions, the implications and limitations of this research are described as follows:

1. This research has 2 implications, namely (a) theoretical implications; This research contributes to a theory regarding the effect of the Implementation of the New Public Management (NPM) on the managerial performance of the public sector. (b) practical implications; This research becomes information for the leadership (Mayor) of Gorontalo City for efforts to optimize managerial performance through the implementation of New Public Management Management (NPM).
2. The limitations of this research are in the research process, namely data collection which is only focused on the Gorontalo City government so that the elaboration of results needs to be carried out on the government above it, such as the Gorontalo Provincial Government and the Government of the Republic of Indonesia. Then from the results it was found that the implementation of the New Public Management (NPM) was still limited to information and technology systems, but the service process and financial governance still needed to be developed, especially in licensing services and other services then from financial governance, there was still a need for internal supervision which is better, especially in making decisions for infrastructure project holders whose work has stalled several times.

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