

# ***FLATTENING INDONESIA'S BUREAUCRATIC STRUCTURE: A LITERATURE REVIEW ON THE URGENCIES AND CONSEQUENCES<sup>1</sup>***

## **PERAMPINGAN STRUKTUR BIROKRASI DI INDONESIA: URGENSI DAN KONSEKUENSI**

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### **ABSTRACT**

*Under second term of President Joko Widodo's administration, Indonesia is about to adopt vivid reform discourse, i.e. to flatten bureaucratic structure through streamlining the echelon system as a response to the change and development. Notwithstanding, it is inevitable that this reform would be of no overarching consequences. This paper attempts to seek the genuine urgencies and consequences of flattening the bureaucratic structure through streamlining the echelon system. Relevant literature following the criteria of systematic review method was extracted and independently reviewed. It is derived that it was the factor of corruption, competitiveness and human resource that urged the bureaucratic structure to flatten. Further, a change in working culture and environment as well as career management of the state apparatus appeared to be the consequences of such reform.*

**Keywords:** *Flattening bureaucratic structure, corruption, competitiveness, human resource, working culture and environment, career management.*

### **ABSTRAK**

Di masa pemerintahan periode kedua Presiden Joko Widodo, Indonesia berencana akan melakukan reformasi yang cukup signifikan, yakni dengan melakukan perampingan struktur birokrasi melalui pemangkasan sistem eselon sebagai bagian dari respon terhadap tantangan perubahan dan perkembangan zaman. Tidak dapat dipungkiri bahwa perampingan birokrasi ini akan memberikan dampak yang cukup substansial. Penelitian ini bertujuan untuk mengidentifikasi urgensi dan konsekuensi dari perampingan struktur birokrasi melalui pemangkasan sistem eselon. Metode yang digunakan dalam penelitian ini adalah metode *Systematic Literature Review* (SLR) dengan mengikuti langkah-langkah atau protokol yang telah ditetapkan. Hasil penelitian menunjukkan bahwa banyaknya kasus korupsi, rendahnya tingkat daya saing dan sumber daya manusia adalah bagian dari urgensi yang mendesak pemerintah untuk melakukan perampingan birokrasi. Sementara konsekuensi yang ditimbulkan dari

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perampingan birokrasi meliputi perubahan dalam budaya dan lingkungan kerja serta perubahan manajemen karir aparatur negara.

**Kata Kunci:** Perampingan struktur birokrasi, korupsi, daya saing, sumber daya manusia, budaya dan lingkungan kerja, manajemen karir.

## A. INTRODUCTION

Chronic and widespread phenomenon of corruption, low level of nation's competitiveness index, poor quality of public services delivered by governmental institution have been well documented (Kasim, 2013; Abiyoso, 2018), leading influential voices to emphasize the importance of bureaucratic reform. For instance, bureaucratic reform is not only an explicit target stipulated in Presidential Regulation Number. 81 of 2010 concerning Grand Design of Bureaucratic Reform and Regulation of Minister of Administrative and Bureaucratic Reform Number 11 of 2015 concerning the Road Map of Bureaucratic Reform but also has become a continuing discussion of politicians, scholar and policymakers. However, while they are all in near consensus about the importance of bureaucratic reform, development of effective ways is infeasible without a clear sense of which bureaucratic reform strategies are likely to succeed.

The 2019 re-elected president, Joko Widodo, in his second term inauguration speech in front of the parliament revealed a plan to flatten bureaucratic structure by streamlining the echelon system as one of the strategies and breakthrough in bureaucratic reform (Wardhana, 2019). Minister of Administrative and

Bureaucratic Reform, Tjahjo Kumolo stated that "streamlining the echelons system will create a dynamic, agile and professional bureaucracy to increase the effectivity and efficiency in bolstering public service (Arnani, 2020). Despite the affirmative hope that exists, it is inevitable that this strategy would create an overarching impact as this country has more than ten thousand of echelons whose indeed are losing their post, authority and facilities as well as responsibility and functionality.

Considering this new strategy of flattening the bureaucratic structure by streamlining the echelon system, this paper attempts to assess the logical state of knowledge regarding the genuine urgencies and consequences that might arise from implementing this strategy. The findings of this paper are hoped to provide scholarly knowledge on the urgencies and consequences of flattening the bureaucratic structure. As such, this paper contributes to provide insight for policymakers and other stakeholders in responding the radical change of implementing the mentioned strategy.

The paper proceeds by framing theoretical background and describing methodological approach on which the study is based. The following section presents the urgencies of flattening the bureaucratic structure. Another subsection is devoted to a discussion of

the consequences of flattening the bureaucratic structure. Finally, the paper concludes with a brief observation about potential limitation and suggestion for future research.

## 1. Theoretical Background

### 1.1 Shift in Public Administration Approach

During the 19th century and the first half of 20th century, the traditional approach of public administration has been regarded as the most successful approach of public sector management as it succeeded in replacing the earlier "personal relationship" model, such as patronage system in Europe and spoils system in the United States (Katsamunskaja, 2012). Its theoretical basis is derived from W. Wilson and Fr. Taylor in United States, the Northcote-Travelyan Report in the United Kingdom, and M. Weber in Germany. In general, it is characterized as "an administration under the formal control of the political leadership, based on a strictly hierarchical model of bureaucracy, staffed by permanent, neutral and anonymous officials, motivated only by the public interest, serving and governing party equally, and not contributing to policy but merely administering those policies decided by the politicians (Hughes, 2003).

Katsamunskaja (2012) argue that M. Weber system was the most common approach of this traditional model both in Europe and America. M. Weber's developed a model of bureaucracy that emphasized on control from top to bottom in the form of monocratic

hierarchy i.e. a system of control in which policy is set at the top and carried out through a series of offices, with each supervisor and worker reporting to one superior and held to account by that person (Pfiffner, 2004). Further, Weber also outlined term of employment in the bureaucratic organization, to name a few, he believed that the officials should be personally free and appointed on the basis of a contract, the election should modify the strictness of hierarchical subordination, and the career structure should exist with promotion based on merit (Katsamunskaja, 2012).

During the 1980's and 1990's there was a large-scale rethinking of governance, which was followed by attempts to shift traditional to modern approach of public administration (Katsamunskaja, 2012). The term, such as managerialism, new public management, market-based public administration, post-bureaucratic paradigm, entrepreneurial government was used to describe the modern approach. The justification is based first on a particular view that public sector organizations face increased pressure and competition because of a much more challenging and changing business environment (Ellis, 1998; Newton, 2003). Zia and Khan (2014) argue that modern approach to public management in general was founded on a critique of Weber's theory of bureaucracy as the organizing principle within public administration. Bureaucracy, it was claimed, is plagued by progressive inflexibility based on complex hierarchical rule-based systems and top-down decision-making processes, which

causes it to become increasingly distant from citizens' expectations. In this sense, government is urged to adopt both the 'techniques' of business administration and business 'values', which include the values of competition, a preference for market mechanisms as a means of social choice, and respect for the entrepreneurial spirit.

Since the 1990s, public sector reforms have therefore had to go beyond simply acknowledging that there are fundamental differences between the public and private sectors; instead, as far as possible, the public sector has had to follow the 'best practice' model of private sector management. This is held to mean that public sector organizations must transform itself to operate more like private sector companies, and less hierarchical or flattened hierarchies, modern management system that increase accountability and performance management (Scheepers, 2007).

## 1.2 The Concept of Delayering or Flattening the Organization

As indicated by modern approaches to public administration, the new images of organization was simpler and flatter structure that can be achieved through a reduction in the number of layers in the management hierarchy and boosted by 'empowerment' (Littler et.al, 2003). Such structure has become synonymous in popular management theory with bureaucracy-busting, faster decision making, shorter communication paths, stimulating local innovation and a high involvement style of management (Kettley, 1995). Consequently, many

authors suggested that 1990s organizational change in large corporations and public sector organizations involved 'delayering' (Littler et. al, 2003).

Delayering or flattening the hierarchy is usually taken to mean the planned vertical compression of managerial levels of hierarchy, involving the wholesale removal of one or more layers of managerial or supervisory staff from the organization's payroll (Keuning and Opheij, 1994; Miller and Longair, 1985; Wheatley, 1992 in Littler, et.al, 2003). Kettley (1995) argues that there are 'different interpretations' of what a flatter structure means in practice, both between and within organization. It suggests that delayering is a disparate and, potentially, a highly differentiated response to particular business needs that likely to change over time.

Wulf (2012) in his study of flattened firm (1986-2006) found that firm hierarchies have changed dramatically from classic to flattened structure (figure 2.2.1). Most firm have systematically eliminated layers in the hierarchical structure of senior management. Part of this delayering can be attributed to the elimination of key senior management positions that served as intermediaries. Specifically, CEOs have flattened the hierarchical structure of senior management: they delayered and eliminated management levels so as broadened their span of control and increased the number of functional managers reporting directly to them.

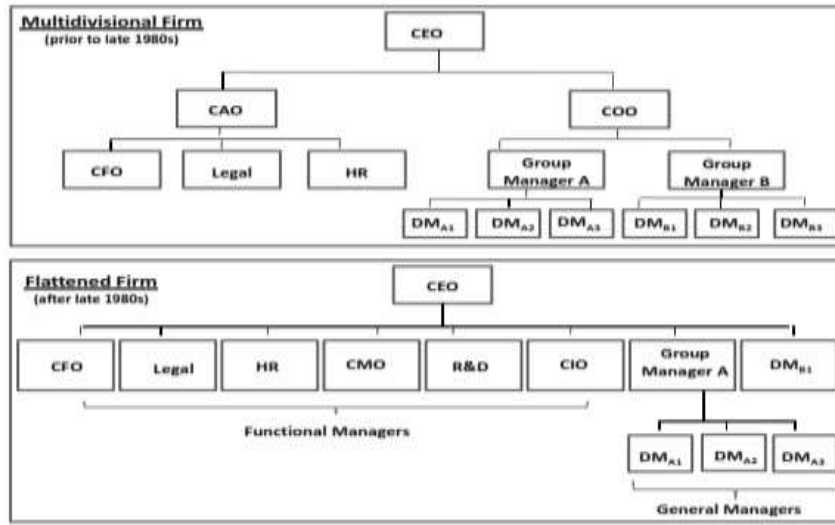


Figure 1. The Flattened Structure  
Source: Wulf (2012)

In Indonesia’s public organisation, the managerial levels of hierarchy is commonly known as echelon or structural hierarchy, albeit government regulation number 11 of 2017 as was amended by government regulation number 17 of 2020 concerning management of civil apparatus and law number 5 of 2014 on state civil apparatus , the term has been replaced by high leadership position (*jabatan pimpinan tinggi*), administrator position (*jabatan administrator*), and supervisor position (*jabatan pengawas*). However, for the sake of commonplace and simplicity, the term echelon is still used within this paper to describe the hierarchical stucture.

## 2. Research Methods

The study is literature review that employs systematic approach as it is considered to be the most suitable approach for the study regarding contentious policy debate and/or

support for practice (Hagen-Zanker and Mallet, 2013; Petticrew and Roberts, 2006). This approach is designed to gather, synthesise and summarise evidence identified with a focus on assessing the urgencies and consequences of flattening the bureaucratic structure i.e. through the streamlining the echelon system in Indonesia. Following guidance outlined by Hagen-Zanker and Mallet (2013), the study set 3 criterias for the resources to be included, i.e. written in or after the year 1990, present evidence on a bureaucratic or organisational problem derived from tall bureaucratic structure, and present evidence on consequences of flattened organisational structure. The search strings is written based on key words and search terms for the relevant study. The relevant sources are identified through three separate tracks, i.e. academic literature search, which is gathered from electronic journal database; snowballing, which involved

seeking advice on relevant from key experts both from policy and academic experts through secondary data in newspapers; and capturing the grey literature, which involved hand-searching a variety of selected institutional websites that provide relevant information.

### 3. The Urgencies of Streamlining the Echelon System

#### a. Corruption

The first fundamental determinant of flattening bureaucratic structure by streamlining the echelon system would be the continuing case of corruption throughout Indonesia. Data

published by Transparency International in 2018 and 2019 shows that Indonesia's Corruption Perception Index (CPI) ranks 89 and 85 respectively out of 180 countries, with a score of 3.8 and 4.0, respectively out of 10 ([www.transparency.org](http://www.transparency.org)). It shows that despite some progress, Indonesia is failing to make serious inroads against corruption as the score is below 5.0 which still indicate that Indonesia is a corrupt country. Further, Commission Eradication of Corruption (KPK) in its website also published the perpetrator of corruption based on the institution as shown in table 3.1.

Institution	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
House of Representative	7	2	6	2	2	3	15	9	4	6	56
Ministry/Institute	16	23	18	46	26	21	39	31	47	42	309
State/Local Own Entrepise	7	3	1	0	0	5	11	13	5	17	62
Commision	2	1	0	0	0	0	0	0	0	0	3
Provincial Government	0	3	13	4	11	18	13	15	29	4	110
District/Municipalities Government	8	7	10	18	19	10	21	53	114	51	311
<b>Total</b>	<b>40</b>	<b>34</b>	<b>48</b>	<b>70</b>	<b>58</b>	<b>57</b>	<b>135</b>	<b>121</b>	<b>199</b>	<b>120</b>	<b>851</b>

Table 3.1 Number of Corruption based on Institution

Source: [www.kpk.go.id](http://www.kpk.go.id)

It may be worth noting that during the ten years period of time, Ministry/Institute, Provincial and District/Municipalities Government are the biggest corrupt institutions with a total number of 309, 311 and 110 perpetrators, respectively. It indicates that Indonesia's bureaucracy is still far from the embracement of good and clean governance pratices. Indonesian Corruption Watch (ICW) had once stated that the main factor of this

bureaucratic corruption comes from the pressure of the heads of institutions and/or those who have got power and authority towards his/her subordinates (Ali, 2017). It happens that the abuse of power from the top officials towards subordinates often appears in the institution, as Lord Acton (1887) remarks, "power tends to corrupt, and absolute power corrupts absolutely". Within this regard, then one might think that the echelon or structural system i.e.

the hierarchy of power, rooted in Indonesia's bureaucracy somehow creates a favourable condition for the practice of corruption.

Evidence from around the world (Fan et.al, 2009) provides support for the contention that corruption has been prone to flourish in such tall bureaucratic government. They said that more tiers of government or administration are associated with higher rates of reported bribery. Haboddin (2012) studied about power and corruption in local government found that power is tightly correlated with corruption in local level. They concluded that the more power given to local level, i.e. more head of officials, the more corruption practices are likely to happen. In line with that, Fatkhuri (2017) figure out that too many power and authority given to local government has a positive implication on the practice of corruption. He found that such condition will broaden the space for local elites to make a corruption problem.

In summary, there is a near consensus that tall bureaucratic structure, which is the hierarchy of power in the bureaucracy, either in the central or local government provides a favourable condition for the practice of corruption. This later confirms that the strategy of flattening the bureaucratic structure through streamlining the echelon system might be one of the solutions for reducing corruption in Indonesia.

#### b. Competitiveness

The second urgency of streamlining the echelon system would be the problem of Indonesia's global competitiveness index. Although it has been the government's priority in the economic sector, the matter is that it continues to be far from the competitiveness "frontier". Based on The Global Competitiveness Report 2019, Indonesia ranks 50<sup>th</sup>, down five places from last year (2018; ranks 45<sup>th</sup>) out of 141 countries and rank 4<sup>th</sup> within ASEAN behind Singapore (1<sup>st</sup>), Malaysia (27<sup>th</sup>) and Thailand (40<sup>th</sup>). Further the World Bank also routinely measure the level of ease of doing business in countries all over the world. Unfortunately, despite its big market size, Indonesia still ranks 73 out of 190 countries and only rank the 4<sup>th</sup> within ASEAN behind Singapore (2<sup>nd</sup>), Malaysia (15<sup>th</sup>) and Thailand (27<sup>th</sup>). It indicates and gives impression that the process of doing business in Indonesia is still ineffective and inefficient.

Looking at the quantitative indicators measuring these two indices as shown in the table 4.2.1 and 4.2.2, it can be noted that for Global Competitiveness Index, many of Indonesia indicators' scores are still far below the Competitiveness frontier (70.00), more specifically regarding institution, ICT adoption, product market, labour market, and innovation capability. For the ease of doing business report, it shows that the problem appears when dealing with construction permits, registering property, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

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No	Indonesia 50 <sup>th</sup> /141		
	Index Component (1-100)	Score	Rank/141
1.	Institution	58.1	51
2.	Infrastructure	67.7	72
3.	ICT Adoption	55.4	72
4.	Macroeconomic Stability	90	54
5.	Health	70.8	96
6.	Skills	64	65
7.	Product Market	58.2	49
8.	Labour Market	57.7	119
9.	Meritocracy and Incentivization	63.9	65
10.	Financial System	64.0	58
11.	Market Size	82.4	7
12.	Innovation Capability	37.7	74

Table 3.2 Indonesia's Global Competitiveness Index 2019  
Source: The Global Competitiveness Report 2019

No.	Indonesia 73 <sup>th</sup> /190	
	Indicator (1-100)	Rank in 2019/190
1.	Starting Business	134
2.	Dealing with Construction Permits	112
3.	Registering Property	100
4.	Getting Electricity	33
5.	Paying Taxes	112
6.	Getting Credits	44
7.	Protecting Minority Investors	51
8.	Trading Across Borders	116
9.	Enforcing Contracts	146
10.	Resolving Insolvency	36

Table 3.3 Indonesia's Ease of Doing Business Report 2019  
Source: Ease of Doing Business Report 2019

Government of Indonesia, particularly under president Joko Widodo's administration, is very insistent in improving the mentioned scores. For instance, since 2015 to date, the government has released a series of policy reform packages that aim to improve the competitiveness and ease of doing business in the country by introducing simpler regulations, easier procedures and a series of fiscal

incentives (Normala, 2018). However, as the government have attempted to make changes, the performance essentially unchanged and remains relatively low (Abiyoso, 2018). In this sense, another alternative solution that could be worked in today's market-oriented government should be in mind. As the market and business environment are becoming more competitive than ever before, it is inevitable that the



governments are forced to adapt (Mills Timothy R, 2019) in order to respond more quickly to the demand (Wulf, 2012). This often drives the government to change from within and/or engage in modern public administration approach or the so called post-bureaucracy practices.

The concept of post-bureaucracy itself is defined as “a stance that aims to remove or reduce both hierarchical and bureaucratic elements within an organisation, while building a flexible, team-based environment” (Grey & Garsten, 2001). One of the practices includes delayering or flattening, team-based work and autonomous roles (Harris & Wegg-Prosser, 2007). Many high-profile companies have already engaged in such organisational delayering or what stands for post bureaucratic practices. For example, in 2018, the largest New Zealand retail company, The Warehouse Group, announced a major restructuring with a focus on reducing supervisor and team leader position (Ambler, 2017). Later in 2019, Tesla and McDonald’s have also engaged in flattening and streamlining practices to improve communication, prepare for the future as well as to be more dynamic, nimble and competitive (Lambert, 2018; Isidore et.al, 2019).

Fortunately, this post-bureaucracy practice are aligned with the government’s plan introduced earlier, i.e. flattening the hierarchical system by streamlining the echelon system. Literature review provided a clear empirical evidence that organisational delayering or flattening the hierarchical system can improve the

performance of organisation in many different ways. Dunford et.al (1998) shows that organisations engage in organisational flattening or delayering create internal efficiencies, improve competitiveness and develop their employee. Wulf (2012) found that a key reason for delayering, from perspective of the Chief Executive Officer was to get closer to the day to day operations of the organisation. Wulf and Guadalupe (2010) pointed out the causal effects of company’s flattening in US and Canada. He argues that it is the market competition that forced the company to flatten. Further, Colombo and Delmastro (2008) also argues that flatter organizations allow better information flow and thus faster decisions and execution of decision in order to response the rapid changing demand.

In summary, there is a near consensus that adopting modern public administration approach through flattening the organisational hierarchy is of great important in today’s market-oriented government. This later confirms that streamlining the echelon system will be one of the solutions to improve Indonesia’s competitiveness.

### c. Human Resource

The third urgency for moving to a flatter structure would be as a means to better manage the human resources skill within Indonesia’s bureaucracy. Indonesia’s minister of administrative and bureaucratic reform, Tjahyo Kumolo, stated that this country needs high-specialized skill of human resources to support Indonesia’s vision to be a develop country (KY, 2020).

President of Republic of Indonesia claimed that the idea of flattening the governmental organisation by streamlining the echelon system is to be of great solution to create high specialized skill of human resources by transforming those eliminated in the structural position towards functional carrier that better appreciates the skills (Aivanni, 2019) followed by the regulation of Minister of Administrative and Bureaucratic Reform Number 28 of 2019 concerning the Conversion of Structural (Echelon) towards Functional Career.

Data from BKN (2019) revealed that Indonesia's bureaucracy structure consists of 625 Echelon I (*JPT Utama* and *Madya*), 19,345 echelon II (*JPT Pratama*), 100,755 echelon III (*Pejabat Administrator*), 331,103 echelon IV (*Pejabat Pengawas*), and 14.430 echelon V (BKN, 2019). It then gives an impression that Indonesia has such a tall bureaucratic structure. Further, Indonesia's minister of administrative and bureaucratic reform, Tjahyo Kumolo, also stated that civil servant in Indonesia today is still dominated by administration staffs, i.e. 1.6 out of 4.2 million civil servants (KY, 2020). It is then inferred that there is still 38% of civil servants who are working based on command and control.

Many literatures argued this tall bureaucratic structure restricted staff participation in the decision-making process (Kubheka et.al, 2013). Funminiyi (2018) believed that such structure keeps off the staff from vital knowledge and information that relates to the organisation, take away the innovative

of staffs, and only tell staff what to do. He also argued that the hierarchical management structure shows a distinct demarcation or boundary between management level and lower levels (subordinates) that somehow will demotivate the latter as a result of management decision. In such organisation where the level of motivation is low or even non-existing, staffs tend to experience job dissatisfaction and low competency that will constitute to low performance.

The result of many studies suggested the organisation to transform itself to be a flatter organisation (Kubheka, 2013; Rishipal, 2014; Funminiyi, 2018). According to Funminiyi (2018), a flatter structure allows the organisation to be more open, all can be seen as equal persons aiming for mutual goals and objectives. There is no clear boundary between managers and employees, as in the case of hierarchical structure. This condition will each individuals the right to use their creativity and receive rewards for the work they have done. Further, Maravelias (2003) also pointed out that flatter structure seeks subordinate aspects of the personalities and social networks of individuals to the requirements of instrumental role-playing and more democratic, because the power is seen to be inclusive rather than exclusive. Rishipal (2014) also argued that flat organisational structure forces employees to be innovative and creative. He believed that ideas come from a wider range of sources in a flat organisational structure than in hierarchical management structure as

the former offers more opportunities for employees to excel their innovations and creativity. In all of these respects, it is concluded that human resources' skill can be better utilized for the achievement of organisational objective within the flatter structure.

#### **4. The Consequences of Streamlining the Echelon System**

##### **4.1 Working Culture and Environment**

Flattening the hierarchies by streamlining the echelon system on its own is unlikely to achieve without the consequences on many aspects, such as working culture and environment as the work is differently structured and organised. For individuals in the new, flatten, and networked organisations, they might subject to higher level of responsibility (Kettley, 1995) as the decision-making process for day to day operation is lied on them. For this reason, many management theories suggested to reduce management by control and replace it by empowering individual with decisions-making skills (Appelbaum and Santiago, 1997). Further, human resource management strategy is also seemed to accompany the move of the flatter structure. It includes a greater emphasize upon team working, cross functional working, and employee involvement or empowerment. These three elements are argued to be the prerequisites to achieve an effective outcome of the flatten hierarchy as it functioned to be a replacement for coordination and controlling role of the hierarchy (Kettley, 1995).

Further, flatten hierarchies has also led to the increase of the span of control for the management level or the echelons level that are still exist. Senior and Swailes (2010) explained the concept of span of control as the number of people reporting to one manager. It is believed that in the flatten organisation, the span of control is becoming wider as it consists of a larger number of people reporting to one manager (Kubheka, 2013). In this sense, it is inevitable that this structure demands a higher level of knowledge and competencies of the manager. Turner (2014) told about how to develop new managers for the new environment of flatten hierarchy. She explained that companies in Dutch and Austria are offering a training to help the managers in dealing with new environment with flattened hierarchies. Most of the materials in the training has shifted the view that the managers are not learning to manage subordinates, but to lead experts and technical specialist in knowledge work.

A case study by Maravelias (2003) on Skandia Assurance Financial Service (AFS), a flatten hierarchy corporation, whose projects is handled by highly autonomous "multi-skilled" and trust-based teams, also gave some insight on how the working culture and environment of the flatten organisation be like. Quoted from his work, the President of AFS explained.

*"I picture AFS as a collection of dice. My main role is to keep these dice rolling, I travel back and forth to the different business unit and meet as many people as I can. During these meetings, I tell them what other units do and I ask*

*questions about their plans, new ideas, etc., and try to twist and turn with their arguments in order to make them think a little bit differently about their operation. I never know exactly what will come out of these meetings. My objective is not to reach the conclusion or to make official decisions, but to create a form of vacuum, towards which new ideas and energy are drawn and mixed. In this way the "AFS-dice" are flipped over a couple of times more. I do not know on which side they will land, but I do know that the frustration and inspiration that I leave behind will trigger some kind of action". (Maravelias, 2013)*

The quoted statement from AFS President illustrated that individuals in such flatten organisation was not commanded, forced and controlled, but rather was led to create opportunities and spur their enthusiasm. Maravelias (2003) concluded that the central characteristic of flatten organisation is that they no longer view the freedom of individual as an obstacle to be controlled, but as a central economic resource.

#### 4.2 Career Management

In the absence of hierarchical management structure, what do careers look like? Many researchers have raised this question (Appelbaum and Santiago, 1997; Kettley, 1995). Anecdotal evidence suggests that the flatter organisation structure is characterised by limited career progression, with fewer opportunities for individual (Kettley, 1995). Appelbaum and Santiago (1997) also pointed out that the consequence of

flattened organisational pyramid was career plateauing because of the increasing number of qualified and highly skilled employees versus a shortage of position. Dean of Faculty of Public Administration University of Indonesia, Eko Prasajo, also claims that within this idea of flatten hierarchy, there will appear a resistancy from the former echelons in response to the idea (Wahidin, 2019).

It is inevitable that within this dynamic nature of flatten organisation, where the managerial position is so limited, the career systems should change. Sullivan (1999) claims that the flattening organization and elimination of managerial layer have made traditional career paths become blurred, demanding different types of careers with a wider meaning for career success. Baruch (2004) wrote about the transformation of career from linear to multidirectional career paths. He argues that the linearity system manifested by the existence of single direction for promotion, and the rigidity of the system could no longer be preserved. The perspective of seeing organizational hierarchy as the ladder to climb on and the believed that there is only one mountain to climb has diminished. Multidirectional career model which comprises of a variety of option and many possible directions for development has replaced the former model. The perspective of multidirectional career takes into account the full scale of landscapes, one can climb the mountain or opt for another paths. Every employee may experience different ways of defining

career success, there is no single way for reaching success, as the so called multidirectional.

In Indonesia, the multidirectional career has been similar to the existing functional career of civil servant that has been long introduced in the Government Regulation of Republic of Indonesia Number 16 of 1994 as was amended by Government Regulation Number 92 of 2012 and Number 116 of 2014 concerning Functional Career of Civil Servant. The Functional career is defined as “position that shows the duties, responsibilities, authority and the rights of a civil servant in a unit organizations that are based on duties, certain expertise and / or skills and are independent”. Within this functional career, individuals may choose in which direction they want to pursue and take on the responsibility of managing their own career. It may also be differed considerably from one to another according to individual’s own quality, skill and expertise as mentioned in Presidential Decree Number 87 of 1999 as was amended by Presidential Decree Number 97 of 2012 and Number 116 of 2014 concerning classification of functional career.

In contemporary idea of flattening the hierarchy by streamlining the echelon system, President of Indonesia, Joko Widodo, instructed to replace the position of those in structural career, i.e. the streamlined echelon III and IV to the pursue functional career that better utilize the skill and expertise (Aivanni, 2019). Dean of Faculty of Public Administration University of Indonesia, Eko Prasajo, also suggested

that the resistancy of change by those in structural position can be tackled through management reform in term of better career management and allowance for functional career idea (Wahidin, 2019). Further, commissioner of KASN (National Civil Servant Committee), Sri Hadiati, also agreed with the contention that within the flattened hierarchy civil servants should be professional bureaucrat by pursuing functional career (Humas KASN, 2019). It is also aligned with determination of creating professional bureaucrat as mandated in the Law Number 5 of 2014 concerning state civil apparatus. However, despite the consensus that functional career is an alternative solution to the Indonesia’s upcoming flatten structure, National Institute of Public Administration while conducting research on grand design of functional career (2018) found that there exists a couple of problems regarding the development of functional carrier. To name a few, the management of functional carrier is still vague, the appreciation is still uninterested, and the recruitment system is still not standardized. The research recommended that the government has to reform the organisation design and human resource management regarding the functional career (Santosa et. al, 2018).

Finally, it is imminent that the transformation of organisational hierarchy to be more flattened by streamlining the echelon system would change the nature of career models and or orientation of individuals.

## 5. Concluding Remarks

This paper has pointed out some of the urgencies and consequences of flattening Indonesia's bureaucratic structure. It is derived that the continuing case of corruption, low-level of nation's competitiveness index and quality of human resources has commended the bureaucratic structure to transform itself into flatten hierarchy through streamlining the echelon system. Further, this transformation is also of no doubt creates overarching consequences in regard to working culture and environment as well as the carrier management system of the civil apparatus.

This conclusion provide a new insight for stakeholders, such as governmental officer, politician and policy makers for the sake of enriching consideration in their decision making process. However, one shall also note that due to the limitation of researches concerning flattened public organisation in Indonesia, this paper reviewed evidence of flattening organisation from articles and researches around the world both for public and private institution. Within this regards, there is a need to conduct more in-depth examination regarding this topic for public institution alone.

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