

Agency Problem Public Service Agency In Rsu-Bahteramas City Area Public Service Kendari

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Abstract- Agencification public service in the form of public service agencies at the local hospital Bahteramas have occurred since 2010. sorting, autonomy and accountability as agencification element as part of efforts to improve health services. In this context, the Southeast Sulawesi provincial government as the perpetrators have been entrusted to the agent who is in the hospital, especially the line manager to make optimum efforts to achieve the target set. This study aimed to analyze the public service agencification Regional General Hospital Bahteramas sorting aspect, where autonomy and accountability managerialism. This study used a qualitative approach. Qualitative research is research that focuses on the interpretation and understanding rather than explanation and prediction and natural. Agencification public services in hospitals Bahteramas not go well. In addition to problems in aggregating, managerialism limited autonomy and accountability.

Index Terms- Services, Publick, Agencification

I. INTRODUCTION

The changing pattern of government management of public services continues to grow, along with the development concept *New Public Management* concept agencification. With agencification public service institutions must be able to improve performance to improve the quality of service to the community, through the principles of disaggregation, autonomy and accountability managerialism (Pollit et al, 2004). The doctrine of new public management (NPM) emphasis on practice management business organization by separating the public institutions that make policy by executing operations by applying basic principles such as greater attention on autonomy, discretion and flexibility in the management of public *institutions*, evaluation of accountability for achievement the results. Pollit (2001) states The main characteristics of the NPM including variants agencification management system is the emphasis on output and outcomes, indicators and performance standards, more autonomous forms of organization, relationship-based performance contracts and the priority value of efficiency and individualism.

Provision of manager autonomy allow each agency to focus on the pursuit of results without the humpty of the structure itself or from outside such as the effect of the forces political. Implication expected with autonomous agents, this could generate a positive thing in the form of organizational efficiency and achieve the goal Organization. While accountability and control functions are necessary to compensate for the autonomy

of the agency. Dimensions it describes the relationship between the actor mechanism that acts as a controller with controlled. Ministry or local government acting as the controller, while the agent is a party controlled. Control conducted through the authority of the rules, procedures, or standards in a hierarchical manner. Second through structural controls, which the actor with a higher authority influence decision through hierarchical lines (Lukman, 2013).

Lukman (2013) explains that one approach that could be used to explain agencification in the context of public service agencies other than managerialism, public choice theory and transaction cost economics is the theory of the agent and the principal. This theory is described in many economic, political and organizational behavior. Principal is the party requiring the services of goods and services while the agent is the party that provides goods and services. So it can be seen as a contractual model between two or more people, where one party called the agent and the other is called WWTP process. Agents are considered to have the knowledge and skills are more than adequate in providing services than the principal. In the agency theory, the government is the principal contracting to buy the services of the agent. The agent is ideally a pure autonomous government agency or semi-autonomous in providing public services. Broadly speaking, *agency theory* is intended to solve two problems. First, the agency problem arises when the desires of principal and agent opposite and it is expensive for the principal to verify what is done by the agent. Secondly, the issue of dividing the risks arising from the principal and agent have different attitudes towards risk (Eisenhardt, 1989).

The literature of public administration in Indonesia has not provided an explanation of the regional organization of public service agencification particularly from the perspective or a review of agency theory especially in health care as in RSU-Agency Public Service Area Bahteramas, Kendari, Southeast Sulawesi. Agencification in the form Agency Public Service Area To the region is increasing, but is still a little explanation about the characteristics of empirical relations agency principal regional organization. Research using agency theory or agency perspective more in companies or private organization. As for the environment, better government on budget issues. For example, Halim Abdullah (2010), explain the behavior of bureaucrats who wants to maximize his budget. Executive submitted a budget that could enlarge his agency. Actual executive opportunistic behavior in this shopping nomination of the which is proposing real activity is not a priority, allocating expenditure component that is not important in an activity, proposed the amount of expenditure that is too large for the budget components of each activity and increase the budget for activities that are difficult, to

measure the results. Us does not provide explanation komprehensif how the elements - elements of the agency as described in Eisenhardt (1989) it can provide an effect on the relationship between principal and agent as well as its impact on organizational performance in government to achieve her goal. Agencification public service in the form of public service agencies at the local hospital Bahteramas have occurred since 2010. The disaggregation, autonomy and accountability as an element agencification according Hood (1995) & Pollit et al (2004) as part of efforts to improve health services. In this context, the Southeast Sulawesi provincial government as a principal has entrusted to an agency that is the rum ah sick, especially line managers to make optimum efforts to chase the target.

Functioning of the agent can be problematic agency. That Arise because of the desire of principal and agent opposite and their problems due to the risk sharing. Agency potential problems to occur in any organization, especially if the organization is Increasingly large. By normative, RSU- Regional Public Service Agency Bahteramas is part of the local government the which is managed by applying the principles agencification. Principal RSU- Regional Public Service Agency has delegating authority to reviews those who have the expertise to manage the managerial RSU- Bahteramas Regional Public Service Agency. In practice, the provision of management Southeast Sulawesi Province government authorities and the health ministry to agents as a manager RSU- Regional Public Service Agency Bahteramas has given rise to agency problems.

Problems in the RSU - Regional Public Service Agency Bahteramas much in keeping with the assumption in the theory of agency. Subject, assuming humans for example, emphasizes that people always put the interests of his own, always seek to avoid risk and have limited rationality. Regarding the organization, there is a conflict of interest between the parties concerned, the existence of asymmetric information between the *principal* and the *agent*. Information is also likely to be able to be bought traded by the agent.

Among existing models, models Eisenhardt (1989) has a complete element that can be used to explain agencification in the form of public service agencies in RSU- Bahteramas Regional Public Service Agency. Information systems, risks, uncertainties and incentives results could explain the phenomenon of the principal and agency relationships there. RSU- Organization Regional Public Service Agency Bahteramas require adequate explanation about the characteristics of agency theory perspective in public service agencification happened there. In this connection the question arises from, whether the agency theory perspective suitable as models confirmed Eisenhardt (1989). The acyl of research h is intended for analyzing agencification public services Regional General Hospital Bahteramas aspects of disaggregation, autonomy and managerial accountability.

II. RESEARCH METHODS

This study used a qualitative approach. Qualitative research is research that focuses on the interpretation and understanding rather than explanation and prediction and happen naturally (Creswell, 2003). According to Irawan (2006),

qualitative research has Typical studies for questioning the meaning of an object in depth. Where researchers should Become the main instrument in data collection with direct observation object researched.

The research is descriptive. Descriptive within the meaning describe a systematic, factual and accurate characteristics of the object under investigation, it is in line with the aim of descriptive type of qualitative Because this research using inductive logic where the use of the concepts used are not intended to protect the direction of research, but rather serve as a foundation for Researchers to understand the reality Examined. Using qualitative methods, the study intends to focus on the perspective of agency theory or approach in public service agencification RSU- Bahteramas Regional Public Service Agency in health. Selection of qualitative approach in this study is based on the suitability of epistemologi construction of the theoretical model. This study uses agency theory of Eisenhardt (1989) in the public service as described agencification Pollit and friends - friends. Agency theory according to Eisenhardt (1989), consists of dimension - dimension among others information systems, uncertainty of the results, and the risk. While Agencification according Pollit et al states will go well if the loading dimensions of disaggregation, autonomy and control and accountability. This could explain the phenomenon of the principal and agency relationships that occur in RSU- Bahteramas Regional Public Service Agency. The theoretical constructs reflect a qualitative relationship so that the proper approach to analyzing qualitative approach.

III. RESULTS AND DISCUSSION

Agencification Public Services

In connection with agencification public service delegated by the provincial government of Southeast Sulawesi, in the body RSU- Regional Public Service Agency Bahteramas was also undertaking efforts - efforts to make meaningful changes that aim to improve services to the public, so that the vision and mission that has been formulated start from the provincial level to RSU- Regional Public Service Agency Bahteramas can be achieved. Where vision General Hospital Regional bahteramas is "Hospitals Featured In health care referrals, education and penel itian in Southeast Sulawesi. To achieve its vision or need significant change from the perspective of performance and management, so that the benefits can be felt by the entire community Southeast Sulawesi. Interest agencification public services as proposed by Verhoest (2010) is to improve the quality of service to the community in order to promote the general welfare through the i implementation of central and local government tasks productive, efficient and effective.

In conjunction with the perspective of agency theory, then agencification is an effort to repair and improve the quality of public services through disaggregation, autonomy and control and accountability of the organization. In this case RSU- Regional Public Service Agency bahteramas (agent) as a principal health services to the community can work more productive, efficient and effective. To discuss this agencification, will use three-dimensional agencification proposed Pollit et al (2004) the which is as follows :

1. Narrowing

Separated structure

Disaggregation is one of the main factors that determine agencification public services, especially in public health services. Disaggregation is meant here is the existence of a separate structure and function as well as regulation or legislation - specific legislation that strengthens the existence of an organization or agency. In conjunction with agencification health services, RSU-Regional Public Service Agency Bahteramas not separated, which does not have the structure and Functions own right, separate from the parent -Right before. This is consistent with the proposed AR as head Regional General Hospital Bahteramas, that:

RSU - Regional Public Service Agency Bahteramas part remains structurally separated from the local government. Because of his wealth and assets owned by RSU- Regional Public Service Agency automatic Bahteramas Also a wealth of areas that are not separated, so Also with other bureaucratic institutions. Although Agency Public Service Area derive revenue from services rendered (Interview, 15April 2016). This was confirmed statements LA, as an assistant to the provincial government Sultra 3 which states:

Regional Public Service Agency RSU Bahteramas in running t duties as principal and function reference-reviewed southeast Sulawesi provincial regulations. Thus Spake RSU-Bahteramas Regional Public Service Agency is a subordinate of the local government and is an extension of local government. They are structurally separate from the provincial government. Therefore, its status is not totally independent. I think that despite the autonomy the which is owned primarily in finance, but the hospital is still part of the provincial government of South East Sulawesi. Position Hospital technically and operationally under and responsible to the Governor (Interview, 18 April 2016).

Based on existing documents, hospital duties referring to regulations 5, 2008 on the organizational structure and to said technical Local institutions are RSU Southeast Sulawesi and patterns of governance RSU Southeast Sulawesi province. RSU-Regional Public Service Agency Bahteramas was originally a working unit at the regional government actually subject to the provisions in terms of financial management and regional countries are. The difference from the usual bureaucratic unit is that most of them were formerly working unit manager of state revenues not invite. Sa host Generally this work receive public funds from the non-tax revenues for providing service to the community. Therefore, the financial management system and pattern PNPB inadequate in terms of improving the quality of service to the community, especially for the working sat non-tax revenues, the government created public finance management pattern.

From the facts stated above, s, Effectively, the concept of agency is not separate from government organization or ministry of the parent as implemented by the BLU in Indonesia by said separation structurally agency of government or ministry of the parent is a variant of the form agent. simply separating the functions of local government holding itself without removing it from the parent ministry organizational structure. in general, agencification theory is the separation of policy functions (regulator) with a public service function in the organizational structure of government. The first function performed by the

head office policy while the latter are the offices that carry out the assignment. Ideally agency leader or regional mandates in a form of a performance contract to the chief executive body of public service in implementing the program or some Similar programs that will professionally managed.

Separation is an ideal form to deliver services that are transparent, customer-oriented, effective and efficient (Verhoest et al., 2010). Separation (dis aggregation) the financial governance of the government agency that receives public revenue in the form of work units outstanding (bureaucratic institutions) with a working unit regional public service agency is a way for the government bureaucrats public service agencies. Practice bureaucratization of business or corporate style is applied to the bureaucratic institutions that receive PNPB / other legitimate PAD. He aims for the government agencies to be more focused and autonomous in providing services to the public without restriction structural and bureaucracy. Hierarchy and chain of command of a unit slackened as the hallmark of bureaucratic institutions. Therefore, the spirit distribute and separate organizational unit of government in the form Agency Public Service Area is also expected to Realize efficiency and high productivity as well as customer satisfaction in the provision of public services.

Thus Spake Bahteramas RSU an agency that functions goodbye to the provincial government in the organization but either legally, and Formally structurally separated from its mother it. The pattern of BLU in Indonesia was consciously choose the type of this variant is the which is structurally separate from the parent ministry or local Governments. Therefore, independent status is not pure as the agency that is in countries that apply a full autonomy variants such as in Japan and Tanzania.

Essentially there is separation or hived-off is done depends on the degree of independence in terms of organization or operation of the agency. The first is a form of semi-autonomous agency without legal independence and structural (separately by the government or the parent ministry) and because of its close to the parent ministries or government agencies. Financial sources much depends on government bureaucracies, but still have autonomy. Second, the shape is completely separate agency to ministry or parent institution, usually the degree of autonomy that is mainly offer section with personnel and finances, and there is also formed based on specific legislation. The main financial resources derived income through agency. In fact, RSU Bahteramas still heavily dependent on government funding in the budget financing is primarily Southeast Sulawesi province in addition to the state budget and his own income as an agency. This is a portrait of its semi-autonomous nature.

In the semi-autonomous pattern, P he Government determines the mission and objectives of the main medium-term each agency included with a description of the fiscal plan, Efforts to improve the efficiency and quality of services as possible can be counted and measured. On the basis of the main objectives of each agency subsequently the make medium-term plan. The medium-term work plan must still be approved by both Governments pus at the parent or the parent ministry. Based on the medium-term plan of each agency conduct its operational activities while the government should and manages how

operating costs of each agency. The same pattern Also Applies to the RSU Bahteramas as stated the director of the hospital, AR :

In preparing the plan of our organization should be guided by the provincial RPJMD for the medium term and Local Government Work Plan (RKPD) for each year. Although, as a Regional Public Service we also draw up a strategic business plan and business plan budget of course referring to the Government Work Plan (RKPD) and RPJMD that we created earlier. All the plans were reported and must be approved by the governor (Interview, 15April 2016).

In Regulation No. 61/2007 on Technical Guidelines for Financial Management Public Service Board stated that the Public Service Board is the regional work units (SKPD) or Work Unit at the Regional Work Units within local government that was formed to provide services to community in the form of provision of goods and / or services sold for profit without priority, and in conducting its activities based on the principles of efficiency and productivity. The meaning of this definition is as follows :

(1) The Public Service Board is a local device, have a meaning that the Public Service Board assets are assets that are not separated area.

(2) Area devices can implement Financial Management Public Service Board is the regional work units (as Budget User) or Work Unit at the Regional Work Units (as the Budget Authority).

(3) To provide services to the public in the form of supply of goods and / or services sold without priority for-profit, have an understanding that the Regional Work Units or the work unit to provide services directly to the public and not solely for profit.

(4) The activities are based on principles of efficiency and productivity, means that the Public Service Board is applied in the context of the budget and increase of the efficiency of service to the community.

From the definition it can be concluded that the Public Service Board included in the local government quasi-public goods. For the Public Service Board area besides Must comply with Regulation 23 of 200 5 Also must comply with Regulation interior minister No. 61 Year 2007 on Technical Guidelines for Regional Public Financial Management Service and the work unit BLU is expected to implement a financial management According to the basic principle of Law No. 17 of 2003 and Law No. 1 of 2004 the which is the first step renewal of public sector financial management, to improve services to the community. From that sense can be Viewed Reviews their common goals between BLU (center) with the Public Service Board is established to provide the public with no priority for profit. The difference lies in who could be the Public Service Board. Working units can be Public Service Board is the regional work units or work units SKPD. Regional Work Units (Local Government Unit) is a device on the local government areas as the budget / goods. While working unit on the regional work units are part of the local work units who carry out one or more programs. Therefore, Public Service Board is the SKPD then separate legal status from the local government. This means that still have the same position with the SKPD another, equally responsible to the head region. The difference is the financial management course. Domiciled as a government agency (not the state assets set aside), this in accordance with the principle of

BLU in PP 23 Year 2005 on the Financial Administration of the Public Service that BLU is part of the achievement of the goals of the state ministries / agencies / local authorities and therefore no separate legal status from the BLU line ministries / agencies / local authorities as a central institution.

Lukman (2013), describes since 2005, the Indonesian government Began to introduce the concept of agencification as bureaucratic reform Efforts. However, agencification implemented in Indonesia in practice Differ greatly from the concept that has been Adopted by some developed countries such as the Australian government. If many of Reviews These countries to form a new institute that works to provide public services, the Indonesian government does not change the existing institutions. The Indonesian government just issued laws that guide the work units of government institutions that want to be a Public Service Board. BLU is agencification product where there is a pattern of financial management roomates extinguishing specifically between institutions that have been set with the Public Service Board with agencies working unit in general. Some agencies already received the title as the BLU is like as the central hospital, domestic Several universities and institutions managing public funds. In theory, BLU professionally managed and follow-practice business practices such as private parties. In fact, institutional reform is not yet fully reflect changes in corporate governance because of the dimensions of the budget, management, and employee recruitment policy is still the responsibility of its parent.

Agencification concept Adopted by the government of Indonesia should be Able to Emulate agencification formed by many developed countries, especially in terms of providing public services. Thus Spake every institution who have Similar tasks can be managed da n combined into one management by embracing the concept of agencification. If it is implemented, the public organization that provide social assistance or subsidies Directly to the public will be managed by an agent called public service agencies. In Indonesia, an association between the government and the operator called purchasing-provider agreement a contract of performance defined by the government as print a WWTP and BLU as a service provider. In this case, the government is using the agent as an arm of government that will exercise the functions of government to improve the efficiency and effectiveness of public services. The challenge now is how to implement the idea is to blend the structure, culture and organizational climate prevailing in unit BLU is still thick with bureaucratic work culture.

Separation, disaggregation or separation that occurred in Indonesia, including in RSU Bahteramas more segregationist system of financial governance. Separation (*dis aggregation*) the financial governance of the government agency that receives public revenue in the form of regular working unit (the bureaucratic institutions) with a working unit Regional Public Service Board. Practice bureaucratization way of business or corporation is applied to the bureaucratic institutions that receive PNPB / other PAD legitimate. It aims for the government agencies to be more focused and autonomous in providing services to the public without any structural barriers and bureaucracy. Therefore Regional Public Service is part of the parent ministry or part of a government / regions, the wealth of the country has by BLUD automatically also a wealth of

countries / regions that are not separated, as well as in Constitution bureaucracy. Although BLUD derive revenue from services Provided, but it is treated as non-tax revenues / other legitimate PAD. Therefore, all the assets and goods, or the wealth of the country / region in another form Obtained BLU D Auto is also the capital of a country / region.

In terms of relations with the state ministries / parent institutions or local government, the Public Service Board remains part structurally separated from the parent ministry / local government agencies in the Public Service Board Although some in other countries there are separate from the parent ministry. A special characteristic of the Public Service Board granted discretion or autonomy of public service delivery to Achieve efficiency by still guided at top performance results.

Has a regulation or Act - Special Act

With a special law has more benefits at the agency where there are rules roomates Regulate in detail the agency's governance, relationship with parent organization and other aspects. Although in practice that the establishment of agencies can be produced from a special study, the agency forming system and does not require legislation that specifically. Regional Public Service Bahteramas, as stated AR, as the director is as follows:

Processes into the management of the Public Service Board was Initially no command of the governor to prepare a proposal document Public Service Board. This document then we discuss with the health department, department of finance and assets and the Parliament. The report was conveyed to the governor by the provincial secretary. After that, the provincial government proposed late into the center, both the domestic ministries, finance and health ministries. Often at me process a year and finally approved (Interview, 15April 2016).

Meanwhile, Deputy Director 3 District General Hospital Bahteramas, AK states :

Initially there was a visit of Commission board of health centers to the people's representatives Attended Southeast Sulawesi, the head of health and the head of the hospital. Then proposed to the governor, the council in order to coordinate with regional representatives and then created document preparation administrative and technical documents (Interview, 18 April 2016).

To Become a Regional Public Service Board, Regional General Hospital Bahteramas have to prepare administrative documents that must be done by the prospective Public Service Board - Regional Work Units or any candidate for Regional Public Service Employment unit. Administrative document to be prepared by the candidate Regional Public Service as Mentioned above items, namely the letter of intention, the pattern of governance, strategic planning, minimum service standards (SPM), a financial report or prognosis of the financial statements, and the last audit report, All the files of this document is delivered or delivered to the secretary of the area before it is submitted to the head region. Then the secretary of the administrative area to check the documents on the proposed candidates for the Public Service Board, the regional work units or prospective Regional Public Service, Labour units by the regional secretariat and if everything is complete, then forward it

to the regional secretary of the regional heads to be assessed and determined.

In the hospital Bahteramas profile document shows the process of regional work units into the Public Service Board, roomates Began October 27, 2008 when it formed a working group of constituent documents Public Service Board, by decree of the director of the General Hospital of Sulawesi southeast No. 1199 / 1.3 Rome General Hospital / X / 2008. This change in status in addition to existing directives Also in line with the demands of the public service so that local Governments open up the space to public services such as hospitals Able to provide a good service to the community. Then, according by laws - laws Hospital No. 44 in 2009 and to improve the quality of service, the General Hospital of Southeast Sulawesi province has been a public service agency areas defined by decree No. 653 Southeast Sulawesi governor in 2010. In 2012 the hospital moved location and changed its name to general hospitals Bahteramas Southeast Sulawesi Province.

In fact at that moment, s , effectively, the basic rules in the implementation and management of the BLU is Government Regulation No. 23 Year 2005 on the Financial Management of Public Service Board 's Government Regulation No. 58 Year 2005 on Regional Financial Management and subsequently poured in more detail in Regulation of the Minister of the Interior No. 61 Year 2007 on Technical Guidelines for Financial Management Public Service Board . According to the hospital director RSU- Public Service Board, Bahteramas has met the requirements to be set into a Public Service Board, . Some of these requirements include requirements Substantive and Technical Requirements. The technical requirements to be met by candidates for Public Service Board, is the performance of services in the field of duties and functions feasible maintained and enhanced its achievements through the Public Service Board, upon the recommendation of the district secretary for Work Unit area or the head of the regional work units for units of work. Performance of regional finance work units or units of a healthy, indicated resources by the level of capability of the service revenues are Likely to Increase and efficient in financing expenses.

From the above, can thus be understood that the central government through the Ministry of Interior and the financial issuing what is called the policy framework for the establishment of agency executives. The idea of creation of agency executives RSU Bahteramas this out of a review team formed by the government of the province that special work. The main task of the team is to develop a concept of area and function of government that can run it, and reviewing the possibilities for creating a governance structure that, and rationalize Realize agent and public organizations such. Government Provincial expect the formation of Regional Public Service Board, was in public administration and public service provision can be run in a way that most effectively and efficiently as possible, and ensure that the operations are designed to providing the best service for consumers and maintain the responsiveness of what is required by the customer.

The birth of agency executives at the start with the advent of laws - laws state finances and the state treasury to introduce the concept of public service agencies. Later revealed to Government Regulation No. 23 Year 2005 on BLU Financial

Management and Government Regulation No. 58 Year 2005 on Regional Financial Management and subsequently poured in more detail in Regulation of the Minister of the Interior No. 61 Year 2007 on Technical Guidelines for Financial Management Public Service Board. Rules at the top is a legal framework that allows each ministry to create an agency executive more autonomous to be able to create efficiencies and improved quality of public services. Regulation also provides a framework that regulates how the responsibility, accountability and governance of the agency, as well as the agency relationship with the parent ministry. Another consideration in the formation of an executive agency is developing the agency's ability to earn income on the basis of *cost recovery*, whether a ministry that has a greater role as a policy maker or not, and also whether the agency made a significant contribution.

From the explanation above, it appears that the existence of the agency in the form of the BLU / Public Service Board, in Indonesia is not formed by a special law that regulates in detail on the governance of the agency, relationships with ministries and other aspects, He was not born from the bureaucratic and political process of the parliament through the establishment of a law. Indonesia is different from Australia and the UK where P The government established the agency there need legislation that specifically for agencies that have autonomy and treatment of different government organizations usual. Organization of national and regional existing and interest revenues (non-tax) agencification pattern granted by the central government, in the form of limited autonomy or semi-autonomous in financial management, so it is not a pure separation or disaggregation.

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2. Managerial Autonomy

Autonomy simply defined by the extent to the which an organization is free to manage own choices regarding internal arrangements (Pollit et al, 2004). Autonomy closely related to the decision-making or discretionary, the which means that how much an organization can Decide Independently Considered something to something important. Autonomy managerial include providing flexibility to an organization in terms of human resource management, finance and organization.

Autonomy in terms of human resource management in an agency Independently Allows the agency to establish the system of pay, promotion (reward), or the evaluation and sanctions. Unlike the system of centralized government organizations, the agency aims to express the relationship between personal through personnel administration and improve mobility and economies of

scale, as well as reducing nepotism for public officials. With this human autonomy, the agency in possible to speed up the procedure or the movement of employees with leniency rules made by the government. It is expected that the right man on the right job much More Effectively applied autonomy or discretion in terms of human resources. The interview with the Director of the hospital, AR stated :

From the side of the wage freeze, we are still bound by the provisions the which sets out the provincial government. Cost of the employees here already Civil Servants so that the rules attached to the employee is still connected with government regulations. Similarly in the promotion and sanctions. For example the appointment of vice-president and director of the Agency through consideration of Position and Rank mechanisms that exist in the provincial government. Although in Certain respects us as the Public Service Board, actually be Able to do outsourcing or contract against an employee who is not from Civil Servants. However, the hospital has not had a hospital employee Bahteramas civil service. With the existing financially we can actually hire employees Independently According to the needs, the recruitment of employees that differed from the usual recruitment of Civil Servants. This is made possible by government regulations (Interview, 15 April 2016).

The second managerial autonomy, related to finance. D In the event of financial autonomy or flexibility Gives each manager of the agency to use all the financial resources to generate higher returns. Autonomy or financial flexibility is started in the form of convenience in the draft budget preparation, execution of payment (billing), the use of the budget over the next year, format or rules of accounting systems, management of income and savings, acquisitions and asset sales, cash management or debt long term, the creation of business branches up to financial organizations participation. This is different from traditional government bureaucracy have financial rules Considered the which is rigid, uniform shape and with a very detailed format, Including as tightness or control of all financial flows. The concept of the use of the budget on traditional hierarchical bureaucratic agencies are budget maximization (absorption in full and trying to enlarge the budget) and usually without any relationship to the goals and performance. In terms of accounting, using the traditional bureaucratic and allow cash basis accounting financial incentives through budgeting regime.

Acquisition and sale of all the resources strictly regulated and must advance through the approval of a higher organization. Capital expenditures controlled separately from current expenditure. Strict controls every financial activity in the traditional bureaucratic hierarchical organization carried out by the government or the ministry of finance to consider the overall macro economy and the sustainability of the state budget in the long term as well as to minimize the misuse of the state budget. RS Bahteramas facts that occurred, according to the results of interviews with Vice Director 3, AK states :

We could use the money directly and the rest of the user can be used in the next year or in the carry-over. As I recall corresponding PP 23 of 2005 state revenue management mechanism provides convenience to the agency that regulates state revenues. Hospitals Public Service Board, not on be required to deposit all the reception area has been charged before

using it for operational funds. In other words we can use all receipts directly to the shopping Public Service Board, is concerned. Here k authority special that does not apply to institutions other than the bureaucracy of Regional Public Service, (Interview, 18 April 2016).

Although, there are also several types of procurement of goods and services which the RSU Bahteramas, still follows the general pattern of ordinary institutions which have to go through such a common procedure should be through an auction process such as parking services. BLU possible to procure goods different from Presidential Decree No. 54 Year 2010 concerning Procurement of Government Goods and Services as long as there are reasons of efficiency and effectiveness as set out in Regulation 23 of 2005 on Financial Management and Regulation of the Minister of Finance BLU 08 / PMK.02 / 2006 on Procurement of Goods and Services BLU. Vice Director 3, AK said :

There are still some are still using our procurement regulation 54 of 2010 as a reference in the procurement of goods and services BLU even though the funds are derived from service revenues of our own such as parking services (Interview, 18 April 2016).

In terms of doing a debt, the agency pick limitations. Generally though BLU and the Public Service Board, it is possible to Obtain long-term loans on the basis of approval of finance ministers but the procedure is lengthy. Director of the hospital, AR explained:

We were not able to perform its debt agreements against third parties directly because of the risk to be borne by the provincial government. For the Public Service Board, , government area carefully consider every decision of debt carried , if not essential. I think the provincial government has a standard assessment of an institution which will be given autonomy in terms of debt should be considered selectively by looking at the financial capability of the area and the agency. The loans we are in PIP that my knowledge on behalf of the provincial government and means the region's debt, not debt Home Regional General Hospital (Interview, 15 April 2016)

Emitter autonomy to performing loans is relatively low at the agency with regard to durability and sustainability aspects of financial (*fiscal sustanaibility*) on the economy of the local government and the agency itself. If the loan is not managed properly and *prudently* (caution) will indeed be cause greater risk of financial crisis and the budgetary burden in the future.

In the issue of tariffs that are part of input is important for agencies that produce services and products. Because the agency provide the service rate received by the agency could be a *fee*, tax or other forms depending on the type of services provided, whether it is health, the provision of goods, and so on. Traditional bureaucratic agencies hampered by government rules in getting income rates that had been set before. In the hospital bahteramas also still do a pattern like this. Director of the Regional General Hospital Bahteramas, AR propose:

Until now the tariffs of the drug, the cost of the room, medical and other support services are still determined by regulation southeast Sulawesi governor, which are adjusted annually based on the input RS, finance and revenue departments and health authorities (Interview, 15April 2016).

Recently managerial autonomy is related to the residual autonomy in their policy. Namely the freedom to Decide on the content and results of the main policies. Operational autonomy policy is about a set of activities and procedures in the primary processes. Autonomy is a strategic policy on choice of policy instruments and output, the purpose and effect. Related involvement in making decisions about the organization, provision of policy autonomy by entering higher organ to the agency is simply to Decide and interpret a policy on a case-specific cases. Deputy director 3 Regional General Hospital, AK said:

To my knowledge the autonomy that we have is still very limited, because we are the same as the regional work units within the province of Southeast Sulawesi. There are some that we have the authority where its adoption only level head of the hospital, for example the remuneration policy or medical services, procurement of goods such as drug provision stipulated also by the director, we submit the notification by letter or report. Similarly if there is cooperation with companies and NGOs in the establishment of a free health service, and the means used just set head of the hospital (Interview, 18 April 2016)

Although the Government Institutions BLU enjoy the revenue earned from the service, and on the other hand the government also as a parent gives most freedom and flexibility and the autonomy in public service delivery. Freedom, flexibility and independence given is not full because it is still regulated and bound by the government as a parent. This is the Public Service Board / Local which is actually an ordinary government agency, but enjoy the most freedom and flexibility to autonomy in financial management and administration, although not yet fully detached from its parent control (government).

Conditions different agencies in our country with the Director of each agency in many other countries eg Japan and Australia where the director appointed and accountable to the parent or the minister responsible for the agency in A Certain period of time. The authority and discretion on matters Relating to both the number of employees, recruitment, and salary system based on the merit system has actually been delegated to each agency director, and this discretion lot in implemented in full. Autonomy policy owned by BLU / Public Service Board, thus more residual. Where policy has not been set by the parent or the government implemented to generate certainty to the decision public service agency director himself. The authority is not yet determined or provincial governments such as medical services or remuneration committees, for example, or SK procurement of health services and cooperation of certain drugs. Although with autonomy or flexibility was still gaining control and steering Andari parent .

From some of the above description, the hospital public service agency Bahteramas area has a lot of limitations in this managerial autonomy. Regarding human resources, many still bound by the provincial government and the majority are employees stationed at the provincial hospital, limitations are also included in the promotion, sanctions and gifts. Regarding financial management, has had autonomy or flexibility as the use of direct revenue, the budget excess can be carried over and so on. Although there is still a bit limited in the procurement of certain goods and services are still as common as parking services institutions. Subject to hold the debt still has to rely on

the provincial government as well as in terms of rates, the cost of room and the price of drugs is still determined provincial governments through regulation of the governor. Last relating to autonomy in policy making residual, already owned but still got control of the provincial government.

This pattern is in line with the results of research Lukman (2013) who conducted research in several public service agencies. According to him, although still limited autonomy process or managerial flexibility committed by agencies can walk slowly. P no initial phase severely restricts the granting of autonomy of finances and personnel. Although that case, gradually the government may loosen the rules relating to the financial system and personnel agencies, and allow it to freely choose how expenditures are spent in a cumulative overall spending. This Allows each agency to finance itself fully with how to Increase cost Reviews their revenue from the fees charged by the agency to its customers. this agency was given the freedom in defining the terms of the revenue they will use to cover the operational expenditure of their breakthrough in the use of income received revenues are not enough to cover the operational expenditure, but Also all cost-charges for services provided. In fact, interestingly, is also Reviews their income used to refund the cost of capital that had been used Previously. It exerted a great influence on the degree of independence of the agency to use every resource efficiently. According Verhoest et al. (2010), Undue freedom or autonomy given to managers as well for setting the rates is important Because It Allows it to adjust the cost structure. In addition, the leadership of the agency can maximize budgets to deliver services to the fullest and demonstrate the performance of new or extras as well as to improve organizational slack.

3. Managerial Accountability **Performance Contract**

The third side is accountability. Accountability, the which is accountable for the management of resources and policy implementation in Achieving the goals set periodically. Implementation of good governance requires transparency, namely the obligation to the disclosure of information that is timely, clear, and can be compared on the state of the financial and operational performance. The most important thing in the implementation of good governance is the accountability in the management of resources, as well as the implementation of policies in achieving the goals set periodically are realized in the form of accountability by the leadership of BLU.

In view of managerial accountability, Pollit et al (2004), to see it from the side of the contract that is built on relationships with providers as well as buyers contained in the principal agent theory. The relationship between the agencies and the local government or the ministry based on the full or semi contractual usually associated with the performance. I de reversed Reviews their contractual mechanism between the principal and the agency is anticipating failure of an agency to fulfill the agreement has been made in advance of the performance to be Achieved. The mechanism of this performance contract gives the principal the right to act in and evaluation on the basis of the contract of employment, Including the possibility of replacing the leadership the agency relationship (contractual) with the

principal agency theory is that both sides, either the principal or the agent is placed on the same legal basis.

Although term contracts and controls used in building the relationship between the principal or the agent, but there is a common ground between Reviews These two concepts, the which gave birth to two important instruments in the control mechanism or a contract between an actor with other actors items, namely the performance and accountability. Performance and accountability are closely interwoven with the control mechanism and control of the agencies, even though the agency is not an entity that is truly independent, or rather semi-autonomous entities, the difference only lies in the mechanism of referrals to the agency or institution of traditional bureaucracy.

In the form of semi-autonomous agency, any action or activity related institutions linearly with performance or the performance of the result. The focus on performance results is of course different from the traditional approach of bureaucratic administration with an emphasis on inputs and procedural correctness. The focus on performance results can be further elaborated in the form of *output* or *outcomes*, not inputs and processes. Similarly, accountability, where there is one party that does accountability alias liability to the other party on the achievement of certain objectives. Accountability of an agency that was formed as a separate unit of the which functions with the parent ministry can also be Formulated in the form of efficiency, effectiveness and responses.

In terms of accountability are good, working relationship between the principals with agencies constructed as set out in the Key Performance Indicators / KPI or *key performance indicators*, KPI is an important feature for the program *agencies*. The main target is made of the approval of the public service set by the principal and the agency each year. In these targets also to r graft annual targets. Target can be changed in the current year, but must be approved by the principal with no clear reason. Target jointly agreed are set forth in the document template that contains the settings in the policies, objectives, basic principles, financial, personnel, and governance. KPI should emphasize on *output*. Even so, the use of KPI as an arrangement between the principal and the agency does not run good as expected. Based on interviews with AR, Director of the General Hospital of bahteramas states:

Each year we signed the contract performance is usually the same as the existing targets in the plan on the regional work units (Work Plan). But he was more a summary of the main targets to be pursued in one year. Among other contents of service efficiency targets. In terms of accountability Also hospitals required to compile the report include the following reports r Realization budget, balance sheet, current Reports L k axles, accompanied Performance Report. The results we report to the governor (Interview, 15April 2016).

S, as a special inspector in the Inspectorate Sulawesi southeast states: To my knowledge there was the performance of the contract, but our investigation is not based on it. I think the contract was too much formality, Because if the targets is not Reached by observations I have no sanctions, if in private companies that may be the source of a major evaluation of the performance assessment. (Interview, 19April 2016) A proposed as chairman of the Ombudsman Southeast Sulawesi :

Related accountability, my observation is often overlooked by the provincial government and hospitals. At the hospital there is a performance contract made between the governor with the leadership of the hospital, but it was only in the document and not proceed with the evaluation of the performance was good. To my knowledge, sanction or reward never applied to hospitals that perform ugly, as our findings several times. Perhaps because of promotion or transfer system leaders there are still using the usual mechanism and this pattern could be because hospital officials also came from civil servants themselves, so that sanctions or rewards to state employees adhere to the rules of ordinary civil servants. Control and accountability impressed as symbolic and only contained in the formulations alone. If the hospital management coming from public servants, I believe the removal of non-performing below target or unsatisfactory easier to implement (Interview, 19 April 2016).

From the picture above Appears that the provincial government is less or not interested in the managerial accountability that is portrayed in the performance report hospital. L Reports on the performance of hospitals as only are composed on the table. The provincial government was not impressed Utilize Also supervisory mechanism well as the supervisory board. Due to the reluctance that there is no pressure to each agency to Achieve Certain targets. Not only that, the environment and auditing systems are weak, especially from the supervisory board aggravating ministerial control over the performance accountability of hospitals. report monitoring agencies and government owned less utilized examiner and a formality. All this Because The performance of existing contracts are not enforced, not Achieving the targets and a bad performance does not give rise to sanctions. The pattern of managerial accountability is indeed typical of countries - developing countries as well as the results of research J Caulfield (2002) in Tanzania. There auditing process is very weak. Monitoring and evaluation should be carried by the parent ministry also does not run as expected. No evaluation of the performance of the agency, but the performance of this agency is more geared to the performance of the agency employee not to the results achieved by the agency . There is little evidence that the performance is good or bad done by each agency will impact every decision will be a resource that will be obtained by agency. Thus, in the system of agencies there , contractual performance is not so meaningful or may be said that it only has an effect that is relatively very small. In fact there control and accountability of the use on the basis of a contract that includes stated targets and performance for the results to be achieved by each agency. However, in reality the practice of control over the performance as outlined in the joint has not been going well.

According to Lukman (2013), associated with accountability activities in the form of a report, if the report has implications for both the governance of the BLU Also participating improve. The creation of hospitals BLU governance is good, then will be able to create internal harmony BLU management operations, where it will have on BLU Ultimately Enhance optimal performance, the which is the goal of establishment of PPK-BLU. BLU Leaders should be concerned and has the responsibility Directly in improving performance. The ability to measure performance is one of the Prerequisites for BLU hospital leadership to Mobilize resources Effectively and

Gave direction on strategic decisions regarding the development of the hospital BLU come in the future.

Control of the Provincial Government

This dimension describes the relationships or mechanisms actor who ACTED as interim controller or an actor who ACTED as the control. P he Government of the region to act as a controller, while the agency's hospital was controlled party. Relationships-control control this reciprocal relationship of mutual need. Principals can control through authority commanded by the rules, procedures, or standards with a hierarchical manner. Also is the form of structural controls, the which the actor with the higher authorities to influence agency decisions through hierarchical lines and accountability.

S, as saying the special tour in Southeast Sulawesi Inspectorate states:

We as Government Officials in the field of supervision do against all SKPD Including Bahteramas Regional General Hospital. We checked out all the planned program in one year. So measured in accordance with R Plan of the Local Government (RKPD) during each year of the budget, nor can perform checks on specific request of the governor Directly good, local people's council representatives and the public. As for our review by forming a team where the team checked Directly in the field or we Examined from an existing report or a copy of which was addressed to us, for example, a copy of the supervisory board of the hospital. The results of the examination of toll we the governor, Legislature and Regional General Hospital own. We depend on the results of the next party. What do the evaluation, sanctions and others (Interview, 19 April 2016). He further stated : Ideally leadership of Regional Public Service Board, it should be based on a particular time frame and no evaluation mechanism against them either in the middle or end of the tenure. Constraints leadership Public Service Board, as civil servants complicates the implementation of this ideal. Situation is different if the leadership of the non-civil servants. Practices in the corporate world of business or give an example that the owners of companies more Easily download replace the director of the company that owns in the Midst of a task for performing below standard with Appropriate compensation Previously approved the contract between the principal and the agent (interview, 19 April 2016)

Moderate AK, Deputy Director 3 District General Hospital Bahteramas states: Each year we were Examined by the inspectorate to use budget revenue and expenditure, besides Also we never checked by an auditing firm representative in Southeast Sulawesi. We are always ready to be questioned Because We do management properly and transparently. In addition we are aware as part of a vital object, the governor Also frequently conduct direct examination or direct visits Suddenly (without notice) and provide direct guidance on improvements to be done. Being in terms of accountability as our institution is Able to account for the budget with the tasks and functions that we have through financial reports and accountability reports (LAKIP) annually. I think the governor watched him pack (Interview, 18 April 2016).

Specifically in terms of control actually has no mechanisms for oversight and control exercised by the provincial government to the agency via the agency or board of supervisors

that function the same as commissioner in the company. The provincial government has the systems and control mechanisms of the agency in the presence of a committee of independent is to Evaluate the performance of its and its financial statements. Although, in the rules the leader of the Public Service Board, responsible to the regional head through the district secretary, but with the supervisory board can connect Directly with the governor's hospital. The number of members of the Supervisory Board each Public Service Board, Regional Work Units or the Public Service Board, Unit 5 Board work supervisor at Public Service Board, established by decision of the head of the upper area of the proposed head of the regional work units. The main task of the supervisory board of the Regional Public Service Board, is to supervise the management of the Public Service Board, the which is conducted by the management officer. The supervisory board Also must report the performance of its duties to the head area on a regular basis at least once a year and at any time if necessary. While the obligation of the supervisory board Public Service Board, which give opinions and suggestions to the regional head of the RBA proposed by management officer, reporting to the head of the region about the performance of Regional Public Service Board. Following the progress of the Public Service Board, and provide opinions and advice to the head area on any matter of importance to the management of the Public Service Board giving advice the management officer in the execution and management of the Public Service Board, the evaluation and assessment of both financial and nonfinancial performance, and providing advice and important records management officer to be Followed by the Public Service Board and monitor the follow-up results of the evaluation and performance assessment. AK, Deputy Director 3 District General Hospital Bahteramas states:

I think the board of trustees effective as an height extension Government in the area of monitoring, evaluating and fostering Regional Public Service Board. Many of the entries are given to us as operators Our mutual cooperation and this cooperation leads us actually produces services for citizens and the local government itself. The board of trustees along Intern Unit Inspection (SPI) as an internal watchdog successfully assist our management in terms of maintaining and oversee wealth Regional Public Service Board accuracy of financial systems and management policies in the application of business practices are good. the presence of both (the supervisory board and SPI) is useful for hospitals (Interview, 18 April 2016) Medium me According to Chief Ombudsman of the Republic of Indonesia Southeast Sulawesi, Mr. A stated:

The results of our recent inspection of the service around the province agencies, Regional General Hospital Bahteramas included in the category of red, the which means the service element as defined public service law No. 25 of 2009 is still far from optimal. Our tests should not happen if they are correct - correct functioning. To my knowledge this council it retired, and there is background as teachers. Sounded just for - for a seat on a successful team Elected governor. Should be filled power experts in accordance with the activities of the Regional Public Service eg health background so the existence of the supervisory board effective in supervising / monitoring hospitals (Interview, 19April 2016).

According to Per the rules of the interior minister No. 61 of 2007 did to be proposed as supervisory board of the Public Service Board, prospective members must have criteria include own dedication and understand the issues related to the Public Service Board. Competence in the field of management, finance, human resources, and is committed to improve the quality of public services. As well as not been declared bankrupt or has never been a member of the board of directors or board of supervisors Commissioners or convicted of causing an entity bankrupt or people who never commit criminal adverse area.

IV. CONCLUSION

Agencification public services in hospitals Bahteramas not run properly. In addition to problems in aggregating, Autonomy managerial and limited accountability. The main issues arise in health care associated with information asymmetry though not complex but occur and give rise to adverse selection and moral hazard in the General Hospital of Bahteramas. In addition due to the election of a contract based on the behavior of the dominant, is also linked to the willingness and capacity of the agent and the principal there.

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