

**READINESS FOR CHANGE
THE CASE OF PERFORMANCE MANAGEMENT IN THE
MINISTRY OF NATIONAL EDUCATION, INDONESIA**

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Abstract

Indonesia has been undertaking a major governmental reform aimed at overcoming perceived problems with the civil service which is considered to be slow, not transparent, nonaccountable, lacking in initiative and involved in corrupt activities. The inefficiency of the public sector is undermining the performance of the economy as a whole. A key element of the reform agenda is to change human resource practice in order to improve integrity, competence and professionalization thereby developing high performance. As a part of this, a system of individual performance management will be introduced into all ministries.

This thesis considers the implementation of performance management into the Indonesian Ministry of National Education (MoNE). To date individual performance management has not been optimally implemented in the public sector in Indonesia and so this study focuses on whether MoNE is ready for a change in performance management. The aim of the study is to investigate the readiness of change of the employees (both line managers and employees) for the proposed performance management system.

From the data analysis a new implementation framework identifying the relationship between readiness for change and performance management into Lewin's change model has been developed. The model combines three performance management elements identified from the literature: commitment, communication and culture with four readiness for change elements: efficacy, appropriateness, management support and personal valence. The elements, combined with Lewin's model provide an analytical tool for the research.

A qualitative research design has been adopted in order to gain an understanding of the current state of readiness at MoNE. Documentary analysis clarified the current and proposed systems. Semi-structured interviews were used to ascertain employee attitudes and understandings at each level of the ministry.

The level of preparedness differs between the echelon levels and staff; the echelon levels appear more ready for the change than the staff level. There are two readiness elements which emerged as having the most impact on effective implementation at staff level: management support and personal valence. In addition, the performance management elements which have the most restraining effect are communication and commitment. The echelon levels at the MoNE have a different understanding in terms of performance management; the staff at the lower level do not understand the change and, consequently, need more support from their managers. Some employees are not convinced that performance management will give personal benefits to employees; personal valence is apparent at the management level, but not for the employees as individuals, especially at the staff level. The echelon levels have commitment to the change, however, in order to inform the change, they need to understand performance management as a concept more completely than they currently do. Such an understanding would enable them to socialize the concept more effectively down the organisation, thereby engendering increased staff commitment to the change.

The thesis concludes that the MoNE is not ready yet for the change. The findings showed that whilst there are no elements acting as restraining forces at echelon levels, management support, personal valence, communication and commitment are restraining forces at the staff level and MoNE needs to address these before implementing the new system. In terms of practice, this study offers advice to MoNE which could also be applied across government in

general; it is important to assess readiness before the implementation a new system and this study could be a case for other Ministries in Indonesia.

This study's contribution to theory is to demonstrate that it is possible to determine an organization's readiness for the implementation of a performance management system. The research provides a new implementation framework that can be used to assess the readiness of individuals in an organization to accept a specific change, namely the implementation of a new performance management system. This new implementation framework should be applicable to other institutions wishing to instigate performance management. Using the tool to prepare for change through increased readiness for change should lead to greater effectiveness of change implementation over time.

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Dedication

This thesis is dedicated to my late beloved brother Rinaldo (Ado),
for his spirit to continuing his study until the end of his life.

I also never forget his patient, smile and laugh.

I always miss you ... brother... every day.

Please rest in peace

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List of Acronyms

APEC	: Asia-Pacific Economic Cooperation
DP3	: Daftar Penilaian Pelaksanaan Pekerjaan/The Individual Work Performance Indicator
Menpan-RB	: Ministry for Administration and Bureaucratic Reform
MoNE	: Ministry of National Education
NPM	: New Public Management
UNDP	: United Nations Development Program
SOEs	: Stated Own Enterprises