ANALYSING RELOCATION POLICY AND EMPLOYEE MOTIVATION - A CASE STUDY OF AN INDONESIAN GOVERNMENT INSTITUTION

Telviani Savitri

PhD

University of York
Management

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Abstract

Employee relocation can be a contentious area in managing people in large, geographically dispersed organisations. This research project is based on a case study of a single Indonesian government organisation and analyses employees’ perceptions of its relocation policy and its effect on their motivation and retention. The thesis explores employees’ perceptions surrounding the organisation’s relocation policy and adds to the literature on human resource management in the Indonesian public sector. The thesis is based on qualitative research methods and the data for the study derives primarily from 44 face-to-face semi-structured interviews with employees and managers. The data is further supplemented by an analysis of documentary materials.

In comparison with what most existing research on domestic relocation has argued, this thesis suggests a different perspective for looking at the impact of relocation. For example, the findings suggest that there is an absence of a ‘public service motivation’, yet the perception of unfairness and the lack of facilities do not play a significant role in affecting the employees’ motivation. Although the relocation policy has affected the motivation of employees in a negative way due to separation from their families, a lack of support from the organisation, uncertainty over relocation policy implementation and frustration with favouritism/nepotism in the decisions of senior management, other factors have had a more dominant influence in helping retain employees within the organisation. The thesis argues that although employees perceived a breach in the psychological contract, the internalisation of multiple organisational commitments, and other pragmatic reasons explained why there was no drop in motivation, and why they choose to stay with the organisation regardless of their dissatisfaction with overall relocation practice.
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Author Declaration

I declare that this thesis is a presentation of original work and I am the sole author.

This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

Telviani Savitri

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Chapter One
Introduction

1. Introduction

Employee relocation is often a contentious area in managing people in large, geographically dispersed organisations. The literature which examines the movement of employees from one place to another tends to concentrate on issues of expatriates or military forces, moving between plant/site, and domestic relocation (Feldman and Thompson, 1993, Lé et al., 2010, Marshall, 2007, Pinder, 1977). There is a considerable amount of research on the impact of such relocations on both the organisations and the employees. While the research on all those relocation types suggests a number of similar explanatory factors, for example factors affecting the willingness to relocate, issues arising before and after relocation and the broader relocation decision making process, there tends to be a different emphasis regards the characteristics of the type of relocation.

However, one common research trend was observed. For instance, research on expatriation suggests there are considerable concerns relating to the difficulties of expatriates adjusting to new cultures and customs (Feldman and Thompson, 1993, Feldman and Bolino, 1998). Research on military forces’ relocation mainly focuses on the impact of the relocation to immediate families (Drummet et al., 2003, Lé et al., 2010), while research on plant relocation mainly looks at the impact of moving the location on company’s operating costs and wider economic factors (Marshall and Alderman, 1991, Marshall et al., 2005, Marshall, 2007). Meanwhile, much of the research on domestic relocation has focused on the characteristic of the jobs themselves and the relationships between job change and career development (Pinder, 1977, Feldman and Bolino, 1998).
This thesis attempts to provide a new insight into the impact of relocation, in the context of a developing country like Indonesia. The thesis will focus on the phenomenon of domestic relocation policy in one government institution in Indonesia and its impact on employee motivation and perceptions. A considerable amount of research on domestic relocation has been undertaken including variables such as the demographic profile of a typical relocator (Prehar, 2001, Stroh, 1999), the psychological well-being of individuals due to stresses faced by the employees and their families having to move their homes and jobs (Martin, 1999), and the level of company support to handle the barriers to relocation caused by the need to move home (Saunders et al., 2012). This thesis offers a different perspective by looking at the impact of relocation. In the next section, I will discuss the rationale and purpose for the study, the research questions, and the structure of the thesis.

2. Rationale of the Study

This study aims to examine employees’ perceptions on relocation practices and its impact on their motivation in an Indonesian government organisation. The Audit Board of Indonesia (ABI) is chosen as a single case study since it provides a suitable basis for this analysis. ABI expanded its organisation rapidly to all 34 provinces of Indonesia from 2007 to 2014, so employee relocation practice - as of 2017 - is relatively new and therefore a good locus for this study and provides insights into the dynamics of these practices from both the employees’ and the managers’ points of view. It is also appropriate due to the fact that the formal relocation policy was only issued in 2010. Due to that condition, ABI managers in 2017 were still trying to find a best way to manage the relocation practice and to handle all the problems arising from this practice. Thus, the result of this study could provide a thorough analysis of the issues arising from this practice and at the end could offer several practical recommendations to make it better. Apart from these benefits, from a broader view, this study can also provide a general
picture of how public management is administered in Indonesia. For instance, as it will describe in Chapter Three, it is common in Indonesia that several ministries and/or agencies control the same issue altogether (in this case civil servant administration) so the process to coordinate or make a new regulation takes a longer time compared to the condition where an issue/policy is processed by a single organisation.

Employee relocation is a result of the changes that occurred in ABI, and the organisational change is also an outcome of the changes that occurred in Indonesia, specifically after the country had its financial crisis in 1997, which led to the fall of Soeharto, the Indonesian president who had ruled the country for 32 years. Having been under an authoritarian leadership for such a long time, there was a substantial urge to form a decentralised government structure as the government under Soeharto’s regime was perceived to be highly centralised and full of corruption. Alongside international financial institutions, many public/community leaders, and groups who regarded themselves as reformists, insisted the government to improve its public administration, and among the reform packages proposed, decentralisation was seen as an important element to reform the government administration.

Decentralisation, in terms of splitting Indonesian region into smaller provinces and districts, actually has occurred since the 1950s, but has taken a new momentum after the collapse of Soeharto’s presidential era in 1998 (Booth, 2011). From 12 provinces in the early 1950s, Indonesia was divided to 27 provinces in Soeharto’s era, and by 2017 had 34 provinces. Decentralisation, for many people outside Java Islands, was probably seen as a way that would lead to a greater transfer of power and resources from the centre; something that had been controlled by the central government for a long time during Soeharto’s leadership (Booth, 2011). No wonder the demand for it was increased in the late 1990s, with the ideal goal to have a “fundamental reform in the way Indonesia was governed, both in the national parliament and in the regions” (Booth, 2011, p. 31).
Nonetheless, since Indonesia was still suffering from the financial crisis, this nation had to depend on international financial institutions such as the World Bank (WB), International Monetary Fund (IMF), and donors such as the US Agency for International Development (USAID), and Australian Agency for International Development (AusAID), with much design work and technical assistance for its reform provided by those agencies (Aspinall, 2013). As those agencies considered corruption as one of the biggest obstacles to economic development, particularly the economic development of developing countries, they demanded the state include the improvement of civil service management into its administrative reform programme (Rubin and Whitford, 2008).

The ideas about decentralisation and human resource reform, in the field of public administration theory, can be associated with the New Public Management (NPM) notion. As one of NPM doctrines, decentralisation and public HR reform became influential during this period because they were perceived as a means to improve the performance of public sector by importing business-like, entrepreneurial and market-driven concepts, techniques and values into government’s practice (Pollitt, 2011). Decentralisation, public HR reform, and privatisation are among the elements of the three sets of changes under the NPM model (Common, 1999b) and as it is stated in the previous paragraph, there has been external pressure and influence on elite policy makers in Southeast Asia to adopt the NPM model. For example, the World Bank and the IMF agreed to provide massive loans and financial assistance to Indonesia, Thailand, and the Philippines with the requirements that the governments of these countries would introduce pro-market policies and administrative reforms resembling the NPM model (Haque, 2007, p. 1317).

For ABI, the decentralisation of government structure affects its organisational structure as well because the amended National Constitution requires ABI to have representative offices in every province in Indonesia. Before 2001, ABI only had five regional offices and since then is has expanded gradually, with most of the offices
established in 2007, and the 34\textsuperscript{th} office in 2014. While the previous five regional offices were filled by local employees and very seldom did relocation occur, after the expansion ABI started relocating its employees periodically on a four to five-year basis. This practice evidently affected the employees because, whether they liked it or not, they had to be ready to move from time to time. Furthermore, in an emerging country like Indonesia, where complex geographic conditions, cultures and religions exist, and the infrastructure developments in each region does not run at an equal pace, it is plausible that people would be worried about moving to a new place, especially where the access to basic services such as education, health, water, sanitation and electricity is limited: all of which are likely to impact on employees’ perceptions of their jobs and their motivation.

3. Research Approach

To date, most of the research conducted in analysing the impact of relocation policy has utilised a quantitative methods and is based on an approach of objectivism and positivism. While this approach is claimed to enable researchers to provide generalisation, prediction, validity and reliability, many scholars claim that it is not suitable in social phenomenon which tests human behavior. As every human is unique, I argue the way a person perceives a phenomenon will be unique as well. A similar problem may be understood or perceived differently by different individuals. How an individual deals with a problem depends on how he/she frames the phenomenon and researcher can capture this in-depth perception by employing social constructivism. In social constructivism, the research will rely as much as possible on the participants’ views of the situation. As my research will try to understand the perceptions both from the employees and from the government policy makers, I prefer to use this constructivist approach.
Most of the time, constructivism is associated with qualitative methods, and usually employs an inductive approach to understand people’s experiences in particular contexts in a holistic way (Bryman and Bell, 2011). For that reason, I argue that a qualitative method is the most suitable methodology for this study as it will enable an investigation into the research topic in a specific organisational context, built from opinions shared by respondents, organisational documents, and publicly available documents. And, as mentioned earlier in Section Two, a single case study has also been chosen for this research. In addition to what has been written on the reasons for selecting the case study organisation, a few other considerations as an employee of ABI have contributed to the selection of the particular research locus. Observing some concerns raised by many colleagues as a result of moving around the Indonesian region, and the accessibility to the data needed, intrigued me to make the Audit Board as my main case study for this research.

For the data collection, I conducted face-to-face semi structured interviews in order that I could have an opportunity to hear more points of view from my research participants. As this study investigated how the employees perceive the employee relocation policy in ABI and how they relate it to their work motivation, the participants were expected to be able to provide a rich explanation on the problem, as they have directly experienced the rotation/relocation policy. Moreover, to attain a comprehensive picture about the relocation policy in this particular Indonesian government institution, I conducted semi-structured interviews with top-level managers (either in ABI or in other ministries that are responsible for taking care civil servant issues) who design the policy and are responsible for the structure and the processes. I also interviewed several lower level/line managers who implement the rules, observe and interpret it in practice. By performing this range of interviews, I was able to highlight the gaps between the formal rules set up at the central level, and the practices administered at the local/provincial or
workplace level, to identify opportunities for the agency to improve and to see what is going wrong in the system.

To verify the interviews, I triangulated them with documentary analysis from the organisation, mass media reports, professional journal publications, and other related documents. Triangulation comes in many varieties and is frequently used in field research for verification (Bailey, 2007). Therefore, I employed this approach with the hope that it could provide a richer picture than interviews and fieldwork data alone. The discussion about research methodology applied for this study will be discussed in more detail in Chapter Four.

4. Research Objectives and Research Question

4.1. Objectives of the study

Due to the situation that ABI is increasing in size, as of 2017, and its position is parallel to other executive, legislative and judicial powers in Indonesia, its role in improving the accountability and transparency of state finance has arguably become more important in recent years. By recruiting many more young staff whom will be based all over Indonesia, the organisation has to put more attention to its performance and professionalism so that it can fulfil its role effectively. Above all, from the academic side, only a few studies have been conducted to analyse the implication of employee relocation policy on the employees’ perceptions about their jobs and motivation, particularly in the context of an Indonesian government institution, where the HR practice is not yet fully well-managed. Thus, it will make an interesting study, to explore the phenomenon and present the results in this thesis.

Since this research is motivated by practical, contextual and academic considerations, there are at least several objectives to this research, namely: to explore employees’ perception on the current relocation policy and how it affects their motivation,
to add to the literature about public HRM in a context of an Indonesian government institution, and to provide constructive input for relevant policy makers regarding the relocation policy of Indonesian public servants. Although the analysis of the study weighs more on the employees’ perception, the managers’ points of view are considered as well, in order to provide a balanced discussion on the topic.

4.2. Research questions

In order to accomplish the research objectives, several main research questions have been set up. Therefore, to gain insight on how a government institution manages its relocation policy and how the policy influences the employees’ motivation, this study is trying to answer the main question: Does relocation policy affect employees’ perceptions about their jobs and their motivations in ABI? To guide the exploration of the answer to this question, the question is broken down into several questions as follows:

1) Why has employee relocation become normal practice in ABI and how far was the NPM notion adopted in its relocation policy?
2) What were the employee’s initial motivations for working in ABI and what were their perceptions about relocation practices?
3) What are the dominant factors that shape their perceptions about relocation policy?
4) How do they think the relocation will affect their motivations?

5. Thesis Outline

This thesis is structured into nine chapters. It starts with Chapter One – the Introduction, which sets out the core aims and objectives of this study, the rationale behind this research, the objectives, the key research questions, and a breakdown of the thesis structure.
Chapter Two – the Literature Review – discusses the relevant literature used to back up the phenomena found in this study. As a government organisation has been chosen to be the object of this research, public administration literature cannot be detached from the analysis. The discussion starts with New Public Management (NPM) and it continues with the Public Service Motivation (PSM), a notion in the public management field that discuss the motivation of people who choose to build their career in the public sector. The literature on employee relocation, including the idea of relocation that is specifically related to the job characteristics of an auditor are discussed as well, and several concepts that play a role in influencing the employee motivation, such as psychological contract, organisational justice, and organisational commitment, are also discussed in this chapter.

Chapter Three – the Research Context – provides an overview of the research context, providing some key information about Indonesia, such as demographic data, and the relevant political and historical influences on civil service administration from the colonial era through to the decentralisation era. A description of the Audit Board of Indonesia as the case organisation for this thesis is also presented in the second part of this chapter.

Chapter Four – the Research Methodology – presents the philosophical view underpinning this study in brief, the justification of the adopted methodology, the methods of data collection and analysis, a critique of the role of the researcher, the ethical issues surrounding the research conducted and my reflections as a new researcher.

Chapters Five to Eight discuss the main findings of the research and present the analysis that will elucidate the findings. The discussion is composed into four chapters based on the four main themes emerging from the data:- one, the perception on the current policy; two, the perception of unfairness; three, the lack of relocation facilities; and, four, the impact on employees’ motivation.
Chapter Five – the Initial Motivation and Perceptions on the Current Policy – discusses the initial purpose of implementing the relocation policy, the early motivation of the employees to work in ABI, and their perceptions toward the implementation of the current policy.

Chapter Six – on the Management Interference – elaborates the main reasons as to why the employees considered the relocation practice as still being unfair. Topics such as interference become a main theme in this chapter. The discussion on management interference within this chapter is divided into two parts: the interference directly related to the relocation practice, and the interference in the auditors’ work.

Chapter Seven – on Facilities and Conditions – presents the analysis of another response to why the respondents feel the current policy is still unfair. The discussion in this chapter focuses on the facilities obtained and the conditions faced by the respondents when they were relocated.

Chapter Eight – on the Impact on Motivation – analyses the employees’ statements about the impact of the relocation practice on their motivation. Surprisingly enough, despite the fact that many respondents expressed the view that the relocation policy is unfair/ineffective, only 33% of the staff confirmed that their work motivation is negatively affected by this. This chapter tries to investigate the employees’ rationalisation to stay in the organisation despite their disappointment toward the relocation practice.

Chapter Nine – the Conclusion – presents the conclusion of the research by summarising the main findings and offers the possible contributions to the body of knowledge presented by this research project. It also presents some practical implications for policy makers, and recommendations for further research.
6. Conclusion

Renowned as an archipelagic country, Indonesia is currently known as the fourth largest and most populated country in the world, with more than 260 million people living across roughly 17,000 islands, spread over 1,904,569 km2 area (WPR, 2017), from the most western part, Banda Aceh, to the most eastern part, Papua. For a country with a very large population, its abundant resource of human power is certainly a benefit to make this country excel, if its human resources are managed seriously. Yet, it does not seem to be the case in Indonesia. Until recently, it is quite challenging to find any research on HRM roles in Indonesia. For understandable reasons, many of the investigations on human resource have focused largely on developed countries; only a few researchers are there to study the implication of human resource management in developing countries (Khan et al., 2010, Mamman and Somantri, 2014, Bennington and Habir, 2003, Turner et al., 2009), and it comes down to a very limited number of research when we talk specifically about public sector HRM in Indonesia.

This chapter has provided an overview of the research, including the rationales to conduct the research. This research explores the employees’ perception on the relocation policy and the impact on their work motivation, in a context of an emerging country like Indonesia that has distinctive conditions. This study is important as it offers a different angle in looking at the relocation impact, seen from the perspective of a developing country, which is geographically dispersed among many thousands of islands, with a highly diverse social and ethnic composition, and undulating public sector management from time to time. The objectives, questions and outline of the research are presented as well within this chapter. With the need to conduct the study justified, the next chapter will discuss the literature used as the theoretical foundations for this study.
Chapter Two

Literature Review

1. Introduction

This study was initially intended to explore the impact of relocation practice on employees’ motivation. Therefore, my early intention was just to focus merely on the HRM literature review relating to that topic. Nevertheless, as a government organisation is chosen to be the locus of this research, the literature on public administration cannot be detached from the analysis. While the main focus remains with the employees’ perceptions about their jobs, perceptions of managers’ are also included.

With aim to discuss the relevant literature used to back up the phenomena found in this study, the literature review is clustered into three sections. It starts with New Public Management (NPM), a theory in public management. While some scholars argued that NPM concept has been outdated (Dunleavy et al., 2006), a discussion about it is still relevant to explain the changes that have happened in Indonesia that triggered the changes in ABI. Several factors surrounding the implementation of NPM, such as political and cultural factors, were presented briefly in this section. The next section discusses the literature on employee relocation, including the idea of relocation that specifically related to the job characteristic as an auditor, which supposed to maintain the independence principle.

Following the literature on employee relocation, the next section discusses Public Service Motivation, a notion in public management field that discuss the motivation of people who choose to build their career in public sector. Several concepts that play a role in influencing the employee motivation, such as psychological contract, organisational justice, and organisational commitment are discussed as well in this section.
2. NPM and HRM reform.

2.1. The notion of NPM.

NPM is a bundle of approaches designed to reform public administration. It is first introduced in the late 1980s, largely in Western countries, to respond to the perceived inefficiency and ineffectiveness in the public sector (Common, 1999b, Kristiansen et al., 2009). Some scholars argue that NPM is based on neo-liberalism and owed its development to this dogma (De Vries and Nemec, 2013). As a doctrine that emphasises the importance of liberal markets, neo-liberalism is argued to help shaping the so-called Washington Consensus – a development policies promulgated by the International Monetary Fund (IMF) and World Bank (WB) from 1980s to 2000s (Gore, 2000). This Washington Consensus conveys that society would be better off if the government has public sector downsizing, control of the public wage, privatisation, and economic liberalisation (Gore, 2000, Brinkerhoff, 2008, De Vries and Nemec, 2013).

As a concept that has flourished since then, NPM notion, in simple words, proposes the transfer of market principles and business-management techniques from the private to the public sector. Referring to the concept proposed by Hood (1995, p. 95), he suggests seven doctrinal components of NPM, and the first component is “a shift towards greater disaggregation of public organisations into separately managed corporatised units, each identified as a separate cost centre, with its own organisational identity and greater delegation of resource decisions.” In short, it means decentralisation, and throughout the development of NPM notion, this doctrine becomes one of the key ingredients to improve the accountability of public institutions.

Common (1999b) suggests three sets of changes that can be undertaken by a nation willing to adopt the NPM model, which are structural, processual and functional change. Structural change is a change in which decentralisation is known as the key characteristic, that is to reduce hierarchical authority and delegate a part of the decision-making process
from the top or power centres of public organisations. Process change is concerned with changes in the managerial process, and are grouped into changes in the budgetary process, human resource management and quality management. Function change relates to a change in the public sector’s function as the service provider, from a monopolistic direct service provider to multiple organisations.

Proponents of the NPM theory suggest that this idea offers a promise of better results. For example, the suggestions offered by Hood (1991). He says that there are at least four factors which make the NPM idea accepted in public administration debates; two of them are that NPM is perceived to offer a ‘low-cost, quick and popular’ solution to improve public administration, and NPM also offers a set of substantive tools as it has three sets of changes that can be undertaken all together or one by one. Many proponents of NPM claim that this concept provides a framework that can be applied generally in any context due to the following features: portability and diffusion, and political neutrality (Hood, 1991). Portability and diffusion mean that the concept of NPM and the doctrines it brings can be used to solve management problems in many different contexts, while political neutrality means that NPM is a neutral tool that can be implemented in many different political stances and environments.

Nevertheless, the impacts of changes do not come about as fast as lightning. The maximum benefits that can be gained from a public management reform programme usually appear after three, five or even more years since the programme started (Pollitt and Bouckaert, 2004). As NPM has been introduced for more than two decades, more and more evidence has emerged from its implementation in many countries with various political, historical, structural and cultural backgrounds; making the scholars’ attention broaden from not only a descriptive mapping of NPM but also the critiques and evaluations of NPM’s impediments. Several critiques about it are in the following paragraphs.
One of the critiques addressed is that NPM tends to ignore the historical evidence, historical differences between nations and how it shaped the current state of those nations (Hood and Peters, 2004, Pollitt and Bouckaert, 2004, Smoke et al., 2006, Pollitt, 2011). Another critique is that NPM reformers often criticise ‘one-size-fits-all’ forms of bureaucracy while they in fact embrace the approach in practice with its claim of universality (Hood, 1991, Hood and Peters, 2004). To make it more bewildering, the evidence shows that ‘universal concept’ often cannot be practised as different contextual factors really do matter in influencing the nature of NPM reforms in each country.

Several evidence about different contextual factors are presented here. First, a study done by Common (1999b), who examines the application of NPM in Hong Kong, Singapore and Malaysia, finds that culture remains an important factor of administrative changes. Second, Haque (2007), who discusses the gaps between the ideal-type of NPM models and the actual practices in Southeast Asia, discovers that in several countries in that region, external pressure from international financial institutions such as the World Bank and the IMF plays a significant role in such countries to introduce pro-market policies and administrative reforms resembling the NPM model. Third, Samaratunge et al. (2008), who investigate the differences in the nature of NPM reforms and the state of public accountability in Singapore, Malaysia, Sri Lanka and Bangladesh, argue that political history, the pattern of economic development, the nature of political leadership, the capability of the administrative system, the capacity of existing institutions and the state of civil society are the most significant contextual factors influencing accountability practices in these countries.

All in all, despite all the promises that NPM offers to deliver for a nation from a less desirable state to a more desirable one, historical imprints and other contextual factors should be carefully considered when implementing the NPM notion to reform public management in one nation as they will determine the degree and the depth of the NPM
model in that specific country. In regard with the context of ABI, the changes occurred there can be related to the NPM model proposed by Common (1999b). The question is, whether the benefits prevail the loss it brings. Following the discussion about the general concept of NPM as a means to reform public management, the next sub-section will describe how human resource management is handled in NPM reform.

2.2. HRM reform as part of the NPM movement

As stated earlier, it is argued that there are three types of changes in the NPM model, and one of them is process change, which is concerned with changes in the managerial process, and are grouped into changes in the budgetary process, human resource management (HRM) and quality management (Common, 1999b, p. 67). It could be argued therefore that a reform in the public sector’s HRM could be seen as a part of the NPM movement. Also, HRM is argued to be an important aspect to consider in NPM since it has a major influence in the public sector change in some countries (Brown, 2004, French and Goodman, 2011). That is because the performance of public organisations depends on the performance of their employees. Hence, any adoption of NPM suggests that there should be a reform in HRM in order to try to make a ‘success’ of public sector reform.

However, many studies indicate that HRM is not a priority in reforming public management. Even within the countries where NPM ideas originated, this seems to be the case. As Pollitt and Bouckaert (2011) conclude in their comparative study of 12 OECD countries, one common feature amongst those countries is that changes in HRM rarely come first on their reform agendas. It usually comes only after innovations in financial management, organisational structures and management techniques have been done. In other words, reform in HRM becomes the second order in NPM movement. If this condition occurs in such countries that are renowned as the initiators of NPM, then it will
not be a surprise that other countries, particularly third-world countries, might not even think to reform their public sector HRM.

Now, if we look at the studies that talk about HRM changes as part of NPM reform, most of them discuss the HRM reform in general (Brown, 2004, Common, 2011), or HRM practices such as performance management (Kearney and Hays, 2002, Bach and Givan, 2011), employment relations (Hays and Kearney, 1997, Bordogna and Neri, 2011, Bach and Bordogna, 2011, Bach and Givan, 2011) and employees’ wellbeing (Noblet et al., 2006, Brunetto et al., 2011). Very few talk specifically about the effort to reform or improve employee relocation practices. The only thing that is related to that practice is when scholars and/or practitioners discuss the impact of decentralisation on the public sector employees. Decentralisation, known as the key characteristic of NPM structural change, could mean relocation or dispersion of functions, powers or people away from a central authority or location. When it comes to public sector relocation policies, not as much research has been conducted to analyse these policies as those for the private sector (Marshall, 2007, Marshall et al., 2005).

A few scholars who analyse this matter are worth mentioning here. For instance, Dalton and Mesch (1992), who study employees in two large Western public organisations who initiated voluntary job transfer and received it, and then over a four-year period of study compare the absenteeism rate between those who asked and received the job transfer and those who asked but did not receive it. The study supports the notion that employee relocation is beneficial for the employers as it may reduce the level of absenteeism. Yet, they do not study the reason why an employee would request to be moved, and they focus only on voluntary job transfer. Job transfers that are not voluntary is not something they investigate.

Other scholars, Marshall and Alderman (1991), publish their analysis on the dynamics of relocation of civil service employment in relation to the dynamics of
government policies in the UK. According to them, the changes in civil service organisations and/or locations during a 30-year period (between the 1960s and 1990s) have been related directly to changes in government policies to respond to the changes in macro-economic conditions (Marshall and Alderman, 1991). Even though they talk about relocation policies, the focus is much more on the locational dynamics of civil servants and does not touch the HRM aspect, in this matter the employees who were influenced by the relocation practice.

In 2005, Marshall et al. (2005) suggest the relocation of more senior and professional administrative jobs (who were, at that time, more concentrated in the London area) to UK regions as it could help to bolster public sector skills and institutional capacity in the regions. Again, the article does not consider the human aspect but focuses more on the analysis of operating costs (primarily labour costs and office rent) and wider economic factors (such as opportunity costs of public sector investment, regions’ productivity and economic growth, and contribution to the national economic growth). Although in their conclusion they suggest that to make the relocation programme successful, the government should overcome the reluctance of senior civil servants to move from the central authority, I could not find any discussion on the factors that cause the senior staff to be unwilling to be relocated.

Several years later, Marshall (2007) broadens his discussion on the policy of the UK and Ireland governments to relocate some of their departments or functions away from the capital city, the benefits it brings and the consideration to think when setting up relocation policies. The analysis also includes the European perspective in favour of relocation policies, and it also takes into account the human dimension of relocation, in terms of the consequences relocation has for the employees and their families, yet that dimension is not explored in much detail within the article. Considering all the studies
mentioned earlier, I propose to examine another angle of HRM reform: the employee relocation as an impact of organisation decentralisation.

2.3. Political influence

Many scholars have suggested the importance of context when we analyse the process of managerial reforms from country to country (Common, 2011), as it is an issue that differentiates the implementation of the so-called ‘universal theory’. Hence we can choose any circumstance to set up the point of view when discussing the NPM to make it easier to understand. Amongst various contextual factors that influence the implementation of NPM, the political aspect seems to have a significant role in the degree of depth a nation adopts such theory despite what Hood (1991) writes earlier that NPM provides a framework that can be applied generally in any context.

Talking about the political aspect, it might be good to start with the two functions in a government that are closely intertwined with each other, which are politics and public administration. As Peters (1995) contends, although there are many scholars in the Western world trying to distinguish those two functions, the overlapping of those terms has frequently comes up in both scholarly and popular literature, since “what appears to be administrative may actually be political, and that those who make administrative decisions do so for political reasons” (p. 4). The same case occurs when a government tries to implement a theory of social science, such as NPM. Some empirical evidence has shown that, despite NPM’s promise to provide better public management for the nation, the notion is often being used as a means to fulfil a particular objective of the elite group of the government, such as to promote the career interest of the elite group (Hood, 1991), or to increase the chance for politicians to be elected/re-elected as they appear to do something good to improve the public administration by endorsing the NPM idea.

Besides the interference from the political actors stated above, the political state of a nation does affect the implementation of NPM. For example, Bach and Givan (2011),
who compare the development of NPM reform between the USA and UK, assert that even though both countries are viewed as part of Anglo-Saxon tradition, their inherent institutional differences – between the UK’s majoritarian highly centralised state and the USA’s presidential and federal character – have led to differing patterns of reform. Countries within the European continent itself differ from each other in the context of both the political background and culture they have. Gheorghe (2012), who tries to look for evidence of NPM-type practices in Romania, indicates that NPM as an international paradigm works better in developed countries which have been modifying their public administration for a long time in order to meet the needs of citizens more than the political will of the ruling party. In the case of Romania, which is still in the process of changing its political state from an authoritarian style to democratic style, NPM reform (in this matter the shifting from personnel management to the HRM model) is hard to achieve as the bureaucratic system still displays strong centralised and authoritarian traits. Similar to Gheorghe’s finding in Romanian NPM reform, Common (2011), who analyses the case of the civil service reform in Georgia, suggests that the lack of political will from the government becomes the major obstacle for a successful reform programme.

Shifting the discussion from western countries to Asia, particularly the Southeast Asia region, where most of the countries are still in the developing stages, the research evidence supports Gheorge’s argument that NPM concept fits more within developed countries that have been recognised for having a steady political situation and a well-established public administration in place. As Kristiansen et al. (2009) say, implementing public management theories imported from Western society are not easy where the economic and political circumstances in the destined nations are characterised by “vast information asymmetries, weak democratic traditions and limited administrative capacities” (p. 69). The fact that most of the countries in that region have been invaded by Western countries left a strong imprint how the colonial rulers affected the current
political state. Haque (2007) claims that many of the Southeast Asian countries inherited their administrative systems from the colonial rulers, which often contain some major components of Weberian bureaucracy. Nonetheless, the bureaucratic model that was applied in this region had some deviations from the one in the western countries due to the fact that the colonists had “the dual roles of politics and administration, which often compromised the principle of political neutrality and legal-rational character of the bureaucratic model” (Haque, 2007, p. 1310).

Moreover, the features mentioned in the previous paragraph (massive asymmetric information, weak democratic traditions and limited administrative capacities) have led the nations to a lack of accountability, which increases the incidence of corruption, as one of the common problems encountered in poor and developing countries (Polidano and Hulme, 1999). Then NPM comes with the idea to improve the public accountability through privatisation and decentralisation. Some argue that citizen empowerment (through outsourcing and splitting the purchaser-provider through a decentralised structure) holds the key to enhance government accountability and therefore reduce the chance of corruption (Shah, 2007). Yet, some also argue that NPM could even escalate the corruption chance as the tendering process for service delivery and separation between the purchaser and provider may increase rent-seeking behaviours (Batley, 1999). In short, how much the political power puts their interest and how mature the political state of a nation determine how comprehensively a theory of public management reform can be adopted.

2.4. Can NPM eliminate corruption?

As mentioned in previous sub-section, there is a debate whether NPM could reduce the chance of corruption or not. In emerging countries context, public management reforms is often an agenda imposed by the international organisations such as the World Bank, IMF, USAID, and ADB as a requirement to flow their funds to those countries
(Kearney and Hays, 1998). One of the rationales behind this agenda is they want to ensure that the funds will be used in a way in which they see as ‘efficient’, since there appears to be a general perception that many developing countries are so prone to corruption. This perception exists because a lot evidence suggests there is a lot of corruption cases in such countries. For instance, Transparency International, an organisation devoted to fighting corruption around the globe, has rated many developing countries in the category of most corrupt nations in the world since the release of its Corruption Perceptions Index (CPI) rating in 1996 (Otusanya, 2011).

As a phenomenon of life around the world, corruption has been studied by various scholars and practitioners to determine the best way to explain and tackle it, but the problems of fighting against it still persist hitherto (Achim, 2016). Perhaps, it because defining the term is as complicated as determining whether an action is corruption or not, so that no exact classification can be offered and valid worldwide. By far, the World Bank defines corruption as “the abuse of public power for private benefit” (Tanzi, 1998, p. 8). Transparency International defines corruption as “the abuse of entrusted power for private gain, and it can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs” (Transparency International, 2016). Yet, Zakiuddin and Haque (1998) note that:

Corruption is not identifiable as a single, separate, independent entity which can be isolated and destroyed. Corruption is a complex set of processes involving human behaviour and many other variables, some of which are difficult to recognise or measure. Even though corruption manifests itself as a force on its own and often generates its own momentum, it is linked to many other factors and it is by understanding these factors that we can hope to understand corruption (p. 5).

Denoting the definition by the World Bank and Transparency International, corruption encompasses many types of breach activity, including favouritism and nepotism. Just as the complexity of corruption definition, people find discussing these two terms contesting as well. Some people use those terms interchangeably and some try
to differentiate them. For example, Aydogan (2012) defines favouritism as an act to give a person a privilege, “not because of being the best in his/her profession, but because of some other irrelevant qualification” (p. 4577). According to him, favouritism has three sub-groups, which are nepotism, cronyism, and patronage, and in his view, nepotism is to bestow privileges only on relatives at every level for every position (Aydogan, 2012, p. 4577). Safina (2015) tries to explain the difference of those terms from their origin Latin words. Favouritism, which is derived from the word ‘favor’ (means mercy), has the sense of unfair backing given to some people in the office to the prejudice of common cause such as the same alma mater, origin, hobby, etc. Nepotism, which is derived from the word ‘nepos’ (means grandson, nephew), has the impression of granting privilege in the workplace to relatives regardless of their professional values. In a nutshell, the definitions of those two terms imply that “favouritism and nepotism take place in such cases where patron vested with power pushes forward a favourite or nepot to move up the career ladder irrespective their experience, knowledge, services and advances” (Safina, 2015, p. 631).

McCourt and Eldridge (2003) contend that “favouritism and nepotism are so prevalent in many countries that we must spend a little time considering them before we see how good practice can contribute to eradicating them” (p. 188). It implies that, in ideal world, we all do not fancy favouritism and nepotism and we all expect that those kind of actions be eliminated from the workplace. Yet, there is no clear-cut to determine these action as corruption or not. The discussion in Chapter Six will describe this issue. For the time being, it is good to know that many scholars have warned the consequences of favouritism and nepotism in organisational environment. Safina (2015) says that favouritism and nepotism, for the people who are victims of this action, can lead to personnel’s demotivation, apathy, loss of self-belief and abilities, the feeling of being needless in the organisation, permanent fear and negative anticipatory thinking. For the
ones who benefit from nepotism/favouritism, it can lead to irresponsible behaviour as they might think they will not be punished because they are the boss’ favourites or relatives. In organisational level, it can lead to dismissal of high-potential workers, manpower policy inefficient solutions, destruction of the teamwork foundations, and weak organisational culture. All in all, favouritism and nepotism “facilitate corruption. Hence, inference should be drawn that favouritism and nepotism adversely affect organisational and economic development” (Safina, 2015, p. 634).

2.5. Cultural influence

Another important context that makes the variety of NPM and HRM implementations occur is culture. According to Briscoe et al. (2009), culture is “the characteristic way of behaving and believing that a group of people have developed over time and share” (p. 78). It affects the way we perceive and judge something (and even in judging other people), the way we respond to and interpret them, and the way we communicate with each other in both spoken and unspoken language (Briscoe et al., 2009). Culture differs in every society, and these differences might be intense or delicate, or might be obvious or invisible (Briscoe et al., 2009).

Abundant research has been done to study culture and anything related to it, including in the field of public management and HRM. For example, when Park and Joo (2010) review NPM civil service reform initiatives in Korea during the 2004-2007 period, they raise the issue of culture in the implementation of NPM theories in the East Asian context. They claim that the Korean administrative culture could be a serious constraint affecting the potential for NPM reforms. For instance, when the Korean government tried to practise a personal performance management system and a 360-degree feedback appraisal system which worked perfectly in the Western world where individualism is highly valued, those practices did not work well in Korea, where collectivism and personal linkages (alumni from the same academic institutions, local linkages, seniority,
duration of co-working, etc.) are highly respected (Park and Joo, 2010). Another evidence from HRM practice is a study done by Hutchings and Ratnasari (2006). They contend that cultural differences between regions in domestic relocation play a role to increase the willingness of employees to be relocated, particularly if there are substantive cultural diversities amongst those regions. Their study in a financial organisation in Indonesia support their opinion as Indonesia, known as the fourth largest country in the world with approximately 250 million people, is an extremely socially and culturally varied nation, with more than 300 ethnic groups, each with its own language, customs and form of social organisation (Lewis, 2010).

Even in the European context itself, the implementation of NPM differs due to the administrative culture each government has. Nonetheless, some scholars, particularly the ones who support institutional theory argue that it is not only about the culture but also about the institution, in this matter how “the social context in which firms operate influences the behaviour in and of organisations leading firms in an industry to adopt similar structures and practices” (Hillebrand et al., 2011, p. 592). There has been a long debate between institutional scholars and organisational culture scholars and Aten et al. (2012) have tried to bridge those two fields in their article. Since my research focus is more to the impact of relocation practice and find the explanation of possible cause behind the respondents’ answers, I will not discuss the debate between institutional theory and organisational culture theory in more detail.

I prefer to use organisational culture theory as my reference because the research methods and strategies used in this field fit more with the research method of my study. Studies of organisational culture typically look within single organisations, emphasise ethnographic methods including participant observation, field notes and interviews with organisational members (Aten et al., 2012). Institutional studies started with the same approach, but then after mid-1980s shifted to survey and statistical methods with large
sample even though there is recently an attempt to bring back ethnographic methods into this field (Aten et al., 2012).

In managerial studies, people frequently refer to Hofstede’s study about the typology of national/organisational culture, which is initially divided into four dimensions of culture, named power distance, individualism versus collectivism, femininity versus masculinity and uncertainty avoidance (Hofstede et al., 2010). However, several scholars do not entirely agree with Hofstede as they thought the classification and country clusters suggested by Hofstede only show relative similarities (Torrington, 1994). Thus, many propose other conceptual models and one of them is called GLOBE (Global Leadership and Organisational Behaviour Effectiveness). It was initiated in 1991 by Robert J. House from the Wharton School of Business, University of Pennsylvania, and it is argued to be more comprehensive than Hofstede’s study as it combines “the implicit leadership theory, the value-belief theory of culture, implicit motivation theory, and structural contingency theory of organisational form and effectiveness” (House et al., 2001, p. 499).

Then again, there is also criticism of GLOBE study. Peterson (2004) contends that instead of saying that the GLOBE project has replaced Hofstede’s, it is better to treat both projects as being complementary, since “they share much in common, and many of the measures are empirically and conceptually associated” (p. 647). Amongst the several points he raises, his critical concern is the fact that the GLOBE group consisted of around 170 scholars around the world and many of them were experts in the fields of cross-cultural and leadership theory. Hence, the views expressed in the project would be a negotiated working agreement amongst the members rather than the views of a single person, which in turn leads to a view that the project would be so cross-culturally interpreted, too (Peterson, 2004).

All in all, just like Peterson’s point of view, it is better to consider both GLOBE and Hofstede’s project to understand how culture can influence public management reform
and HRM practice within this thesis. If possible, more attention would be given to study subcultures that exist in the major population. As House et al. (2010) say, an issue that cross-cultural researchers often face is that many countries have multiple subcultures within their own territory, which makes it more challenging to represent the dominant culture in those multicultural nations such as China, India or Indonesia. Thus, the results from this thesis might have a little additional value to cross-cultural studies.

3. Employee Relocation

As mentioned in Section Two above, there are three sets of changes in NPM model suggested by Common (1999b). My research tries to examine one specific issue that is related to two of those three types: employee relocation practice. Employee relocation is related to NPM structural change because it is actually a by-product of decentralisation. When an organisation is decentralised to open many branches in different regions, then employee relocation is inevitable. Employee relocation is also related to NPM processual change because it directly affects the employees – the human resources of an organisation. In this section I briefly discuss the literature on employee relocation and motivation to work in remote areas.

3.1. Employee relocation as a part of HRM practices

Employee or job relocation refers to the process of a simultaneous job and geographical move (Martin, 1999). To make it clear for the purposes of this study, I prefer to define employee relocation as a lateral transfer of employees in an organisation, either with the same job function or a different job type, and it includes geographical interchange. And, as written previously, not so many articles/studies on public sector relocation have been conducted so far. Most of the studies were done in the private sector, and many of them showed that employee relocation has several impacts both on employees and on the organisation, as it is believed to enable employees to gain new
skills and experience, enhance their career development, prevent their job boredom and increase their motivation, as well as enable an organisation to become more competitive (Cheraskin and Campion, 1996, Burke and Moore, 2000, Eriksson and Ortega, 2006).

Nevertheless, despite the positive impact of employee relocation, it also comes with costs that employers should consider. For instance, the moving cost of the employees, the cost of finding another employee to fill the position left by the relocated employee, and the training costs for the relocated and relocating employees (Prehar, 2001). In addition, there are also many intangible costs associated with it. For example, resistance from senior employees because of their feeling of losing competence and ownership from their current job/position, decrease of productivity and quality at the beginning of the job rotation, the end of a satisfying work situation, an unwanted career move, increased workloads and increased travelling time (van Dam, 2005, Prehar, 2001).

Alongside the impact on employers and employees, much research has been done to analyse the impact of job relocation on other parties, such as the employee’s spouse, children and family (Eby and Allen, 1998, Eby and Russell, 2000, Saunders and Thornhill, 1998, Pinder, 1989), and again, those studies were on private organisations. Carter (1996), since more than a decade ago, warns of the risks an organisation may encounter when relocating its employees such as stress and the dislocating experience of employees and family in being moved, a decrease in employees’ productivity, morale and loyalty, and a loss of key staff. Based on his study in reviewing group moves in UK companies, he argues that many organisations do not pay serious attention to the relocation policy and they do not link it to the organisation’s strategic goals.

A review of the literature on employee relocation has been done by Stroh (1999), in which the patterns of relocation, as well as the aspects influencing the employee’s willingness to relocate such as stress and anxiety of the employee, spouse and children, were reviewed. However, it was based on a conceptual study and direct evidence from
the field was not included. Many scholars then support Stroh’s research by presenting empirical evidence. One of them is Green (2004), who conducts a case study research in 12 medium-sized and large organisations from various industries and from different parts of the UK. She suggests that the option to accept job relocation may be less important than it used to be if it is compared to other types of employee mobility, and even though many employees admitted the benefits of relocation to their careers, their unwillingness to be relocated increased due to the impacts on their families or work-life balance.

Having noticed the issues of job relocation, several scholars suggest a mechanism to solve this problem or to decrease the employee reluctance. For instance, Eby and Allen (1998) discuss the various relocation services that should be provided by an organisation, such as visits to the new area, cultural and education information, home-selling assistance and cost-of-living adjustment. Besides that, an organisation could provide financial support and personal support to overcome the barriers to relocation caused by the need to move home (Saunders and Thornhill, 1998). Based on a survey on 200 organisations in the UK, the most common form of financial support is a full or partial reimbursement of the costs associated with moving house, and personal support is rarely made available by the sampled organisations. Yet, the survey was done in the private sector, where the budget allocation and regulation/policy making are more flexible than in the public sector. Even so, Green (2004, p. 639) says that currently “the costs and benefits of implementing employment-related geographical mobility is not well understood, and little, if any, formal assessment is undertaken”.

Talking about relocation policy will no doubt include the geographical movement of employees, and this geographical movement is certainly different amongst countries. For an emerging country like Indonesia, demographic relocation brings additional issues that developed countries do not have. The range of distances amongst the Indonesian islands, the imbalanced infrastructure and facilities amongst the regions, and the social and
cultural differences between ethnic groups are several issues to mention. Moreover, in
certain parts of Indonesia, there is still political instability due to local rebellion
movements that try to separate themselves from the Indonesian State. These factors will
definitely contribute to the employees’ willingness to be relocated and this research tries
to explore those things from the eyes of the actors, the ones who experienced the
relocation directly. Those certain parts of Indonesia commonly labelled as remote area by
Indonesian people. What they mean by remote area is a region that is far from the capital
of Indonesia, which is Jakarta. The following sub-section presents literature that discusses
the motivation to work in remote areas.

3.2. Working in remote areas and auditor rotation

The discussion on motivation to work in remote/rural areas, in many academic
journals, is broadly focused on health services, where the impulse to help other people
plays an important role in doing so (Carson et al., 2010, Keane et al., 2012, Lori et al.,
2012, Agyei-Baffour et al., 2011, Zinnen et al., 2012). To confirm this idea, Carson et al.
(2010) conduct a study to compare the motivation of three different professions to work
in remote areas in Australia’s Northern Territory. Those three professions are
accountants, engineers and nurses. Their study show that nurses were more likely to have
higher motivation to work in remote areas and work with indigenous people and they
tended to see that opportunity as a tool to develop their professional skills. Accountants
and engineers had low motivation to work with indigenous people and they were more
narrowly focused on financial incentives.

Nonetheless, even in the job types that are related to humanity, the motivation can
be different according to the person’s background. For instance, a study by Agyei-Baffour
et al. shows that even though most of the medical students (in Ghana) choose to study this
field because of their desire to help others, this does not mean that they are willing to
accept posting assignments in rural areas, particularly the students who come from a
family of high PPES (Parental Professional and Educational Status). Several reasons were quoted for their unwillingness, ranging from personal preferences to difficult work conditions and low remuneration (Agyei-Baffour et al., 2011). Another research study in Tanzania provides similar empirical evidence on health workers’ motivation in rural areas. A mixed-methods study conducted on health workers in four rural areas in that country revealed that even though salary and extra allowances are important factors, other non-financial incentives such as working equipment, working conditions, training, career development paths and social environment without favouritism are also powerful motivators for them to stay in rural areas (Zinnen et al., 2012).

From the research above, a question can be raised. If the motivation of health service providers, which, nota bene, have higher PSM levels inherently, can be lowered by inadequate working conditions and/or people’s backgrounds, what will happen with the other professionals when they are faced with the compulsion to move to a remote area? If we relate it to the job type in ABI, where most of the employees are accountants/auditors, then there might be a possibility that their motivation will be affected more by the work location, as suggested by Carson et al.’s study above. This is something that I intend to seek out within this study. The concept of decentralisation fits within ABI, where the organisation expands its size and, as an impact of it, has to relocate its employees to all regions in Indonesia. Even though the regional offices are still located in province capital cities, the auditor most of the time has to conduct the audits up in remote areas. Even so, from an Indonesian perspective, many people consider provinces which are located far away from Jakarta (Indonesian capital city) as remote areas due to the uneven distribution of the infrastructure facilities.

While this thesis tries to look at the implications of the relocation policy on the employees (whether they are auditors or not), it might be fruitful to talk a little bit about auditor rotation in this chapter. According to the AICPA (American Institute of Certified
Public Accountants) Code of Professional Conduct, clause 0.300.050 on Objectivity and Independence, it is stated that an auditor should maintain his/her objectivity and independence in performing his/her work. Independent means that an auditor should be independent both in fact and in appearance, thus it prohibits any relationship which may appear to harm an auditor’s objectivity in executing his/her job. The ISSAI (International Standards of Supreme Audit Institutions) Code of Ethics states the same thing about the auditors’ objectivity, independence and impartiality, and since ABI is a member of this organisation, it has to adhere to such principles.

Based on the principle above, many academic and vocational writings suggest that there should be mandatory auditor rotation to maintain independence and audit quality. Proponents of this idea argue that mandatory rotation will prevent long-term relationships between the auditor and the client that could damage the auditor’s independence and objectivity, and several studies support that (Catanach and Walker, 1999, Anis, 2014). Oppositely, there is also evidence against this notion. Although the opponents generally agree on the potential benefits that mandatory rotation brings, they claim that the practical implementation of this policy brings more costs to the organisation, such as duplication of start-up costs (by selecting a new accounting firm and educating the new auditors), more time that the auditors have to spend to gain familiarity with the client business process, which may result in audit inefficiency, and conflicting judgments between previous and new auditors about the accounting methodologies and/or effectiveness of internal control (Cameran et al., 2015, Pinnell, 2011, Catanach and Walker, 1999). Thus, the benefits and disadvantages of mandatory auditor rotation should be considered more thoroughly by the organisation that implements such a policy. In relation to ABI, the policy to relocate its employees periodically appears to be based on the notion that auditor rotation will be good to maintain independence and increase audit quality.
4. Public Service Motivation

4.1. PSM – the definition

Talking about HRM in the public management literature, there is a notion of public employee motivation which suggests that there are people in the public sector who are idealistic enough, having strong norms and emotions about performing a public service: a theory known as Public Service Motivation (Mann, 2006, Armstrong, 2006, Taylor, 2007). Perry and Wise (1990) define public service motives as “an individual predisposition to respond to motives grounded primarily or uniquely in public institutions and organisations” (p. 368). While the definition proposed by Perry and Wise perhaps is the most cited one, many scholars also try to develop different definitions and concepts of PSM.

In Bozeman and Su’s article, there are at least 23 definitions of PSM proposed by academics who study that matter. In their effort to examine PSM against the standard criteria for judging the strength of concepts, Bozeman and Su (2014) argue that it is plausible for the PSM concept to have evolved from its early notion as more and more research was done to either critique or provide empirical evidence for that concept. However, as research on public administration commonly uses convenience samples due to the limited resources, researchers “often find they must develop measures that suit circumstance rather than theory and, in some cases, bend concepts to fit available measures” (Bozeman and Su, 2014, p. 2). As a result, many definitions are delineated that sometimes confuse the reader who tries to understand the distinct concept against other similar notions. For instance, (Bozeman and Su, 2014) contend that too often PSM mentions similar concepts such as service motivation, altruism, helping others and
prosocial motives in its definition, and they suggest that scholars should outline sharper boundaries if PSM research wants to make a unique contribution to social knowledge.

Perry and Vandenabeele (2015), in their article in response to Bozeman and Su’s statement above, argue that although the abundance of definitions and their nuances could be decoded as instability, uncertainty or imprecision, they believe that those modifications indicated learning effort, which is obviously very understandable due to the new subject that scholars have been trying to explore, either collectively or individually. As for me personally, reading the definitions of PSM raises a question: does PSM inherently exist in one’s character before one enters a job market or can it grow gradually after one works in an organisation? Research shows various results in relation to the question above.

Some scholars suggest that PSM is inherent in one’s character before joining an organisation. For instance, Perry and Wise (1990), in one of their earlier articles on PSM, argue that people who have a high consciousness of serving public interest are more likely to choose a career in public service. It shows that they believe that PSM exists even before such persons apply for a job. Mogens Jin Pedersen, in his quantitative study using a sample of 718 Danish students of economics, political science and law, finds that his research to test the relationship between PSM and attraction to public versus private sector employment supports Perry and Wise’s assertion (Pedersen, 2013). Other evidence is presented by Carpenter et al. (2012) who conduct three quantitative studies in three Midwestern universities in the United States. Their results also support Perry and Wise’s statement and contributes to the research concerning the occurrence of PSM at a pre-entry stage of civil service employment (Carpenter et al., 2012).

While much research supports the notion that PSM is inherently attached to a person’s trait, there is other research that suggests that PSM can be shaped or influenced by the organisation and/or work environment. For example, Moynihan and Pandey, in
their quantitative research, argue that the rules and norms which are applied in organisational institutions play a role in shaping administrative behaviour and basic attitudes that organisation members hold about the value of public service (Moynihan and Pandey, 2007). Another study provides some evidence to show that the PSM of public employees is mainly the result of the organisational environment surrounding them (Camilleri, 2007) or the result of organisational logics that are socialised amongst the employees (van Loon et al., 2013). Betty Yung (2014), in her qualitative studies to analyse PSM amongst Hong Kong public officials, shares her results in similar way. Even though PSM may not have been there when the Hong Kong public officials joined the government, their PSM levels may have developed after joining the organisation; the PSM that is affected by the culture for public service as promoted by the government amongst their employees (Yung, 2014).

Having read that, I argue both ideas are plausible, that PSM could exist before or after a person joins an organisation. I write organisation because although the topic is mainly related to public servants, many research show that PSM also exists in professions outside the government sector such as the people who actively join volunteering activities, social workers, child care workers, nursing associate professionals, and veterinarian inspectors (Mann, 2006, Perry et al., 2008, Houston, 2011, Schott et al., 2015). The next question is: how do we know that the PSM exists amongst the employees or does it exist at all? This brings the discussion to the topic on tools to measure the PSM, which will be briefly described in the next sub-sections.

4.2. PSM – the measurement tools

As a tacit value, PSM, just like its precursor, work motivation, is hard to define and measure because of the complex nature of the concept (Rainey, 1982). It began with Bruce Buchanan’s early study of the public service ethic, when he studied PSM by exploring the differences between public and private sector employees (Brewer et al.,
2000). As he used a job involvement scale as a measure of the service ethics, Rainey thought this scale was not very precise to measure the motivation amongst public managers (Rainey, 1982). Rainey (1982) then extended Buchanan’s study by using 13-item questionnaire statements and after that, more and more research was conducted on this topic.

In an attempt to make the complex PSM construct generalisable and comparable, many scholars propose tools to measure PSM, and it is fully reasonable that the tools are in the form of quantitative measurement. Perhaps the most famous one is the measurement scale proposed by James L. Perry, a scale which was developed from a conceptual paper written by Perry and Wise in 1990. In 1996, Perry developed a list of 40 items representing six dimensions of PSM: attraction to policymaking, commitment to the public interest, social justice, civic duty, compassion and self-sacrifice (Perry, 1996). These six dimensions of PSM finally reduced to four dimensions of PSM: attraction to policy making, commitment to public interest/civic duty, compassion and self-sacrifice. Furthermore, Perry also reduces the scale to 24 items by merging three dimensions: commitment to the public interest, civic duty and social justice (Taylor, 2007).

Based on Perry’s scale, many scholars then try to test, add, modify or expand the PSM measurement tool. For instance, Brewer et al. (2000), who utilise the original sample of 40 items and then composed their four individual conceptions of PSM: humanitarian, communitarian, samaritan and patriot. Other examples are the study done by Vandenabeele (2008), who offers an extension of the original model as an additional PSM dimension, which he called democratic governance, and Kim (2009), who proposes a revised 12-item measurement scale of PSM so that the respondents’ workload is reduced.

As they developed tools to measure PSM using scales, it appears that most of the PSM research studies inclined to use quantitative methods to test the theory. Up to the
time this thesis is written in 2017, I am not aware if there are many qualitative studies done on this topic. As far as I am concerned, to date, I could only find a few studies that utilised qualitative methods. For instance, van Loon et al. (2013), who conduct a qualitative method by interviewing 50 officers in the Netherlands’ police stations, prisons, hospitals, municipalities and schools to test whether the employees’ perceptions about PSM are different according to the organisation where they work, or Yung (2014), who adopts a qualitative approach to investigate PSM amongst the government employees in Hong Kong by interviewing 32 respondents in public sector areas in Hong Kong.

In fact, the lack of qualitative studies conducted in analysing PSM becomes one of the attention of the PSM experts, Perry and Vandenabeele. In their recent articles, they recommend three proposals to improve the validity and utility of PSM research (Perry and Vandenabeele, 2015). One of them is the need for more qualitative evidence about the nature of the motives of public servants. As they admit, “the rapid development of quantitative research about PSM has left us with a dearth of direct, formal studies of the phenomena. Now is the time to remedy this deficiency in our knowledge base” (Perry and Vandenabeele, 2015, p. 696). Thus, in this thesis a qualitative method is preferred with the expectation that it can complement the research that used quantitative methods.

To emphasis, in this study I do not try to measure the PSM, but only try to find the existence of PSM amongst the respondents in ABI. The next question is: if the employees have PSM, does it matter for the organisation or the employees themselves? The following sub-section describes the benefits of PSM, derived from several studies previously done by PSM scholars.

4.3. PSM – the implications

Studies on PSM suggest many benefits for organisations having employees with high PSM levels. As Brewer et al. (2000) state, PSM is important not only to motivation but
Also to productivity, improved management practices, accountability and trust in government, thus making it one of the major topics of investigation in public administration today. According to Moynihan and Pandey (2007), employees who have a high level of PSM are more willing to engage in whistle-blowing for public interest, exhibiting higher levels of organisational commitment and working harder as they believe their jobs are influential. Because of that, employees with a high level of PSM are more likely to be high performers, enjoying higher job satisfaction, and hence less likely to leave their jobs (Moynihan and Pandey, 2007, Naff and Crum, 1999).

The benefits stated above are the general advantages of PSM without differentiating whether the PSM is gained before or after joining an organisation. If we try to classify the benefits into the moments PSM existed, a study by Anderfuhren-Biget et al. (2010) can be an example of the benefits of having PSM before joining the workforce. Their main findings support PSM as a strong predictor of work motivation in the public sector. This means that employees who inherently have PSM before joining a public sector organisation will be self-motivated to work harder. One implication is that PSM could be integrated in the recruitment strategy of public sector organisations so that the organisations could hire individuals who would naturally fit in the public sector work environment (Bright, 2013, Lavigna, 2015).

At this point, when I go back to the concept that PSM could be influenced by the employees’ work environment, a query is raised: is there any research that has analysed the benefits of people who have PSM when facing difficulties in their workplace? Moynihan and Pandey (2007) say that high-level PSM employees will be less likely to leave their jobs. Yet, they do not include the scenario above. If the workplace is not conducive, will the people with a high level of PSM still prefer to stay? As far as I am concerned, there is not much research on this topic. So far, I could find only two articles on a similar topic, the ones written by Giauque et al. (2012) and Quratulain and Khan
Both of them try to explore how PSM plays a role in employees’ behaviour to cope with the red-tape bureaucratic environment, one in the Swiss public servant context (Giauque et al., 2012) and the other one in the Pakistani public servant context (Quratulain and Khan, 2015). Their findings reveal different views from the dominant idea which most of the time suggests that people tend to leave a work environment that is not conducive. Both studies show that employees with high PSM will be more tolerant of the conditions of bureaucratic organisations, even when they face barriers such as excessive rules or formalisation (Quratulain and Khan, 2015).

The discussion in this sub section are possible explanations should PSM does exists in the respondents of my study. However, should there be no traces of this motive in them, other concepts are worth it to justify the findings. I propose to briefly discuss the following three concepts to elucidate the respondents’ answers.

4.4. Organisational justice

For a long time, social scientists have recognised the importance of justice in creating an effective organisation and employee satisfaction, a topic that is labelled as organisational justice (Greenberg, 1990). The early studies of organisational justice were grounded in Adams’s equity theory, which focuses on the perceived justice of outcomes (distributive justice), but over time the concept has been broadened to include other types of justice, such as procedural justice, the self-interest model, the group-value model, referent cognitions theory and interactional justice (Cropanzano and Folger, 1989, Tyler, 1989, Khan et al., 2010, Greenberg, 1990). In this thesis, I mainly focus my discussion on two types of organisational justice that are commonly cited and analysed, which are distributive justice and procedural justice.

Derived from Adam’s equity theory, distributive justice focuses on the “bottom line” of fairness, the final outcomes that the employee received, while procedural justice focuses on the fairness of the procedures used to make and implement decisions/policies
Wooten (1999) explains that in distributive justice, people tend to ask the question “Did I get what I deserved?” when observing their organisation’s treatment towards them, while in procedural justice people will ask “Do the rules and regulations treat me fairly?”. In distributive justice, employees tend to look at the tangible compensation such as the fairness of pay or other physical rewards, while in procedural justice employees tend to look at the fairness of decision-making processes.

Now if we look at the research of organisational justice in public organisations, Choi’s work is worth considering (Choi, 2011). She argues on how little research has been conducted in exploring the relationships between organisational justice and the outcomes in the public organisation context. This is due to the fact that many scholars have noted that public organisations are more concerned about rules and processes than private organisations. Thus, she argues that even though complex rules and procedures cause public organisations to have greater levels of red tape and inefficiency, fairness and equity in the processes of public administration are more ensured (Choi, 2011).

In her quantitative study, Choi explores the impact of the three types of organisational justice (distributive, procedural and interpersonal) on employees’ work attitudes and job perceptions in 24 federal agencies in the USA. Analysing the survey of 36,926 public employees, Choi finds that the three types of organisational justice have a positive correlation with employees’ work attitudes such as job satisfaction, positive evaluation of leadership and management, and decreased turnover intention (Choi, 2011). However, the interesting part of her study is that the relationship between distributive justice and employees’ work satisfaction turns out to be the strongest. Her study indicates significant implications for both public managers and public administration scholars since procedural justice has generally been the biggest concern in public organisations, at least in Western countries’ context (Choi, 2011, p. 197).
In relation to the method used in exploring organisational justice, Taylor (2001) notices how little qualitative methods have been used in this area and she suggested greater use of this research method. She argues that by utilising interviews and other qualitative methods to collect data directly from the employees in their working environment, the researcher will be able to make explicit links between the theory and workplace behaviours (Taylor, 2001). In other words, qualitative methods could help in explaining what justice really means for real-world employees and could help in explaining how “the social entity paradigm and event paradigm” interact to determine the behaviours of organisational employees (Levy, 2001, p. 276).

What has been written above indicates that the concept of procedural justice has been the main topic in the organisational justice studies, particularly the studies conducted in the Western countries. Moreover, the utilisation of quantitative methods in this subject have been used more often than qualitative methods. Considering those two factors, this thesis tries to look at how the concept of organisational justice is internalised by the respondents and to recognise which type of organisational justice is perceived more by ABI’s employees.

4.5. Psychological contract

While organisational justice emphasises the perception of the employees, the psychological contract may refer to the perceptions of both parties: the employers and the employees, although most of the studies on psychological contract talk about it from the employees’ point of views. Psychological contract can be depicted as a combination of beliefs held by an individual and his/her employer about what they expect of one another (Armstrong, 2006). It is where the reciprocity takes place when employees give in return the treatment they receive from their employers, and as it is based on an individual’s belief, it is then highly subjective and implicit (Willem et al., 2010). According to Coyle-Shapiro and Kessler (2003), in public sector, psychological contract could be influenced
by PSM. Employees with high level of PSM may develop relationships with their employer based on social norms instead of mutual norms, thus they might be less demanding compared to employees with low level of PSM.

However, the psychological contract can be changed over time and under different circumstances as either the employers or the employees may change their state of affairs due to the employees belief that their employers do not fulfil their obligations; a conditions that is referred to as psychological contract violation (Lemire and Rouillard, 2005). Using a quantitative method, Lemire and Rouillard (2005) study the impact of psychological contract violation on organisational commitment, exit, voice and neglect among Canadian civil servant. The result shows that such violation negatively affects attitudes and behaviours of Canadian civil servants. The study also emphasises the need for more research to include psychological contract analysis into the ongoing debate of NPM, for instance the impact of reducing the number of employees, losing of job security and enhanced employability on employees’ psychological contract. Another research possibility to conduct is to look at the impact of employee decentralisation on employees’ psychological contract, something that would be explored in this thesis, too.

In addition to that, a recent study conducted by Katou and Budhwar (2012) try to analyse what kind of HR practices that could affect employees’ psychological contract which in turn affect the organisational performance. They conduct a quantitative research on public and private sectors in Greece, and find that employee incentives, performance appraisal, and employee promotion are the three major HR practices that have important effect on psychological contract. They contend that their study has practical implication for the managers to keep the employees fulfil their promise to the organisation. Managers should keep their promises to provide a conducive working environment, respectful treatment, and feedback for performance, so that the employees will keep their promises to show loyalty to organisation, maintain high level of attendance, and uphold company
reputation. However, there is an argument that said when psychological contracts are sound and perceived to be respected, it does not necessarily mean that performance levels will be enhanced; not either when a contract is perceived to be violated or somehow unbalanced will it act as a de-motivator and result in various levels of withdrawal behaviour (Sparrow as cited in Katou and Budhwar, 2012).

Katou and Budhwar (2012) notice that as the study has been done in the Greek service sector, there is a limitation to the generalisation of finding, so future research should focus on other sectors and contexts of different countries, in order to be able to verify and extend the present results. Their statement is an evidence that contextual factor is something important to be considered as it is the “key to understanding the psychological contract” (Pate et al., 2003, p. 571). Furthermore, similar to most social science that has its root from Western countries, it is not surprising that most studies on psychological contract are conducted in Western context.

To date, little empirical evidence can be found in developing countries, particularly in Southeast Asia region. Among few that has been done, one of them is the research done by Do Xuan and Truong (2007). In an effort to analyse the psychological contract within employment in Vietnam, they utilise relational and transactional contract typology and perform brief comparison between Vietnam, Hong Kong, and Belgium. They assert that, among those three countries, Vietnam is the most transactional, which means its psychological contract is primarily based on economic exchange, specific, narrow duties, and low employees’ involvement in organisation (Do Xuan and Truong, 2007). To put it in Southeast Asia region, one might view it as a preliminary impression of the psychological contract condition in such region, yet the studies done on both private and public sector. Thus, it would be interesting to be able to provide an empirical evidence on how psychological contract is shaped within public organisation in such area to enrich the understanding of this theory.
4.6. Organisational commitment

Another theory that is frequently studied in relation to employees’ motivation is the organisational commitment theory. This notion has been studied with lots of construct confusion, most frequently comes from “using a single term to describe more than one construct” (Angle and Lawson, 1993, p. 3). In their paper, Angle and Lawson (1993) try to relate the Meyer-Allen’s three components of organisational commitment with other similar concepts. They propose that Meyer-Allen’s affective commitment is similar to Etzioni’s concept of moral involvement and Mowday et al. general concept of organisational commitment (Angle and Lawson, 1993, p. 4). The continuance commitment in Meyer-Allen’s is similar in concept of Kanter’s continuance commitment and Becker’s side-bets term (Angle and Lawson, 1993, p. 5). Nonetheless, they argue that Meyer-Allen’s normative commitment tend to portray individual characteristic rather than relationship, so in their model normative commitment is treated not as a type of commitment, but as an antecedent of both affective and continuance commitment (Angle and Lawson, 1993).

Meyer and Allen (1997) in their book note that among various definitions of organisational commitment, there is a commonality in “the view that commitment is a psychological state that (a) characterises the employee’s relationship with the organisation, and (b) has implications for the decision to continue membership in the organisation” (p. 67). The difference across definitions lies on the nature of the psychological state, which, on their view, is described as affective, continuance and normative (Meyer and Allen, 1997). I tend to agree that normative commitment is a psychological state instead of individual characteristic, so I prefer to use the three components of organisational commitment suggested by Meyer and Allen in my study.

According to Meyer and Allen (1997), affective commitment refers to the employee’s emotional attachment to the organisation, continuance commitment refers to
the costs associated with leaving the organisation, and normative commitment refers to the feeling of obligation to remain with the organisation. They summarise the difference among the three concept by stating that “employees with strong affective commitment remain because they want to, those with strong continuance commitment because they need to, and those with strong normative commitment because they feel they ought to do so” (Allen and Meyer, 1990, p. 3). Hitherto, research evidence show that more attention has been given to affective and continuance commitment than to normative commitment (Meyer and Allen, 1997, Angle and Lawson, 1993). Perhaps because it is quite difficult to have a clear-cut separation among the three concepts. For instance, Meyer et al. (2002), in their meta-analyses study to assess the relations and antecedents variables among those three concept, suggest that affective and continuance commitment generally correlated as expected with their hypothesised antecedent variables, but no unique antecedents of normative commitment were identified.

In regard to the relocation practice, not many articles discussed about the relationship between relocation and organisational commitment. At least, there are two papers I found that discuss about the impact of relocation practice to the organisational commitment. For instance, Angle and Lawson’s longitudinal research which has been written in two articles (Angle and Lawson, 1993, Lawson and Angle, 1998). The first one analyses the changes in the level of employees’ organisational commitment before and after the relocation takes place two years later and tries to find out the antecedents that cause the changes. The latter study takes place after four years period of relocation and proposes a framework to examine the long-term effects of company relocation on the employees’ reflection in facing the major organisational change.

In relation to organisational commitment, the first study shows that even though the mean levels of commitment across all employees remained constant, there are individual increases and decreases in affective and continuance commitment. Before relocation,
work pressure variable explains additional variance in affective commitment and job
tenure explains additional variance in continuance commitment. After relocation, finance
is the only variable related to changes in continuance commitment. The latter study
suggests that when employees think their attachment to the organisation has been reduced
in the course of change, their post hoc regret was high and it may reduce their
organisational commitment in the future (Lawson and Angle, 1998, p. 309). The two
aforementioned studies are conducted in the United States context and they focus on one
time plant relocation. While both studies explore the impact of company relocation to
employees’ organisational commitment, my study (which will be discussed in Chapter 8
later on) tries to find out the impact of relocation to the employees’ motivations and
whether organisational commitment play any role on their motivation.

5. Conclusion

Some scholars argue that NPM concept is outdated, yet a discussion about it is still
relevant in explaining the changes that have happened in Indonesia and its relation to the
changes in ABI. The changes occurred in ABI can be related to the NPM model proposed
by Common (1999a). Nonetheless, an analysis should be conducted to know how far the
NPM idea is implemented in ABI since universality concept frequently cannot be
practised. This limitation takes place because different contextual factors really do matter
in influencing the nature of NPM reforms in each country (Common, 1999a, Haque, 2007,
Samaratunge et al., 2008). With regard to studies that talk about HRM changes as part of
NPM reform, most of them discuss the HRM reform in general, or HRM practices such
as performance management, employment relations and employees’ wellbeing. Very few
talk specifically about the effort to reform or improve employee relocation practices, and
for that reason this study is conducted.
As this study tries to look at the impact of relocation practice on public servants’ motivation, a notion of public employee motivation is utilised as a reference – a theory known as Public Service Motivation. As a tacit value, PSM, just like its precursor, work motivation, is hard to define and measure because of the complex nature of the concept and as many scholars tried to develop tools to measure PSM using scales, it appears that most of the PSM research studies inclined to use quantitative methods to test the theory. Thus, I prefer to use a qualitative method in my research with the expectation that I can complement the research that used quantitative methods. As I employ qualitative method, I do not intend to measure the PSM level but merely to find the existence of PSM amongst the respondents in ABI and to know, in case it exists, whether this PSM matters for the organisation or the employees.

Similar with the number of qualitative research about PSM, not so many articles/studies on public sector relocation have been conducted so far, particularly with Indonesian context. As far as I am concerned, I only found one article written by Hutchings and Ratnasari (2006), and they studied particularly the impact of cultural differences between regions on the willingness of employees to be relocated, using a case study of a financial organisation in Indonesia. For an emerging country like Indonesia, demographic relocation brings additional issues that developed countries do not have. These factors will definitely contribute to the employees’ willingness to be relocated and this research tries to explore those things from the eyes of the actors, the ones who experienced the relocation directly.

Abundant research discuss about the concept of organisational justice, psychological contract, and organisational commitment and how these notions play a role in affecting the employees’ motivation. In Western countries, the concept of procedural justice has been the main topic in the organisational justice study and the utilisation of qualitative method in this subject is not as popular as quantitative method. And for psychological
contract studies, to date, little empirical evidence can be found in Southeast Asia region. Considering those two factors, this thesis tries to provide an empirical evidence on how those two concepts are internalised by the respondents in ABI.

In regard to the relocation practice, not many articles discussed about the relationship between relocation and organisational commitment. At least, there are two papers I found that discussed about the impact of relocation practice to the organisational commitment (Angle and Lawson, 1993, Lawson and Angle, 1998). While both studies explored the impact of company relocation to employees’ organisational commitment, my study (which will be discussed in Chapter 8 later on) tries to find out whether the employees’ motivation changes because of relocation policies and the main factors which underlie this.

Following this chapter that discuss the existing literature, next chapter will describe the research context in more detail. The discussion of the research context is divided into two major parts, which are the context of Indonesia and ABI. The description will be limited to the brief history of the state development, civil servant administration in general and ABI in particular. Several literature review on the topics discussed in this chapter, such as public administration and public HRM, will be elaborated as well in Chapter Three but with specific context on Indonesia.
Chapter Three
Research Context

1. Introduction

As explained in previous chapters, in this thesis I discuss the implications of ABI’s relocation policy on employee motivation within this Indonesian government organisation. This chapter provides an overview of the research context in Indonesia, providing relevant information such as key demographic data, and outlining the political and historical influence on civil service administration, from the colonial era through to the decentralisation era post-2001. It is important to present some key background data on Indonesia in this chapter as it will demonstrate that the Audit Board’s relocation practice is by far from a new policy in Indonesia. Indeed, relocation practice has been carried out since the Dutch started the policy in 1905 (Ricklefs, 2001, p. 197). While the scheme and the terminology used by each regime has been different, migration and relocation by state employers around the Indonesian archipelago, for employment and other purposes – such as regional development - has a long and complex history in Indonesia.

I will start this chapter by presenting a general description of key Indonesian demographics to outline the size and variety of the Indonesian nation-state’s territory, in particular how extensive the number of regions and cultures is, as well as the size of the population. All these aspects present challenges for the Indonesian government in terms of effective democratic governance. Following that section, a discussion about colonialism and post-colonialism in Indonesia is presented, as this has an important impact on the civil servant administration that has lasted until 2017. A description about how Indonesia was ruled during the New Order era (1966-1998) then follows, as this is important in relation to the longevity of that regime (32 years), which left a deep set of
legacies in Indonesian public administration management and practices, despite the subsequent democratic changes. The discussion then continues onto the period after the New Order’s collapse, marked by the decentralisation and democratisation of Indonesia – both of which had a profound impact on the structure of the case study bureaucratic organisation – and the consecutive changes in its presidential positions. All of these changes made an imprint in forming contemporary governance in Indonesia as of 2017.

Following the broad description of the key historical and political imprints on the Indonesian civil service administration, a section describing ABI, the case organisation for this thesis, follows. During the reform era (1998 to 2017), in line with the government’s desire to reform the Indonesian bureaucracy, the Indonesian government made several attempts to improve this organisation. By depicting the legal basis of ABI, the role in the Indonesian governmental structure and the structure of this organisation, the changes that occurred within ABI are brought into focus. These changes in turn affected the employees of the organisation, both the old members and the new recruits, and one of the major influences will be discussed further within this thesis, in relation to employee relocation practice.

2. An Overview of Indonesia

2.1. Demography and infrastructure of Indonesia

The geographic mobility of employees applied by ABI encompasses the whole territory of Indonesia. For readers unfamiliar with Indonesia, this chapter provides a picture of the size and variety of the nation-state, in terms of geographic conditions, cultures and religions. These factors, to some degree, play an important role on employees’ willingness to relocate to different parts of the country. The complex geography and diversity of Indonesia is also relevant to civil service administration as the
government from its foundation as an independent Republic, especially in the attempts made by subsequent regimes to keep Indonesia united as one nation-state. As such, various means of cultural assimilation have been applied, including by relocating civil servants from different islands, cultures and religions throughout Indonesia. Thus, it is highly relevant to discuss these aspects in order to set the full context of this study. To introduce the demographic of Indonesia, the map below is included.

![Map of Indonesia](http://www.lib.utexas.edu/maps/middle_east_and_asia/indonesia_pol_2002.jpg)

Indonesia is the largest country in the Southeast Asia region, located between the Asian and Australian continents, and between the Pacific and Indian oceans. It consists of approximately 17,500 islands, making it the largest archipelagic country in the world (Kemensetneg, 2010). Located on the Pacific Ring of Fire, Indonesia is prone to natural disasters, such as volcanic eruptions, earthquakes, floods and tsunamis, amongst them is the massive tsunami happened in Aceh in 2004 that resulted to at least 280,000 casualties (see Appendix 1 for the tables of natural disasters in Indonesia). This factor possibly becomes one of the consideration for the employees to accept relocation to certain areas, for example to Aceh as appeared from the research data described in Chapter Seven.
Apart from frequent natural disasters, Indonesia also faces an unequal population distribution. As the largest archipelagic country in the world, Indonesia has an overall land area of 1,811,570 square km, almost 7.5 times larger than the UK. Amongst the thousand islands in Indonesia, of which about 6,000 islands are inhabited, the five largest islands are Java, Sumatra, Kalimantan, Sulawesi and Papua. In 2016, the population of Indonesia was around 260 million (WPR, 2017), making it the fourth largest population in the world after China, India and the United States. Amongst those five largest islands, Java is the home of 58% of Indonesia’s population, which makes it the most populous island in the whole world (WPR, 2017). Again, to give the readers who are unfamiliar with Indonesia a quick picture about how crowded the Java Island is, I compare it with one of the well-known state in the United States, New York. Java Island is about the size of New York state, yet its population is equivalent to 40 percent of that of the United States (Cunningham, 2015). While the population density in New York state is 162 per square kilometre, the population density in Java is around 1,000 per square kilometre (WPR, 2017), thus it can be visualised how overcrowded this island is.

The capital city of Indonesia is Jakarta, also located on Java Island, and the centre of government, business and entertainment. Thus, unsurprisingly, with around 8.540 million people as of 2017, Jakarta is the most populous city in Indonesia, and it is also the most populous city in Southeast Asia, and the 13th most populated city on Earth (WPR, 2017). For a comparison, the population density in Aceh province (the most western part of Indonesia), Jakarta, and Papua (the most eastern part) is 78, 14,518, and 9 respectively (BPS, 2014). Thus, it can be imagined how crowded Jakarta is with more than 14,000 people live in every square kilometres of its land. The fact that Java has become the most densely populated island is the result of a combination of several factors, among which are the following: historically it has been heavily populated for many centuries, further, it is acknowledged as the most fertile island in Indonesia, and it also has the most
advanced development compared to other regions (Robertson-Snape, 1999, Cunningham, 2015, Pringle, 2011).

Uneven distribution of population in Indonesia has been a problem faced by the government since a long time ago, and many attempts to overcome this do not give effective result so far. Moreover, as the development in Jakarta is the most advanced throughout the country, it becomes the magnet centre to attract people to come and live there, and it is also very logical that the local residents of this city are unwilling to leave all the comfort it brings. The imbalanced speed of infrastructure development indeed influence people in choosing their place to live. When the infrastructure developments in each region do not run at an equal pace, it is plausible that people are worried to move to a new place where the access to basic services such as education, health, clean water, sanitation and electricity is limited.

The report published by the World Bank (2014) about Indonesian development policy review in 2014 portrayed some concerns that professional workers might have when they are about to be relocated outside Java. For instance, World Bank reported that Indonesian people’s access to clean water has been increased from 47 to 64 percent during the period of 2001 to 2012, yet it is still below 70 percent of the population and still lags behind the other Southeast Asia countries (Philippines, Vietnam, Malaysia and Thailand). The toll-road infrastructure has been developing slowly that it cannot catch up the rapid-growth of vehicle and motorcycle ownership. For a comparison, World Bank stated that in 2012, the toll road length in Indonesia was only 778 km while Malaysia has 3,000 km already and China has 65,065 km. The public spending on health is only 0.9 percent of Indonesia’s GDP – while Thailand is 2.9 percent, China 2.7 percent, and Vietnam 2.6 percent – picturing the low performance of the health system in Indonesia (World Bank, 2014).
Another challenge in relocating the employees in Indonesia is the fact that Indonesia has so many subcultures that people from different region most of the time need to adapt to local culture where they are assigned. Like other multicultural countries such as China and India, Indonesia also has various ethnic groups and languages. It has more than 300 ethnic groups and around 742 different languages and dialects (Hartono, 2010), each having been developed through centuries and influenced by many cultures, such as Arabic, Chinese, Malay and European languages. An empirical evidence of the impact of subcultural diversity is given by Hutchings and Ratnasari (2006) when they conducted a research to analyse the cross-cultural transition stresses that employees and their families encountered when relocated within Indonesia. In their qualitative study, Hutchings and Ratnasari interviewed a group of managers in an Indonesian financial institution, and by specifically referring to non-work issues, their study explores the difficulties faced by the relocatees and their families. The main finding of their study was, despite the ample financial support given by the organisation, the managers thought that the organisation does not give them sufficient support to deal with the cross-cultural transition stresses that result from their domestic relocations (Hutchings and Ratnasari, 2006).

The evidence from Hutchings and Ratnasari’s (2006) research supports a critique proposed by House et al. (2010) who say that cross-cultural researchers often face a challenge to represent a dominant culture in multicultural nations as those countries have multiple subcultures within their own territory. Thus, even though many scholars, such as Geertz (1984) and Hofstede (2001) can point out dominant culture that exists in Indonesia, it does not mean that the dominant culture can be applied equally in every region in Indonesia. From the perspective of Indonesian people themselves, they still have to adapt to the local culture should they move from their own home town. Although for some people this factor may not be an important element to think about, still we cannot just put them aside when we think about the relocation policy.
Besides the cultural diversity, Indonesia has been exposed to many episodes of conflicts throughout its history, be it categorised as religious, ethnic, state or communal conflicts. In its website, Indonesia-Investments (Indonesia-Investments, 2016) mentions several ethnic conflicts that occurred in Jakarta, Medan (Sumatra), Kalimantan, Poso (Sulawesi) and the Moluccas between the years of 1996 and 2002. Yet, it may be faulty to point out that the cause of those conflicts is ethnic reason only as there are several factors that have to be considered as well. One of them is the fact that Indonesia has the largest Muslim population in the world that it might become a potential place for radical Islam movement to spread its ideology in this country and trigger some conflict outbursts. Not to mention the separatist conflicts which happened in East Timor (1975-1999), Aceh (1873-2005) and Papua/West Papua (1961-ongoing), even though Smith (2009, p. 25) argued that the terminology of “ethno-religious conflict” and “separatist conflicts” are used to differentiate the level of involvement of the Indonesian military and separatist groups, not to define them as an absolute different type of conflicts. To relate it to the topic of this thesis – the employee relocation practice – those conflicts that happened every now and then had increased the unwillingness of the employees to move periodically, particularly when they have to move to certain areas which are still known as conflict areas.

Considering all those factors mentioned earlier (geographic condition, unequal development, cultural diversity and ethnic/religious conflict threats), being relocated from region to region may bring more issues for the employees, different from the issues that people in developed countries have. For instance, workers in developed countries may not experience a difficulty to find transportation mode to go to working places, may not experience health and education disparity among regions, and may not find challenges to fulfil other basic living needs such as clean water and decent accommodation, or even the threat to personal safety due to conflicts occur in some areas every now and then.
Several research conducted in Western countries on domestic geographical relocation indicate that the focus of their studies is more to other things beside the factors mentioned in previous paragraph. An example is a study conducted by Hippler (2010). Referring to his own doctoral dissertation, Hippler (2010) analyses the perception between German international and domestic relocatees on the changes in their environment and he shows that German expatriate perceived differences on ‘hygiene’, ‘social situation’, ‘conflict behaviour’, and ‘uncertainty tolerance’ between their host and their home environment while the domestic relocatees did not perceive that. His study indicates that according to the respondents, the home country as an entity is more homogeneous that those four categories are not a problem for domestic relocatees.

Several other research conducted on Western countries, which focus on the domestic geographical relocation, often reveal that the employees unwillingness to accept the relocation mostly based on the stress those employees and their families experience for being moved (Carter, 1996, Saunders and Thornhill, 1998, Stroh, 1999, Eby and Allen, 1998, Eby and Russell, 2000), consideration about employees partners careers, perceived lack of promotion, life-style issues, and expected socio-cultural adjustments (Dowling and Welch cited in Hutchings and Ratnasari, 2006). In short, the concerns that those workers have in developed countries tend to be more on the personal/spouse’s career and family well-being rather than the combination of factors described above.

As my study analyses the impact of relocation practice to the employees’ motivation, I suggest it is relevant to present such description above. The variety in geographic characteristic, pace of regional development, local culture, and safety level in some areas surely influence the employees’ willingness to relocate periodically, particularly if they have to move from a comfort zone to a less comfort one. The general description of the Indonesian nation cannot be detached from its history that gives colours to the country’s evolution, and as this study focuses on the civil servants, it will be better to provide a
brief description of the political/historical influence on the country’s civil servant administration, as follows.

2.2. Colonial and Post-colonial Influence on the Civil Servant Administration

In this section, I present the imprint of colonial and post-colonial administration that has several influences to the condition of contemporary Indonesian civil servant. Quite different with the description of the Indonesia’s demographic which presents the challenges the employees directly face for moving around Indonesia, this section describes more on the challenges the government has in order to improve the performance of Indonesian civil servant administration. This is also important to my thesis to understand the general condition of Indonesian civil servant administration which is influenced by the Javanese aristocratic culture and prone to nepotism or cronyism.

Indonesia was colonialised by the Dutch since 17th century, when Jan Pieterszoon Coen founded the city of Batavia, the old name for Jakarta in 1619. Since then, the Netherlands ruled over the territory and made Batavia its headquarters for all of Asia, from where the Dutch administered their Asian colonies (Ricklefs, 1990). Batavia/Jakarta is located on Java Island, which is geographically acknowledged as the most fertile island compared to other islands in Indonesia. Even before the Dutch invasion, Java was already heavily populated, agriculturally significant and a regional power centre, a condition that was perceived as a threat to the Dutch colonialism. Having tried to prevent the rebellion of the local people, the Dutch colonialists gave privileges to the hereditary small aristocracy of Java, known as the Javanese priyayi. In the context of Dutch colonial expansion, this group of people, the Javanese priyayi, was transformed into a bureaucratic elite and assimilated into the colonial state apparatus (Berger, 1997, p. 330).
The phenomenon of recruiting Javanese *priyayi* to be the colonial state apparatus was also depicted by Ricklefs (2001) in his seminal study providing a history of modern Indonesia. In this he explained the impact of the new colonial age of the Dutch imperialism (around 1860 to 1900s). In this period, the Dutch implemented their ‘Ethical Policy’, a policy intended to favour Indonesian people to pay back what the Dutch had taken over a long period. This policy was the main justification of the Dutch for exploiting Indonesia for so long, that its imperialism should be replaced by professions of concern for the welfare of Indonesians (Ricklefs, 2001). Ricklefs noted that one of the most significant actions taken by the Dutch was in the educational system, when they reorganised three main schools in Bandung, Magelang and Prabalingga to become schools that were clearly designed for the production of civil servants and open to all Indonesian. However, as the fees were still expensive, these schools were affordable for the wealthy only, which, unsurprisingly, came from the aristocratic families. Already deep-rooted in the administration of the colonial system, the Javanese *priyayi* benefited the most from the expansion of the colonial education system at the end of the 19th century, and as a result, the Javanese elite took up most of the administrative jobs in the growing colonial state (Berger, 1997, p. 330).

Berger (1997, p. 330) showed that within this period, the number of *priyayi* grew significantly because they reproduced themselves, either through birth or recruitment, and consolidated themselves as a relatively distinct social class that they called *pangreh pradja*. The term *pangreh pradja* means ‘rulers of the realm’ and refers to the indigenous administrative elite who performed administrative and bureaucratic tasks in the colonial era (Berger, 1997, p. 330). In his article, Berger wrote that there were two forms of governmental administration: the colonial government, led by the General Governor, who was the representative of the Netherlands monarchy, and the colonial state apparatus, which was occupied by *pangreh pradja*. The characteristic of this dual system was very
centralistic and hierarchical. After Indonesia’s independence in 1945, the postcolonial administrative elite was renamed *pamong praJA*, which means ‘guides of the realm’ (Berger, 1997, p. 330). It then became the root of the civil servants in Indonesia, and as these people originally came from the aristocrat social class, they brought those characteristics of the aristocracy in the way they did their job.

Alongside the expansion of the colonial education system, the expansion of foreign private capital investments were increasing in the outer islands of Java, particularly Sumatra. This was due to the increasing demands of the world market for non-agricultural natural resources such as oil, rubber and tin (Ricklefs, 2001). The colonial government then tried to assist those companies in many ways. One of them was by migrating the workers from Java to the foreign plantation and mines in Sumatra, mostly aimed to fulfil the labour scarcity in those areas (Nitisastro, 1970). Another rationale for this migration was to solve the problem of the overpopulation in Java (Ricklefs, 2001), which was noted as the start of the Dutch’s relocation programme, better known as “the colonisation” (Nitisastro, 1970, p. 89). Based on a census conducted by the Dutch in 1930, almost 70% of the Indonesian population were living in Java and Madura, while these areas were only about 7% of the total land area of Indonesia (Ricklefs, 2001, p. 197). However, the internal migration programme during the early 1900s was not completely successful as the total number of people who were relocated amounted to only several hundred thousand, while the population of Java between 1905 and 1930 had increased by about 11 million (Ricklefs, 2001).

Recruiting Javanese *priyayi* and building headquarter in Batavia were several impact of the Dutch colonial that contribute to the future shape of Indonesia: the domination of the Javanese in the government administrative jobs and the heavily populated city of Jakarta. These dominant conditions continued after Indonesia declared its independence on 17<sup>th</sup> August 1945. Moreover, the fact that infrastructure development in Java –
especially Jakarta – was much faster and more complete compared to the outer islands made Java the most enticing place to live within Indonesia, not only for the Javanese but also for other ethnic groups. Hence, more and more people from the outer islands came to Java to find better education, work or life.

The fact that more people from outer islands came to Java contributed to the population density in Java, a problem that the Indonesian government has encountered in the present day, and an issue that has been approached by different regimes without great success. For instance, the government in the Soekarno’s era tried to follow the Dutch policy to relocate people from overpopulated areas under the ‘transmigration’ policy, which was implemented from 1951 to 1968 (Suratman and Guiness, 1977, p. 81), and this transmigration policy was also implemented in the New Order regime from 1969 to 1999 (Lamoureux, 2003, p. 77, Booth, 2011, p. 52). Yet, this programme was intended for the blue-collar jobs only; in this matter, the jobs were in the agricultural field, where the people were relocated permanently to open a farm in a less crowded area, and the policy did not have a large impact to reduce the population density in Java either. Although there were literatures in History, Anthropology and Sociology about local migration in Indonesia, to the time of writing this thesis in 2017, I have not found literature that discusses the periodic relocation programme for Indonesian civil servants, either in colonial or post-colonial times.

During this research, very little literature has been written on the civil servant administration in the early period of Indonesia’s independence. This is not surprising as during this period, the new government was attempting to find the best shape for the Indonesian nation rather than an administration policy. Thus, the focus of attention was more on settling the formation of the Indonesian nation. As Ricklefs (2001) contended, in a country where poverty, low educational levels and authoritarian traditions were still prominent, the history of the nation during the early years of Indonesian freedom had
been partly a story of the failure of successive leadership groups. The failure in their effort to fulfill the high expectations of Indonesian people who had struggled for independence.

Nonetheless, a scene about Indonesian bureaucracy conditions might be worth reporting here. Within the early period of independence, more and more people looked for a job, including the ones who graduate from higher educational institutions, former guerrillas’ fighters, former federal and former Republican officers. The easiest way for the government of the 1950s to solve this problem was by giving many of them positions in the bureaucracy (Ricklefs, 2001, p. 275). Ricklefs noted that while in the 1930s the number of colonial civil servants was about 145,000, in the 1950s it had swollen to nearly 807,000 permanent civil servants. Although on one side, this policy perhaps gave the government benefit in term of buying the loyalty from its citizen, on the other side this condition caused more problems for the government. The salaries were low and heavily affected by inflation, resulting in inefficiency, maladministration and petty corruption in the government offices, and this cumbersome bureaucracy became more and more incapable of doing much of anything (Ricklefs, 2001, p. 275).

As the Dutch had left the country, the top positions in the bureaucracy were vacant. The middle level, which were the pamong pradja (Javanese elite or educated people), were promoted to be the top level. The middle and low levels were then vacant, and these vacancies had to be filled. The easiest way to fill the positions was to recruit people with the same affiliation of the top level, be they from the same religion, tribe/origin or youth/freedom movement group. The main drawback is that the new recruits were not educated or not capable in the public administration. The seeds for nepotism/cronyism started to grow then, and it has continued up to the current period. In summary, perhaps the domination of the Javanese in government jobs, the trace of aristocratic culture which are centralistic and hierarchical, and the tendency to form nepotism/cronyism are few legacy from the colonial and post-colonial administration; the legacy that influence the
contemporary Indonesian civil servant administration to some degree. Even after the post-
colonialism leadership (Soekarno or the Old Order era) changed, the condition of civil
servant administration did not change a lot as depicted in the next section.

2.3. Civil Servant Administration in the New Order Era

Building on what I have described in the previous section, in this section I present a
short description on the civil servant administration under the New Order regime. The
domination of Javanese ethnic group in the government still existed within this period, as
well as cronyism and nepotism. In addition, the government under the new regime of this
period was so concerned with its own stability that some of its actions made cronyism
and nepotism worse, and many types of corruption flourished. The following description
of such practices is relevant to my study as it provides an important background on the
conditions that civil servants faced during this New Order period, which was still valid -
to some extent – up to the contemporary period at the time of writing (in 2017).

The New Order regime is widely referred to as the leadership period of the second
president of Indonesia, Soeharto, which lasted for 32 years (1966-1998). Ruling the
country for more than three decades produced several effects: within that period Indonesia
experienced vast economic growth, but Soeharto’s regime has also been perceived as a
highly centralised authoritarian system of governance (Ghoshal, 2004, Turner et al.,
2009), a combination of dictatorship, cronyism and nepotism (Harun et al., 2013,
Seabrook, 1998). Concerned with order and stability, Soeharto’s New Order focused on
the need for and the ability of a centralised authoritarian state, which led to “the ideas
about the functional need for a military-led technocracy to oversee the process of
development” (Berger, 1997, p. 324). This was known as “Dwi Fungsi ABRI” (dual
function of the army). As a result, during the Soeharto era, there were many military
figures that held important positions in the public sector, both in central government
(ministries and state agencies) and in local government. Many of them came from Java,
hence confirming the domination of the Javanese in the government across civil and military administration that had previously been set up under Dutch colonial rule (van Der Kroef, 1963).

As mentioned above, during Soeharto’s reign, many military officers held positions in central and local governments all over Indonesia in an effort to maintain government stability by governing from the centre through to the furthest peripheries. Within this period, Soeharto initiated a key regional autonomy law in 1974, named Law No. 5/1974. As Indonesia at that time comprised 27 provinces, this law was a kind of decentralisation policy because it introduced the transfer of government affairs from upper level government to the regional government. Yet, by reading the content of the law, I suggest the autonomy given by the central government to the region was half-hearted. The central government did not fully give freedom and independence to the region to manage its own region. For instance, the President had the prerogative to decide which person that will be appointed as the Head of the region and not let the people elect their Head by themselves.

Decentralisation policies in this period were mainly used to strengthen the position of the central government across the whole territory, since all ministries were based in the capital city of Jakarta, and extended their operations into provinces, districts and municipalities across the extensive and populous archipelago (Turner et al., 2009, p. 234). Decentralisation in the New Order period meant the implementation of service delivery at the local level only, and it did not necessarily involve the distribution of decision-making authority to local governments. Local governments were meant to implement decisions from the centre rather than to make their own important local policies (Harun et al., 2013, p. 384).

The combination of the political state and the impact of the old colonial administrative system affected the management of public servants in this country as
follows. Within this period, a bureaucratic system of personnel administration was implemented in public sector organisations, with a characteristic of a high degree of formalisation and ‘red tape’ (Mamman and Somantri, 2014). Like all other activities, public sector HRM was guided from the centre. Law No. 8 Year 1974 on the Ordinance of the Civil Service set out the legal basis of the civil service. Three central institutions were formally given the responsibility of managing the civil servants. They were the Ministry of State for the Empowerment of State Apparatus (Kementerian Negara Pendayagunaan Aparatur Negara – KemenPAN), the State Civil Service Agency (Badan Kepegawaian Negara – BKN) and the National Institute of Public Administration (Lembaga Administrasi Negara – LAN).

The Ministry of State for the Empowerment of State Apparatus has the main task to organise all matters in the utilisation of state apparatus, and one of its functions is to formulate and establish policies in the field of bureaucratic reform, accountability and supervision of personnel, institutional and governance, human resources personnel, and public services. The State Civil Service Agency has the authority to carry out government duties in the field of personnel management, and one of its functions is to conduct education and training in the field of personnel management. The National Institute of Public Administration has the task of carrying out government duties in the field of public administration, and one of its functions is to develop, maintain the quality assurance, and provide education and training resources of the state apparatus. Although each of them has other specific functions, yet, by reading their functions only it is seen that there was overlap role between one another. For instance, the State Civil Service Agency and the National Institute of Public Administration both conduct education and training for the civil servants.

Moreover, other ministries such as the Ministry of Finance and Ministry of Home Affairs were also involved in particular aspects of HRM such as salaries and territorial
administration. Hence, the centralised orientation was additionally characterised by “fragmentation of responsibilities”, leading to “the absence of an effective civil service management in the sense of applying standardised norms and procedures, of manpower planning and budgeting, of career management or of a system-wide professionalisation” (Rohdewold cited in Turner et al., 2009, p. 234). In a nutshell, we can say that there was no single central policy organisation for HRM, and the central institutions that were appointed to manage the civil servants interpreted and administered different aspects of HRM, so that sometimes, the policies issued by those institutions were overlapping to each other (Effendi, 2015). This condition was also observed by King (1995/1996), who said that in Indonesia, there were several activities that became areas of multi-organisational/agency involvement, in which no single department or agency was predominantly, much less fully, in control of the programme. The fact that there were several institutions that shared the responsibility to manage the civil servants made the administration became more challenging as it took more time to coordinate and integrate all the regulations/policies needed.

The situation of having many central institutions dealing with civil servants matters made the conditions of employment in the civil service somewhat unique, complex and obscure (Bennington and Habir, 2003, p. 380). Several aspects of this are important to write here as they describe the condition of the majority of Indonesian civil servants administration during the New Order period. First, the salary component. As often times the income of a civil servant might not fulfil the minimum standard set by the government and was not sufficient to cover the cost of living, salary supplements were provided in the form of various standardised allowances such as rice and family allowances, food allowance, special allowances when working in remote areas, housing allowance, medical care, and either transport to and from work or a gasoline allowance. When civil servants were involved in specific ‘aided’ projects, extra payments, which could be very
substantial, were also paid, for instance, a house to live in, a monthly voucher for petrol, rice and project honoraria (Bennington and Habir, 2003). The amount of allowance was set up by the Ministry of Finance through written decree and all government institutions should adhere to it.

Second, the compensation for civil servants. There was little transparency in the compensation systems that were applied in the public sectors in Indonesia. As a consequence, absenteeism was high in the public sector environment and even if the employees were at work, they might spend their time preparing for ‘private’ work (Bennington and Habir, 2003). According to Bennington and Habir, due to the low salaries that civil servants had, there was a tendency to prefer obtaining allowances such as the project honoraria, which resulted in the negligence of routine activities. What’s more, there was also a tendency to make as many activities as possible to be classified as projects so they could claim additional income which was called the project honoraria. An example for this is when a working unit, let’s say Research and Development unit in an audit organisation, sets up a team to make an audit guideline and classified it as a project, while in fact that activity is supposed to be a routine one. Rohdewold (cited in Bennington and Habir, 2003) described this phenomenon as ‘projectism’, which he said leads to “a rather erratic, incremental, and spontaneous way of work which is dictated by the supply of domestic or foreign project funds” (p. 386).

Third, promotion was another issue for the government in managing public sector HRM. Promotion in this matter meant the incremental rise in an employee’s salary and batch in the civil servant ranking system. In the civil service, promotion was not heavily affected by employees’ performance as such promotion (in terms of increments in salary amounts) was an employee’s right. Thus, regardless of their performance, every four years, their salary and batch will be automatically raised. However, it is possible that other
benefits might flow from ‘good’ performance such as fully paid training and education outside of Indonesia (Bennington and Habir, 2003).

Fourth, employee termination is also worth noting as the policy gave a benefit to the employees for their job security, but on the other hand gave a drawback for the government since the process to fire a non-performing civil servant was complicated. In the public sector, even though there were many regulations on discipline and ethical conduct, it was almost impossible to terminate a person’s employment unless such person had made a serious violation of the law, such as being convicted for a criminal act. Therefore, many people still seek for a job in the public sector as it offers a lifetime security of employment, regardless of their performance or their attitudes. All those four pieces of information are relevant to this thesis as they provide general picture of the negative sides of Indonesian civil servant administration.

Although not all civil servants have low performance, and the condition of civil servants are improving in the reformation era (1999 to current time in 2017), still those practices remain and become the challenges of the current government. In order to set up effective HRM policies for Indonesian civil servants, the policy makers need to take those challenges into account to minimise implementation failure. The following section will talk a little bit about the progress of civil servant administration in the reformation/democratisation era.

2.4. Civil Servant Administration in the Decentralisation/Democratisation era

Having been governed by one authoritarian leader for 32 years makes the effort to achieve a more democratic and decentralised Indonesia particularly challenging, not only in terms of reorganising the civil service administration, but across the whole Indonesian state. This section briefly presents the shift from the New Order to the
Decentralisation/Democratisation era, following 1998. While the focus of government reforms was more on the structural reforms of central and regional government, little consideration was given to reform the civil servant administration until 2014. By setting out the key reforms (and lack of reforms) here, this section helps set the context for the challenges that policy makers would face in terms of reforming the civil servant administration from 2014.

The Asian financial crisis occurred in 1997-1998 and this crisis was the fundamental basis for changes in the Indonesian economic and political system, and it initiated the collapse of Soeharto’s regime (Robertson-Snape, 1999, p. 600). In an effort to rescue Indonesia from falling into even worse conditions, Soeharto sought assistance from international organisations, such as the World Bank and International Monetary Fund (Rosser, 2003). As those agencies considered corruption as one of the biggest obstacles to economic development, they tended to insist that borrower countries organise administrative reforms in the context of their development assistance programmes, including civil service reforms, such as adjusting the payment of salaries and career structures, and improving accountability and service delivery (Rubin and Whitford, 2008, Rosser, 2003, Cheung and Scott, 2003).

However, these organisations arguably did not – at the time – take corruption issues as seriously as they could have done, when they bestowed their assistance programmes (Seabrook, 1998). As Seabrook (1998, p. 21) claimed, the World Bank admitted that they knew at least 20 percent of their loans for Indonesia were diverted by corruption, yet they permitted Indonesia to become their third largest borrower, and they even disseminated information about their projects in Indonesia as one of their major success stories. Furthermore, he argued that it was the “reforms” imposed by the IMF – reduction of subsidies on transport, fuel and food – that sparked the riots of May 1998, which finally led to Soeharto’s resignation as the president of Indonesia (Seabrook, 1998). As the
government had estimated the ratio of its population who live under the poverty line was 11.3% before the crisis, the reduction of those subsidies affected most on the lower and middle class people, that by 1998 the ratio had risen to 40% and 15 million workers had lost their jobs (Pincus and Ramli, 1998, p. 723). When the people already felt oppressed by the authoritarian leadership style of the President, and worsen by the economic crisis that threatened their life sustainability, the mass demonstrations and riots was no far from the daily incidence of this country.

Despite the criticism that IMF had imposed a poorly designed programme to Indonesia in attempt to resolve its financial crisis (Wade and Veneroso cited in Pincus and Ramli, 1998), some scholars presented different point of view. They argued that although the Indonesia’s economic crisis was triggered by external factors, its root was more to the nature of political and social power in this country, a series of policy errors and economic policy-making under the Soeharto’s regime that the transition to liberal markets is unavoidable (Pincus and Ramli, 1998, p. 724, Robison and Rosser, 1998). Thus, although regional leaders in Asia questioned the role of the IMF not just as a medium to help those countries free from economies distress but also as a medium of ideological change, those leaders still acknowledged the importance of the IMF role to their countries (Higgott, 1998).

After the fall of the New Order era in 1998, Indonesia entered a new period of transition from authoritarian governance to laying the foundation for constitutional liberalism and a democratic political structure (Ghoshal, 2004). In terms of the state structure, there was a shift from a highly centralised to a decentralised pattern of government: a policy that reflected regional dissatisfaction, which had exploded during and immediately after the collapse of Soeharto’s regime (Aspinall, 2013). Alongside other several elements of the public administration reforms, decentralisation became an important element in the post-Soeharto’s era (Aspinall, 2013). The main purpose of the
decentralisation of government was to transfer both political power and administrative responsibility to local levels, thereby enhancing financial transparency and public scrutiny (Kristiansen et al., 2009). Particularly after East Timor’s separation from Indonesia, decentralisation was also seen as a way of holding the country together (Lewis, 2010).

However, beyond the euphoria of being freed from the authoritarian leadership, the process of decentralisation and democratic reform during post-Soeharto’s reign then became stagnant (McRae, 2013). Some also considered it was being implemented too slowly (Ghoshal, 2004, p. 507), and had even gone into reverse in a number of fields, even though not in a dramatic way (Fealy, 2011, p. 351). This phenomenon can be seen in several aspects, including in the civil servant administration. Booth (2005), in the article she wrote in 2005, depicted one of the challenges the government in contemporary Indonesia encounters in reforming the civil service as most of the senior/higher ranks is “still largely a product of the Soeharto era, and is likely to resist measures that are perceived to threaten its traditional role” (p. 198).

An example on how long the reform in civil servant takes place is the issuance of the new law on Indonesian civil servants. It was not until 2014 that the government issued the new Law on National Civil Servants (Law No. 5 Year 2014). This new law was issued to replace the old one, Law No. 8 Year 1974, which was in practice since 1974 (with a few amendments on it in Law No. 43 Year 1999), and it was intended to accommodate the reformation in civil servant administration. As will be revealed in Chapter Five and Chapter Eight, considering that the old law had been applied for more than forty years, and the new law still needs many other supporting government regulations to make it effective, the transition process still presents many challenges in 2017.

One reason why the government potentially needs a long time to issue a new law could be because of the following reason. Although extensive attention has been given to
the specific government functions to be decentralised, such as funding formulas, accountability measures for political leaders and electoral processes, there is surprisingly little consideration on Human Resource Management (HRM) (Turner et al., 2009). This observation is supported by Green’s study (2005) on HRM in a decentralised context. She argues that in practice “the civil service is often recognised as an afterthought rather than seen as essential to successful decentralisation” (Green, 2005, p. 129). Her opinion is corroborated by Buehler’s article when he criticises Law No. 25 Year 2009 on Public Services. In an attempt to eradicate corruption in Indonesia, Susilo Bambang Yudhoyono, the former president, issued Presidential Instruction 5/2004, which comprised 10 general instructions and 11 special assignments, and it needed four years after the issuance of the Presidential Instruction for the government to release Law 25/2009; the law that is perceived as an important component of that initiative (Buehler, 2011).

Even so, according to Buehler, Law 25/2009 still has some major flaws, such as lack of clear justification and focus, failure to distinguish public services from profit-orientated services, and burdensome and unnecessary reporting requirements (Buehler, 2011). Moreover, to be completely operationalised, this law needs all implementing regulations and presidential regulations, of which none had been published at the time he wrote his paper in 2011. Buehler’s article indicates for how long a formal regulation needs to be published in Indonesia. Currently, although Indonesia has experienced five presidential periods (B. J. Habibie, Abdurrahman Wahid, Megawati Soekarnoputri, Susilo Bambang Yudhoyono and Joko Widodo), I would say the management of human resources in the public sector has progressed at a sluggish pace.

Now, if I go back to the discussion about decentralisation, there were some subjects affected by decentralisation and one of them was the 1945 Constitution, which has been amended four times since 1998, to introduce direct presidential elections, a stronger parliament, a human-rights charter, and a new system of checks and balances (Mietzner,
In the spirit of reforming the government to be more transparent and to lessen the corruption levels, the government established the Corruption Eradication Commission by issuing Law No. 30 Year 2002 and amended the 1945 Constitution to give a stronger position and authority to the Audit Board of Indonesia.

Following the 1945 Constitution amendment, several major changes related to ABI occurred. The first one was the issuance of the package of legislation in the field of state finances (Law No. 17/2003, Law No. 1/2004 and Law No. 15/2004) elucidated the mandate given to the Audit Board. The second change was the involvement of the Audit Board (together with other four government organisations: the Ministry of Finance, Supreme Court, Cabinet Secretariat, and State Secretariat) in the pilot projects of the National Bureaucratic Reform Programme that was started in 2007; a program which Buehler (2011, p. 74) refers as promotional reform initiatives. In his article, Buehler (2011, p. 75) contended that while the majority of bureaucratic reform initiatives adopted in Indonesia since 1998 have a tendency to control civil servants rather than to improve their performance, few government organisations such as the Ministry of Finance, Supreme Court and the Audit Board tried to adopt promotional reform initiatives which focused more in improving the employees’ performance. In Indonesia, this initiatives were included in the National Bureaucratic Reform Programme mentioned earlier.

The third change occurred in ABI was the establishment of many new regional offices. Before the 1945 Constitution amendment, the Audit Board only had five regional offices, and since then, up to 2014, the organisation has expanded gradually by opening its representative offices in all provinces of Indonesia. Most of the offices were established in 2007, and the 34th office in 2014. As a consequence of expanding its structure, the organisation recruits more employees and relocates its employees more periodically for every four to five years assignment. The following section now provides a background description of the case study organisation of this thesis.
3. An Overview of the Audit Board of Indonesia

As one of the government organisations, the Audit Board of Indonesia has become a part of this country’s evolution for quite a long time, even though its role was not much discussed before the decentralisation era. Many people presume that this organisation was a continuation of the Algemene Rekenkamer, which was formed during the Netherland Indies Civil Administration (NICA) period. Its first legal base in the Indonesian government was the 1945 Constitution Article 25 point 5, which stated that to examine the accountability of state finances, an audit board would be established. Hence, it was formed on 1st January 1947 in Magelang, Central Java. The office’s location was then moved a few times to Jogjakarta and Bogor, and it finally ended up in the capital city of Indonesia: Jakarta. Since Indonesia had just gained its independence, the state regulations were not complete yet. Thus, the Audit Board at that time still utilised the regulations from the Dutch colonialism, which were the ICW (Indische Comptabiliteits Wet) and the IAR (Instructie en Verdure Bepalingen voor de Algemene Rekenkamer).

As the political movement depended on the leader in power, so did the regulation about the Audit Board. During the last years of Soekarno’s regime, laws on the Audit Board were altered several times. The last one was Law No. 17 Year 1965, which clearly stated that the Audit Board worked for and on behalf of the President as the great leader of the revolution. After Soeharto took the presidential leadership, the position of the Audit Board was transformed back according to the 1945 Constitution. In 1975, Soeharto stipulated Law No. 5 Year 1973, which delineated the Audit Board’s position. The Law stated that the Audit Board was one of the high government institutions whose operation was not to be interfered and affected by the Executive power, but its position was not higher than the Executive position (BPK, 2016).

Nevertheless, during the New Order period, the function of the Audit Board as the external auditor for the government was somewhat undermined. The Development and
State Finance Monitoring Agency (Badan Pengawasan Keuangan dan Pembangunan – BPKP), which was formed as an internal auditor for the government, and worked for and on behalf of the President, took over many of the audit activities, which were supposed to be conducted by the Audit Board. Most of the pivotal industries, such as oil and mining, Central Bank and other strategic state-owned industries, were audited by that agency instead of by the Audit Board (Nasution, 2008). These circumstances were observed as well by Booth when she analysed the evolving role of the Indonesian central government. She contended that during Soeharto’s era, this organisation “never played an effective watchdog role”, rarely opened its audit reports to the public and lacked political support (Booth, 2005, p. 215). It was when the democratisation era began that the Audit Board’s authority was strengthened. This section presents an overview of this specific organisation, in terms of its legal base, its role and its organisational structure.

3.1. Legislation Underpinning the Audit Board of Indonesia

The new legal basis for ABI is laid out in the Indonesian Constitution Year 1945 (after the third amendment since 1998), Chapter VIII-A, Article 23E paragraph (1), which states that to examine the management and accountability of state finances, there shall be a single Supreme Audit Board which shall be free and independent. The mandate of this organisation is then specified in the Law on State Finance (Law No. 17 Year 2003), Law on State Treasury (Law No. 1 Year 2004), Law on Auditing the Management and Accountability of State Finance (Law No. 15 Year 2004) and Law on the Audit Board (Law No. 15 Year 2006), as seen in the following diagram.
The Law on State Finance defines the scope of state finance as all the rights and obligations of the country that can be valued by money, as well as everything in cash or in the form of goods that can be owned by the state. The Law on State Treasury consists of management and accountability of state finances, including investments and assets that are separated and set out from national and regional budgets. The Law on Auditing the Management and Accountability of State Finance and the Law on the Audit Board have given this organisation the authority to conduct audits on all types of state finances managed by the government, all state agencies, enterprises and other related parties. In terms of the constitutional position, the Audit Board has a position equivalent to the other state institutions, as follows.
The 1945 Constitution provides separation of the executive, legislative and judicial power. Executive power is exercised by the President of Indonesia as the head of the government. Legislative power is vested in the People’s Consultative Assembly, the House of Representatives and the Regional Representative Council. The judicial power is conducted by the Supreme Court, the Constitutional Court and the Judicial Commission. The Audit Board is independent of the executive, legislative and judicial power. The main product of the Audit Board, the audit reports, is submitted to the House of Representatives. The House of Representatives, by considering the advocacy of the Regional Representative Council, appoints members to the Audit Board (consisting of nine members) and the members of the Audit Board are then inaugurated by the President of Indonesia by a Presidential Decree. Members of the Audit Board then choose amongst themselves two people to become heads of the Audit Board (which are a chairman and a vice chairman). The members of the Audit Board may serve a maximum of two consecutive five-year terms. However, they might be discharged from the membership if at any point they do unlawful, dishonourable, unethical or unprofessional things.

3.2. The Role of the Audit Board of Indonesia

The Audit Board Indonesia has the main role of auditing state financial management and accountability in order to improve the accountability and transparency of state finance. It has a function similar to that of the UK National Audit Office to scrutinise the public spending managed by all government departments, bodies and state-owned companies. By reporting the audit results to the House of Representatives, ABI holds government departments and bodies to account for the way they use public money, thereby protecting the interests of taxpayers. Moreover, its work aims to help the government departments and bodies improve their performance and service delivery.

There are three types of auditing that can be conducted by ABI, which are: 1) financial audit: an audit of the financial statements of the central government and all
government departments and bodies, to verify their financial statements with a view to express an audit opinion; the audit opinion is intended to provide reasonable assurance, but not absolute assurance, that the financial statements are presented fairly, in all material respects, and give a fair view in accordance with the financial reporting framework; 2) performance audit: an assessment of the activities of an organisation to see if the resources are being managed with due regard for economy, efficiency and effectiveness (3E) and accountability requirements are being met reasonably; 3) special purpose audit: an audit performed for specific purposes other than financial audit and performance audit. Audits for specific purposes include audits of other matters related to finance, investigative audits and audits of government internal control systems, as well as audits with environmental and sustainable development perspectives.

In 2012, ABI conducted 1,331 audits, consisting of 632 financial audits, 168 performance audits and 531 special purpose audits, as pictured in the diagram below. With 2,105 audit entities in total (which might become larger due to the decentralisation of the Indonesian government), it is clear that ABI has not been able to audit all of them. Yet, the Audit Board has been trying to increase its audit coverage year by year, as stated in its five-year strategic plan (2011-2015 period).

![Figure 4 - The number of reports issued by the Audit Board](image-url)
Number of audit entities of the Audit Board of Indonesia:

<table>
<thead>
<tr>
<th>Entity type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government</td>
<td>1</td>
</tr>
<tr>
<td>Ministries/departments</td>
<td>74</td>
</tr>
<tr>
<td>Regional/local governments</td>
<td>511</td>
</tr>
<tr>
<td>Central Bank</td>
<td>1</td>
</tr>
<tr>
<td>Regional/local banks</td>
<td>28</td>
</tr>
<tr>
<td>Regional/local government-owned companies</td>
<td>729</td>
</tr>
<tr>
<td>Regional water supply companies</td>
<td>323</td>
</tr>
<tr>
<td>Public service agencies</td>
<td>81</td>
</tr>
<tr>
<td>State-owned companies (holding companies)</td>
<td>145</td>
</tr>
<tr>
<td>State-owned companies (subsidiary companies)</td>
<td>212</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,105</strong></td>
</tr>
</tbody>
</table>

*Table 1 - Number of Audit Board’s entities*

*Source: Implementation Plan of the Audit Board’s Strategic Plan Year 2011-2015*

Formally, the audit reports are presented to the audit entities themselves, the House of Representatives and other parties who have the authority to receive and/or to follow up the audit results; for example, the law enforcement agencies in case the audit results show an indication of specific allegations of wrongdoing (for example, criminal activity, mismanagement and corruption).

3.3. The Structure of the Audit Board of Indonesia

The Audit Board’s organisational structure can be depicted as follows:

![Figure 5 - The Audit Board organisational structure](image)

This board or collegiate system is prevalent in Asia and several European countries, where it has an audit commission (the decision-making body) and a general executive
bureau (the executive organ); for instance, in the Czech Republic, Norway, Spain, Germany, the Netherlands, Argentina, Japan and Korea (NIK, 2014). In ABI, the audit commission is the Board (consisting of nine members) who, in their daily activities, assign their duties to all the auditors of the organisation to execute the audits. Besides the chairman and vice chairman of the Audit Board, who handle the overall matters, the other seven members have the responsibility of directing the audit within those eight state finance audit departments, one for each audit department.

Under this board or collegiate model, the audit commission members take decisions jointly and submit the reports to Parliament. The strength of this type of arrangement is that the decision can accommodate a range of viewpoints. Yet, the decision-making process can be slow and cumbersome (DFID, 2016). Another potential weakness of this collegiate model is the method of appointing the Board members. For instance, if the Board changes each time there is a general election, there might be a risk that the Supreme Audit Institution (SAI) may become subject to political influence, or in the case where a political party has a dominant position in Parliament, it may influence the appointment process of the Board members, which in turn will reduce the SAI’s independence and objectivity (DFID, 2016).

In relation to ABI, since the Board members are appointed by Parliament, and most of the time the appointed ones are members of political parties, the risks stated in the previous paragraphs are inherent. This condition was actually observed by the Supreme Audit Office of Poland, who conducted a peer review of ABI. In their report, it was revealed that:

The Board, which comprises of nine members, who enjoy the status of state officials, has a firm position given by the constitutional mandate and due to the fact that it plays an important role within the organization. That is why prescribed specific professional competence and ethical requirements for candidates for Board Members would be desirable. During the meetings with external stakeholders the Reviewer repeatedly met with opinions that the Members of the Board should not be involved in current political activities.
Taking into account the standards laid down by INTOSAI (ISSAI) and existing practice of many SAIs we recommend:

A potential Board Member should be required to resign from membership in any political organization and withdraw from any political activity for the duration of their mandate, after being elected by the Parliament and prior to appointment by the President and taking the oath. If a Member decides to stand for election or get involved in any other political activity, he or she should resign or suspend the membership in the BPK Board (e.g. for the time of the election campaign).

The Board consists of nine Members who enjoy considerable independence in fulfilling their mission, which is meant to contribute to the objectivity of audit results. However, such an arrangement involves also a risk of not ensuring enough management coordination, which may lead to functional separation of the organisation’s units supervised by individual Members, and to not drawing enough on the synergy effect. Therefore, the Reviewer finds it appropriate for the BPK to find ways to evaluate the effectiveness and efficiency of the current arrangement (NIK, 2014, p. 8).

Their report clearly described their concern about Board members being actively involved in their political parties, as this might compromise the independence and the objectivity of ABI.

Separate from the structure of the audit commission (the decision-making body), the executive organ has its own organisational structure. Within its internal structure, ABI is divided into one head office, located in Jakarta (comprising eight audit departments and supporting units) and 34 representative offices in all provinces of Indonesia. This regional structure is also a common pattern, although not very frequently, for other supreme audit institutions in other countries; for example, Poland, France, Morocco or Slovakia, all of which are centralised to various extents (NIK, 2014). The head office takes care of the audit for central government and each representative office is responsible for auditing the financial accountability of the local/provincial government. According to the data obtained from the Audit Board’s HR Bureau, since 2008, this organisation has recruited more than 3,000 new employees so that, within seven years, it has doubled the number of its employees to 6,415 (per August 2015). From that amount, 3,007 employees are
categorised as auditors, 604 are structural/managers and 2,804 of the rest are supporting staff, and approximately 46% of the total employees are located in the head office.

4. Conclusion

As an archipelagic country that inherently has so many diversities in its geographical, natural and cultural aspects, Indonesia’s long political history also holds a significant portion in shaping its current state. The brief description about the Indonesian political state from time to time indicated that politics played a role in the civil servant administration as well. The shape of the Indonesian civil servant administration was influenced by the regime that was in power at the time. Thus, in the Indonesian context, the management of the public sector HRM will always be affected by the political intentions of each regime, and this happens with the Audit Board as well. Due to the amendment of the 1945 Constitution, which strengthened the Audit Board’s position, ABI has expanded vastly by establishing its regional offices in every province of Indonesia.

In the spirit of reforming the public management in Indonesia, it cannot be denied that the reformation speed in one subject does not always run at the same pace as the reformation in another subject. In the context of the Audit Board’s human resource management, its improvement is not as fast as the reformation in the public finances, which had started in 2003. The need for setting up the regional offices and recruiting many new employees influence the speed and the accuracy of the Audit Board’s HRM. Moreover, since the new Law on National Civil Servants, which was just released in 2014, is still incomplete, it raises risks for the Audit Board to manage its human resources effectively, including in the issue of relocating its employees periodically. The next chapter will explain the methodology utilised in this research, including the rationales for selecting the sites and respondents, to support the focus of this research in analysing the impact of the relocation practice on the Audit Board’s employees.
Chapter Four
Research Methodology

1. Introduction

As in real estate, the critical point in choosing a property is the location; in social science the critical point in designing and conducting a study is the purpose (Aberbach and Rockman, 2002). The basic question one should ask before designing research is "What do I want to learn?" and for me, my purpose is to gain insight into how a government institution manages its relocation policy and how the policy influences the employees’ motivation and job satisfaction, in the Indonesian context. The objectives of this study are: to explore employees’ perceptions on the current relocation policy and how it affects their motivation, to add to the literature about HRM in the context of an Indonesian government institution, and to provide constructive input for the policy makers regarding the relocation policy of Indonesian public servants.

Basically, there are two fundamental purposes in social research, which are to make sense of the complexity of social life and to generate knowledge that is likely to change society (Ragin and Amoroso, 2011). For the first purpose, social researchers try to identify the order and/or regularity of a society, no matter how complex the social life is. For the second one, the social researchers perform research with the hope that their results will have a broader impact on a society, perhaps by changing public policy or affecting the direction of social life. Therefore, looking back at my research objectives, I suggest that my research goals fall within the two fundamental goals stated previously.

As this study wants to explore the implications of the relocation policy on employees’ work motivation in an Indonesian government organisation, I have to consider other research on a similar topic in public policy and HRM disciplines that have been done previously and consider what kinds of methods these disciplines used to know what
people think, then reflect on it to my own study to get the best out of it. From the broader picture in Chapter Two, it could be said that HRM reform is a part of NPM, yet many countries indicated that HRM is not their first priority in reforming public management (Pollitt and Bouckaert, 2004). Furthermore, the HRM reform rarely talks specifically about the employee relocation practice except when it comes to discussing the impact of decentralisation, and amongst a few research studies that analysed this matter, most of them employed a qualitative method by conducting a literature review (Marshall and Alderman, 1991, Marshall et al., 2005, Marshall, 2007). To the time of writing this thesis, I could only find one study that used a quantitative method in analysing the impact of the relocation practice in public organisations and it focused on the impact of this practice on the level of employees’ absenteeism (Dalton and Mesch, 1992).

In contrast with the public sector, studies on the impact of relocation practices in the private sector are numerous, either impacting in a positive way, which means the relocation has a positive impact on employees’ motivation/performance (Cheraskin and Campion, 1996, Burke and Moore, 2000, Eriksson and Ortega, 2006), or having a negative impact (Eby and Allen, 1998, Eby and Russell, 2000, Saunders and Thornhill, 1998, Pinder, 1989, Prehar, 2001, van Dam, 2005). Most of them conducted quantitative studies to test their hypotheses. In researching the impact of the relocation policy on employees’ motivation, I employed PSM theory as one of the references. Similar to the research on relocation practice’s impact, many studies about PSM also utilised a quantitative method (Bellé and Ongaro, 2014). While the research can provide a general pattern on any hypotheses tested, it has a risk that it lacks a detailed explanation of what the people really think or feel. This is a weakness of the quantitative method that scholars often argue about, and this is why I suggest a qualitative approach will suit the best for my study. Besides that, I hope my research can enrich the collection of qualitative studies on a similar topic, to complement all those studies using a quantitative method. Having
said that, the next section will provide the philosophical view underpinning this study in brief, the justification of the adopted methodology, the methods of data collection and analysis, the role of the researcher, the ethical issues surrounding the research conducted and my reflections as a new researcher.

2. Research Strategy

2.1. Qualitative method

As written in Chapter Two, most of the research done in analysing the impact of relocation policies utilised quantitative methods which were based on the objectivism ontology and positivism epistemological stance. Objectivism believes that what exists out there and their meanings are independent from the social actors, and positivism assumes that the social world exists externally of the researcher, thus it leads to quantitative and experimental methods for testing the hypotheses made and usually uses a deductive approach (Bryman and Bell, 2011). While this approach could offer generalisation, prediction, validity and reliability, many scholars claim that it is not suitable for social phenomena which test human behaviour. Therefore, another perspective is acknowledged in the academic world, which is generally known as constructivism. Constructivism believes that social phenomena exist because the social actors develop subjective meanings of their experiences and develop the meanings directed towards a certain object or thing (Creswell, 2007). In constructivism, the research goal will rely as much as possible on the participants’ views of the situation, and as my research will try to find the perceptions of both the employees and the government (the policy makers), my research ontology tends to follow this stance.

People who follow constructivism commonly employ interpretivism in their research. People who believe in interpretivism share a view that the subject matter of the social sciences (the people and their institutions) is basically different from that of natural
science, hence it requires a different logic of research procedure, which is concerned more with the empathic understanding of human action; it is associated with the qualitative approach and usually employs an inductive approach to understand people’s experiences in particular contexts in a holistic way (Bryman and Bell, 2011). As my research relied on what the organisation’s members think, experience, understand and interpret and how they construct their reality, interpretivism appears to be the most appropriate one to employ.

Accordingly, I argue the qualitative methodology is the most suitable methodology for this study because I intend to know the perspectives of the employees who experienced job relocation, what they really feel and how they tackle the issues related to moving to other working places, what is the motivation behind their decision to accept the job relocation, and how their decision affects their work motivation. I presume these are things that cannot be captured by a quantitative method, as it often measures participants’ responses on a strict, limited scale. Using a qualitative approach allows researchers to investigate perspectives that are often beyond the reach of a quantitative study as it can explore the complexity of a social phenomenon that a quantitative study seldom does, it can get under the skin of a group or organisation to find out what really happens, and it can view the case from the inside out (Gillham, 2000), and that is what I aim to achieve.

Furthermore, I hope this study can complement the survey, using a quantitative method that had been conducted internally in ABI. In 2011 and 2012, ABI has conducted an internal survey on several main performance indicators set up in its 2011-2015 Strategic Plan. Amongst those, there are two indicators related to my research interest, which are “Employees’ Work Satisfaction” and “Satisfaction on the Employees’ Placement/Rotation Policy.” For the years of 2011 and 2012, the surveys were conducted by external consultants hired by the Audit Board. To measure the “Employees’ Work
Satisfaction”, there were 35 attribute questions/statements which were classified into five components (well-being, working environment, chance of self-development, flexibility on personal matters, infrastructure facility). To measure the “Satisfaction on the Employees’ Placement/Rotation Policy”, there were 15 attribute questions/statements classified into two components (employees and organisation). Below is a table showing the overall index for the two indicators:

<table>
<thead>
<tr>
<th>Overall Index</th>
<th>Year 2011</th>
<th>Year 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall index for Employees’ Work Satisfaction</td>
<td>3.48</td>
<td>3.36</td>
</tr>
<tr>
<td>Overall index for satisfaction on the Employees’ Placement/Rotation Policy</td>
<td>3.31</td>
<td>3.20</td>
</tr>
</tbody>
</table>

Table 2 – Overall index from the organisation’s internal survey

Reading the internal survey reports, a few comments are rendered here. First, as the survey was conducted for the sake of the organisation, the results may have had a biased interpretation. For instance, the survey used a Likert scale with five ratings: 1 (very unsatisfied), 2 (unsatisfied), 3 (neutral), 4 (satisfied) and 5 (very satisfied). Yet, in the final results, they categorised the rates into four index scales as follows: 1.00–1.99 (very unsatisfied), 2.00–2.99 (unsatisfied), 3.00–3.99 (satisfied) and 4.00–5.00 (very satisfied). With this index scale, responses with a 3 rating scale would be categorised as ‘satisfied’, while in the original scale it was defined as neutral. In my understanding, neutral does not mean satisfied nor unsatisfied. Hence, I need more clarification on this issue.

Second, although the overall index for those two performance indicators were reported as satisfied (as seen in Table 2 above), a few individual questions should be taken into consideration as the results showed a contradiction against the overall index. For example, in the 2011 survey, there was low satisfaction for the statements: “I feel satisfied with the organisation’s policy to handle employees’ tediousness by rotating the employees” (only 25.2% of the respondents said they were satisfied and very satisfied), “I feel satisfied with the HR Bureau’s role in assisting employees to settle down in new working units” (26.4%) and “in general, I feel satisfied with the employee placement/rotation policy” (36.6%). In the 2012 survey, there was low satisfaction for the
statements: “I feel satisfied with the organisation policy to handle employees’ tediousness by rotating the employees” (33.5%) and “I feel satisfied with the clarity on the measurement of an employee’s productivity” (30.3%). What is more, there is no further explanation for why the results showed low satisfaction levels for such statements. This reaffirms my argument that a qualitative methodology should be used to explore the topic, why and how the policy was implemented, and to present a detailed view of the topic.

2.2. Case study approach

Creswell (2007) contends that the methodology for qualitative research is characterised as inductive and emerging, and is shaped by the researcher’s experience in collecting and analysing the data. This means that the researcher’s logic when conducting the research is inductive, from the bottom up, rather than top-down from a theory to evidence (Creswell, 2007). In several instances, the researchers have to change their research questions in the middle of the study to reflect the types of questions needed to understand the research problem in a better way. Creswell (2007) then proposes five approaches for qualitative research, which are narrative research, phenomenology, grounded theory, ethnography and case studies. From amongst all those approaches, case study was chosen for this research. The organisation that is going to be the case study is the Audit Board of Indonesia (ABI), a government institution that has 34 regional offices, one in each province in Indonesia.

There are several rationales behind this selection. First, it is because this organisation has expanded widely in quite a short period. Those 34 regional offices were the result of the third amendment of the 1945 Indonesian Constitution article 23G in the year 2001, which states that ABI is located in the capital of Indonesia and has a regional office in each province of Indonesia. Following that, in 2006 the Government of RI issued Decree Number 15 about ABI, restating the amendment of article 23G, and since then this organisation has expanded its organisation from one head office and seven regional
offices to one head office and 34 regional offices. Most of them were established in 2008 and started to be effective in 2009. Thus, it will be interesting to know how this organisation relocates their employees, and observe whether there is a gap between the policy setup and the actual practice carried out.

Second, as an employee of this organisation, I observed that moving around the Indonesian region, which is more and more frequent, raises some concerns for many employees. As stated previously, in the 2011 internal survey, only 36.3% of the survey respondents claimed that in general they were satisfied with the employee placement/relocation policy. Likewise, a peer review on this organisation, conducted by the Supreme Audit Office of Poland in 2014, raised similar concerns on the employee relocation policy. They found that many of ABI’s staff perceived “the current system not transparent and/or consistent enough. In this the Reviewer sees some risk of decreasing the staff’s motivation or even losing some valuable staff when they are faced with the rotation in the current shape” (NIK, 2014, p. 24). For this reason, I presume it would be interesting to make this organisation a case study for my research, to know what the employees really think or feel about this issue.

Third, the reason for selecting this organisation as a case study relates to the access to the data needed. Saunders et al. (2012) suggest the importance of access in obtaining data and selecting research participants. As an employee of this organisation, I believe that gaining access will not be a difficult issue, and also with selecting the research participants. Although Morse (1998) warns about the disadvantages of conducting research within an organisation where the researcher is an employee of that organisation, due to the conflict of interest and roles the person has, Gummeson (2000) argues that it has a benefit, as the pre-understanding and experience of the researcher could assist the researcher to understand the reality of the relationships and factors within the organisation, not least the appropriate method and level of access.
Regarding the terminology of “case study”, Babbie (2008) states that a case study is an “in-depth examination of a single instance of some social phenomenon, such as a village, a family, or a juvenile gang”. It involves the study of an issue which is explored within a bounded system, for example, a setting or a context; it is a qualitative approach in which the researcher investigates a case or cases over time, through detailed, in-depth data collection, mostly by using multiple sources of information, and then reports a case description and case-based themes (Creswell, 2007). Yet, even though the term “case” is widely used in social science discourse, it has no exact definition in such fields of study. A case could be “theoretical or empirical or both; it may be a relatively bounded object or a process; and it may be generic and universal or specific in some way” (Ragin and Becker, 1992, p. 3). Buchanan (2012) adds that there is no right answer to what a case is. It could be an individual, organisations, change processes, decision processes, events, programmes, implementation processes or organisational change (Buchanan, 2012, Yin, 2009). At a minimum, “every study is a case study because it is an analysis of social phenomena specific to time and place” (Ragin and Becker, 1992, p. 2). Thus, I categorise my research as a case study.

As we know, any research approach has its benefits and drawbacks, and so does the case study approach. Despite its ability to present a descriptive, in-depth and detailed analysis of a particular case, it is frequently criticised for its limited generalisability of what might be observed in a single instance of social phenomena (Babbie, 2008). As Yin (2009) also says, one of the common concerns raised with the case study approach is the weak basis of generalising from a single case. The data gathered cannot be used to make generalisations about the population as a whole as the case study is unique and not a representative sample of a tribal group, institution or policy area (Burnham et al., 2008).

However, Flyvbjerg (2006) argues that this view is one of the misunderstandings about case studies, since the people who criticise the generalisability of case studies often
compare it to quantitative or survey research. In qualitative research, what counts is not the number of cases and number of features that the social researchers can collect, but how much information the social researchers can study, how the information is studied, and the relevance of the information to a particular research question (Ragin and Amoroso, 2011). As some scholars suggest, in case studies, the analogy to the sample and population is not appropriate since a case study does not serve as a sample; its aim is not statistical generalisation but analytical generalisation; for instance, generalising from specific findings to wider theories (Buchanan, 2012, Yin, 2009). As highlighted by Stake (2005), the intention of a case study report is to represent the case, not the world.

2.3. Selecting the site

In choosing which case to study, a researcher could utilise a purposeful sampling strategy. In this strategy, the researcher “selects individuals and sites for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study” (Creswell, 2007, p. 125). What a researcher has to do next is to decide who or what should be sampled, what form the sampling will take and how many people or sites need to be sampled, and the researchers should also consider whether the sampling will be consistent with the information needed to answer the research questions.

As this organisation has 34 regional offices, one in each province, it is not possible to collect data from them all. Applying a purposeful sampling strategy and the data derived from Badan Pusat Statistik (BPS, 2014), I chose three regional offices, representing three broad working regions in Indonesia, which are the western part, central part and eastern part of Indonesia. I suggest those sites will provide me with quite a rich understanding of the research problem. The three regional offices are Aceh, West Kalimantan and Papua. The reasons for selecting those locations are as follows.
2.3.1. Aceh

In the western part of Indonesia, Aceh is the furthest province from Jakarta, the capital city of Indonesia. Compared to the other provinces on Sumatra Island, even though its average monthly expenditure per capita in the province is moderate (in Aceh it was IDR648,749 while in Jakarta it was IDR1,024,214), it has the biggest percentage of poor people (20.98%) and the biggest poverty gap index (4.11), which implies that the living conditions there are imbalanced/not very good. In 2015, there were 116 employees in the Aceh regional office (52 were auditors and 44 were administrative staff). The number of regional governments in Aceh province is 23 (city and municipality governments), and as the auditors in the regional office have to audit the financial management of the regional governments, this means that the auditors in this regional office have to travel quite often to all those cities and municipalities, resulting in a heavier workload for those employees. Travelling quite frequently to suburban areas may risk the occurrence of job fatigue for the employees, thus it might be interesting to get some insights from the employees in this regional office.

2.3.2. West Kalimantan

Amongst the other provinces located on Kalimantan/Borneo Island, West Kalimantan has the highest number of poor people (9.02%). The infrastructure there is quite good, yet is not as complete and as good as in Jakarta, particularly the quality of the schools and health facilities, two main constraints for the employees who bring their families with them to this province. In addition, based on a press release issued by Transparency International Indonesia in 2010, Pontianak (the capital city of West Kalimantan) has the worst CPI (Corruption Perception Index) compared to other provinces on Kalimantan Island. Hence, it might be noteworthy to know whether this factor has any impact on the
employees, particularly on the auditors who have to audit the financial accountability of this regional government.

2.3.3. Papua

There are two provinces on Papua Island, Papua and West Papua. As the furthest island from the central government, basically the conditions are similar between both Papua and Papua Barat provinces. Yet, I chose Papua as it is the most eastern part of Indonesia, has a larger area (Papua is 319,036.05 sq. km while Papua Barat is 97,024.27 sq. km) and has more regional governments to be audited (Papua has 29 regions while Papua Barat has 11 regions). Obviously, the very wide area scope, the quite high living costs (average monthly expenditure was IDR797,097 per person), the less developed province (population density was only 9) and “a risk of infecting malaria” (NIK, 2014, p. 25) make Papua become a very unpopular place to work for the auditors.

From Appendix 2 (Statistics of Indonesia) and Appendix 3 (Statistics of the Infrastructure in Four Provinces) attached, it can be seen that the conditions in those three provinces (compared to the capital city of Jakarta) are very different, thus they might also raise different concerns for the employees if they have to move to those areas.

2.4. Selecting participants

Based on the data from the HR Bureau of ABI, the total number of employees in the case study organisation in 2015 was 6,415, with approximately 46% of them being located in the Jakarta head office. Selecting the participants to be interviewed should be prudently planned to get the most valuable responses so that the research questions can be answered. Therefore, the participants will be purposefully selected based on their potential to contribute to the understanding of the research questions and objectives (Bryman and Bell, 2011).
As this study wants to investigate how the employees perceive the employee relocation policy in ABI and how they relate it to their work motivation, the participants that are expected to be able to provide a rich explanation of the problem are those who have directly experienced the relocation. During my data collection, I could manage to interview 33 staff, 11 staff from each regional office. Previously, I planned to get a database of employees in each regional office and classify it based on the employees’ ages, gender, marital status, work tenure and their relocation history. Then, I would invite them to participate in this study in proportional numbers.

In practice, it was difficult to reach a balanced number for each category I set earlier as the participation in this study was voluntary. Furthermore, the mobility of the auditors is quite high, and most of them were already conducting audit assignments in other cities when I visited their regional offices. Thus, I changed my strategy by distributing the invitation letters and information sheets before I came, and interviewed the ones who responded to my invitation. In each province I visited, there was one colleague that had been appointed by the Head of Regional Office to help me. They acted as my liaison officer, who helped me contact the respondents, set up a room to conduct the interviews and arranged the times and persons to be interviewed each day. The profiles of the staff respondents can be seen in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Aceh</th>
<th>West Kalimantan</th>
<th>Papua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age range:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26-35</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>36-45</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>46-60</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Gender:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Male</td>
<td>9</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Marital status:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>10</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Single</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Work period:</td>
<td>Aceh</td>
<td>West Kalimantan</td>
<td>Papua</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>-----------------</td>
<td>-------</td>
</tr>
<tr>
<td>1-10</td>
<td>5</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>11-20</td>
<td>5</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>21-30</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 3 – Statistics of the staff respondents

From the graph above, we can see that I could get the respondents from all the categories that I needed to. For example, the ages of the respondents varied from young employees to senior ones, both female and male employees, married and single employees, and various work tenures. Amongst the respondents, there were 16 employees who previously had worked in other companies, for either several months or even several years. There were three employees who originally came from the provinces where the offices were located (two employees from West Kalimantan and one from Aceh) and 20 employees whose relocation history matched the current relocation policy. Several respondents held Echelon 4 and Echelon 3 managerial positions (descriptions of the auditor and managerial levels can be seen in Appendix 4). In this study, those people were categorised as staff since they did not have any authority to get involved in the relocation decision-making process. Amongst all the female respondents, I could not get any married female employees with children and who had relocated to those offices because they were ordered to. The female respondents were all either single, just married, or had moved to such offices due to their own initiative to follow their husbands.

Besides interviewing the staff, to attain a comprehensive picture about the relocation policy in the Indonesian government institution, some top-/middle-level managers were interviewed as well (either in ABI or in other ministries that are responsible for taking care of civil servant issues). From ABI, six internal managers (middle to top level) were interviewed. Three of them were categorised as policy makers and the other three were heads of Regional Offices (RO) who experienced and observed the impact of the relocation practice in their daily tasks. To minimise the possibility of
the respondents being identified, I did not interview all of the heads of RO in the research locus. I only interviewed one of those three, and the other two were senior managers who already had similar experience of managing several regional offices. The procedure of selecting participants with heterogeneous characteristics, based on the researcher’s judgment, is known as maximum variation sampling and is considered as a type of non-probability sampling (Saunders et al., 2012). Moreover, Saunders et al. (2012) assert that choosing a sample that is based on the researcher’s judgment instead of statistical probability is related to non-positivist epistemology as well as qualitative inquiry, thus it confirms my philosophical stance as an interpretivist and the qualitative approach chosen for this study.

Another issue of the research sample is the number of participants to be selected. As stated previously, in qualitative research, what is more important is not the number of cases that social researchers can collect, but how much information social researchers can study, how the information is studied and how relevant the information is to a particular research question (Ragin and Amoroso, 2011). Thus, there is no minimum number in determining the sample size for non-probability sampling. Nevertheless, Saunders et al. (Saunders et al., 2012) suggest that a sufficient number of participants for a heterogeneous population is around 12 to 30. So, for the reasons of heterogeneity of the samples, practicality and the time limit of the field work, this advice is taken, resulting in 33 staff and six managers of ABI being interviewed.

In terms of the external managers, I was able to interview seven managers from several institutions as follows: one manager (senior analyst) from the Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform, one from the Ministry of Finance, one from the Directorate General for Taxation, one from the Directorate General for Treasury, and three from the National Institute for Public Administration (two structural managers and one senior researcher). Yet, after transcribing and reading the
transcripts more cautiously, I discarded two of the transcripts (the ones from the National Institute for Public Administration) as I did not think they were relevant to answer my questions. I interviewed two HR managers in two directorates within the Ministry of Finance to attain a broad picture of their relocation policy, as they frequently relocate their employees to all over Indonesia as well. To maintain the confidentiality of the respondents, apart from any facts that had been in the national news in Indonesia, all of the names written in this report are pseudonyms of the respondents and any related parties.

<table>
<thead>
<tr>
<th>Regional Office</th>
<th>Pseudonyms of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aceh</td>
<td>Hilman, Arief, Lintang, Hengki, Roy, Dandy, Beni, Hasan, Ponco, Suandy, Sofi</td>
</tr>
<tr>
<td>West Kalimantan</td>
<td>Broto, Budi, Agung, Ervina, Marina, Jody, Tika, Niken, Daniel, Kasmir, Wandan</td>
</tr>
<tr>
<td>Papua</td>
<td>Yasmin, Rica, Prihadi, Nurman, Aydin, Restanto, Krisdianto, Suprianto, Wesnu, Anrieta, Handoyo</td>
</tr>
<tr>
<td>Managers (Head of Regional Offices)</td>
<td>Ridwan, Antonius, Haryadi</td>
</tr>
</tbody>
</table>

Table 4 - Respondents' pseudonyms

3. Data Collection and Data Analysis Method

3.1. Semi-structured and elite interview

In contrast to survey interviewing, a qualitative interview is mainly based on a set of topics to be discussed in depth rather than using standardised questions (Babbie, 2008). There are three types of interview commonly used by field researchers: unstructured, structured and semi-structured. For those who want some flexibility in conducting interviews but still maintain some structure over the parameters, semi-structured interviews might be the most suitable approach (Bailey, 2007), and that is why I prefer to have this type of interview so that I would have the opportunity to see my research participants’ points of view.

As one of the most frequent data collection techniques used in political science (Peabody et al., 1990, Leech, 2002, Morris, 2009), semi-structured interviews enable the researcher to prepare the questions in advance, but generate follow-up questions during
the interview, and they do not have to ask the prepared questions in the same order
(Salmons, 2010). Likewise, in this kind of interview, the researchers have a chance to 'probe' further on the responses; for instance, they can ask interviewees to explain their answers in more detail (Saunders et al., 2012). Albeit many textbooks advise researchers to have a highly structured list of questions to be asked in the same order so that no question is missed; according to Aberbach and Rockman (2002), the advantages of the conversational flow and depth of responses outweigh the disadvantages of inconsistent ordering, and this is believed to add value to the depth and richness of the data.

As this study intends to attain the perceptions of both the policy makers and the employees who experienced the relocation, besides interviewing the staff, I conducted interviews with top-level bureaucrats as well, interviews that many scholars refer to as elite interviews (Dexter, 1970, Peabody et al., 1990, Mikecz, 2012, Leech, 2002). Several issues on elite interviewing should be considered for the researcher to gain the optimum result. Getting access is one of the issues in such kinds of interviews. The elites frequently seem to be very busy, are less accessible and are more conscious of their own importance, so getting access to them is particularly important (Richards, 1996). To cope with this problem, researchers frequently relate how they contacted their interviewees through someone they knew personally (Marshall, 1984). Alongside this, the ‘snowball technique’ (Bryman and Bell, 2011, p. 441) is commonly applied should there be other relevant people who can give a more comprehensive explanation of the issue being investigated.

Another issue of elite interviews is the power discrepancy or imbalanced position between the researcher and the elites (Morris, 2009, Dexter, 1970). This condition often leaves the researcher with less power in the interview process. The more expert the researcher, the more able he/she is to handle this issue. Yet, it is a different case for a beginner researcher. Thus, to minimise this problem, many authors suggest that the researcher should find a good deal of background information and/or familiarity with
his/her interviewees, as well as the topic (Dexter, 1970, Peabody et al., 1990, Mikecz, 2012, Leech, 2002). As Leech (2002) suggests, the interviewer should seem professional and generally knowledgeable, but less knowledgeable than the respondent on the particular topic of the interview because the elites often are quite savvy about social science research and frequently like to ‘test’ the researcher about his/her know-how on the topic.

Dishonest respondents is another concern faced by researchers who conduct elite interviews. Many authors on elite interviews presume that they are going to be lied to (Morris, 2009). This is because elites come in many varieties depending on their backgrounds, career goals and connections with other agencies and elites, so they might have their own agenda when they agree to be interviewed (Marshall, 1984, Berry, 2002). Sometimes they might serve as a bureaucratic layer that guards the institution, so they might seek to devalue any negative information or analysis that could give an unfavourable image of the institution. Sometimes they might exaggerate or downplay their own role, highlight one thing and leave out other things (Berry, 2002, Lilleker, 2003, Richards, 1996). As Richards (1996, p. 204) argues, “interviewees can be awkward, obstructive, unforthcoming, or even deceitful”. Therefore, to minimise the risk, I also interviewed the ordinary staff who experienced the policy that the bureaucrats set up. Seldon (cited in Richards, 1996, p. 201) suggests that civil servants can be the best interviewees to obtain a balanced view because they tend to be “dispassionate people by nature and profession who observe action, store the information in mental boxes that can yield a rich harvest to those who take the trouble to extract them open”.

Lilleker (2003) claims that although interviewing is an important technique to gather data from elites, it cannot be employed as the only method; the data collected must be strengthened by other forms of empirical data. Burnham et al. (2008) contend that the best research on elites should utilise a combination of methodological approaches to
deepen the research findings. One should also use other sources and techniques such as archives, material on the internet and observation at meetings of, for example, legislative bodies. Hence, I triangulated the interviews with an analysis of documents from the organisation, mass media and professional journals, and other related documents that I could get.

3.2. Document analysis

Document analysis is a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning around a research topic (Bryman and Bell, 2011). Although it has some drawbacks, as the documents often have insufficient detail, are difficult to retrieve and may not reveal the underlying motives for the observed patterns (‘what’ but not ‘why’), Bowen (2009) argues that the benefits outweigh the weaknesses since document analysis is an efficient method of collecting data, has wide availability, is cost-effective, lacks obtrusiveness, is stable and provides broad coverage. The primary data are obtained from the interviews and official documents from related ministries/agencies, such as the regulations, written policy and even the training content for the employees. To complement it, secondary data is collected in this study. Several sources of secondary data for this research include academic journals and/or databases, professional journals, mass media and information from the ministries’ websites.

To provide a general description about the sources of secondary data in Indonesia, it might be good to make a little comparison with conditions in the UK. In the UK, an extensive set of newspapers may be accessed through the Newspaper Subset of the British Library’s catalogue (http://catalogue.bl.uk). Many academic libraries subscribe to NewsBank, which provides access to electronic copies of the majority of the UK’s daily and Sunday newspapers and has a search facility that allows the retrieval of all articles on a chosen topic specified by the researcher (Lee, 2012). Unfortunately, Indonesia does not
have such a facility yet. Thus, in order to find information that might be useful for my research, I looked at several reputable magazines and newspaper published in this country such as Kompas newspaper (www.kompas.com), Suara Pembaruan daily (sp.beritasatu.com) and Tempo newspaper/magazine (www.tempo.co.id). Based on 4 International Media & Newspapers, an international directory and search engine focusing on worldwide newspapers, those aforementioned magazines and newspaper have quite a good rating in Indonesia (http://www.4imn.com/id/).

Other important sources of documentation that could help with the research are available through government-sponsored websites. For example, in the UK there is www.direct.gov.uk, which provides documents on current government policies, www.nationalarchives.gov.uk, which offers documents about historical events, companies and phenomena, and Hansard (see www.publications.parliament.uk/pa/pahansard.htm), which provides information on parliamentary debates in the UK. Even though not as comprehensive as those sources, Indonesia has similar websites such as http://indonesia.go.id/en/law-regulations, which contains all the formal regulations that the Indonesian central government has issued, and www.anri.go.id, which provides some information about Indonesian history. However, Indonesia does not have an equivalent to Hansard parliamentary records. Thus, alternatively, I searched for the information I needed through each related ministry/agency website as follows: www.bpk.go.id (website of the Audit Board), www.menpan.go.id (the Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform), www.lan.go.id (the National Institute for Public Administration), www.bkn.go.id (the State Civil Service Agency) and www.kemenkeu.go.id (the Ministry of Finance).

3.3. Data analysis method – thematic analysis

After conducting and transcribing the interviews, a thematic analysis approach was used for the data analysis. Boyatzis (1998) asserts that thematic analysis helps researchers
to move their analysis from a broad reading of the data towards discovering patterns and developing themes. Many researchers use thematic analysis as a way of getting close to their data and developing some deeper appreciation of the content, and for that reason, I decided to utilise this approach in my data analysis.

Thematic analysis is “a method for identifying, analysing and reporting patterns (themes) within data” (Vaismoradi et al., 2013, p. 400). It involves searching across a data set – be that a number of interviews or focus groups, or a range of texts – to find repeated patterns of meaning, and then organising and describing the researcher’s data set in detail (Braun and Clarke, 2006). Braun and Clarke (2006) claim that one of the benefits of thematic analysis is its flexibility. It means that this approach is not tied to a certain particular theoretical or epistemological position, thus it can be applied across a range of theoretical and epistemological approaches. Moreover, the flexibility allows the researchers to have a wide range of analytical options, which means that the range of things that can be said about the data is broad.

In addition, Vaismoradi et al. (2013) argue that thematic analysis is suitable for researchers who wish to employ a relatively low level of interpretation, in contrast to grounded theory or hermeneutic phenomenology, in which a higher level of interpretive complexity is required. It is considered as a relatively straightforward form of qualitative analysis, which does not require the same detailed theoretical and technical knowledge that approaches like discourse analysis or content analysis do. Therefore, it is relatively easy to conduct and suitable for early researchers who are still learning about qualitative techniques (Braun and Clarke, 2006).

However, thematic analysis has several disadvantages, too. As it has a wide range of analytical options, it can be potentially puzzling to the researcher in trying to decide what aspects of their data to focus on. Another issue is that it could have limited interpretative power if it is not used within an existing theoretical framework that becomes the basis of
the analysis made. It also has disadvantages if it is compared to other qualitative analytical methods; for example, with narrative or biographical approaches that are able to maintain a sense of continuity and contradiction through any one individual account (Braun and Clarke, 2006).

For this study, I argue thematic analysis is the most feasible approach as the aspects of the data are quite focused, which is on exploring the implications of the job relocation policy for employees’ motivation in an Indonesian government organisation. Another reason is because it is accessible to researchers with little or no experience of qualitative research, and at this stage I fall within that category. Considering the time constraint that I have, thematic analysis is believed to be a relatively easy and quick method to learn and use. Another justification to employ this type of data analysis is that I do not intend to study a very detailed story of an individual like when using the narrative or biographical approach, but I intend to highlight similarities and differences across the data set, and the thematic analysis will allow me to do that.

4. Researcher’s Role and Research Ethics

4.1. The role of the researcher

Mikecz (2012) contends that the position of the researcher also plays an important part in the research process, particularly in establishing contact and gaining trust from the respondents being interviewed. Therefore, it is worth discussing the role of the researcher in this section. As Evered and Reis (1981) contend, knowledge and understanding of an organisational situation can be acquired in two ways: by studying from the outside or by becoming a part of the organisation and studying it from the inside. They tried to differentiate the two modes of inquiry in the following table:
<table>
<thead>
<tr>
<th>Dimension of difference</th>
<th>Mode of inquiry</th>
<th>From the outside</th>
<th>From the inside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher’s relationship to setting</td>
<td>Detachment, neutrality</td>
<td>“Being there”, immersion</td>
<td></td>
</tr>
<tr>
<td>Validation basis</td>
<td>Measurement and logic</td>
<td>Experiential</td>
<td></td>
</tr>
<tr>
<td>Researcher’s role</td>
<td>Onlooker</td>
<td>Actor</td>
<td></td>
</tr>
<tr>
<td>Source of categories</td>
<td>A priori</td>
<td>Interactively emergent</td>
<td></td>
</tr>
<tr>
<td>Aim of inquiry</td>
<td>Universality and generalisability</td>
<td>Situational relevance</td>
<td></td>
</tr>
<tr>
<td>Type of knowledge acquired</td>
<td>Universal, nomothetic: theoria</td>
<td>Particular, idiographic: praxis</td>
<td></td>
</tr>
<tr>
<td>Nature of data and meaning</td>
<td>Factual, context free</td>
<td>Interpreted, contextually embedded</td>
<td></td>
</tr>
</tbody>
</table>

*Table 5 – Mode of inquiry*

(Table taken from Evered and Reis (1981, p. 389))

From the table above, it can be said that inquiry from the outside is characterised by the detachment and neutrality of the researcher from the research setting, while inquiry from the inside is characterised by the position of the researcher as being immersed in the research setting. Inquiry from the outside puts the basis of knowledge validation on the measurement and logic principle, while the validation basis for inquiry from the inside is experiential. The aim of the inquiry from the outside is universality and generalisability, whilst inquiry from the inside has situational relevance. The role of the researcher in an inquiry from the outside is as an onlooker, whilst in an inquiry from the inside is as an actor. It then brings us to the position of the researcher as an insider or outsider.

Insider researchers are researchers who conduct research within a community or population of which they are also a member so that they can share an identity, language and experiential base with the study’s participants (Dwyer and Buckle, 2009). Outsider researchers, on the other hand, are researchers who do not have the commonality shared by the participants. One definition of outsider researcher is “where the researcher is not *a priori familiar* with the setting and people s/he is researching” (Hellawell, 2006, p. 485). The status of the researcher, being either an insider or outsider, has become a subject of debate for many scholars from time to time, and it is worth discussing here as I reckon myself as an insider and I should back up my position in the academic research setting.
Proponents of insider research argue that being an insider provides some benefits to the researcher. The participants’ acceptance is a benefit for the insider. Being a member of the community frequently allows researchers quick and complete acceptance by his/her participants, thus the participants are usually more open with the researchers so that there may be a greater depth to the data gathered (Dwyer and Buckle, 2009). Other benefits of being an insider are the relative lack of culture shock or disorientation, the ability to assess the honesty and accuracy of the responses, and the possibility of enhanced rapport and communication (Hellawell, 2006). Hence the researcher can provide a detailed reflection on the subjective research process, while at the same time maintain a close awareness of his/her personal biases and perspectives (Dwyer and Buckle, 2009). Nonetheless, being immersed in the organisation poses a risk that the findings could be contaminated by the values and purposes of the researcher; a bias that has been referred to by Russel (cited in Evered and Reis, 1981) as the “fallacy of subjectivism”.

This subjectivity is juxtaposed by the objectivity offered by the proponents of outsider research. Many of them assert that disentanglement from the research setting can provide the researcher’s perceptions and judgments a particular kind of objectivity not usually granted to the insider (Hellawell, 2006). To elaborate the objectivity concept, Fay (1996) suggests several benefits of being an outsider researcher. First, people are often so involved in their own experience that it needs someone from the outside who might more adequately conceptualise the experience. Second, people are full of overlapping, mixed and sometimes contradictory goals, motives and feelings that it needs an outsider who sometimes might be able to see through the complexity in ways the individual cannot. Furthermore, outsiders often can appreciate the wider perspective, with its connections, causal patterns and influences, more than insiders can. Finally, outsiders might be able to see more clearly what is occurring and could outweigh the self-deception.
Despite the debate on insiders and outsiders, Hellawell (2006) argues that ideally, a researcher should put himself/herself in both positions, as an insider and outsider, since it can provide the empathy and alienation that are useful for a researcher. An example that can be cited is a study done by Robert Mikecz (2012). In his study on the post-socialist transition in Estonia, where he interviewed Estonian political elites, Mikecz positioned himself as an insider and outsider, with the tendency to become more of an insider. Being a non-Estonian presented him as a benefit as he was perceived as nonthreatening to the Estonians whilst his experience working in Estonia gave him familiarity with the Estonian culture and political situation.

Hellawell (2006) states that a researcher could simultaneously be to some extent an insider and to some extent an outsider if he/she is conducting qualitative research within his/her own organisation. As Dwyer and Buckle (2009) suggest, it is best for insider researchers to collect data with their “eyes open”, as even though he/she is a part of the research setting, he/she might not understand the real phenomena under study, and this suits me well as I never underwent job relocation that would force me to move from the head office. Moreover, as Dwyer and Buckle contend (2009, p. 59), the main point is not debating whether one is an insider or outsider, but one’s ability to be “open, authentic, honest, deeply interested in the experience of one’s research participants, and committed to accurately and adequately representing their experience”.

Having said that, in an attempt to support my research position as an insider, it is decent to consider Brannick and Coghlan’s work, which has presented how insider research, in whatever research tradition it is carried out, “is not only valid and useful but also provides important knowledge about what organisations are really like; something that traditional approaches may not be able to uncover” (Brannick and Coghlan, 2007, p. 72). As long as the potential researchers are conscious of the strengths and limits of their preunderstanding of their organisations, realise their dual roles as a member of the
organisation member and a researcher, and take into account the impact of organisational politics on their process of inquiry, a successful study is feasible to attain (Brannick and Coghlan, 2007).

4.2. Research ethics

Any research that involves human being participation should consider the ethics of the study. As Woliver (2002) says, “You must leave them in the same position in which you found them. You must do no harm to them” (p. 677). As far as I am concerned, I have considered the ethical issues related to my study. For instance, I prepared a consent form to be read and signed by every participant I interviewed. The consent form indicated the participant’s willingness to participate in the study, the nature of their participation (i.e. voluntary and could withdraw at any time), how the information will be treated (i.e. confidentially and anonymously) and the safeguard of the data. The anonymity will be ensured in this research by removing personal identifiers – including names – from all data files, using anonymous IDs, such as code names or numbers, for all data, storing the IDs separately from the data file in a locked drawer (for hard copies) and a password-protected computer (for soft copies), which can only be accessed by the researcher, and presenting the respondents’ identities by using their IDs in the report.

Another ethical issue might be related to my role as a researcher. Brannick and Coghlan (2007, p. 61) notice that it is becoming increasingly common for people who are participating in academic programmes to select their own organisational setting as the site for their research due to their assumption that the site with which they are familiar and have ready access to can provide a more than adequate field setting for their research. Yet, Morse (1998, p. 61) argues that “it is not wise for an investigator to conduct a qualitative study in a setting where he or she is already employed and has a work role. The dual roles of investigator and employee are incompatible, and they may place the researcher in an untenable position”. Conducting research within a researcher’s own
organisation might have the risk that the researcher may be somewhat intimidated to do what the organisation wants him/her to do (Dexter, 1970), or criticism resulting from the study may have an undesirable impact on the researcher’s career once he/she goes back to the organisation. To overcome this issue, I can ask to embargo the thesis from any kind of publication for a certain period. The policy can be read in point 10 of the guidance on the presentation and submission of theses for research degree programmes in the University of York (http://www.york.ac.uk/research/graduate-school/support/academic/thesis/submit/).

The source of research funding may have an ethical issue as well, particularly if the fund comes from a certain body or organisation. It might give a sense that the researcher is at the mercy of powerful sponsors who might wish to bias the research in a particular direction in order to pursue their own particular ends (Burnham et al., 2008). Although this study is funded by the Ministry of National Development Planning of the government of Republic of Indonesia, apart from the requirement for the scholarship awardees to provide satisfactory academic achievements and reports, there is no interference by the sponsorship with the subjects, the process involved in the research and how the awardees complete their studies. The choice of the research topic as well as how this research is conducted solely becomes the responsibility of the researcher, without any involvement of other funding body-related parties. Therefore, I could confirm that the sponsor does not affect the research.

5. Student’s Reflection as a New Researcher

This part provides several issues that were encountered during the research fieldwork in July-August 2015, most of them relating to the research methodology described previously.
5.1. Gaining access

As written in the methodology chapter, I chose ABI as the case study for several reasons. One of them is the easiness of gaining access as I am an employee of this organisation. Accordingly, I communicated my intention with the Secretary General, through email, since the beginning of 2015 and obtained his informal approval to make this organisation a case study. A formal letter from SG was attained on 15th of May 2015. When I received the approval from the ELMPS Ethics Committee on 19th of June, I directly tried to contact all the organisations I needed to visit for this study. For the case study organisation, I contacted the heads of the regional offices in Aceh, Pontianak and Kalimantan. As predicted, they all welcomed me and assigned one of their staff as a liaison officer (LO) for me. Through the assistance of the LOs, I was able to get the participants needed for this study. The LOs were very helpful in accompanying me and setting the interview schedule while I was in their offices. All the interviews were conducted within the offices, in an allocated room set up for this purpose. I previously expected that each interview would take from around 30 minutes up to one hour at the most. In fact, most of the interviews took at least one hour with the longest one taking around two hours and 30 minutes.

The challenges came from gaining access to other institutions. Right after receiving the approval from the ELMPS Ethics Committee, I tried to contact the Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform, the Ministry of Finance, the State Civil Service Agency, and the National Institute for Public Administration through their websites (Contact Us option), but got no reply. On 3rd of July 2015, using my university email account, I wrote an email once again to those institutions, but still did not get any luck. After waiting for a week, I tried to find another way to get in contact with them. I contacted one of my friends who worked in the Ministry of Finance and she gave me an email address to send my request (different from the one
stated on its website). Thus, I emailed them on 14th of July 2015 and got a reply a month after (12th of August 2015), asking for more information on the interview process that I wanted to do. I replied to it right away, but I did not get any reply after that.

As my time in Indonesia was limited, I decided to contact my friend who worked there and went directly to that ministry. My friend helped me to meet the staff who dealt with my email directly and I was lucky that they were able to help me. I managed to interview three middle-level managers from one secretariat general and two directorate generals within that ministry. I had a chance to ask the staff about the prolonged time it took to answer my email. He explained that the bureaucracy there stated that my email had to be sent to the top level first (the secretary general/director general) and wait for an instruction to come from them to follow up on the email. This procedure brings risk for a researcher, that the request will not be processed as it might not be regarded as an important matter by the top managers.

Meanwhile, as I did not have any acquaintances in the other institutions, I asked my colleagues in ABI, who were the auditors of those institutions, to help me gain access to those organisations. I gave the hardcopy letters to the auditors, who then forwarded them to either the public relations officer or the internal auditors there. By this approach, it was easier for me to get access and get a contact there. Similar to the explanation of the staff in the Ministry of Finance, the Head of Public Relations Bureau in the National Institute for Public Administration said that my first letter (which I sent through email) was handed in to the top level manager first, thus it took a long time to process it. I was lucky that my colleagues in ABI, and my status as an employee in that organisation, could shorten the time. My initial thought on experiencing the rigid procedure of gaining access was to confirm what many people say about the nature of government organisations, which are rigid, complex and inefficient (Lavigna, 2002). Despite the efforts of such institutions to
have bureaucratic reform, at some points they are still practising their rigid bureaucratic control in their daily activities.

5.2. Limited time

Due to my personal circumstances, I could only go back to Indonesia during my children’s school holidays. I arrived in Jakarta on 17th of July 2015 but I couldn’t do the fieldwork directly as it was still the Eid al-Fitr holiday (an important religious holiday celebrated by Muslims worldwide that marks the end of Ramadhan, the Islamic holy month of fasting). It is an Indonesian tradition that most people will go back to their home towns to gather with their big family. Thus, most of the business/government activities will halt for a few days. I started my fieldwork on 26th of July 2015 by visiting the three regional offices first, one week for each office. Then I spent the last three weeks in Jakarta, as it was more difficult to gain access and set up an interview schedule with the managers of several institutions.

I was able to interview 33 respondents in three regional offices within three weeks and 13 managers within another three weeks. Setting up the interview schedule for the internal managers in the Audit Board was quite easy as I knew them all, so I could approach them personally. Trying to meet and interview the managers from the other institutions was challenging as I didn’t know who the right person to ask was. Moreover, as Richards (1996) alerts, the elites frequently seem to be very busy, are less accessible and are more conscious of their own importance, so getting access to them is particularly important. Being patient and persistent is the mind-set that should be maintained all of the time by the researcher during the data collection process. If it were not for my colleagues who audited those institutions or my friend who worked there, I would have needed a much longer time to get access.
5.3. Researcher’s role

My role as an insider in the case study organisation gave me advantages, as the respondents in the three regional offices accepted my presence easily. It confirmed what Dwyer and Buckle (2009) say, that being a member of the community frequently allows the researcher to gain quick and complete acceptance by his/her participants, thus the participants are usually more open with the researcher so that there may be a greater depth to the data gathered. However, it also had another impact. During the interviews with the employees, even though I explained to them that I was a PhD student and that the purpose of the interview was mainly for my research, my status as an employee there could not be detached completely. Most of them still perceived me as an active employee and somewhat expected me to be their channel to deliver their messages to the top-level managers in that organisation. Thus, some of them told me the problems that they were then facing and hoped that their problems could be resolved quickly. Another thing observed during the data collection process was that sometimes the respondents referred to their colleagues’ experience when I asked them about their experiences. Instead of telling me their own experience, they told me their friend’s story.

I had quite a different experience when I interviewed the managers of other ministries/agencies. Even though most of them were welcome and willing to answer my questions openly, a few of them tried to confirm their power discrepancy over me. For instance, one of them in the beginning of their interview asked a lot of questions about my research topic and how much I knew about the regulations of the civil servant administration. This experience confirmed what scholars explain about elite interviews, that the power discrepancy often leaves the researcher with less power in the interview process, and that the elites often are quite savvy about social science research and frequently like to ‘test’ the researcher about his/her know-how on the topic (Dexter, 1970, Leech, 2002, Morris, 2009).
6. Conclusion

This chapter describes the methodology of the research being conducted. It started with linking the purpose of social research to the research objectives, and it continued with the research strategy chosen for this study, the justification for the adopted methodology, the methods of data collection and analysis, and the researcher’s role and ethical issues in this study. Qualitative methodology is considered to be the most suitable methodology for obtaining answers to research questions, and a case study of an Indonesian government organisation was picked to make this research feasible within the limited time and the financial constraints, as well as to make this study more focused. Face-to-face semi-structured interviews and document analysis were conducted as the data collection method, and after all the data has been collected, a thematic analysis was performed to identify, analyse and report the patterns that appear within the data set. In addition, the researcher’s role and ethical issues were also reflected upon in this chapter to maintain the objectivity of the research.

Having explained the research methodology utilised in this study, the next four chapters will discuss the research findings. The presentation of the findings and discussion are sorted according to the themes and sub-themes that emerged during the data analysis, and divided into four different chapters to help the readers in understanding the phenomena that occurred in ABI. The reflexivity as an insider researcher is embedded as well in describing and analysing the data obtained.
Chapter Five

Findings and Discussion – Initial Motivation and Perceptions on the Current Policy

1. Introduction

Following the discussion of methodology applied for this research, I will present the analysis of the research findings in four consecutive chapters (chapter five to chapter eight). The discussion within this chapter concentrates on the initial purpose of implementing the relocation policy, the initial motivation of the employees to work in ABI and their perceptions on the implementation of the current policy. The key findings that emerged from the data show that there are different perceptions between the managers and the staff regarding the main purpose of implementing the relocation policy in ABI. While the policy makers perceive it as the best way to maintain the auditors’ independence, the employees do not think that way.

This study also reveals that most of the respondents chose a career in the government sector due to practical reasons instead of for altruistic motives. So much for that, most of them also perceived that the current relocation policy is still unfair, based on the respondents’ own experience and/or their colleagues’ experience. The implementation of the policy is perceived by many staff to be inconsistent and not transparent, but transparency is perceived differently by the policy makers: another issue that is understood from different points of view between the staff and the managers. The chapter begins by examining the purpose of the relocation policy and the concept of auditor independence. It then continues with an analysis of employee motivation, particularly in its early stages, and perceptions of the current policy.
2. Relocation Policy in an Audit Organisation

2.1. Background and purpose of the relocation policy

To reiterate, the changes that happened in this organisation were a result of the reform of the Indonesian political structure, as discussed in Chapter Three. Several major changes related to ABI were the issuance of the package of legislation in the field of state finances, the involvement of ABI in the pilot projects of the National Bureaucratic Reform Programme, and the establishment of the new regional offices. In my opinion, those changes can be linked to the New Public Management (NPM) theory. For instance, the content of the Audit Board’s bureaucratic reform programme matches the three sets of changes (structural, process and function) in the NPM model suggested by Common (1999b), the opening of 34 representative offices fits the structural change, and recruiting and relocating employees can be categorised as a HRM process change in the NPM model.

Yet, as many studies have indicated that HRM was not a priority in reforming public management (Pollitt, 2011), it seems to be the case for ABI as well. Evidence of Pollitt’s statement can be seen in how late ABI published its formal relocation policy; it was in 2010, long after the organisation had evolved and started relocating its employees since 2004. One basic response from the managers was that the organisation has to refer to national regulations. Public sector organisations are highly regulated by government, and the Audit Board is no exception. In the case of Indonesia, it was subject to Law No. 8 from 1974, and this was replaced by Law No. 5 in 2014 after 40 years in practice. Moreover, to be fully effective, this main law should be substantiated by several government regulations, and the process of making all those regulations takes a long time, as depicted by one senior analyst in the Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform, who was involved in the legislation drafting team. He said:
“At this time we are in a transition time, from the old law to the new law. In that [transition time], in my opinion, I see the progress of legalising all the drafts will maybe need up to 2018, to reach the ideal form of all the regulations. As we have been indoctrinated by the old law from 1974 to 2015. How many years is that? Forty-one years with that kind of mind-set [the old regulation].”

His statement was supported by a National Institute for Public Administration senior researcher, who was also involved in the aforementioned team. Similarly, he mentioned that the transition will take quite some time as the changes from the old law to the new law could be categorised as radical changes. Thus, it needs a lot of effort to reform the current administration process and the existing policies that have been put in place for over four decades. Referring back to the literature review chapter, the political aspect of a nation can be a major cause for a reform in a public administration to happen. If the political elites do not pay attention to the civil servants’ quality, then any reform of the public sector HRM will be difficult to achieve. As Common (2011) suggests when he wrote about the reform attempts in Georgia, the lack of political will in the government often becomes the major obstacle for a successful reform programme. Despite very rapid changes of governance reform at the national level, actually, internally the public sector reform in human resource management is progressing very slowly.

Now, after knowing the rationale behind the changes in ABI, the next issue to explore is the purpose of the relocation policy. The current relocation policy that is implemented in ABI is based on two Secretary General decrees, which are the Decree of the Secretary General (SG) No. 366/K/X-XII.2/9/2010 on the staff rotation/relocation, and the Decree of the Secretary General No. 662/K/X-XIII.2/11/2013 on the relocation scheme for the auditors of ABI. According to those two written regulations, the purposes of the relocation policy are to assure the objectivity and transparency of the employees’ rotation, to manage the employees’ career development, to maintain the independence of the employees/auditors in performing their routine job, to reduce the employees’ boredom and create a conducive working environment, to balance the employees’ interests and the
organisation’s needs, and to improve both the employees’ and the organisation’s performance. This is in line with what many HRM scholars claim, that employee relocation has several impacts on both the employees and organisation as it is believed to enable the employees to gain new skills and experience, enhance their career development, prevent job boredom and increase their motivation, as well as enable the organisation to become more competitive (Cheraskin and Campion, 1996, Burke and Moore, 2000, Eriksson and Ortega, 2006).

Yet, as ABI is an audit organisation, there is another purpose for implementing a relocation policy, which is to maintain auditor independence. Discussion about auditor independence and auditor rotation is mainly found in accounting/auditing literature, and based on the interviews I had with the respondents, the concept of auditor independence appears to be particularly relevant to the thesis.

2.2. Auditor independence and relocation

One of the basic principles in the audit profession is auditor independence, be it in the private or public sector. The International Organisation of Supreme Audit Institutions (INTOSAI), in its International Standards of Supreme Audit Institutions (ISSAI) No. 1, states that any supreme audit institution shall maintain its independence with its audit entities (INTOSAI, 2016). This means, either at the organisational level or at the individual auditor level, both parties should uphold their independence and be as objective as possible. As a member of INTOSAI, ABI puts independence as one of its three core values: independence – integrity – professionalism.

Many studies, practical and academic, have been conducted to provide audit organisations with several ways to maintain auditor independence. The Sarbanes-Oxley Act of 2002 was issued in the United States as a response to several major company and accounting scandals including Enron and Worldcom (Coates, 2007). That law mandated the rotation of audit partners after serving a company for five years. Such regulation is
expected to prevent accounting or auditing fraud as it is assumed that long relationships with clients may jeopardise auditors’ professional scepticism.

Within ABI, one of the purposes of implementing the relocation policy was based on this premise. Adopting the practice in the private sector, ABI started to relocate its employees from one site to another. According to the senior level manager (Secretary General), there were at least three basic reasons to implement a relocation policy in this organisation: to maintain the independence of both the organisation and the auditors, to enable the employees to develop their competence and intellectual capability, and to distribute the employees fairly. He contended that relocating the employees periodically was the best way to maintain the independence principle:

“As I’ve said before, if an auditor stays in the same working unit for too long, he might have a tendency to be too close with his auditee. [It is against the concept of] independence in appearance, right? Second, a person who does the same routine for a long time could affect his professional scepticism. Since he will think that it’s only business as usual, his analysis will not be as sharp as it should be. Besides, the main objective for implementing the relocation policy is to maintain the independence of the organisation and the auditors as well.”

The main purpose of the relocation policy in ABI is evident. This perception was plausible as there is evidence and/or research that supports this notion. For instance, a study by Anis (2014), whose findings indicate that auditors in Egypt perceived that mandatory rotation of auditors has a positive effect on audit quality, a negative effect on client-specific knowledge and a positive impact on auditors’ independence (Anis, 2014). However, even though this practice has such benefits, research also shows that the drawbacks exceed the benefits it brings. Some of them are the loss of organisation-specific knowledge, which potentially jeopardises the audit quality, an increase in audit inefficiencies as the new auditors usually need a longer time to familiarise themselves with the client’s business processes, conflicting audit judgments as the new auditors may not agree with the previous auditors’ judgments, and higher costs in recruiting and training new auditors or them travelling to the clients’ locations (Anis, 2014, Casad, 2012,
Cameran et al., 2015, Comunale and Sexton, 2005, Pinnell, 2011). These disadvantages were mentioned by a few of the respondents as well. For instance, Budi, who was posted in West Kalimantan, expressed his difficulty in tutoring the auditors who were just relocated to that regional office, while the ones who moved out already had the proper familiarity and competence needed to audit the auditees.

In response to the main goal of maintaining auditor independence, it appears that not all of the respondents in this study agreed with that. At least seven respondents on the employee side expressed their contrary thoughts. In their view, independence depends on the character and intention of the auditors themselves. Thus, relocating people periodically is not a way to maintain auditor independence. It even may pose a risk that dishonest auditors will become worse in compromising their audit findings or by accepting bribes from the audit entities because they will calculate their costs to travel back to their home town:

“From my observation, I see the auditors who are not independent; they will be worse if they are located to remote areas. If in the previous place, they accepted briberies of, let’s say, five million rupiah, in the remote place they could ask for double the amount, because they will calculate the cost to travel back to their home town. For example, here in Papua. There are some people who can go back to their home town [in Java] frequently. They do the audits four times a year and they can go back to Java up to seven times a year.” (Prihadi, posted in Papua regional office)

It appears that a few auditors might secretly accept kickbacks from the service they give since the travel costs to go back and forth from Papua to Java is expensive. On average, the travel costs can reach seven million rupiahs, and it is similar to the monthly salary a young auditor gets in ABI. Thus, it is unlikely that an employee could go back to his home town up to seven times a year if he (or she) has to pay for the travel.

In a similar way to Prihadi, Sofi, who was posted in Aceh, told me that integrity and independence cannot be judged by which culture/origin a man comes from. If an employee wants to stay in a region for a long time, he/she is most likely to keep his/her
integrity and independence. Being relocated periodically even poses a risk that an unethical auditor will keep being corrupt as he/she will think if he/she does something bad in the current place, he/she will not be there long so it is OK to leave bad things there because he/she will not be affected any longer when he/she is relocated. Niken and Budi, in the West Kalimantan office, even criticised the arrangement of the relocation policy where the employees at some point will be relocated back to their home town. According to Niken, personally she felt she could not be independent in her own home town, as many of her relatives worked as civil servants in that regional government. Thus, she would have conflict of interest when she was assigned to audit them.

Looking at the comments of the manager and employees, I could see the different points of view they had regarding the relocation policy. While the senior manager perceived auditor relocation as the best way to maintain auditor independence, the staff did not see it that way. While both of them had good reasons to back up their thoughts, there had been little communication to unify these two different opinions. After all, the central argument for mandatory rotation is the belief that “bad things” can happen when auditors have long tenures (Cameran et al., 2015, p. 2). Still, the notion is impartially debatable as many research studies have shown that the disadvantages overweigh the advantages of this practice. Besides, auditor rotation is not the only way to maintain auditor independence.

3. Evidence of PSM in ABI

As I want to know the impact of the relocation policy on the employees’ motivation, I asked the respondents about their early motivation to work as civil servants or work in the case study organisation. Out of all of the 33 respondents being asked about their main reason to become a civil servant, almost 50 percent of them (16 respondents) admitted that they chose to work in that organisation only to have a job. The second most reason
cited was to obey their parents’ suggestions, as their parents thought working in government would provide them with job security in terms of financial stability, the pension fund and a fixed permanent job (civil servants cannot be easily fired). The following graph presents the main reasons mentioned by those respondents.

![Primary reason to work in the case organization](image)

**Figure 6 – Main reason to work, mentioned by the respondents**

The reasons in the graph above are the first motives the respondents mentioned. Besides those primary reasons, some respondents expressed several other reasons to work as civil servants, which is understandable as “human actions tend to have a motivation package rather than one sole motivation” (Yung, 2014, p. 423). Their motivation can be seen in the following graph.

![Reasons to work (breakdown per regional offices)](image)

**Figure 7 – Reasons to work as a civil servant**
Two dominant reasons that emerged from the interviews were the necessity to get a job and the obligation to obey parents’ suggestions. Fitting with their educational background was one of the reasons cited by the respondents as they studied public administration or accounting at the undergraduate level. Prestige was another reason cited as the respondents thought being an employee in such a high state institution would increase their social status or, according to their culture, being a civil servant brings pride. The other reasons cited by five respondents were an opportunity to travel around Indonesia, following the respondent’s best friend to work in the same organisation, a motivation to help minimise corruption, work pressure being lesser than in a private company, and the assumption to get a higher income as the Audit Board is a high institution (quit from private company).

The main reasons mentioned above might be a common/realistic thing to say by people who have never worked before or just been laid off or who want to get a higher income, as some respondents admitted. However, it is interesting to know that those reasons applied to several respondents who had worked before, particularly since they had worked in a good private company with a higher salary than the salary they were getting in ABI, as described within the quotations below:

“I applied for a job in the Audit Board just because my best friend asked me to. We’ve been friends since we were in primary school, secondary, high school, up to university, always together. He has worked in the Audit Board since 2006. He persuaded me for three years consecutively…. And since my parents told me, urm…my big family would support me if I worked in the Audit Board, too. So they even urged me: ‘Come on, just leave your job in that company.’ Whereas my salary at that time was around four million already, in 2004 [for comparison, in 2004, the researcher’s salary in ABI was IDR1,500,000. That was the salary the researcher earned with an 8-years work tenure and a master’s degree qualification]. That’s not including transport, accommodation. It’s all paid for by the company. My accommodation had an air conditioner, water heater, cable television. So comfortable. My salary was spent on food only.” (Kasmir, male, 34 years old, just married, has worked in private companies for several years with the latest position being a manager)

“It’s because of my educational background and our culture. In Batak, being a civil servant is an honour…. Yeah, my parents were civil servants, some of
my relatives are civil servants. My father’s family, my mother’s family... Our culture in Batak, Tapanuli, it [being a civil servant] is a pride, particularly if we can work in such high state institution.” (Daniel, male, 48 years old, married with children, has previously worked in a public accounting firm)

It is evident that for several employees, their early motivation to work for the government was mostly influenced by their parents. This was possibly because their parents were raised during the time when the traditional civil service system was disseminated. Aberbach and Rockman (2006) say that traditional civil service systems were built on the belief that “service to the state was a higher calling and that people would be attracted to public sector jobs by their status and influence, and be compensated for the lower wages they might receive by psychic rewards, job security, and non-salary benefits” (p. 991). This idea was then passed on to their offspring, although some children do not agree with that concept any more, as shown below:

“It’s because of my parents, ma’am. My parents chose it for me. I myself didn’t want to [accept the government scholarship and work for them after graduated]. They thought it gives me certainty. It means after finishing my diploma I don’t have to look for a job. Although, I think I can survive without being a civil servant. But they still didn’t want to accept it [accept his argument]. They even cried in front of me, that’s why I took it.” (Prihadi, male, 31 years old, married with children, never worked before)

“It’s just more certain. As in our big family, despite some of us working in very good private companies, civil servants seem to have more prestige. That’s the perception of the local people in my region.... Thus, we will be considered as successful people, while in fact I know that if our position in the organisation is just as ordinary staff, it doesn’t guarantee anything either, does it?” (Tika, female, 36 years old, single, has worked for two years in a few companies)

Noticing the respondents’ statements, those who chose to work for government to obey their parents, I believe this behaviour is a result of the traditional culture values of the Indonesian parenting style. In Indonesian culture, parents need to be honoured and respected as they are perceived to be of enormous aid to their children, and if the children do not respect their parents, they will be cursed (kuwalat) or experience karma (Riany et al., 2016). This respect is commonly expressed by never being disobedient or never being rude to parents, even if the children are already mature and have their own families.
Traditionally, the offspring are expected not to argue with their parents even if they have different opinions. Hence, Indonesian children are generally raised with less autonomy because they are usually told what to do instead of being supported to make their own choices (Riany et al., 2016).

Amongst all the respondents being interviewed, there was only one respondent who said that one of the reasons to work in ABI was to help combat the corruption in Indonesia, and yet it was only the last reason he cited after the other main reasons, as can be seen in the following statement:

“At first, I had a dilemma because at that time I was accepted both in XYZ [mentioned the name of a large private company in the automotive industry] and the Audit Board…. but I tended towards being a civil servant because, first, the risk for being a civil servant is not too high. I mean there is certainty. First for the pension. Second for my financial stability, income. And third, my motivation is…, well, I incidentally like doing some clippings on corruption news. So, I think this was one of my motivation to apply for a job in the Audit Board. I once...urm...I have a friend who is a Bernas journalist and he once told me about the case of Udin, and my friend told me his ups and downs in covering corruption news, so it inspired me to work in the Audit Board.” (Dandy, male, 38 years old, married with children, has worked in private and had his own business for three years)

The case of Udin once became national news in Indonesia. It happened around 20 years ago. Udin was a Bernas (an Indonesian newspaper) journalist who was beaten to death by unidentified men in August 1996. The public believed he was killed because he frequently criticised the corrupt New Order regime through his coverage in that newspaper and up to now, the case hasn’t been closed yet (Ismail et al., 2014, Parwito, 2014). Dandy mentioned his interaction with his friend, who was also a Bernas journalist, who inspired him to work in ABI as he thought working there would help minimise corruption, one of the public enemies in Indonesia.

Referring back to three types of PSM suggested by Perry and Wise (1990), this motivation can be categorised as a norm-based motive, where people have the desire to serve in the public’s interest, no matter how this latter term is defined. Thus, working for
the government with the intention to minimise corruption could be presumed as serving in the public’s interest. Yet, defining this term is also a challenge in the area of PSM as the interpretations of this term vary depending on the roles people hold in society and scholars do not agree on a precise definition of public interest (Rainey, 1982, Schott et al., 2015). Yet again, without undermining the respondent’s motive, this kind of interest was found only in one respondent in ABI.

Based on the responses I got, it seems to me that, for many people in Indonesia, the decision for selecting a career in the government sector is mainly influenced by practical reasons, their families or culture of their origins. This was corroborated by some respondents when they told the researcher that they did not try to find out preliminary information about the organisation they applied to. Seven respondents, four of them having worked before, said similar things about it.

“I didn’t have any imagination or description about this organisation before. I just knew that it is one of the state’s highest institutions, that’s it.” (Niken, female, 34 years old, just married, has worked in a private company for a year)

“For me, it used to be, we learned in school that the Audit Board is at the same level as the Parliament. So I think from the point of monthly income, I would get a big salary there.” (Nurman, male, 33 years old, married with two children, has worked in a private company for eight months)

“My first motivation to apply for the Audit Board was just to get a job, because I really didn’t understand what the Audit Board was. So when I saw the advertisement, I just tried it, got accepted and started working. That’s it, I didn’t think about anything else.” (Wandan, female, 40 years old, married with children, never worked before)

Noticing the responses they gave, it seems to me that the motivation of most of the respondents in getting a job as a public officer was purely economic, and this practical reasoning seems to be in line with their information-seeking behaviour, that they did not even try to seek any information about ABI before applying.

Although the results cannot be generalised, for many people in Indonesia, the decision for selecting a career in the government sector is likely influenced mainly by the factors
stated in previous paragraph, which are economic and cultural factors. For instance, in ABI, it was found that the respondents’ early motivation to choose a career as a civil servant was not based on PSM, but more on economic reasons, which is in line with what Gabris and Simo (1995) argue, that high-level PSM is merely held by those people who work at the highest levels in a public organisation, and most of the rest, particularly the ones at the lower levels, choose to work in public organisations due to the necessity to survive.

Referring back to the PSM definition table in Bozeman and Su (2014), many scholars indicate that PSM drives people to engage in an act that benefits society, a community of people or the public. As they do not specifically define the scope of those terminologies, one might argue that obeying parents or making the people in their villages proud could be assumed as serving a community of people. Yet I argue that serving a community of people means much broader than that, and the parents’ desire for their kids to choose a career in the public sector is based on financial stability after all.


In a brief way, the relocation policy for the staff can be explained as follows. First, if the employees are to be transferred to external working units, the authority lies in the Secretary General’s hands. For example, if an employee is to be moved from the Finance Bureau in Jakarta’s head office to a regional office in Aceh province, then the approval should come from the Secretary General (SG). In the case of internal rotation within the same working unit, the authority lies with the head of that working unit. For example, if an employee in the Aceh regional office is to be moved from a finance supporting unit to Public Relations supporting unit but still in the Aceh office, then the person authorised to do that is the head of the Aceh RO.

Second, there are three working zones for the employees, which are Zone 1 that covers the working areas in Jakarta Head Office (HO), Zone 2 that covers the working areas on
Sumatra, Java, Bali, Nusa Tenggara and Kalimantan Islands, and Zone 3 that covers the working areas in Maluku, Papua, undeveloped regions, regions in conflict and regions that are vulnerable to natural disasters. The employees would be relocated if their job tenure in Zone 1 or Zone 2 has lasted three to five years, or if their job tenure in Zone 3 has lasted three to four years.

Third, an employee could ask to move to another location if the employee fulfils one of the following circumstances: a woman employee who wants to follow her husband, or an employee who – due to his/her serious illness – cannot be treated in his/her current place since the health service/facility is unavailable in that area. An exception is made for employees who are about to retire. Those employees who only have three years of service before their pension will not be relocated unless they ask for it.

The SG’s Decree No. 662 issued at the end of 2013 offers a pattern to relocate the auditors. It is a DKO (Domisili – Kantor Pusat – Organisasi) or an origin – head office – organisation scheme. ‘Origin’ is the province where the employee chooses as his/her place of origin. ‘Organisation’ means the location determined by the organisation. ‘Head Office’ is the location of the Audit Board’s head office, which is Jakarta, the capital city of Indonesia. The rotation scheme means that an auditor who has been located according to his/her place of origin before, and currently is assigned at the head office, will be located to any location determined by the organisation. Although the DKO pattern is intended for the auditors only, in practice, the management combines those two regulations in determining the employee relocation, either for supporting staff or for the auditors. Auditors are the employees who conduct the main business process of this organisation, which is to audit state financial management and accountability. Supporting staff are the ones who perform the supporting and administrative processes.

According to the SG during his interview, the current policy has covered what the organisation needs, while at the same time tries to fulfil the employees’ needs as well.
The current policy that offers the DKO pattern is designed for the employees who start working in ABI at 22 years of age. Thus, considering that they will work for the Audit Board for about 33 to 35 years, this DKO pattern will give such persons a chance that one day, when they are about to retire, they will be placed in the region they prefer, which is their home town. What the SG said is in line with what Stroh (1999) comments, that most employers perceive that the relocation will be beneficial for both the organisation and the employees. Nonetheless, will the employees have the same perceptions on that practice? Do the benefits outweigh the costs? In this case organisation, that issue will be explored.

Amongst the 33 staff interviewed within this study, 20 employees had a relocation history that matched with the current relocation scheme, either matched with the DKO pattern or matched with the condition that the employees were relocated because they asked for it. Nevertheless, most of them perceived that the current relocation policy, even though in general is fine, is still unfair. Their responses can be categorised into three groups as pictured in the following chart:

![Pie chart showing staff perceptions on the current relocation policy]

**Figure 8 – Staff perceptions on the current relocation policy**

Most of the staff commented that the current relocation policy, which offers the DKO scheme, is much better now as they noticed many employees had been relocated according to that scheme. Yet, they still perceived that not all of the employees are treated equally. An excerpt from a respondent may represent what the majority thought:
“I think, in general, the policy is good. But, the lack is, it does not apply to all employees. I don’t know what the consideration is, but if job tenure is the main consideration to relocate the employees, why there are many employees whose job tenure is longer than me, still stay there [in Java]? And even the new employees that are relocated first. I don’t know what the justification of HR Bureau.” (Ervina, female, 42 years old, single)

When asked about the reason why they thought that the relocation policy was still unfair, many respondents reflected on their own experiences, such as Ervina’s comments above. Most of them compared their situation to their colleagues’ at the same level/batch, in a previous working unit or current working unit. This behaviour can be linked to organisational justice theory, where employees’ behaviour is affected by what they think about fairness in all organisational processes and activities (Greenberg, 1990, Khan et al., 2010, Dundar and Tabancali, 2012).

In the early development of organisational justice theory, there were two broad categories of justice, which were distributive justice and procedural justice (Greenberg, 1990). Just like any other theory, many scholars try to advance this theory with additional concepts such as the self-interest model, group-value model, referent cognitions theory and interactional justice (Cropanzano and Folger, 1989, Tyler, 1989, Khan et al., 2010). In distributive justice, the concept of justice is focused on the outcome, the fairness of the ends achieved. Employees’ perceptions of distributive justice are mainly based on their comparisons with other employees in such organisations (Khan et al., 2010, Greenberg, 1990). For instance, the employees might compare their salaries, working conditions, workloads or other benefits with their co-workers’, and if they think the comparison is fair, they will have positive feelings about the system. From the interviews with the respondents, it appears that many employees in ABI applied the distributive justice approach in observing the relocation policy.

In this study, I found that most of the staff were modest in expressing their opinion about the current relocation policy, or they perhaps tried to be as objective as they could be in commenting on the current relocation practice. From all those 33 staff, only eight
staff firmly said that the policy did not work. They said that what had been written was different from what was in practice. Furthermore, for those seven people who said that the current policy is quite good, it turns out that not all of them totally agreed with the current practice. They were happy so far with the current practice either because they did not mind to be relocated anywhere or because their requests to be moved were granted by the management. In the interviews, it was revealed that they also noticed the unfairness of the policy implementation, as can be read in the statement below:

“First of all, I am a person who does not mind to be relocated anywhere, so I didn’t read that [the written relocation policy]. But the latest one, the one with DKO’s scheme, I didn’t even read it, I knew from our colleagues here. I think it’s good, though, but the issue now is its implementation. As we can see here [in the Papua office], there are several senior auditors who have been here for five years but haven’t been moved yet. So the implementation of the policy is the important thing.” (Handoyo, male, 46 years old, married with children, has worked in KAP for a short time)

Noticing the comments of Handoyo above, it seems to me that the seven respondents who said that the current policy is good can be referred to the group-value model in organisational justice theory. In the group-value model, people value long-term relationships with their groups, be it in small groups or a large organisation (Tyler, 1989). As a result, they tend to value procedures that promote group solidarity. Thus, even though those seven respondents personally felt satisfied with the current policy, they still considered their colleagues when talking about the relocation policy, particularly the ones who they thought had become victims of an unfair system.

Similar to what the staff respondents mainly thought, the three heads of the regional offices (Ridwan, Antonius and Haryadi) perceived that the current relocation policy is still not effective yet, although they said that at the moment it is being improved more and more. As Antonius explained, in his point of view, the current policy is not settled and clear yet, as there are many occurrences or patterns which are not in accordance with the written policy. These incidents, according to Antonius, affect employees’ trust in the management in terms of certainty as most of the employees become unsure about how
long they will stay in one working unit, and in the end, it will also affect their motivation
and satisfaction.

Theoretically, scholars agree that organisational justice plays a significant role in
affecting employees’ motivation and performance, and the employees who are satisfied
with organisational justice are likely to be higher performers than the less satisfied ones
(Khan et al., 2010). Now, if we relate it to the phenomenon that happened in ABI, will
the empirical evidence confirm the hypothesis? From the description above, it is evident
that, basically, the employees recognised that theoretically the current relocation policy
is quite good. Even though not all of them agreed with the DKO pattern, they appreciated
that there is now a written policy that has been set up. It is the implementation of the
policy that they mainly criticised, an issue that will be explored in the following sub-
section.

5. The Implementation of the Current Policy

As most of the staff respondents commented that the current policy is uncertain and
unfair, I think it is interesting to explore their perceptions more. In general, I divided their
perceptions into two groups: opinions as to why the policy is unfair related to the
respondents’ own experience, and opinions as to why the policy is perceived to be unfair
related to other people's experience. These categories can be associated with
organisational justice theory, as explained in the previous part. The following table
summarises the perceptions of the respondents about why they thought the policy was
unfair. These perceptions are based on the experience the respondents had when they
compared their own condition with others’, observed what happened in their working
units/regional offices or reflected on their own cases.
Opinions as to why the policy is unfair (related to his/her own experience)

<table>
<thead>
<tr>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other people can move back to HO/favourite places in a short time</td>
</tr>
<tr>
<td>Broto, Ervina, Kasmir, Dandy, Ponco, Prihadi, Aydin, Restanto, Suprianto</td>
</tr>
<tr>
<td>People with relatives/friends in high positions can move back easily</td>
</tr>
<tr>
<td>Marina, Lintang, Roy, Dandy, Ponco, Aydin</td>
</tr>
<tr>
<td>There are employees whose names are in SK but they never move to the designated RO</td>
</tr>
<tr>
<td>Lintang, Roy, Prihadi, Aydin, Restanto, Suprianto</td>
</tr>
<tr>
<td>Some people never move out from HO/their favourite RO</td>
</tr>
<tr>
<td>Lintang, Hengki, Yasmin, Wesnu</td>
</tr>
<tr>
<td>The respondents scrutinised the relocation SK, identifying anomalies (in terms of observing the relocation pattern of the respondents’ friends in the same batch)</td>
</tr>
<tr>
<td>Niken, Suandy</td>
</tr>
<tr>
<td>The respondents were relocated not according to the pattern</td>
</tr>
<tr>
<td>Daniel, Hasan</td>
</tr>
<tr>
<td>The respondent feels he is disliked by his boss</td>
</tr>
<tr>
<td>Nurman</td>
</tr>
<tr>
<td>The respondent feels that he is being punished</td>
</tr>
<tr>
<td>Prihadi</td>
</tr>
</tbody>
</table>

Table 6 – Staff’s perceptions on the policy’s lack of clarity
HO: Head Office; RO: Regional Office; SK: Surat Keputusan (Decree from the Secretary General contains the names of the employees who have to move)

The respondents’ comments, mentioning that the policy is unfair because there are people who were first relocated to a RO but then could move back to the HO or a favourite place in a short time, can be read in one of the interview excerpts below:

“It’s not fair yet because there are some people who moved here [Aceh] only for one or two years and then they can go back again [to Jakarta], while there are some people who have been here for five-six years and haven’t moved yet.” (Broto)

They thought it was unfair because it was against the written policy, which stated that the period for an employee to stay in a working unit is around four to five years. The reality is that there are several employees who can stay there for one to two years only and there are people who exceeded the five-year period and haven’t been relocated yet. While these respondents did not know or did not explain the cause of such incidents, several others thought that an exception in the policy could occur due to special relationships between the employees and high-level officials, as what Marina expressed:
“Some fair, some not. Fair in terms of that there are many friends who are relocated according to their domiciles. Not fair in terms of that there are some cases that do not fit with the policy. The regulations say that employees will be relocated every four years. But as far as I'm concerned, there were some employees who were relocated in less than a year and have been moved back already. Like one of my friends here, Mr Erwin, since his uncle is a Member of Parliament and a friend of one of the Audit Board members, he can be relocated so quickly. Suddenly, he’s moved back to Jakarta. This kind of thing causes social jealousy, if I may say.” (Marina, West Kalimantan office)

A special relationship between the employees and the high-level officers was implied as well when a respondent shared a story about her previous working unit. She thought that a misconduct of an auditor can even lead him to be sent back to HO if such a person has a special relationship with high-level officers in this organisation. She told a story related to a corruption case that occurred in 2008, when the Governor of North Sumatra at that time (Syamsul Arifin) was finally convicted in a corruption case that led to six years’ imprisonment. Syamsul Arifin was found guilty of misusing the 2000-2007 budget of the Langkat regency while he was holding the position of Langkat regent for two terms of office (Zahroh, 2016, Utama, 2015). Besides using the money for private use, he was condemned for using it to bribe some government officials, including the auditors of ABI.

Niken: So, he [the auditor in that Sumatera Utara RO] admitted that he received money [from the auditee], that's one thing that I observed when I was in Medan. The Langkat case, do you remember? It was in 2008, the case where Syamsul Arifin was finally put in prison...... Syamsul told the Treasurer that there were some people in the audit team who received the money, and that person [the auditor] was even moved back to Jakarta..... In the end, if he is guilty but he has a channel, he will be moved to a good place, but if he does not have that channel, he will be moved far away. ......

Interviewer: I see. So, do you think that kind of thing still exists in our organisation?

Niken: Yes. If an SK [SK stands for Surat Keputusan, a relocation decree of the Secretary General which is usually issued twice a year] is issued, we always scrutinise it, ma'am. "Wow, that person, we know him/her, we know his/her background, so we can judge, why this person? Why that person?"
Scrutinising the relocation decree, observing people never moving out from Head Office/favourite regional offices or identifying anomalies in the decree – in terms of observing the relocation pattern of the respondents’ friends in the same batch – seem to be common things that the employees in the regional offices do whenever the relocation decree is issued. For instance, Yasmin, one of the respondents from Papua, said that when she was in the Central Java office, she observed that many employees never moved out from Jogja or Semarang, particularly the employees who had been there since the regional offices were established, while the new employees were relocated even up to Papua. Another respondent, Suandy, who was in the Aceh regional office, admitted that he did the same thing whenever a relocation decree was announced.

Several other views of the unfairness, such as there being some people whose names were on the relocation decree list but who never moved, or the respondents who were relocated but not according to the DKO pattern, are described in the three interview excerpts below:

“...if we may say, the relocation policy only applies to the employees who do not have relatives, friends, or who do not have, the term is "pohon asem" [tamarind tree], in the centre of power. So, for example, I have a colleague; he was moved to Region X, which is categorised as an eastern part; he is the son of a high-level official in ABI. Aaah, this Mr X, based on the SK, he was placed in an eastern part, but most of his time was spent in Jakarta; got a call to follow some trainings in Jakarta, got an assignment in an audit activity in Jakarta; so maybe his time in Jakarta was much longer than his time in the regional office. There is another case, a colleague who was supposed to move here with us, but it’s only in SK, he never set foot here. Never came, and suddenly, there was a new SK for him, moved back to Jakarta. Well, those incidents, for the people who don’t have "pohon asem" will be perceived as unfairness, right? If the relocation applies to all the employees, whether considering "pohon asem" or not, I think not many people will complain.” (Lintang)

“I see the policy is not consistently applied here. I mean, not everyone is treated the same. For example, myself, you know I’ve been in regional offices for eight years [North Molucca, which is located in the east region of Indonesia, and West Kalimantan].... The management once promised that people who have been in the east region will be moved back to Jakarta or they can choose which region they want. In reality it is not like that.” (Daniel)
Hasan: So I think I’m like a person who is discharged from village to village. I’m approaching my retirement, approximately in six years’ time. I do hope that I can go back to my home town in East Java.

Interviewer: Why do you think being moved to Aceh is like being discharged, sir?

Hasan: Well, it’s just my prejudice.... Because I’ve been outside Java for more than 20 years. I think I was supposed to be relocated back to Java, but it turned out that I was even moved here, so I think I am exiled, not relocated. Moved to outside Java again, the furthest, to Aceh.

It is interesting to notice that, even though for several respondents it was easy to talk about the favouritism and/or nepotism explicitly, several others found it a bit uncomfortable. This group of people used metaphors in referring to those terms. As can be read in the above quotation, one respondent used the terminology of “pohon asem” to replace the words favouritism and nepotism. Other metaphors that referred to the same terminology which came up during the interviews will be described in Chapter Six.

Amongst the respondents in this study, there were two respondents who assumed that they were relocated because they were being punished or being excluded from their previous working unit due to their actions to maintain their principles. One of them, Prihadi, thought he was relocated because he had a polygamous marriage. Even though in the end he divorced his first wife, the management decided to move him from Java to Papua as the best way for him to solve his personal problems.

“So, my second marriage made people talk behind my back. I think so. It’s too irritable in that office. So, I think this is casuistry, we cannot generalise it. At that time, Mr R [the head of the Human Resources Bureau] came to me. Many things were discussed, one of them was relocation. He expected that relocation would be a solution for my personal problems at that time...... I don’t know precisely, though, whether this relocation was a solution or not, but the process was very quick, so it was in April [Mr R talked with him], and in May I already got the relocation decree.” (Prihadi)

The other one, Nurman, guessed that he was relocated to Papua because his superordinate in his previous working unit in Jakarta did not like him.
Nurman: I heard a rumour that my position there obstructed my boss’ interests.

Interviewer: Really? Do you think so?

Nurman: Well, that’s what I heard.

Interviewer: How do you know?

Nurman: Urm, this interview is confidential, isn’t it?

Interviewer: Yes.

Nurman: What I heard is, my boss there has many relatives in the audit entity that I audit. So, maybe some of them feel bothered. Because I’m strict there, if it is wrong then it’s wrong. So maybe it looks like the audit team leader is so arrogant. “So it is better to get rid of him, give him a new job in another place” [imitating what his superordinate might have thought] Hahaha….

Those two perceptions appeared to be in line with several respondents who expressed that relocation is a kind of action that top leaders take to show their superiority when they do not like their subordinates.

The impression that when someone is relocated from the HO it is because he/she is disliked by his/her boss was not only felt by the staff but also by the senior managers. One of the heads of RO that I interviewed, Ridwan, shared his personal experience. In his opinion, he was treated unfairly because he was moved from the HO to a remote area, while the one who replaced his position in the HO was a newcomer who had just been promoted from a lower level. He said:

“Personally, frankly speaking, I feel that I am unfairly treated in this placement or in the process of relocation…. In my case, I was moved to a remote area, while the one who replaced me in Head Office was a newbie, just got a promotion. Well, it’s just my personal logic, though. For me, this is demotivation. If it is a promotion, no matter how far it is, I think people wouldn’t mind. This is a thing that should be put into consideration, although for me it may be very personal.”

According to him, the relocation policy should be linked with the promotion. An employee will not be reluctant to move to remote areas if he/she is promoted, but it would
be a different story if the employee is just relocated without getting any progress in his/her career. Similar thoughts were articulated by Haryadi, who once had been the head of the West Papua office. He related his own experience as he had been relocated many times as well. Besides supporting what Ridwan said, according to him, his physical condition, in this matter his age, affected his mobility as a head of the RO. When he was posted to West Papua, it was exhausting for him to take long-haul flights to go back and forth from Jakarta to Papua (it takes approximately seven hours by direct flight). As a 59-year-old man, he suggested that it was better to have younger people to lead the regional offices in the eastern part of Indonesia, the younger ones who just got promoted to the Echelon 2 level. Noticing the responses from the senior managers, I find that even though they already had a quite high structural position in ABI, they still had anxiety about the relocation practice, as they were also not sure about their next post and time to serve in the next location.

Besides referring to their own experience or feelings, they also shared their colleagues’ experience to strengthen their points of view. For instance, Haryadi shared his subordinate’s experience, who had been in Papua for quite a long time, exceeding the maximum time written in the policy. This fact, according to him, is evidence to show that the implementation of the current policy is still inconsistent. On the staff’s side, the opinions as to why the policy is perceived to be unfair in relation to other people’s experience is classified within the table below.

<table>
<thead>
<tr>
<th>Opinions as to why the policy is perceived to be unfair (related to other people’s experience)</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distant location and expensive travel costs</td>
<td>Roy</td>
</tr>
<tr>
<td>A woman employee has to leave her children while others can refuse the relocation</td>
<td>Ponco, Sofi</td>
</tr>
<tr>
<td>A colleague who feels is being treated unjustly by the system</td>
<td>Prihadi</td>
</tr>
<tr>
<td>Name in SK but never come, resulting in a lack of auditors in RO; more of a burden on existing auditors there</td>
<td>Handoyo, Suprianto</td>
</tr>
<tr>
<td>The respondent noticed several staff were moved because the boss didn’t like them</td>
<td>Agung</td>
</tr>
</tbody>
</table>
Opinions as to why the policy is perceived to be unfair (related to other people’s experience)  

| Misconduct resulted in going back to HO due to nepotism/favouritism | Niken |
| In the same SK to move to the same RO, but the other staff did not move out and got no sanction | Budi |

Table 7 – Staff’s perceptions in relation to their colleagues’ experience

One respondent assumed that the management sometimes did not have empathy when relocating people to remote areas. Distant locations and expensive travel costs to go back to their home town is one consideration why people are reluctant to move, as reflected in the following statement:

“I think people in the Human Resources Bureau should put themselves in other people’s shoes, so they know that it is not comfortable [being placed far away from their home town]... There was an incident; this was an incident that happened here, ma’am. A friend could not go back for the Eid holiday because he brought his wife and kids here, so it takes a minimum of 20 million rupiahs for travel costs [approximately equal to GBP1,000]. So he didn’t go back for the Eid holiday. Suddenly, his father passed away just recently. Can you imagine how it felt, ma’am? Now he has to go home with the ticket fee that was way more expensive...and he didn’t get the ticket, so he had to take the bus to Medan. From Medan he took another bus that took two days until he reached his home town. He didn’t have the chance to attend his father’s burial. Those people [in the head office] never think that way... Moreover, the conditions in this area, it is still categorised as a conflict area; there are still several conflicts that occur. Those things were never thought about by the people in Head Office.” (Roy)

A few others thought it was unfair when some employees, particularly women employees who had families, had to obey the relocation decree and leave their families, while other people could find a way to keep staying at the HO. Sofi and Ponco shared similar thoughts, which are mirrored in Ponco’s interview:

“The variance between the policy design and the implementation is too wide. For instance, I have a friend here who has three kids, one of them is still a baby. She was relocated from Padang to Banda Aceh. They [management] promised that there would be only one flight. But in fact, it needs two flights, Padang-Medan, Medan-Banda Aceh. And that is relocation [not temporary assignment], leaving a baby behind, under three years old, while other people can have rearrangements.... We may say it is specific case if we talk about statistics or otherwise. But it’s very annoying at the organisational level.... When I heard her sadly sharing her feelings, "When my kids wake up, the first person they will look for is their daddy, not me. It really hurts, that makes me cry" [imitating his colleague’s sentence]. That’s
what she said. She, for the sake of the organisation, still obeys the decree, leaving all her kids.” (Ponco)

In the above quotation, Ponco also criticised the new unwritten policy made by the management about the distance of geographical movement. Recently the management decided that when they relocate the employees, they will consider the distance between the previous post and the next post, so the employees only need to take one flight to go to the next post. However, there are still incidents which conflict with this promise. Ponco’s concern is fortified by one of the heads of the ROs, Antonius:

“We’ve often been informed by the management about the relocation pattern. They said, if the relocation is not a type of sanction, they will try to relocate employees within one flight distance from their origin. I told you my subordinate’s case in South Sumatera. He was relocated from Palembang [South Sumatera] to Ambon [Molucca Islands]. How many flights are there? Ambon – Makassar, Makassar – Jakarta, Jakarta – South Sumatera. Three flights. Is that the pattern??”

All of the quotes from the staff interviews indicate that they perceived the relocation policy implementation as being against distributive justice. No one talked about procedural justice here. This might be because in the Indonesian government organisation, where there are various hierarchical layers and bureaucratic processes are always stamped with red-tape characteristics, the employees perceived that management very seldom, if not ever, would give them a chance to express their views. The fact that the decision-making process rarely involved employees’ voices might lead them to be more attentive in comparing the outcomes of this policy.

Many scholars suggested the importance of involving the employees in decision making, a concept of procedural justice. If the processes involved in decision making respect the employees and treat them equally, they are more likely to accept the decision easily even if the outcome might not be in their favour (Khan et al., 2010). Although abundant literature tells us that involving employees in the decision-making process may increase employees’ trust and may alter employees’ perceptions on organisational
fairness, it seems not to be the strategy implemented in ABI, or if I may say, it is merely implemented partly. The reason I say that is because I noticed that the management are actually aware of this issue. It was reflected in the interviews when I asked them about the consistency and the transparency of the policy.

The middle manager in the HR Bureau explained that they had tried to make the process transparent in two stages. First, they distributed the names of the employees who would be relocated to each head RO, with the expectation that the Head of the RO would inform the related employees or give any feedback to the HR Bureau about the employees on the list. This procedure was used because there might be personal conditions that the HR managers at HO would not know about, and these conditions are important to retain such employees in the same locations. After getting the feedback from the Head of the RO, the second stage was for the HR managers to distribute the list to the Echelon 1 managers at HO to receive any feedback from them. Thus, according to that manager, it is up to the Head of the RO to forward the information to the employees. His explanation shows that they have tried to be more transparent even though the process is still limited to the Head of the ROs only.

Yet, the other HR manager pointed out that not every decision, should there be an exception, can be open to all employees, especially if it contains confidential information about an employee, such as a serious illness. For the HR manager, it is problematic as she cannot provide detailed information about an employee to other people who ask her for it. She made an analogy for her constraint: a general practitioner who holds her patient’s medical records. It is private confidential information. Thus, according to her, this situation makes the relocation decision seem to be not transparent. Her response is similar to the SG’s explanation, as can be read below:

“Here is the thing, an exception from the system is possible. As long as that exception has a valid reason, for example, that employee has a special need. And what we call special need varies. What becomes a problematic matter
is this, whether such private information should be disclosed by me/the organisation or should I conceal it like a GP keeps his patients’ records. The risk is, by keeping this confidential information, there might be multiple interpretations for such policy exceptions."

Reading the responses from the internal managers gives me the impression that the internal policy makers are cautious to counter the staff’s perceptions. What they explained was the formal procedure that most of the employees already know about and understand, as it is written in the relocation policy that an employee could ask to move to another location if such employee fulfils one of these circumstances: 1) a woman employee who wants to follow her husband; or 2) an employee who – due to his/her serious illness – cannot be treated in his/her current place since the health service/facility is unavailable in that area. From the interviews, it was shown that the employees would not mind it if their colleagues who met the two conditions above stayed in the favourite places. What they complained about was all the incidents as written in the previous paragraphs, which, unfortunately, are not firmly answered by the policy makers.

6. Conclusion

In an attempt to know the impact of the relocation policy on the employees’ motivation, I queried the respondents’ initial motivation for choosing a career in the government sector. I based my analysis on a notion in the public HRM field which suggests that there are people in the public sector who are idealistic enough, having strong norms and emotions about performing a public service; a theory known as Public Service Motivation (Mann, 2006, Armstrong, 2006, Taylor, 2007). As Perry and Wise (1990) argue, people with strong PSM will be more likely to work in the public sector and to be more sensitive to non-extrinsic rewards. While this theory is mainly valid in the Western countries where the theory is built and expanded, when it is put within the Indonesian context, particularly in ABI, the empirical evidence tells a different story. Based on the
data obtained, it appears that for most respondents, the decision for selecting a career in the government sector is mainly influenced by practical reasons, their families or culture of their origins. This is corroborated by their information-seeking behaviour that they did not even try to seek any information about the organisation before applying.

Having known the early motivation of the staff in ABI, the next question asked is their perceptions on the relocation policy. Distributing the employees and maintaining the auditors’ independence appear to be the two main reasons for ABI to implement a relocation policy. However, according to the employees’ perspective, the policy to relocate the employees periodically after serving for three to five years in one place is not in their favour. In their view, independence depends on the character and intention of the auditors themselves. Thus, relocating people periodically is not a way to maintain auditor independence. It even may pose a risk that dishonest auditors will become worse in compromising their audit findings or by accepting bribes from the audit entities.

To the same degree they initially did not really agree on the way the organisation upholds the auditors’ independence; most of them perceived that the current relocation policy is still unfair. Several incidents were shared as evidence to back up their opinion; for example, there are some people who can move back to Head Office or favourite places in a short time and there are some people who never move at all. Similar to the issue of auditor’s independence being viewed differently by the staff and manager, the transparency and consistency of the relocation policy are also viewed differently by both sides. While some respondents expected that the policy would be implemented transparently, the managers perceived that they had been trying to be as transparent as they could be.

The unfairness perceived by the employees can be seen as the manifestation of distributive justice in organisational justice theory. As many scholars contend, employees’ perceptions of distributive justice are mainly based on their comparisons with
other employees in the same organisation (Khan et al., 2010, Greenberg, 1990). As they compared the outcomes of the policy and they observed an inequality, then it is plausible that they perceived the relocation policy implementation as being against distributive justice. Furthermore, the different perceptions between the staff and the manager on the issues of auditor independence and policy transparency reflect the lack of procedural justice. While many scholars have suggested that involving employees in the decision-making process may increase employees’ trust and may alter employees’ perceptions on organisational fairness, it does not seem to be the strategy implemented in ABI, or if I may say, it is merely implemented partly. After discussing the employees’ early motivation and their perceptions on the current relocation policy, the next chapter will discuss the reasons why the staff thought the policy was unfair.
Chapter Six

Findings and Discussion – Management Interference

1. Introduction

Following the discussion in Chapter Five, this chapter elaborates the main reasons why the employees consider the relocation practice to be unfair. The topic of management intervention becomes a main theme in this chapter. In the interviews, all respondents articulated the word ‘intervention’ as one of the reasons of unfairness. Indonesian language has adopted many words from many foreign languages, and one of them is the word ‘intervention’ that has been translated to ‘intervensi’ in Bahasa. However, despite the term management intervention often being perceived as a positive nuance, this term has been remarked on negatively by the respondents of this study. In the Dictionary of Human Resources and Personnel Management, intervention is defined as an “act to make a change in a system” (Ivanovic et al., 2003, p. 144) and has positive connotation. On the other hand, interference is defined as “an act of interfering, an act of trying to change something which is not your concern” (Ivanovic et al., 2003, p. 142) and has negative connotation. It seems that what the respondents meant as intervention is actually an interference, so I decided to change all the ‘intervention’ word uttered by respondents to be ‘interference’ to make the meaning clearer.

The discussion on management interference within this chapter is divided into two parts: the interference directly related to the relocation practice and the interference in the auditors’ work. Management interference related to the relocation practice was noticed by many respondents as a cause of the unfairness. What they meant by the interference, or in their term is intervention, refers to the nepotism and/or favouritism that still occur in ABI. Jealousy amongst the employees arises due to the privileges given by the top managers or the Board members to several staff. Several respondents even used
metaphors when referring to the terms nepotism or favouritism to express their feelings. Besides the issue of nepotism/favouritism, this study also found that a few respondents noticed or experienced other kinds of interference, which are interference to alter the auditors’ work and interference to handle a bad incident that happened in ABI. The following analysis starts with a discussion on nepotism and favouritism, which will be the main basis for the top managers’ interference to happen.

2. Management Interference

2.1. Nepotism and favouritism – subtle corruption?

To start the discussion on nepotism and favouritism, it is better to present the definitions of those terms beforehand. As described in Chapter Two, nepotism refers to the situation when a person is appointed or promoted on the basis of family instead of his/her competence (Sadozai et al., 2012). Favouritism refers to the practice of a person being granted a privilege, not because of his/her capability to do his/her job, but because of some other irrelevant qualification (Aydogan, 2012). McCourt and Eldridge (2003) contend that “favouritism and nepotism are so prevalent in many countries that we must spend a little time considering them before we see how good practice can contribute to eradicating them” (p. 188).

Beyond reasonable doubt, many people conceive nepotism and favouritism as negative things. Some include them as a type of corruption. If I start with the definition given by the World Bank, I can understand their rationale. The World Bank defines corruption as “the abuse of public power for private benefit” (Tanzi, 1998, p. 8). It encompasses many types of breach activity, including favouritism and nepotism. Transparency International defines corruption as “the abuse of entrusted power for private gain, and it can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs” (Transparency_International, 2016). Both
definitions emphasise the abuse of power for private benefit, which is socially presumed as unethical.

However, determining an action as corruption or not is not as simple as ABC. As Richard Mulgan (2012) states, scholars still find it problematic to count an activity as corrupt and whether an activity that is counted as corrupt in one political context should be regarded as the same in another context. In simpler words, “we may know it is wrong but we are not quite sure what it is” (Mulgan, 2012, p. 25). And so does with determining nepotism/favouritism. Although many people have negative opinions about such practices, it is tricky to deem them as corruption for several reasons. First, different from corruption, favouritism has not been categorised as a criminal activity and is subject to sanctions/fines as a consequence (Sadozai et al., 2012). Second, Ian Senior claims that corruption occurs when “a corruptor covertly gives a favour to a corruptee or to a nominee to influence action(s) that benefit the corruptor or a nominee, and for which the corruptee has authority” (Senior, 2006, p. 27). Hence, as favouritism/nepotism can be obviously seen, he does not include it as corruption because, according to him, an action is regarded as corruption if it is executed secretly. Third, favouritism cannot be plainly regarded as a negative act as the person that is appointed might have happened to be a highly efficient employee (Safina, 2015). Furthermore, we know that in many family businesses, the senior positions are occupied by close relatives. Thus, to consider it as a wrong action, a full assessment of the particular situation and the impact on the organisation should be done first (Safina, 2015).

Befuddled enough with determining whether nepotism/favouritism is a type of corruption, determining whether management interference is a bad action is quite complicated as well since both parties (staff and management) have their own rationale in viewing this matter. I will start the discussion with the staff’s point of view first. As described in the previous chapter, respondents shared several incidents related to the
relocation practice when they thought they had been treated unfairly. While some respondents did not clearly state the cause of the unfairness, some others openly expressed that the interference of top-level managers has a role in triggering the antipathy amongst the employees. According to most respondents, the top-level managers were either leaders in the Echelon 1 position or Audit Board Members, although a few of them included Echelon 2 managers as top-level managers.

Reiterating what has been written in Chapter Three, the organisational structure of the Audit Board follows a collegiate system, where it has an audit commission (the decision-making body) and a general executive bureau (the executive organ). In ABI, the decision-making body is the Board, and the executive organ consists of all the employees from the Echelon 1 position to the lowest level, who perform duties on a day-to-day basis. While the Board members are appointed by Parliament for a five-year tenure, the executive bureau managers are civil servants who started their careers at the bottom and will mostly stay in the same organisation until they retire.

When I asked why the staff respondents think the policy implementation is unfair, more than half of them (18 respondents) sensed that there was still an informal unwritten policy that applied to the relocation practice in this organisation. What they meant by the unwritten policy refers to the nepotism and/or favouritism practice. A dialogue with Broto, a staff member in Aceh RO, denotes their perception of nepotism:

Int.: Hmm…so, in your own words, do you think this relocation policy has been implemented effectively or not?

Broto: Not yet.

Int.: Why?

Broto: Well, first, relocation should apply to everyone…. I mean it is supposed to be fair and there is no exception, just because a person is a son/daughter of Mr A or Mr B. Yeah, like that. And it has to be fixed and clear for everybody.
His perception was corroborated by several other respondents, for instance, Lintang and Yasmin, who told me the fact that there are high-level officials in ABI whose kinsfolk also work there and it is not peculiar to see that those employees get some privileges due to the family ties they have. When I asked how they know that such employees have parents/relatives in high-level positions, they explained that it is easy to spot because they are in the same batch. In ABI, the recruitment is usually held only once a year and all of them have to go through basic training for several months together. Thus, it is not surprising if they know each other quite well, and it is reasonable if, by all means, they try to compare with each other too. Such nepotism is apparently applied to the relocation policy, where certain employees, whose parents or relatives are in high positions, can easily be posted in favourite places.

Favouritism, another term that is frequently used interchangeably with nepotism, was observed as well by the respondents in this study. As described by Rica, a respondent from Papua RO:

Rica: In terms of the written relocation policy, I think employees basically agree that it is good already. However, the most obvious one is on the people themselves.

Int.: What do you mean by the people?

Rica: The people means, we tend to see the subject [the people that are being relocated], if the people are not the ones who are close to the top leaders, then they will be the ones that are sent away.

Her opinion may represent other similar responses depicting this phenomenon. Although some of them admitted that they only hear such interference incidents from other colleagues, or by observing some staff whose family background they know, there was a respondent who had been previously placed in the HR Bureau and shared his experience when he directly witnessed the process that occurred in a Baperjakat meeting (a meeting that consists of all Echelon 1 managers to discuss the promotion of their subordinates):
Agung: I understand that [an exception to the written policy may occur for a specific case]. But, how to say this, if it is the topmost level who asked for it, well... could they make it not too obvious?

Int.: Sorry, what do you mean by the topmost level here?

Agung: From Echelon 2 above.

Int.: Does that include the Audit Board members?

Agung: Yes. Believe it or not, I have seen the case.

Int.: What do you mean?

Agung: Ouwh...that one, eh? For instance, in a Baperjakat meeting about KTS (Ketua Tim Senior/Senior Audit Team Leader). “I don’t like that person being placed here in my unit, s/he might disturb me. Change with this person, then, the one in this regional office. Move him/her back here” [imitating the member’s statement]. Yup, that’s the process.

Int.: In a Baperjakat meeting?

Agung: Yes.

Int.: Was it an Echelon 1 who said it?

Agung: No, it’s a member. I saw some of the process directly.

The fact that the Board members mostly come from external parties is another issue here. As they are relatively new to ABI, it is understandable that they will seek people whom they can trust, as “loyalty, trust and the ability to work together are important in harmonious and fruitful working, particularly in political relationships, given that politicians, by the nature of their calling and ambitions, are prone to disloyalty” (Senior, 2006, p. 48). Yet, this kind of relationship may lead to undesirable consequences for ABI if either the Board members bring in their political interests or the ones they trust are not competent and honest employees. A quote from one of the respondents reflected this matter:
"We noticed that the change in this organisation was not as conducive as before, because most of the Audit Board members were from political parties, they are politicians. So many vested interests there. We were just like their accomplices. It’s not an indication anymore, it can be obviously seen. You can see the news on the TV, at least TV One, Metro TV [two national television channels], any policy issued will most likely be related to the political parties’ interests. It might affect our motivation as well. Whom you can get close to, so it makes it easy to get anything you want.”

(Krisdianto)

His concern was in line with the briefing document issued by the UK Department for International Development, which explains the types of Supreme Audit Institutions. It is stated that one of the risks of having a collegiate model is the method of appointing the board members, where the Supreme Audit Institution (SAI) may become subject to political influence (DFID, 2016). Moreover, such concern from several respondents of this study is also in agreement with one of the findings of the Supreme Audit Office of Poland, who conducted a peer review on ABI in 2014, as explained in Chapter Three.

Not only amongst the staff, favouritism was recognised by the heads of the ROs as well. During the interviews, they referred back to either their own experience or their staff’s experience to describe the incidents. An example would be what Ridwan shared about being treated unfairly in Chapter Five. He added that he was sure the Human Resources Bureau already had a relocation map for the employees but unfortunately it was impaired by a few top leaders’ vested interests. He said:

“I strongly support this policy. I do, but in practice, the interference from the top level is too high against the existing bureaucracy. I even think, ‘OK, if they want to use interference in practice it’s OK, but please stop the interference when determining Echelon 1 positions. For the Echelon 2 below, let it run by the mapping that has been set up by the HR Bureau. Because if there is too much interference, then the relocation map won’t run effectively.”

Even at the senior manager levels, they felt that the favouritism/nepotism impeded the effort to implement the relocation policy fairly. This fact not only disrupted their personal circumstances, as a few of them also felt that they were a victim of this inequality, but it also affected their daily routine as a head of a regional office. For
instance, those employees who already got a relocation decree to move to a regional office but somehow managed to stay in the head office, or those employees that just moved to the destined office in a very short time and could move back to the head office quickly. In contrast, the staff who got a relocation decree to move out to a favourite regional office/the head office had already gone. This resulted in an imbalanced composition of auditors in these offices. While basically they already lacked auditors, these incidents made it more difficult/harder to carry out their annual work plan. What Haryadi said resembled the reality above:

“Internally, I can tell whenever there is staff relocation, those staff members who have to move from the head office to here, most of the time will delay their arrival. Although the SG already gives three months’ lenience to resolve anything they have to do in the previous place, the fact is that they will try to linger there. Well, if they have a board member’s signature, I cannot do anything, can I? While on the other hand, my staff who get a relocation decree from here will move out quickly. In the end, we lack auditors, but the leaders in the head office [do not care about this fact. They] just want to know that we can complete all the audit assignments on time. This is a fact.”

Haryadi’s story is a common thing that happens in ABI. Many employees who have to move out from HO usually try to linger in HO as long as possible. The easy way is by asking their boss to be included in an audit assignment. Once they get the assignment, they have a valid reason to postpone their arrival at the destined regional office, as the assignment letter in HO is signed by a Board Member while the relocation decree is signed by the SG. In terms of hierarchical power, they perceive that a letter signed by a Board Member has higher authority than a letter signed by SG. This phenomenon implies that many employees are basically reluctant to move from HO, and the ones who have the advantage of nepotism/favouritism might utilise this relationship for their own sake.

As much as we despise nepotism/favouritism in government organisations and try to classify it as corruption, the problem with the crime, in this matter the corruption with all its spheres, is that criminality frequently is in the eye of the beholder (Senior, 2006). When we ask the actor, they might not see it as a wrongdoing or they might find
rationalisation behind their acts. Turning back to the internal policy maker’s side, when being asked about interference, what they perceived about the term “interference” was different from what the employees perceived. The following quotation describes this:

“Actually, it is not an interference. For instance, there is a principal auditor [Echelon 1 manager] who said, ‘Sir, we still need these persons because if they are moved now, our business processes will be disrupted.’ So, this top manager asked for a deferral, while we put newcomers in that working unit, with the expectation that the transfer of knowledge could be sorted. And after that, those people will be eventually relocated.” (The Secretary General)

It seems to me that they expressed their thoughts on such matters more cautiously by saying that the interference was not favouritism or nepotism but an effort to maintain the business processes in their working unit so that they would run smoothly.

Despite having different views on favouritism and nepotism, scholars argue that this kind of act may yield negative impacts on the organisation, particularly in the public sector. For instance, Senior (2006) admits that obvious favouritism/nepotism reflects weak democratic systems. This unfair treatment in an organisation will disturb the state of the employees and affect their job satisfaction (Keles et al. cited in Sadozai et al., 2012). Furthermore, tolerating this kind of practice may lead to the transgression of both procedural and distributive justice in a workplace (Wated and Sanchez, 2015) and in the end facilitate corruption in the organisation (Safina, 2015).

The nepotism/favouritism practice was actually realised by the internal managers when they said that they still had the anomaly in the relocation policy as they could not reject the Board members’ or principal auditors’ request to keep several employees at the head office. Thus, if I may conclude, in terms of relocation practice in ABI, nepotism and favouritism indeed occur there. Even though the employees who have such kind of special treatment number only a few, as they can be easily detected, it raised jealousy amongst the employees. The SG is basically aware of this situation and he recently tried to reduce
it gradually by having periodic meetings every six months with other Echelon 1 managers to discuss the employees’ relocation.

To regard nepotism/favouritism as corruption in the Indonesian context, it must be brought to the applicable legal basis in this country. Law No. 31 Year 1999 on Corruption Eradication defines corruption as an act against the law to enrich oneself or others that brings a loss to the state finances or state economics. This law states that an act is regarded as corruption if it causes a financial loss. Although the World Bank defines corruption as the abuse of public power for personal gain (in any form of personal gain), unfortunately the current law in Indonesia does not cover types of personal gain that cannot be measured by monetary units. Therefore, as much as nepotism/favouritism is detested by many people, this practice is quite hard to be proven and to be prosecuted.

2.2. Metaphors for nepotism/favouritism

When exploring respondents’ perceptions on the interference of the top-level management, it is interesting to note that several respondents used metaphors when referring to the terms nepotism or favouritism. In addition to what has been described in the previous chapter, when a respondent talked about “pohon asem” (tamarind tree), a dialogue with another respondent, Dandy, revealed another metaphor:

**Int.:** So, do you think the relocation policy is fair enough?

**Dandy:** Well, actually the policy has existed. But, the problem is with the people themselves. If they respect the existing rules, they should follow them, shouldn’t they? I mean, there’s supposed to be no interference.

**Int.:** Interference from the top management?

**Dandy:** That’s what I see. I mean, if the employee doesn’t have any “cantolan” (hook), we cannot, I mean, only those people who have “cantolan” [can choose the location].

**Int.:** “Cantolan” to the upper level, you mean? If I may know, which layer has more influence, Echelon 1, Echelon 2 or the Board members?
Dandy: As far as I know, Echelon 2, Echelon 1 and the Board members have that influence.

As one of the employees in ABI, this metaphor (*cantolan*) was familiar to me, so I understood it straight away and jumped to the next question to ask about which hierarchy he thought had more influence. However, there are other metaphors that I heard just during the interviews, such as “*pohon asem*” and “*api*”. For those terms, I asked the respondents to give me their definitions. Below are the metaphors referring to the same terminology which came up when I collected my research data.

<table>
<thead>
<tr>
<th>Metaphor</th>
<th>Description</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Saluran</strong> (channel)</td>
<td>Special link to the person in power</td>
<td>Niken, Broto</td>
</tr>
<tr>
<td><strong>Cantelan/cantolan</strong> (hook)</td>
<td>A person in high power on whom you can depend for your career</td>
<td>Ponco, Dandy</td>
</tr>
<tr>
<td><strong>Pohon asem</strong> (tamarind tree)</td>
<td>A description of tamarind tree is that it is tall, has a big trunk and wide branches with bushy leaves so that people can comfortably rest under it.</td>
<td>Lintang, Hasan, Ponco</td>
</tr>
<tr>
<td><strong>Api</strong> (fire)</td>
<td>Fire can make your body warm in cold weather</td>
<td>Hasan</td>
</tr>
<tr>
<td><strong>Faktor kedekatan</strong> (closeness factor)</td>
<td>Close relationship established between such employees and high-level bureaucrats</td>
<td>Aydin, Beni</td>
</tr>
<tr>
<td><strong>Kenalan</strong> (acquaintance)</td>
<td>-ditto-</td>
<td>Marina, Jody, Tika</td>
</tr>
<tr>
<td><strong>Faktor X</strong> (X factor)</td>
<td>Unknown factor</td>
<td>Tika</td>
</tr>
</tbody>
</table>

Table 8 – Metaphors used to represent nepotism/favouritism

While metaphors have been frequently used in historical theory and contemporary scientific theories such as biology, physiology, psychology and computer science for a long time (Cook and Frances Gordon, 2004), the use of metaphors in organisational studies has grown just recently in the last two decades (Cornelissen, 2005). As Hatch and Yanow (2008, p. 24) propose that metaphors are “ways of seeing, thinking, and learning, and not merely decorative parts of speech”, I argue the metaphors used by the respondents also represent their thoughts and emotions in seeing the favouritism/nepotism in ABI.

Besides referring to nepotism and favouritism with such metaphors as above, there is also a common jargon amongst the employees to refer to those people at the top level
of the organisation as “Dewa” (the gods who have super power and can do anything they want). This metaphor was mentioned by a few respondents as depicted here:

Int.: So, it [the unfairness] occurs anywhere, eh?

Krisdianto: If you want to make it a problem, then you’ll be upset every day. So, just try to enjoy it. Like me, as I know I’m nobody, not the child of those Dewa [gods], I know I won’t get special treatment. I think, even if the system were implemented 100 percent, I’m sure there must be some people who would dislike it. It depends on how we see the situation.

This term is similar to what Oberlechner and Mayer-Schoenberger (2002) contend when they discuss the metaphors used in describing leadership characteristics. Although not explicitly stated as what the respondents in this study said, they suggest that some authors use metaphors “which possibly implies that a leader is not an ordinary human being but somebody extraordinary and super-human. One is reminded of Greek mythology, of the troubling consequences of overstepping the separation of Gods and humans” (Oberlechner and Mayer-Schoenberger, 2002, p. 12).

Again, from the metaphor they used I could sense their emotions about the unfair treatment in the relocation practice that was mostly perceived as the impact of nepotism/favouritism. Although there were mixed emotions amongst the respondents, I think the reason for a few of them replacing the words “nepotism or favouritism” with the metaphors above is because they realised that it is still a taboo/sensitive issue to talk about within ABI and they might fear the consequences should they talk about it out loud with outsiders, and the top leaders could identify them. For instance, as had been written in the previous chapter, Nurman, a staff member in Papua RO, still reconfirmed with me whether the interview was anonymous before he answered why he thought the relocation policy was unfair, even though I already gave all the respondents the research consent form beforehand. Other examples are Niken, a staff member in West Kalimantan RO, who told me that she knew which auditors had such kinds of relationships but refused to
mention their names when I asked her, or Hengki, who said that nepotism/favouritism could obviously be seen in ABI but he could not protest against the unfairness.

The emotions shown by the above respondents were depicted by Pelletier and Bligh (2008), who studied employees’ reactions towards organisational corruption. They assert that since leaders are influential in shaping affective events, it is important to consider employees’ emotional responses towards their leaders, particularly if the leaders violate the standards of ethical behaviour (Pelletier and Bligh, 2008). Emotions such as cynicism, anger, frustration and fear may arise as members in an organisation notice the unethical behaviour practised by their leaders, and what the respondents in this study felt gives empirical evidence of that statement.

Nevertheless, while nepotism/favouritism is perceived as a negative practice in public organisations, the use of metaphors for nepotism/favouritism is very rare compared to metaphors for corruption. While “disease, cancer or virus” metaphors are frequently used to describe corruption (Senior, 2006, Otusanya, 2011) or “black, grey and white corruption” metaphors to describe the corruption level (Senior, 2006, Luo, 2005), I am unaware of familiar metaphors used in literature to describe nepotism/favouritism. I presume this may be because, even though many people think it is unethical conduct, scholars still have different views on favouritism and nepotism. Thus, maybe nepotism/favouritism is perceived as not having as bad an impact as corruption after all.

3. Interference in the Auditors’ Work

3.1. Between rumours and facts

As has been described above, the interference of the top management in the relocation decisions might be a result of nepotism or favouritism. Nepotism occurs as it is likely that those top managers would want their relatives to be posted in comfortable working units/regions. Favouritism may occur because of the political or other vested interests brought by the top managers/leaders. If I may say, it has been an open secret
amongst the employees that several top leaders might interfere the auditors’ work by asking them to modify the audit results. If the staff/auditors cannot be intimidated, they can find a way to move such auditors to other places or replace them with the staff/auditors who can accommodate their requests.

A few respondents corroborated what had been perceived as an open secret above, as can be seen from an interview excerpt with one of them below:

Niken: As an auditor, ma’am, I want my work to be based on professional auditor standards, not being interfered by any vested interests. Mmm.....what I have felt so far, from the early time I start working here until now, I feel the direction is not heading in a better way,...

Int.: Could you elaborate on that [statement], please?

Niken: Yeah...in our audit work, for instance, there is now many political interest that we actually do not really know from whom the instruction [to change the audit opinion] comes, but yeah....[pausing her sentence].

Niken continued her story, that she was confronted by a regent in one of the West Kalimantan regencies to not to be an audit team leader for that regency anymore as she had given qualified opinion for two years in a row. Qualified opinion is the second best opinion that an auditor can give for the financial report of an organisation. The best ranking is unqualified opinion, and the central government will give additional allowance, namely Dana Insentif Daerah (Local Incentive Fund), to a local government that can achieve an unqualified opinion for its financial report (detailed regulations about the fund is in the Minister of Finance Regulation No. 8/PMK.07/2014). Thus, in Niken’s view, she thought that the regent tried to find another auditor who was negotiable so he can get the additional incentive. She also gave another example, that her colleague, based on his audit, decided to downgrade a rating of another regency in West Kalimantan province but after getting pressure from an “upper level” power, the opinion finally stayed the same, which was unqualified opinion.
The fact that several employees admitted that they only heard about interference in auditors’ work from other employees, and even the ones who encountered the incident themselves could not provide hard evidence of their suspicion, makes the unfair treatment by top managers appear to be more like rumours or gossip in the workplace. The debates on rumours/gossip in the management and organisational studies may not be as extensive as in the sociology, psychology and anthropology literature and communication (Michelson and Mouly, 2004), yet it is worth discussing here as several respondents talked about it. Just like what I observed from Niken’s statement, when she said they (the auditors) sometimes do not really know where the command, should there be a command, to revise the audit result initially comes from. Her statement is understandable as the direct communication channel between the auditing team in the field and the top leaders in the head office is not standardised. In several cases, the Board members could directly call the audit team leader and in other cases, the Board members communicated the audit results to the head of RO only.

As many scholars have suggested, rumours in the workplace are common and a part of organisational life (Michelson and Mouly, 2002, Rivero, 2014) and it can have either positive or negative content (Ellwardt et al., 2012). Yet, people tend to spread negative rumours more than positive rumours (Robertson, 2005). Moreover, as scholars have suggested, rumours frequently arise when people see something happen in their organisation but they do not know the real reason for that phenomenon, thus they try to make sense of it to fill the information gap (Difonzo et al., 1994, Michelson et al., 2010). In this case, the respondents observed the unfairness, be it interfering with the audit work or in relocating the employees, and they needed to get answers/an explanation for that, which unfortunately did not happen. Thus, the employees felt anxious should the unfairness happen to them. Scholars have suggested that rumours tend to increase in an environment where individuals feel anxious (Michelson and Mouly, 2002, p. 59).
Referring back to the interference of the top management in the relocation policy, such rumours also spread amongst the employees as depicted below.

Marina: Poor them, just because of a small mistake, they then were moved to Papua or to NTT [Nusa Tenggara Timur]. Why must it be that way? It seems the HR Bureau doesn’t have any power, their authority was impeded...

Interviewer: Is it hearsay?

Marina: I heard it from my friends. A friend in NTT told me that story.

Interviewer: Who did that [move the staff to Papua]?

Marina: The Board member, of course.

Interviewer: Why, so far, have I often heard it was the member who did it? It’s like the Board member always becomes the target of the gossip.

Marina: Well, I don’t know whether it is true or not, yeah…it’s kind of.

Interviewer: Have you ever heard it directly from the victim/witness?

Marina: Yup, I once heard it directly from the victim.

In this conversation, it appears that the internal employees tended to stigmatise the employees as the victims and the top leaders as the villains, regardless of sometimes not really knowing personally about their characters or their real case. This kind of behaviour is in line with what Michelson and Mouly (2004, p. 198) suggest, that while rumours most of the time are portrayed as a negative activity, it could be used to foster solidarity and group cohesion. As the employees of ABI, the staff involved in this study expressed their solidarity with the employees who appeared to be the victims of the unethical conduct of the top managers.

The dialogue with Marina continued as follows:

Interviewer: Was he really moved to Papua?
Marina: To NTT [Nusa Tenggara Timur]. But not many. I only heard two cases. One staff to NTT, one staff to Papua. But, that kind of news is certainly disseminated very quickly. We usually hear such news when we are conducting a thematic audit as that audit is usually a cross-regional audit. So the auditors involved in that audit usually share the story in their regional office and I already forget who said what. So we hear the gossip.

This excerpt verifies what scholars have suggested, that rumours can be disseminated faster than the organisation’s formal communication channel (Rivero, 2014, p. 52) and that low generalised trust in management escalates the probability that employees will spread gossip about management but not about their direct supervisor (Ellwardt et al., 2012, p. 9). This behaviour was shown when Marina undoubtedly said that the order to move an employee came from a Board member, or when Niken assumed that the instruction to amend some audit results came from the top leader. While she stated that sometimes she did not really know the source of the instruction, she never expressed the possibility that her direct supervisor or her Head of RO might misuse the Board member’s name for his own interests.

The common thread that scholars have suggested in analysing rumours in the workplace is the level of trust that employees have towards the organisation, managers or colleagues. Many scholars have pointed out the importance to build trust (Ellwardt et al., 2012, Michelson and Mouly, 2000, Michelson and Mouly, 2002, Michelson et al., 2010, Difonzo et al., 1994, Robertson, 2005) and proposed an approach to reduce negative rumours (Akande and Odewale, 1994, Quam-Wickham, 2017, Rivero, 2014). However, I observed that the techniques proposed by the academia haven’t been practised yet within ABI. Open dialogue or confirmation from the top-level management to refute the rumours has not been carried out, leaving the employees, still, with the question: is the interference only a rumour or reality? As Difonzo et al. (1994, p. 53) claim, “the more a story agrees with conventional wisdom or readily available thoughts and presuppositions, the more likely it will be viewed as probably true”. While the unfairness incidents might not be
abundant in quantity, the fact that they happened overshadows the normal cases and influences the general perceptions of the employees of their top management.

3.2. Relocation as a management counteraction

Apart from the issue of nepotism and/or favouritism, there is another reason for the management to interfere in the relocation practice. The following incident is worth describing as it shows how policy makers use their power to show how responsive they are. In June 2010, two senior auditors in West Java RO were caught red-handed in accepting a 400-million-rupiahs bribery from the local government officers (ICW, 2010, Anggadha and Setiawan, 2010, Hardi, 2010). This money was given to change the audit opinion so that the local government of Bekasi Municipality could get the highest ranking of audit opinion – unqualified opinion – on its financial statements. As explained in the aforementioned sub-section, any local government that can achieve an unqualified opinion for its financial reports will be rewarded with some additional allowance by the central government. Besides, getting the best audit opinion will have a good impact for the local government to obtain its constituents’ support or to be re-elected in next period.

Following that incident, the top managers took over the leadership in West Java RO and set up several teams to review all the audit assignments in that RO (Yuli, 2010). In the end, most of the auditors there were relocated, and one of the respondents expressed his disappointment in the management’s decision to relocate most of them. According to him, when the incident happened and was blown up by the national media, all the staff in that RO experienced demoralisation. Even though they were not involved in that corruption case, they had to face moral sanctions from the public, make clarifications to their auditee and deal with law enforcement officers (investigators from the Corruption Eradication Commission and the Police), who came back and forth to that RO searching for evidence.
He continued, that as the corruption case had already shocked many employees, the top-level management’s decision to assign three teams altogether (ethical conduct, internal audit and takeover teams) to investigate the RO increased the level of the employees’ demoralisation.

“At that time, I actually disagreed with the leaders. When the case happened, the leaders should have been able to unite us, to motivate us, explain what really happened and what we should have done to respond to it. But, maybe they were not ready either with such conditions, so they just let everything go on by itself. Thus, I had to calm myself down, motivate my audit team members that we still had to continue our audit assignments.... Personally, I can do that, but organisationally, I expected the top leaders to do the same. Not by coming to Bandung with the threat that we all would be relocated. ‘By October 2010, you will all be moved from here’ [imitating top manager’s sentence]. Not that way. Even though I understand, they might have done it to show the public that the top leaders also took some action.”

(Ponco)

His disappointment was plausible as he thought they did not get support from the top management, and the decision to relocate most of the auditors from that RO might have even caused the misperception that most of them were not clean auditors.

Once again, a lack of procedural justice is evident in ABI. As Khan et al. (2010) suggest, if the processes involved in the decision making respect the employees and treat them equally, they are more likely to accept the decision easily even if the outcome might not be in their favour. The results of Dailey and Kirk’s (1992) study also support the importance of involving/informing the employees about the changes in the organisation’s system/policy since this concept (procedural justice) plays significant roles in relation to job dissatisfaction and intention to quit. While management usually holds the prerogative to take the final decision, many studies indicate the value of informing employees about possible changes and seeking their opinions about the appropriateness of those changes (Dailey and Kirk, 1992). Lack of communication from the top management in explaining the reason behind their decision decreased the employees’ trust in the management and might have increased their perception of being treated unfairly.
4. Conclusion

Several reasons were disclosed in regard to the employees’ dissatisfaction with the relocation practice in ABI. One of them is the interference from the top level management. What the respondents mean by this interference is the nepotism/favouritism that occurs, from which a few employees benefit so they can be excluded from the relocation database. As much as we despise nepotism/favouritism in government organisations and want it to disappear, it turns out that it is problematic to regard it as a crime, in this matter as an act of corruption. Furthermore, the problem with the crime is that criminality is frequently in the eye of the beholder (Senior, 2006). When we ask the actor, they might not see it as a wrongdoing or they might find rationalisation behind their acts. For instance, the manager argued that letting some employees stay at the head office is not favouritism but an effort to maintain the business processes, for them to run smoothly. Thus, two different angles in seeing one issue exist there. Combined with this, as sensitive as accusing nepotism/favouritism as corruption is, talking about it out loud in ABI makes the employees vulnerable as well. That is why a few respondents prefer to use metaphors in describing that term as they might fear the consequences should the top leaders identify them.

Besides interference in the relocation practice, other interference from the top management were disclosed as well. One of them is interference in the auditors’ work. It has been known as an open secret amongst the employees that several top leaders, due to their political or other vested interests, might interfere with the auditors’ work by asking them to modify the audit results. If the staff/auditors cannot be intimidated, they then will find a way to move such auditors to other places or replace them with the staff/auditors who can accommodate their requests. Since it is difficult to find hard evidence of their suspicion, this kind of interference appears to be more like rumours or gossip in the workplace. This finding supports what many scholars in this field have claimed, that
people tend to spread negative rumours more than positive rumours (Robertson, 2005) and that rumours tend to increase in an environment where individuals feel anxious (Michelson and Mouly, 2002, p. 59).

Another type of management interference was when the top managers decided to relocate most of the auditors from one RO where a corruption case happened. This action was presumed to be taken by the management to show the public that they are responsive enough to handle misconduct performed by employees. A disappointment expressed by a respondent reflects the lack of procedural justice in ABI. Studies on both rumours in the workplace and procedural justice emphasise the importance of informing the employees of what has happened in the organisation to increase the level of trust that employees have in the organisation/managers. Unfortunately, open communication between the employees and the managers scarcely occurs in ABI, thus jeopardising the employees’ trust in the management and possibly increasing their perception of being treated unfairly. Following the discussion in this chapter, the next chapter will also talk about the reason why some of the staff think the policy is still unfair, but the focus will be on the relocation facilities the respondents received.
Chapter Seven

Findings and Discussion – Facilities and Conditions

1. Introduction

This chapter continues the analysis of why the policy is perceived as unfair. While the discussion in the previous chapter focused on the actions of top-level management; the discussion in this chapter will focus on the facilities obtained and the conditions faced by the respondents when they were relocated. One of the key findings is how the variety of relocation allowances received by the respondents leads to the assumption that some respondents seemed to be victims of petty corruption that seemed to be tolerated. Another finding is about the adequacy of the housing facilities for the staff in the regional offices and the additional monthly allowance that was given to the staff in a certain remote region, often considered to be insufficient. This condition is worsened by the lack of life/safety insurance for the employees who work in remote areas, particularly the areas prone to local separatist movements such as Aceh and Papua.

Besides the inadequacy of the relocation facilities, the respondents also shared their experience in facing the conditions in the regional offices, which to some extent affected their willingness to move. The unbalanced infrastructure amongst the regions in Indonesia, and the costs and benefits to either bring their family along or leave them in their home town are several considerations that affect the employees. Basically, most of the problems complained about by the respondents in this chapter are corroborating evidence of contemporary Indonesia’s demography and infrastructure conditions as described in Chapter Three.
2. Relocation Facilities – Basic Needs

2.1. Moving/relocation allowance

According to the Minister of Finance Decree No. 113/PMK.05/2012, the relocation allowance for civil servants consists of travel costs for the employee, travel costs for the employee’s family if he/she is married, shipping costs, and daily allowance for three days. For the managers in the Echelon 3 position up to the highest level, he/she is given additional travel costs for one domestic assistant. Travel costs are reimbursed at actual cost, and other components of the moving allowance is paid in a lump-sum amount, which is determined every year by the Ministry of Finance Decree as well. For a married employee, the relocation allowance is given to all of the family members, regardless of whether he/she brings his/her family or not. However, the employees who ask to be relocated by their own initiative do not get this relocation allowance.

When I explored the employees’ perceptions regarding the relocation facilities they received, various ideas were articulated, ranging from sufficient to insufficient, standard to expected, or accurate to inaccurate amounts. What I mean by inaccurate is the amount of relocation allowance the respondents accepted, as several of them admitted that their allowance was deducted or was not in accordance with the written regulations. After analysing respondents’ answers regarding such deductions, I reckon that some respondents appeared to be victims of petty corruption. Transparency International defines petty corruption as “everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies” (Transparency International, 2016). The point that is quite interesting to note is their behaviour towards the petty corruption that happened to them. Some examples are portrayed in the following paragraphs.
Beni and Suandy, the staff members who got scholarships to pursue their education, said that after they finished their studies, they were sent back to their previous working unit and they only got a ticket and three days’ lump sum for accommodation. Unlike other relocated employees, they did not receive the shipping allowance. Furthermore, the ticket and three days’ lump sum were only for the staff members, while, according to the written regulations, they were supposed to receive money for all family members regardless of whether they brought their families or not. Beni asserted that according to the HR Bureau staff, the shipping and family allowance were not given because the management considered that they would leave all their belongings in the previous place, as quoted below:

“So, when I went to the HR Bureau to get the reimbursement, I asked Mr Pendi, ‘Why is it only this amount, sir?’ He said, ‘Oh, that one, that’s because you were sent back to the previous working unit. It’s not categorised as relocation because it is assumed that you won’t bring your belongings with you when you continue your studies.’ …. That’s why, it’s so pitiful for employees who just finished their studies and bring their family. They must spend a lot of their own money for that [moving to the new place].”

Based on the interviews, it was revealed that many employees did not know the exact amount of the relocation allowance they should receive. Also, it seems to me that there was only one staff member in the HR Bureau who handled the administration of the relocation allowance, as the name of the person was frequently cited by several respondents. Marina, who moved from Central Kalimantan to West Kalimantan, told me that her allowance was deducted by Mr Pendi, who said that the deduction was a kind of “kesepakatan” (deal) that had been in place in the HR Bureau a long time ago.

Niken, when moved from North Sumatra to West Kalimantan in 2010, admitted that she did not get the full amount of the three days’ lump sum. Within the lump sum, besides getting the daily allowance, the employees should get the accommodation allowance as well. The lump sum is intended to pay for temporary residence and daily needs for three days before the employee gets a permanent living place. In Niken’s case, she did not get
the accommodation allowance. When she complained to Mr Pendi about it, instead of giving her the accommodation allowance, Mr Pendi offered to give her a flight ticket allowance as a lump-sum amount, not at cost. By that way, she could get extra money if she were to find a cheaper flight ticket, while the flight ticket was supposed to be reimbursed at its real cost.

Dandy, who moved from Jogjakarta to Aceh, shared a similar experience in dealing with Mr Pendi. A quote from Dandy represents a few other respondents’ opinions:

“At that time, when we were relocated, we had to take care of all paperwork by ourselves and gave it to Mr Pendi. Aah... we didn’t know which regulation he used, since the money we received was different for each person. I don’t know how it could happen. But we don’t know either to whom we should complain about it.”

Several other respondents also confirmed that they did not really know exactly how much moving allowance they should have received, and the management never informed the employees about the components of the allowance either. Although a few of them then tried to find information about the regulation themselves, they did not protest when the amount they received was not what it should have been. It seems to me that, even though their profession as an auditor should have inherently made them aware of all the regulations related to their work and scrutinise the disparity that occurred, when it comes to personal situations, they sometimes just let such incidents go.

Although I did not ask why the respondents remained silent when their rights were violated, several responses implied the reasons. For instance, as Dandy said above, they did not know to whom they could report such incidents. Another reason might be because they calculated that the cost of fighting for the whole moving allowance outweighed the benefit they would receive, so it was better to accept whatever amount the office gave rather than spending more energy and money. This assumption was indicated by Niken’s story below:
“Yes, I mean that regulation, if I’m not mistaken, there used to be PMK 145 [Ministry of Finance Decree on moving allowance]. I read there is accommodation allowance, ma’am. I don’t know why I didn’t receive it. I had asked Mr Pendi at the time [in 2010], but he said it wasn’t included. ‘If you want, I could give you the airline cost as a lump sum’ [imitating Mr Pendi’s statement]…. If I calculate it, I spent almost 12 million rupiahs to move here, while the office only gave me 7 million rupiahs. And it took quite some time to receive the allowance, I mean I got it when I already moved here. Even though I already prepared all the documents needed at the very beginning. I even came to Jakarta [head office] to make sure that all the paperwork was done as soon as possible, but still, I got the reimbursement after I had moved here. Well, it’s quite distressing that I had to use my personal savings, ma’am.”

Another different reason is possibly related to the Indonesian people’s character, that they many times consider any unpleasant incidents that happen as a fate from God. Indonesian people commonly use the word “pasrah” (submissive to fate) to refer to that character.

Marina: If it is relocation, for a single person it [the moving allowance] is not much. It does not cover the actual cost. We even become bankrupt if we move.

Int.: May I know how much it is [the money received]?

Marina: I forget the exact amount, but if I’m not mistaken, it’s around four million rupiahs. And it was cut by Mr Pendi. He said it is an internal policy. That’s what I didn’t like. For donations or what? [The purpose of deduction is not clear]. There must be a deduction. That’s the thing that I don’t like. There are some friends here, for example, Tony, he only received this amount. ‘What?! You only get that much? You have three children! My friend, who has two children, got more than you’ [imitating herself speaking to Tony]. But he was just pasrah. Just accepted it.

As one of the employees in ABI, I observed that there is possibly another reason for employees to remain silent: they might assume that the money deducted is a small amount so they are not bothered about that, or they might assume it was a “tip” for the staff member who did the paperwork. Their behaviours can be linked to the notion of silence in organisation, which refers to “a state in which the employees refrain from calling attention to issues at work such as illegal or immoral practices or developments that violate personal, moral, or legal standards” (Knoll and van Dick, 2013, p. 350).
Knoll and van Dick (2013), in their quantitative study, propose four types of employees’ motives to keep silent when they encounter or observe unethical practice in their organisations, which are acquiescent silence, quiescent silence, prosocial silence and opportunistic silence. According to Knoll and van Dick (2013), acquiescent silence is shown by sceptical employees who believe their opinions will not be valued by the upper-level manager. Quiescent silence is displayed by employees who are afraid that there will be repercussions for them should they speak up. Prosocial silence is shown when employees, based on altruistic motives, withhold information for the sake of other people or the organisation, while opportunistic silence is shown when an employee withholds information with the intention to gain benefits for him/herself while accepting harm for others (Knoll and van Dick, 2013, p. 352).

Comparing the descriptions of those four types of employees’ silence with the respondents’ explanations, I think their reasons do not fit well within Knoll and van Dick’s categories. Lack of awareness of the procedure to report a case, their pragmatic consideration, and their submission to fate are other reasons that are distinct from the four types mentioned above. Although those four forms of silence have been nicely described by Knoll and van Dick, and they also developed a 12-item scale that can be very useful in studying the employees’ silence, still, within the qualitative and inductive approach, it is possible to capture other items to complement the quantitative scale which had been developed before. For example, within this study, the practical reason and cultural context appear to be additional motives for the employees to remain silent.

2.2. Accommodation/housing facilities

In addition to the relocation allowance, particularly for the managers, housing facilities are provided. All of the managers in RO get an official, fully furnished residence. For the staff, the organisation does not provide housing facilities. However, many RO have been equipped with a boarding house, such as the West Kalimantan office,
which has 12 rooms (five of them are double rooms that can accommodate two people) and the Aceh RO, which has 30 single rooms. For the Papua RO, the boarding house was still in progress when I conducted my data collection in 2015. Currently, the boarding houses are provided for single employees or the ones who move without their family, and, as the rooms are limited, sometimes not all of those employees can be accommodated there.

When the respondents were asked about the adequacy of the facilities, eight people said that they were satisfied with them. Five of them were managers, who got complete facilities, and three of them were single employees, who stayed in the boarding house so they did not have to spend money to rent a house. Thirteen other respondents, who said that the facilities were not adequate, had several reasons for this inadequacy. The reasons were either that they did not get any relocation allowance as they moved by their own initiative, they had to rent a house as they brought their families, they did not get a room in the boarding house, or they were sent back to the previous working unit after finishing their studies.

<table>
<thead>
<tr>
<th>The adequacy of the facilities provided</th>
<th>Respondents</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate</td>
<td>Handoyo, Daniel, Budi, Jody, Nurman</td>
<td>Have a managerial position so they got housing facilities</td>
</tr>
<tr>
<td></td>
<td>Agung, Wahyu, Hengki</td>
<td>Single/did not bring family so they lived in a boarding house</td>
</tr>
<tr>
<td>Not adequate</td>
<td>Yasmin, Anrieta, Lintang, Rica</td>
<td>Relocated by their own initiative</td>
</tr>
<tr>
<td></td>
<td>Kasmir, Prihadi, Roy, Restanto, Hasan, Wesnu</td>
<td>Brought their families so they had to rent a house</td>
</tr>
<tr>
<td></td>
<td>Ervina</td>
<td>Had to rent a house, shared with another employee</td>
</tr>
<tr>
<td></td>
<td>Beni, Suandy</td>
<td>Relocated back to their previous office after finishing their education</td>
</tr>
</tbody>
</table>

Table 9 – Staff's perceptions on the adequacy of the facilities provided

Besides the relocation allowance, specifically for civil servants who are placed in Papua, there is an additional monthly allowance based on the Presidential Decree No. 68 Year 2002. The special allowance depends on the group level of the employees, and it is based on their basic salary. According to the respondents in Papua, the special allowance
is too small and will not help much to cover their living costs. Knowing the amount they received makes me understand why most respondents in Papua complained about it, as the living cost there is more expensive than the living costs in other areas. As Nurman said:

“We have to complain about it, why that special allowance is only 475,000 rupiahs per month [approximately equal to GBP29] for staff within the 3-C group [the 3-C group level is similar to employees with a master’s degree qualification]…. Well, even though we still appreciate the government giving us that special allowance, it’s just enough for three days’ living costs here.”

Nurman’s statement was confirmed by Rica, who did not expect the special allowance to be that small. She assumed it would be at least the same as the ticket price from Jakarta to Papua, while in fact it was only ten percent of the average ticket cost. She contended that this reality added to the factors that caused the employees to feel dissatisfied with the relocation practice, as this practice did not provide any added value for the employees.

Prehar (2001) warns employers about the costs they should consider when implementing a relocation policy such as moving costs, the cost of finding another employee to fill the position left by the relocated employee, and the training costs for the relocated and relocating employees. The evidence from ABI shows that moving costs, in this matter the relocation allowance and housing facilities for the staff, have not been considered thoroughly yet. Thus, this causes dissatisfaction for several respondents, as Rica said above. However, the management apparently realises this issue, as described by the SG’s comments about the boarding houses for employees in RO:

“Yes, it’s for the single employees first. Because it depends on the budget provided by the State and also, the regulation only covers that circumstance. So we are incrementally heading that way, including the transportation for the employees, such as employee bus and so on.”

It is evident that providing decent facilities for the employees is a challenge for ABI since its budget limit is determined by the central government. Moreover, ABI has to follow
the government regulations as well if they want to provide the staff with all the facilities that has an impact to organisation’s disbursement.

2.3. Life/safety insurance for the ones in remote areas

The adequacy of the facilities provided is one of the issues that came up during the interviews with the respondents in those three ROs. In addition to the standard facilities they mentioned, there is another specific issue that is quite interesting to discuss, which is the life or safety insurance for the employees who work in remote areas, particularly the areas prone to local separatist movements such as Aceh and Papua. This topic was revealed when the respondents were asked about their experience of working in remote areas. Although the stories were unique to each person, their concern about safety insurance was evident.

In sharing the respondents’ experience of working in such provinces, some of them said that they did not find any problems working there, some of them shared their obstacles in conducting the audit assignments due to geographical barriers, cultural differences, the facilities in remote areas, the transportation modes and suffering from malaria, and a few of them even had experience of encountering a separatist group. For instance, Dandy, a staff member in Aceh RO, shared his story:

Dandy: If we talk about physical threats, that’s my experience in Aceh Utara. I once was ambushed with a gun/weapon by a separatist group member when I did a physical inspection [one of the auditor’s tasks is to inspect/examine physically the quality of a job done by a vendor. For instance, examine a road/building construction to check whether it has been built according to the specifications stated within a contract]. Those conflict areas are in Aceh Timur, Aceh Utara; there are many there, the one that is more severe is Aceh Utara.

Int.: Could you tell me which areas are categorised as conflict areas?

Dandy: Aceh Timur, Aceh Utara.

Int.: Well, I’ve never been to Aceh before, so I don’t know precisely the location. Could you draw me a map?
Dandy: [drawing a sketch] Here is Banda Aceh, this is Lhokseumawe. Here, Aceh Utara, Aceh Timur. Continue straight to here, Langsa, Tamiang. And here is Bener Meriah, mountainous areas, Aceh Tengah, here is Gayo Lues, here is Kutacane and here are the mountains. If we keep going on here we could get to Medan [capital of North Sumatra Province].

Int.: And which one is the conflict area?

Dandy: Aceh Utara, Aceh Timur, the coastal areas. The ones in mountain areas are Red and White [the colours of the Indonesian flag]. National, pro-Indonesian Republic. The areas where many kidnappings occur are in Aceh Timur; here is the region where the contractors/vendors for a government project frequently got blackmailed/extorted by “GAM” [Gerakan Aceh Merdeka/Free Aceh movement, a separatist group in Aceh].

Hengki, another staff member in Aceh RO, shared a similar story when he explained the conflict areas in Aceh. Three auditors from Papua RO were also able to identify the regions that were too risky to audit in Papua. For example, Restanto told me that the mountainous areas in Papua were still considered as conflict areas. Krisdianto added to Restanto’s explanation by telling me that amongst the employees in Papua, they referred those conflict areas as red zones, and they did the mapping based on the experience of previous colleagues and the information given by the military officers or Satuan Polisi Pamong Praja (police from the local government).

The mapping that the respondents explained to me is similar to the maps I retrieved from the IDMP’s (Internal Displacement Monitoring Centre) website (see Appendix 5). IDMP is an independent, non-governmental humanitarian organisation that provides information and analyses on internal displacement worldwide. Yet, it appears that the respondents still have their own map to identify which areas are secure to visit without any help, and in which areas they should seek assistance from either the security forces or the allies of the local separatist group. A continued dialogue with Dandy portrayed this behaviour:
Int.: Could you tell me what happened to you at that time?

Dandy: In Aceh Utara, I was in the middle of an audit assignment in 2012, to audit the government disbursement for the 2011 budget year. I conducted a physical inspection for a road construction. I intended to measure the quality of the road construction, the length and the intensity. I came to a certain area, well that area was rather quiet, indeed. People told me if we wanted to do a physical inspection there we had to seek permission from “Panglima Sagu”, the regional commander according to GAM.

Int.: How do we know who the Panglima Sagu is?

Dandy: From the regional government employees. They know it. I usually ask the government employee to help me on that matter..... It’s just incidentally, for the last one, as I did random sampling, I hadn’t got a chance to seek permission.

Handoyo, a senior auditor in Papua, shared the strategy the auditors commonly use when they have to travel to remote areas:

Int.: Do you have any experience of meeting or being confronted with a local separatist movement when you conducted an audit, sir?

Handoyo: Not directly, but in this situation [a critical situation when a clash incident just happened or was about to happen], yes, I had.

Int.: How do you deal with such situations, sir?

Handoyo: Well, we usually ask the local government to make sure that they can guarantee our safety. So, we depend on the local government too. Commonly, for certain regions, if possible, we will be accompanied by the military army whenever we conduct physical examinations in those regions. But sometimes, there are certain regions where we cannot be accompanied by them, because if they [the local separatist group] see us with the army, they could make us their target. It is riskier.

Those two interview excerpts indicate that the auditors in Aceh and Papua should be able to distinguish the critical areas and the guardians to enter those areas. From the interviews, I get the impression that the employees have to seek for the information by themselves and many times they have to depend on the regional government employees,
which, nota bene, are their auditees, for safety reasons. In the auditing theory, there is a principle of professional scepticism, which is about “achieving an appropriate balance between distrusting management and placing complete trust in the integrity of management” (Cosserat and Rodda, 2009, p. 165).

When conducting an audit, the auditors must be aware of any suspicious situations where the auditee may be hiding something. For instance, there might be a construction that is not built according to the written contract. Thus, when the auditors conduct an audit, they usually pick the construction site by themselves and not through the auditee’s suggestions. Yet, in conflict areas such as Aceh and Papua, the auditors cannot fully do that due to the safety issue. Restanto is one amongst the auditors who told me that when he had to do physical inspections in certain areas, he could not randomly select which areas he wanted to go to. He had to believe what the regional government staff said about which areas were safe and which ones were not because they knew better about the situations there. Thus, it was better to believe them rather than put their life at risk by encountering local separatist groups.

Several incidents were disclosed by the respondents during the interviews. Restanto told me that there was an auditor that had been a hostage of the OPM (Operasi Papua Merdeka or Free Papua Movement) when that auditor went to Paniai for a few days. Hengki, an auditor in Aceh, also mentioned a similar case where a colleague was held hostage by GAM. Dandy, who had experienced coming across GAM, shared his story:

Dandy: That time, I was measuring the width of the road, and the staff member from the Public Works Ministry had already took out the core drill [a tool to take a sample of road construction]. Suddenly, there was a grey Avanza [a type of car] coming from behind. It stopped in the middle of the road, blocked our way. There were four people, if I’m not mistaken. I still remember two of them wearing uniforms, one of them wearing a shirt, but on here [pointing to his forehead] he wore a bandana with the symbol of a star and crescent moon [a symbol of a separatist group]. The other one was pointing at us and telling us something. Since it’s in Acehnese language, I didn’t
understand what he was saying. I thought he was a contractor or such kind of person. But the regional government staff told me, ‘It’s GAM, sir.’ And they forced us to leave the location. They forbade us to continue our job. They pointed a fire gun/weapon at us.

Int.: Well, just obey them, right? They have the gun, man.

Dandy: Yup [laughs]. At that time, the contractor directly ran away, I was left alone in the field!

Int.+Dandy: [laugh]

Dandy: That’s why. Hahaha.... They knew, and I didn’t. I asked the man, though, ‘Who are you, sir?’ but since he spoke in Acehnese, I didn’t understand [small laugh]. That’s in Aceh Utara.

Int.: Oh my God, what an experience! How do you feel?

Dandy: Well, of course I was quite afraid being left alone while everybody else had run and jumped into the car. I was so busy taking notes, didn’t notice the situation around me. The other person [government staff member] was at the other end holding the roll [the measuring meter tool], I was on another side. I was still sitting, writing notes, and suddenly he was gone already [laughs]. I looked back and someone was pointing a fire gun at me [laughs]. Well, nothing I can do, right?

Although it rarely happens, the fact that a few auditors had bad experiences in conflict areas makes the employees in those ROs concerned about their safety, particularly since there is no life/security assurance provided by the organisation. Many respondents expressed their expectation that the organisation can provide them with life insurance when they are conducting an audit assignment in critical zones. This issue was a critical concern for the auditors in the remote areas, where they have to deal with quite harsh geographical conditions or difficult transportation modes to get to the secluded areas.

A few respondents shared their thoughts about traveling within remote areas, for example, Ervina, who bought a lifejacket and always wore it whenever she had to take a speedboat to reach an auditee’s place in West Kalimantan remote areas. She did this
because she could not swim and the speedboats were rarely equipped with adequate lifejackets. Another respondent clarified what they meant by life/safety insurance:

“What we mean by insurance is different; we asked for safety insurance while we’re working. We never know, as we leave our kids. Sometimes we have to take pioneer aircrafts, the tiny ones. We often pray [when the weather was not good and the airplane had many turbulence]: ‘Please not now, God, not now, we still have kids at home.’ … I went to Nabire by one of those aeroplanes for one and a half hours. I used to take Susi Air as well when I was in Kupang, but at that time I was still single, so if anything bad happened, it’s OK. It’s only me. But here, well, please don’t, I have little kids at home.” (Rica, posted in Papua)

Her concern is not without any sound reason as the statistics of airplane accidents in Indonesia show that the number of accidents that happened in Papua alone is more than the number in any other area. The data I collected from several national mass media outlets in Indonesia shows the figures from the last three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of aircraft accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>41</td>
</tr>
</tbody>
</table>

This increasing trend in Papua has been observed by the government and the aviation experts. As the members of the Indonesia Aviation Network reported, the statistics of aircraft accidents in Papua outweighed the average number of aircraft accidents in Indonesia due to the lack of infrastructure and monitoring activity (Rohmawati, 2016). Similarly, the Minister of Transportation said that the high incidence rate in Papua, particularly in 2016, was caused by two main problems: monitoring and unstable weather conditions (Widhi, 2016). Hence, referring back to the respondents’ concerns, I consider it is reasonable if they demand such insurance. While several of them expected to have safety/life insurance, several of them expected that the organisation would set up a mutual agreement with the security forces or include a security fee as a component in their audit costs. The basic point is that they expected ABI to pay attention to their safety while they carry out their duties; a facility that has not been provided by the government yet.
3. Conditions Affecting Willingness to Move

3.1. Unbalanced infrastructure

As described in Chapter Three, the geographic, demographic and infrastructure conditions amongst the regions in Indonesia are unbalanced. This circumstance to some extent affects the willingness of the employees to be relocated periodically as portrayed in some respondents’ experience. For example, Ervina and Kasmir, who were posted in the West Kalimantan RO, expressed their difficulty in getting access to clean water and fresh air as this region frequently suffers from saline water contamination and haze of the forest fire.

The respondents from Aceh RO shared the challenges of living in Aceh where no entertainment centres (cinema and shopping mall) exist, the risk of a natural earthquake is common or access to the auditees’ regions is difficult. Hengki and Hilman said they had to be satisfied with the current situation, where there was no cinema at all as the Aceh local government implements Sharia law. Lintang said since Aceh is prone to earthquakes/tsunamis, she had to find information by herself on how to prepare themselves should there be any earthquake. For instance, she had to find out how to prepare a survival kit and be aware of the earthquake/tsunami symptoms through her friends, not from the management of Aceh RO. Roy complained about ABI’s internal auditors, who often blame them if they violate the rules regarding the costs of local transport when doing an audit in a remote area. When the transportation access to an area is rare and difficult, most of the time they have to rent a car from a private car rental company, while the internal regulations state that they have to use public transport. Such situations often make the auditors in the RO upset because people at HO often do not understand the actual conditions encountered in the field.

The shortage of power supply is another challenge in certain areas in Indonesia. Aydin, for instance, conveyed that it is common in Papua to have a two-hour blackout
almost every day. Agung, who was posted in Mamuju, West Sulawesi before moving to West Kalimantan, told a similar story. For Mamuju, it was common to experience for every three hours of power, there would be followed by two hours of power failure. Furthermore, the transportation access to Mamuju is not good enough, that it takes approximately eight to 11 hours to arrive there from Makassar, the nearest big city where one of the national airports is located, if using an inland transportation mode. Besides the lack of power supply, security – in terms of the criminal acts and tribal wars – is another factor that has become a concern for several staff in Papua RO. Yasmin, Prihadi, Krisdianto and Wesnu shared their unique experience of facing or witnessing such incidents.

All the data above confirms the presumption written in Chapter Three that managing resources in developing countries, in this matter managing the development of the infrastructure in each region, brings an additional issue for the relocation practice; an issue that many studies in Western countries do not consider when discussing the factors that influence employees’ willingness to relocate.

3.2. Families concerns - for the ones who bring their families

While most of the respondents decided to leave their family back in Jakarta or Java Island, a number of employees decided to bring their families with them. There were at least five male respondents (Budi, Kasmir, Prihadi, Suandy and Dandy) who took their families to the distant regions and five women employees (Sofi, Yasmin, Wandan, Lintang and Rica) who asked to move to follow their husbands. The employees who decided to bring their families mainly said the reason was to get close to their nuclear family so that their family bond, physically and emotionally, would be sustained. Yet, they admitted that they also had challenges as a result of their decision.

For those people who moved with their families, there were some consequences they had to bear with. On the one hand, they admitted that being close to their family made
them feel more comfortable and relaxed. Being close to their nuclear family is frequently cited as a factor to achieve Work-Life Balance (WLB) for an employee. That is why many people, especially public sector employees, tend to reject a better job/promotion if it means relocating their family (Posner and Schmidt, 1996). Yet, as in ABI relocation is not an option, the employees either bring their families or leave them behind. Hence, although being close to their family makes the employees more relaxed, on the other hand, they told me that they encountered some difficulties such as finding a good school for their children of comparable quality to those in Java Island. Budi, who had moved three times, from Jakarta to Papua, to West Papua and then to West Kalimantan, contended that finding a good school for his children was one of the issues he faced every time he had to move. Sofi, who moved to Aceh with her children in 2007 to follow her husband, verified what Budi said about the quality of their children’s education. She said:

“Currently, the education quality in Aceh is not as high as in Jakarta. Considering my kids’ conditions, if I have to move back to Jakarta, I’m sure that my kids will have trouble [adjusting to the education in Jakarta]. Certainly they will.”

Another issue was the opportunity for the spouse to find a job in a distant region. For instance, Kasmir, whose wife worked in another government institution, confessed that despite his wife being able to move together with him, his wife had to give up her promotion chances in the previous location. Dandy, an auditor in Aceh, said that his wife could not find a job in that region as most of the job opportunities that fit his wife’s educational background were offered in Jakarta. The lack of an opportunity for employees’ spouses to have a decent career seems to be the price they have to pay for the decision to be together with their nuclear family. The examples from ABI above fit with Chandra’s argument that in Asian countries, the husband’s career is viewed more important than the wife’s (Chandra, 2012).
Although Booth, in her paper to review the historical and contemporary evidence on the role of Southeast Asian women in work and family, argued that the women in these regions are more active in various activities to work outside their homes, and more women are moving into professional, technical and administrative positions (Booth, 2016, p. 193), it seems that women are often made to sacrifice their career in the interest of their spouse’s career or children’s education (Chandra, 2012). Chandra did her research to compare and contrast Eastern and Western perspectives on WLB. Although her research was conducted in an Indian organisation context, it turns out that Indonesia also share the same values as India on this matter. This is supported by the data from the case study, that the written policy gives priority to a woman employee who wants to follow her husband. That is why most of the employees in ABI who, by their own initiative, ask to move to an RO are the women employees whose husbands have gotten a job in that region.

Expensive living costs is also another cost they have to bear with if they are relocated to a distant region, particularly the house rental fee. Referring back to what Jody said about the difference between the facilities that managers and staff are provided, this rental cost is quite burdensome for some employees as the cost is higher than that in Jakarta or Java Island. According to Budi and Yasmin, renting a house in Papua could be three times more expensive than the cost in Java with similar conditions. This fact is obviously a challenge for the employees as they have to spend a lot more than what they normally spend in their domiciles or HO.

The expensive living costs double when the employees include the travel costs to go back to their home town. It has become a tradition in Indonesia that on every big religious holiday, such as Eid or Christmas holiday, people go back to their home towns to have a celebration together with their big families. As Nurman, who was posted in Papua, said, it would be very expensive for him to pay for the flight tickets as he has four family
members, while the return ticket for one person costs around seven million rupiahs (same amount as his monthly salary).

The security factor in the distant regions was something the employees considered as well when they had to bring their family along. This factor was frequently cited by the respondents who had been placed in distant regions, such as Aceh, Papua, Ternate or even North Molucca, as those regions were still perceived as conflict areas. An experience shared by Daniel could be an example of that issue:

“It is true that we have to be ready to be assigned all over Indonesia, and the family should be brought too, but it’s not that easy to bring them with us. Particularly in certain areas like what I experienced in North Molucca in 2007. At that time there were still many riots; even for a governor election there was a riot just like a tribal war.”

Health facilities and/or health conditions are other things the employees have to sacrifice to be close to their family, specifically in Papua, where the region was still categorised as a malaria-endemic site. Most of the respondents in Papua or who had been in Papua talked about this fact; several of them shared their experiences of suffering from such illnesses, for instance, Budi and Handoyo. A few others, Wesnu, Rica and Budi, shared their friends’ stories, whose family members were infected by such diseases. Budi expressed his concerns about his children as there was an incident in the Papua office at that time when one of his colleagues moved to Papua with his family and his child died from malaria. Even though Krisdianto, one of the auditors there, had different thoughts about malaria, that he saw it was not a problem anymore, others still perceived it as an important matter.

While the cultural diversity in Indonesia was not considered as an issue for many respondents, there were at least seven respondents who talked about it. Budi, who originally came from Sumatra, said that it was quite difficult for him and his family to adapt to the local culture in Papua. Wesnu, Yasmin and Anrieta, who moved from Jakarta to Papua, shared similar opinions. Hilman and Ervina, who moved from Java to Aceh,
shared their difficulty in adjusting to the local culture as well. For Tika, who moved from Jambi (Sumatra) to West Kalimantan, adapting to the local culture was not difficult as she perceived the culture in Sumatra as similar to that in Kalimantan. As for Lintang, her adaptation challenge was related to the religious factor, since she is a non-Muslim and currently lives in Aceh, which implements Sharia law. Thus she assumed it would be better to adjust her fashion style according to the local culture in Aceh.

3.3. Families concerns - for the ones who do not bring their families

All the challenges mentioned in the previous sub-section were quite similar to the reasons cited by the employees who decided not to bring their families with them. Amongst those 33 respondents, there were six staff members who were single, one staff member who had just gotten married to another staff member in the same office, ten staff members who brought their families with them, and the rest, 16, who decided to leave their families in their home towns (15 staff members were from Java and one staff member from Sumatra). In general, I sorted their reasons in the following table:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job characteristic as an auditor makes them leave their family frequently</td>
<td>Jody, Hilman</td>
</tr>
<tr>
<td>Wife works and cannot leave her job</td>
<td>Arief, Krisdianto, Handoyo, Hengki, Beni</td>
</tr>
<tr>
<td>More comfortable to leave their family in Java (or in their home town)</td>
<td>Restanto, Roy, Hasan, Nurman, Aydin, Wesnu, Anrieta, Daniel, Broto</td>
</tr>
</tbody>
</table>

Table 11 – Reasons for not bringing the family

Jody and Hilman told me that being an auditor in ABI made them have to leave their families frequently, as most of the time they got audit assignments in another city. Thus, for them it made no difference whether they brought their families with them or left them in Jakarta, if they calculated the time they spent with their family together. For those employees whose spouses worked as well, it was more because of economic or gender equality reasons that they let their wives have their own careers. For the rest, I consider it was more for practical reasons as the infrastructure in Java is better than on other islands in Indonesia. It is very logical that they want to provide the best for their families, either
good-quality education, a good health service, a secure environment or any other services available.

The issues illustrated in this section are corroborating evidence of contemporary Indonesia’s demography and infrastructure conditions, as described in Chapter Three. Typical of emerging countries’ conditions, the imbalance in development between the regions near the government power centre and the ones further afield affects the willingness of the employees to move around, let alone bring their family along. As far as I am concerned, research on domestic relocation in developed countries has been conducted with the supposition that the infrastructure is equal in any part of the country. Thus, based on the papers I have read so far, there is no finding that shows the stress of relocatees in dealing with the unequal infrastructure. Those findings tend to focus more on the stress in dealing with the emotional/psychological aspects of the relocatees/family members.

Chapter Three discussed the research conducted in the West, which focused on domestic geographical relocation, and revealed that unwillingness to accept relocation was mostly based on the stress those employees and their families experience when being moved (Carter, 1996, Saunders and Thornhill, 1998, Stroh, 1999, Eby and Allen, 1998, Eby and Russell, 2000). Other considerations included concerns over the employees’ partners’ careers, perceived lack of promotion, lifestyle issues and expected socio-cultural adjustments (Dowling and Welch cited in Hutchings and Ratnasari, 2006). The results of my study reveal the stress/concern that is related more to basic needs. The relocatees’ concerns in this study, regarding the decision to bring their family with them, is more about fulfilling the physical/tangible aspects such as health and education facilities, decent accommodation and having security.
4. Conclusion

Exploring the employees’ perceptions regarding the relocation facilities they received, I argue that some respondents have become victims of petty corruption, as several of them admitted that their allowance was deducted or was not in accordance with the written regulations. It is interesting to notice that many of them were more tolerant of petty corruption regardless of their profession as an auditor, who should be critical of any kind of corruption. The findings of this study could complement the four types of employees’ motives to keep silent when they observe unethical practice in their organisation that were proposed by Knoll and van Dick (2013). Within this study, practical reasons and the cultural context appear to be additional motives for the employees to remain silent.

Another finding about the adequacy of relocation facilities support what many scholars have suggested, that the employers should consider all the costs when implementing a relocation policy (Prehar, 2001). The evidence from ABI shows that moving costs, in this matter the relocation allowance, housing facilities and life/security insurance for the staff, are not considered thoroughly. This condition, combined with other factors specifically related to Indonesia, increases the respondents’ unwillingness to relocate periodically. As far as I am concerned, research on domestic relocation in developed countries has been conducted with the supposition that the infrastructure is equal in any part of the country. However, unbalanced infrastructure is a common issue in managing resources in emerging countries, and Indonesia still has that problem.

This study also touches on an aspect of the Work-Life Balance (WLB) concept. Posner and Schmidt (1996), in their USA context, argue that many people, especially public sector employees, tend to reject a better job/promotion if it means relocating their family (Posner and Schmidt, 1996). Nevertheless, since relocation is not optional for the employees in ABI, the employees have to decide either to bring their families or to leave
them behind. They either have to sacrifice their WLB for not being close to their nuclear family or bring the family along with all its consequences.

Many studies focusing on domestic geographical relocation, which were conducted in Western countries, revealed that unwillingness to accept relocation was mostly based on the stress those employees and their families experience when being moved (Carter, 1996, Saunders and Thornhill, 1998, Stroh, 1999, Eby and Allen, 1998, Eby and Russell, 2000). Other considerations included concerns over the employees’ partners’ careers, perceived lack of promotion, lifestyle issues and expected socio-cultural adjustments (Dowling and Welch cited in Hutchings and Ratnasari, 2006). The results in this study reveal the stress/concern that is related more to basic needs. The relocatees’ concern in this study regarding the decision to bring their family with them is more about fulfilling the physical/tangible aspects such as health and education facilities, decent accommodation and having security.
Chapter Eight

Findings and Discussion – Impact on Motivation

1. Introduction

After discussing the perceptions of the respondents about the relocation policy in Chapter Five, followed by the discussion about the issues which became the reasons behind their perceptions about the policy’s implementation in Chapter Six and Chapter Seven, in this chapter the analysis will concentrate on the impact of the relocation practice on the respondents’ work motivation. Surprisingly enough, despite many respondents expressing that the relocation policy is unfair/ineffective, only 33% of the respondents confirmed their work motivation were negatively affected by that. In this chapter I try to investigate the employees’ rationalisation to stay in the organisation regardless of their disappointment about the relocation practice.

In addition, a brief comparison with another Indonesian government institution will be presented here, as well as the challenges in setting up a decent policy from managers’ insights. Several issues were cited by the managers, for instance, an effort to provide decent facilities for the employees as ABI has constraints in its budget and government regulations. Other challenges included the recruitment process, Indonesian culture and employees’ demographic data, which shows most of the employees come from Java Island, more than 50% of them are married, and the gender composition is 60% men and 40% women.
2. Impact on Work Motivation

2.1. Psychological contract

As written in Chapter Two, psychological contract is a combination of beliefs held by an individual and his/her employer about what they expect from one another (Armstrong, 2006) and a psychological contract breach occurs when the employees perceive that their employer has failed to fulfil one or more of its obligations (Conway and Briner, 2005). Thus, theoretically, all the reasons cited in the two previous chapters are enough to be categorised as breach of psychological contract. Being treated unfairly due to nepotism/favouritism, being relocated such that it is not in accordance with the written regulations or not receiving adequate facilities are indications of psychological contract breach. Theoretically, psychological contract breach may lead to the demotivation of employees.

Nevertheless, when asked about the impact of the relocation practice on the respondents’ work motivation, their replies varied and can be classified within four clusters, as shown in the following chart.

![Figure 9 – The impact of the relocation policy on employees’ motivation](image-url)
The only person who said that she was satisfied with the relocation practice and admitted that her motivation was positively affected by the relocation is a female employee who had been placed in three regional offices consecutively. She said:

“While I am here [in the Aceh RO], I am more interested in learning a lot. For instance, the audit process; I think the process here is better than the ones I experienced in previous regional offices. It is more thorough….so it increases my motivation to learn more and more.” (Lintang, female with a 13-year job tenure; first placement was in South Sumatra, then relocated to Central Java and Aceh)

Lintang’s response matches the advantages of relocation practice as suggested by many scholars when they stated that relocation is believed to enable employees to gain new skills and experience, enhance their career development, prevent job boredom and increase their motivation (Cheraskin and Campion, 1996, Burke and Moore, 2000, Eriksson and Ortega, 2006).

When I looked at the other three people who said that their motivation got affected in both positive and negative ways, I could see that on some points they shared a similar view with that of Lintang. They admitted that relocation affected them in a positive way because it gave them a chance to travel to new places or learn something new. On the other hand, it also affected them in a negative way because they felt a bit disappointed and worried about the interference of the current relocation practice, or they felt as if they were second-class citizens in the Audit Board’s community (compared to their colleagues in HO).

Eleven people perceived that the relocation practice affected their motivation in negative ways for several reasons: they felt incomplete as they had to live separately from their nuclear families, they had to face expensive travelling costs to their home town, they were anxious about being relocated to a remote area again, they had difficulty in adapting to new environments, they found the current working environment was not conducive, they had been too long in one regional office, they were disappointed with the favouritism
that occurs in the organisation, and they tended to become lazier because they were placed in a remote area (Papua).

When employees perceive that their psychological contract has been breached, their reactions are expressed in various ways, ranging from reducing their involvement in their job, reducing their commitment, expressing their voice, to leaving the organisation (Lemire and Rouillard, 2005). George (2009) adds another behavioural response to contract breach, which is aggression. He contends that some employees may even become aggressive when they think the employing organisation breaches the contract and as a result, such employees may “indulge in explicit acts of retaliation such as theft or sabotage which for professional workers is likely to conflict with the values of their professional body” (George, 2009, p. 28). If I link this to the discussion about the auditor’s independence in Chapter Five, George’s proposition might be one justification used by those unethical auditors.

In simpler words, the psychological contract breach will result in decreased motivation and eventually lead to any of those expressions stated in the previous paragraph. The responses of the respondents who said that the relocation practice affected their motivation in negative ways contribute additional empirical evidence to the aforementioned statement. However, as a psychological contract is based on an individual’s belief – and so is its breach – it is then highly subjective and implicit (Willem et al., 2010). How employees perceive an incident as a contract breach is unique to each employee’s situation. That is why it is interesting to notice that, while most of the respondents perceived the current practice as not effective, more than half of them admitted that their motivation was not affected by such practice.

Why did they say that their motivation stayed the same regardless of most of them perceiving the implementation as still unfair? Is it because there were no explicit contracts so they never thought that the unfair treatment was a breach of contract? In Indonesia,
when a person is recruited as a civil servant, he/she will be given a decree letter containing basic information only such as his/her name, position and the basic salary that he/she will receive. There is no written contract signed by both parties (the recruited and the recruiter), let alone all the rights and obligations of both parties. The civil servant is assumed to have read and understood all the information about it from the National Civil Servants Law (Law No. 8 Year 1974 in conjunction with Law No. 5 Year 2014). Since the law covers only general conditions, and considering most of the respondents’ early motivation to work as civil servants are mainly influenced by practical reasons as discussed in Chapter Five, I doubt many employees fully understand their rights and obligations.

Rousseau (1998) suggests that there are two types of psychological contracts: relational and transactional. In relational contracts, the people who are involved pay attention to the fairness of the process rather than the fairness of the outcomes, while in transactional contracts people tend to focus on the concrete content of the contract (George, 2009). Thus, if I look at it from the transactional contract’s point of view, the absence of a detailed contract stating both parties’ rights and obligations may cause the employees to be incapable of distinguishing a breach of contract. They most possibly may realise that the management’s unfairness is a breach, yet expressing their disagreement openly may be chancy as there is no solid basis to back up their argument.

Another possibility to explain why most of them said their motivation did not change is perhaps that they feared of getting a sanction should they ever reject a relocation. Hence, despite feeling disappointed with the relocation practice, they prefer to accept it and maintain their motivation level for it not to sink down. From the interviews, there were at least nine staff who reported a case of a colleague who rejected a relocation and got a disciplinary sanction because of that. As one of the staff commented:
“And we can see, ma’am, there was a colleague who submitted an objection to the management. It’s useless. Even though the case was raised to Government Administrative Court and he won the case, still, he was exiled. Poor him. That’s why I told you, since we signed the commitment from the beginning, I try my best to obey it.” (Daniel)

As we can see, from his point of view, the position of the employees is weak in regard to filing an objection since they had already signed an affidavit letter, stating that they were willing to be placed all over Indonesia, in the beginning of the recruitment process. Signing this letter is a procedure that everyone has to go through when they apply for a job in the government sector, and the requirement to be ready to be placed in any region in Indonesia is stated in the Law Number 5 Year 2014 chapter 23 point g.

This is similar to the perceptions of the HR manager in the Ministry of Finance (MoF). He argues that basically, the HR management has a right to relocate the employees wherever the management wants as a consequence of what they signed at the very beginning. That letter would be the basis for the management to defend their decision should the employees file a case in Court. Thus, according to him, basically the employee cannot complain about it. Referring back to the definition of psychological contracts, his statement can be associated with a perception of psychological contract from the managers’ standpoint. As Nadin and Williams (2011) contend, if the psychological contract is regarded as a two-way reciprocal agreement between the employee and the employer, then the expectations the employer (in this case the manager) has of the employees in fulfilling their contracts should be acknowledged as well.

In the same tone as the HR manager’s statement above, the SG has his own expectations of the employees. According to him, when ABI recruits employees, they sign a declaration to work for ABI, not for another state institution. Thus, he does not agree if the employees use this organisation as a stepping stone to a career in other places. Just because an employee feels unsatisfied with the organisation, for instance he/she is not satisfied with the relocation practice, it does not mean it is acceptable to let him/her...
move to another institution after this organisation has provided him/her with all the training and facilities. The conversation continued as follows:

SG: But, let’s think this way. Are we, philosophically if I may say, willing to accept a thought that we recruit employees, and train them, coach them and give them many facilities, then those employees merely use this organisation as a stepping stone to get a career in another institution? Or are we seeking for employees who purely have the intention to work for the Audit Board, to support the Audit Board’s tasks and function?

Int.: It has to be referred back to the early stages of the employees’ recruitment,... [sentence was cut off by SG]

SG: Yeah, early motivation is very difficult to be detected. It cannot be detected. And frankly speaking, the market value of the Audit Board’s employees is high. Thus, if they want to be – what is the term? An adventurer? They like to try working in one company and move to another one – can we let this organisation have a work culture where our employees are adventurers?

Int.: What do you think?

SG: No. I don’t allow such adventurers to work here.

The statements of those two managers above indicate that from their perspectives, employees who reject a relocation decree – and even decide to move to another institution – is a form of contract breach, particularly because the employees signed a declaration letter when they applied for their job. Thus, they were certain that the organisation would prevail should employees file their objections in Court. Yet, it seems to me that the managers do not really pay attention to the true reason behind the employees’ dissatisfaction. Again, different viewpoints were taken by the managers and the employees. As described in Chapter Six, when interference is being perceived differently, the psychological contract breach regarding the relocation practice is also perceived differently by both parties.

In softer tone than what the manager from the MoF and the SG said, the middle HR manager in ABI actually recognised the phenomenon that happens in the organisation. In the interview, he expected that the management would accommodate complaints from
employees who were unsatisfied with the current relocation policy. Different from private organisations that commonly have a labour union as a mediator between the employees and the manager/the owner, in Indonesian government organisations there are no such internal groups. At the national level, there is a body that takes care of any disputes between employees and managers, known as BAPEK (Badan Pertimbangan Kepegawaian). It is a kind of employee advocacy body, established by Presidential Decree No. 71 Year 1998. This is an ad hoc body that discusses and takes decisions on any objections that a civil servant submits regarding a disciplinary sanction he/she receives. In practice, as far as he was concerned, the decision most of the time supports the management’s sanction. Very rarely does an employee win his/her case. Furthermore, this body only takes action when a disciplinary action has been issued by the management. What he expected is an internal organisation that can mediate the disputes between the two parties before a sanction is issued.

Analysing the comments from the related parties on this matter makes me reckon that the power relation between the superordinate and subordinate, particularly in government organisations where the bureaucracy is rigid, still has a wide gap that the staff are in a weak position to complain about any conditions that they perceive as unsatisfactory. Nevertheless, the inability to complain seems not to play a significant role in influencing the employees’ motivation. Most respondents talked about commitment as the reason for having the same level of work motivation. In the next sub-section, the topic of organisational commitment will be discussed.

2.2. Organisational commitment

Since many respondents talked about commitment as their reason for having the same level of work motivation regardless of being unsatisfied with the relocation policy, organisational commitment has enough weight to discuss here. In analysing the respondents’ commitment in the workplace, the model proposed by Meyer and Allen
(1991) was utilised. This model emphasises the components of commitment based on the nature of the employees’ psychological state, and name them as affective, continuance, and normative commitment. In my perception, I argue affective commitment is the highest ranking (the best commitment) an organisation can get from its employees as people with affective commitment will most probably work at their best, which in turn will increase organisational performance as well. The next one would be normative commitment. The lowest one would be continuance commitment, as an employee with this commitment will stay in the organisation for the sake of maintaining a job.

Back to the data obtained, this study found that most respondents admitted that their motivation stayed the same regardless of the majority perceiving the policy implementation as still unfair. Almost half of those 18 respondents who claimed their motivation was not affected believed that they had to be professional wherever they were assigned because it was one action to show their commitment. Those respondents explained further why they thought their motivation was not affected. Several of them stated that their motivation would stay the same as long as they could stay together with their families. Several others said that they were people whose principle was just to follow the flow or that life must go on, and another one believed that whatever happened in her life was the best thing from God. There were three respondents who said that their work motivation was not affected by the relocation practice but more affected by other things such as political interference in conducting audits, indistinctness in the promotion criteria, and lack of facilities from the office. It appears that even though they said their motivation was not affected by the relocation practice, they either had an intermediary factor (such as the condition to stick together with their family) or complained about other factors that indeed affected their motivation.

Many respondents within this study disclosed the term commitment as a consequence of choosing a career in the government sector. Twenty-two respondents (66% of the staff
respondents), regardless of whether their motivation was affected or not by the relocation practice, talked about this matter when they were asked why they accepted the relocation or why they did not mind to be relocated anywhere:

“If we work in an organisation, we have to follow [the regulations] as well. We can’t be selfish, because there are other people who also did that; they are married and have a family, but when they were relocated, they obeyed it. If we just think that we want to be close to our family all the time, anybody else must want that too.” (Ervina, West Kalimantan)

“As long as I have worked here, I don’t think I have had any problems regarding relocation. Because when we started working in the Audit Board, we signed a letter stating that we were willing to be placed anywhere. That’s the consequence of what we had done.” (Arief, Aceh)

“From the beginning we knew the consequences of being a civil servant, which is to be placed anywhere. That’s why I’m mentally prepared even if I have to move to Papua. Although, if we think about it, [working in] the Audit Board is luckier because it is located in the capital city of each province; unlike the tax office, where they have to move up to secluded areas. That’s one positive side that we can take.” (Aydin, Papua)

Furthermore, some of them considered that they did not have the choice of declining the relocation because they would face the consequence of paying compensation for all the training costs the organisation had paid for them. This issue was reflected in the following excerpt:

“The difference between [my batch and] the batch after that [the recruitment in year 2009] is that the placement was announced after the training was over. So, wherever we were assigned, we could not reject it anymore because we already signed the contract…. For us, the announcement was at the end of the training, so, whether we like it or not, we have to take it. Otherwise we have to pay compensation. At that time it was twenty-five million rupiahs [equal to GBP1,250]” (Aydin, entry year: 2008).

Aydin’s statement implies that there is a time inconsistency when the management announces the placement for the new recruits from year to year. In one year the management would announce the placement before the training is started, but in another year the management would announce it after the training is over. Yes, it is true that every candidate has to sign an affidavit letter in their application forms and yes, they realise the
possibility of moving from their home town, but if the announcement is issued after they have finished the training period, they feel like they do not have the bargaining power to reject that decision anymore as they have to pay compensation. Should the announcement come before the training, they might have a different choice. For instance, they might change their mind to be a civil servant and leave the organisation without worrying about having to pay back all the costs incurred.

As Aydin said above, for new recruits, the compensation is unaffordable. In Indonesia, 25 million rupiahs was a big amount to pay, since the monthly salary for a new recruit was approximately only 10 percent of that amount. The feeling of the inability to pay back the compensation to the organisation, combined with their early motivation, which was influenced by family or cultural factors, may lead to the development of normative commitment. This commitment is one of the three components of organisational commitment suggested by Meyer and Allen (1997), where people stay in their organisation because they think they have to. A feeling of indebtedness could develop as the employees think it will be difficult for them to reciprocate a specific investment that the organisation has made for the employee (Meyer and Allen, 1997).

Meyer and Allen (1997) argue that employees who have strong continuance commitment choose to stay with the organisation not because of emotional attachment, but because they think the costs of leaving the organisation are simply too high or they do not see the chance of getting a better job elsewhere. Thus, the organisation cannot expect that such employees will have a strong desire to contribute to the organisation, and it is even possible that this kind of commitment could generate feelings of resentment or frustration towards the organisation (Meyer and Allen, 1997, p. 25). If I may say, the condition such as Aydin’s case above can be categorised as continuance commitment as well since employees with a similar case as Aydin’s may feel hopeless. They may believe
that they are “‘trapped’ in a ‘no choice’ situation” so they might, at some point, exhibit negative work behaviours (Meyer and Allen, 1997, p. 40).

However, after several years of working and when they don’t have the obligation to pay the compensation anymore (usually they have to work for four years to pay back the recruitment and training fees), they seem not to want to leave the organisation anyway. In this study, all the respondents already passed the four-year requirement for a must-stay. As described in the Methodology chapter, the minimum working years of the respondents I found in this study is five years. So, if any of them want to leave the organisation, all else being equal, they are free to do so. Not to mention the SG’s comment which stated the market value of ABI’s employees is high. Still I found that most of them chose to stay in the organisation regardless of their disappointment with the relocation practice.

A few of the respondents, such as Sofi and Ponco, firmly said that they will never have the intention to work in other organisations as there is no other office that is more comfortable than ABI. Three respondents (Yasmin, Prihadi, Hasan) reported they had the intention to quit. A few others (Nurman and Ervina) expressed their intention to improve the performance of ABI. Most of the rest just simply said that so far (at least until the data collection period in 2015) they have not had the intention to move to another company yet. Although they mostly did not disclose clearly their reason to stay with the organisation, perhaps the dialogue with Aydin below resembles their thoughts.

Int.: Do you have an intention to resign?

Aydin: No. Not yet. I will try to hold on here, at least for now.

Int.: Why?

Aydin: Maybe due to its comfort. Although I can be relocated anywhere, I feel I am already comfortable here, because I have a friend who already moved to a private company and became an internal auditor there. He told me that he a bit
regrets resigning from the Audit Board since the work pace there, and also the responses from the auditees, is very different. In private companies, the auditor is not respected. Here, in the Audit Board, the auditors have power, right? If we want to call a regent, general manager, board of directors, it’s up to us, they have to come. In private companies we [auditors] cannot do that. We have to seek permission from the top manager first, have to make an appointment, and they can even reject us. So we are not free, since the auditors’ position in private companies is below the board of directors, so they are kind of a bit reluctant.

Observing Aydin’s statement, I presume that most respondents internalise multiple commitment to stay with the organisation. Multiple commitment is used not to refer to the differences in the types of commitment, but rather to refer to the various motives that influence a person to become committed (Meyer and Allen, 1997). In this case, the respondents asserted that their motivation stayed the same and they decided to stay with ABI because they had multiple commitments. For instance, they felt indebted since the organisation had provided them with much training or scholarship to pursue their education but were actually disappointed with the nepotism/favouritism that occurred in the organisation. Another instance is the situation where the respondents felt dissatisfied with the relocation practice yet they did not want to quit from the organisation as they had found their comfort zone there, particularly due to the high status of the organisation, that the auditors sensed certain privilege over their auditees.

2.3. Public Service Motivation

It has been discussed in Chapter Five that the majority of respondents’ early motivation in this case study to choose a career as a civil servant was not based on PSM, but more on economic reasons. However, several studies have suggested that PSM can be influenced or nurtured by the organisation’s environment (Moynihan and Pandey, 2007, Camilleri, 2007, Yung, 2014) or the type of organisation where the employees work (van Loon et al., 2013). A positive interaction or conducive working environment can be
a factor in increasing an employee’s PSM, and employees with high level of PSM tend to stay with the organisation for a long time.

Reflecting the respondents’ decision to stay with the organisation, I was interested to analyse whether the PSM was finally developed among them. If in any case there was PSM grown during the respondents’ job tenure, then it could be a reason why many staff claimed that their work motivation was not affected by the relocation practice. Yet, in ABI, this does not seem to be the case either. As there is very little evidence of the existence of PSM in the staffs’ early motivation within this study, it turns out that PSM did not flourish after the respondents had worked for several years either. Only one respondent indicated the argument that PSM can be formed within the organisation, and it was not in a clear statement either. Ervina, a respondent who had been working for 18 years and had been posted in three ROs (Jogjakarta, Central Java and West Kalimantan) was the only person who showed that behaviour even though not in an explicit way. When asked to share her experience as an auditor in RO, she said she had a kind of satisfaction in terms of giving constructive recommendations for the problems found when she conducted an audit. As she also directly experienced the obstacles that auditees encounter, she had more empathy to not always blame the auditee only.

Although many empirical studies have provided support for the proposition that individuals with PSM are likely to seek membership in a public organisation (Perry and Wise, 1990), this notion does not really apply in the context of emerging countries, such as Indonesia. As Anderfuhren-Biget et al. (2010, p. 218) contend, comparative studies have consistently demonstrated that public employees have different motives from private ones, where they are more inclined to disregard extrinsic elements such as pay and other material rewards and to value intrinsic job characteristics. While these empirical results have been validated in both North America and Europe, unfortunately, this notion apparently does not apply in ABI.
3. From the Managers’ Viewpoint

3.1. Relocation as a part of the employees’ career pattern

While this study found that the majority of the respondents admitted that their motivation stayed the same, the managers were basically aware of the risk that an ineffective relocation practice may lead to degradation in the employees’ satisfaction and even to resignation. The data from ABI shows the statistics of employees’ resignation, which tends to increase from 2009 to mid-2015 (data for 2015 is only from January to June 2015).

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<td>4</td>
<td>8</td>
<td>11</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Personal health</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>-</td>
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<tr>
<td>To have a career in another company</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>15</td>
<td>15</td>
<td>36</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Other reasons</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
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<tr>
<td><strong>Total/year</strong></td>
<td><strong>1</strong></td>
<td><strong>2</strong></td>
<td><strong>12</strong></td>
<td><strong>24</strong></td>
<td><strong>29</strong></td>
<td><strong>54</strong></td>
<td><strong>42</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

Table 12 – Statistics of staff resignations from ABI

Although the SG and the HR manager said that the number of staff who resigned was minuscule and no one gave a specific reason that he/she quits because of the relocation practice, no formal exit interview was conducted. Thus, the reasons in the table above are the reasons compiled from the employees’ resignation letters only. Furthermore, if we look at the statistics above, there are no records between 2004 and 2008, which indicates no staff resigned during that period or perhaps the management just did not take any record during that period. Then the number of resignations started to increase in 2010 when the relocation policy was activated. Could it be because of the relocation practice? Unfortunately, I did not interview the people who resigned from the organisation, so no evidence can be presented here to answer that question.

To reduce dissatisfaction with the relocation practice, several managers suggested that the employee relocation should be incorporated as a part of the employees’ career pattern policy. For instance, the manager (senior analyst) in the National Institute of Public Administration said:
“It means, if the rotation is interlinked with the career pattern, if it is connected to career development or work satisfaction, it will motivate people. Yet, if people are just relocated here and there, without any improvement in their competence, career development, escalation of their take-home pay or anything else, it won’t give any meaning. Thus, in our position, from the analysis that we made, we define certain criteria for relocating/rotating the employee.”

As he was involved in the Civil Servant Law drafting team, he continued that the team had actually prepared several drafts for the supporting regulations to complement the new law that was issued in 2014, including the career pattern for the civil servants. Yet, as bureaucratic and legislation process is obviously time-consuming, the issuance of all supporting regulations will not be as quick as expected. His statement was corroborated by the manager from the Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform. He contended that there were supposed to be 19 Government Regulations and three Presidential Decrees issued in total in order to support Law No. 5. It would take quite a long time to prepare them all and he estimated that all the new drafts would be finalised in 2018; an issue that has been depicted in Chapter Three, where Buehler (2011) showed how long the Indonesian government needs to publish a law.

Nonetheless, instead of waiting for all the national regulations to be operationalised, a few institutions have instigated internal regulations that tailor the relocation practice with career advancement. Two examples from the Directorate General of Tax (DGT) and the Directorate General of Treasury are worth presenting here. The Directorate of Tax implements a promotion scheme for Echelon 4 and Echelon 3 (junior and middle-level manager), which is fairer or more transparent for the employees. They label the scheme as “Seleksi Mengemban Amanah” (selection to uphold the trust). First, they do administration selection to filter the staff who are eligible to be promoted to those levels. They then invite the candidates to go through a selection process in the local region. The ones who pass the regional selection then go through the national selection process and the ones who successfully pass all the selection stages will be promoted according to the
vacant position and regions. Thus, from the beginning of the selection process, the candidates are aware that they will be posted in certain regions.

Similar to the DGT’s scheme, the Directorate General of Treasury also tries to link the relocation to promotion. They have a talent pool, a database of eligible candidates for structural position. All the people in the talent pool are the employees who already passed the selection process. When an employee passes the selection process, they are given a choice of three regions; the first two are their own choices and the third one is decided by the management. If the candidate does not tick the third option, he/she is taken out from the list of the talent pool as it is indicated that the person is not ready yet to be promoted or to be relocated to another place. He emphasised:

“So we communicate our policy to them, that a career is their own choice.... Whether they want to have a managerial position or to be functional staff forever, it is up to them.... When someone is in the process of the talent pool, we give him/her a chance to think and we conduct layers of confirmation. To his/her superordinate, to his/her family...and his family/spouse has to sign a consent form as well, agreeing on the candidate being relocated/promoted to certain areas. We then reconfirm back to the candidate. If he still agrees to be relocated, it means it is already the third layer. So the main point is, it is up to the candidate, whether to choose a career or family, or the current place” (HR Manager in the Directorate General of Treasury).

With this scheme, they claimed that the number of anonymous complaint letters reduced a lot, at least within the last two years since the policy was operationalised. However, as the researcher only interviewed the HR managers of those institutions, the description within this study only represents the perceptions of the managers. Confirming the implementation of the policy with the staff would be an interesting opportunity as they might have different insights, as what happened in ABI.

When discussing NPM implementation in emerging countries, particularly in Southeast Asian countries, a number of authors asserted that culture plays a role in the success or failure of NPM implementation (Haque, 2007, Rajiani and Jumbri, 2011). Using Hofstede’s cultural dimensions, Rajiani and Jumbri (2011) try to analyse the
cultural ecology of NPM in Indonesia. According to them, in the case of Indonesia, where the Power Distance (PD) is high, as well as its Uncertainty Avoidance (UA), Indonesia is less likely to implement NPM successfully (Rajiani and Jumbri, 2011). Their argument is this: due to the high level of PD, Indonesian public institutions are often characterised as highly centralised and highly controlled by superiors/a higher authority. Moreover, a country with a high UA culture has a tendency to stick with well-defined rules and regulations that reduce innovations by public officials (Rajiani and Jumbri, 2011).

Based on the aforementioned presupposition, the management in ABI might be disinclined to innovate a new policy before all the supporting regulations for the new law have been setup, as they are afraid that the innovation could violate/go against the national law. Nonetheless, ABI’s internal management could have learned from other government institutions such as the Directorate General of Tax and Directorate General of Treasury in customising their relocation and promotion policy, since those institutions have been practising employee relocation for much longer than ABI.

3.2. Challenges in setting up policies

Setting up and implementing a policy in a government organisation hardly ever happens without hurdles. The case is not so different with ABI. In the conversation with the managers/policy makers, several challenges were revealed. For instance, an effort to provide decent facilities for the employees, as ABI has constraints in its budget and government regulations. This budget constraint was disclosed when the SG commented on the accommodation/boarding house for employees in regional offices (see Chapter Seven). The HR managers of ABI had also considered the issue of providing housing facilities as they realised that house rental was the biggest cost an employee had to pay if they moved out from their home towns. Another facility they planned to discuss with the finance managers was an allowance for the employees to go back to their home towns at least once a year. Alas, they did not talk about the other facilities, such as life/safety
insurance and additional living allowance, the ones that most respondents expected to have.

Another challenge is related to the recruitment process, which, once again, has to comply with the national recruitment policy. To reduce the relocation resistance, ABI’s internal managers basically expected that they can recruit the employees regionally. This means that if they need new employees in Sumatra Island, they will open the application for residence in Sumatra Island only, and so on. Besides, the scheme to have regional recruitment could allow the competition to be more equal due to the imbalances in the education quality throughout Indonesia. However, the national rules for civil servant recruitment are that any applicant may apply for a position in any region, and the passing grade is the same for all applicants, regardless of their educational background. This resulted in people from Java having a higher chance to pass as it is well known that the education quality there is better, compared to the other islands in Indonesia. This scenario might be worsened if an applicant from Java just applies for a position anywhere in order to get a job, and once they are accepted, they will use any way (including nepotism) to let them go back to Java quickly. This fact is mirrored by SG’s statement:

“If we look at our HR profile, their domiciles, 74% have a domicile in Java Island. This means, 74% of the employees are keen to be placed in Java. Only 26% do not mind to be placed outside Java. If you look deeper into those 26% of employees, most of them are from North Sumatra, West Sumatra and Lampung. Thus, for Papua, it’s maybe around 0.05% only. One of the problems is moving the employees, from their domiciles to Papua. That’s only from the domiciles issue.”

Following the issue of the employees’ domiciles, the issue of gender adds to the complexity of managing the relocation practice. Based on the employees’ statistics data given by the HR manager, the employee gender composition as per August 2015 was 60% male and 40% female. Moreover, most of them are married already, which gives additional concern for the managers, as the SG said:
“And then, from marital status, married and unmarried. The data is interesting as well since approximately more than 50% of the employees are married. I’m not sure of the exact number, but you can check it later, and analyse what the characteristics of the employees who are married are. There are some employees whose spouses are workers too, either in private companies or government institutions. This raises another issue as it is not easy to relocate the couples all together.”

This issue was discussed from the employees’ points of view too in Chapter Seven, when they revealed their rationales to leave their families behind.

The cultural factor was perceived by the manager as another challenge to implementing the relocation policy. For example, Indonesian people, especially Javanese, hold a value that children are expected to take care of their elderly parents, particularly when the parents have stopped working and the children are mature enough to earn their own living (Keasberry, 2001). It is uncommon in Indonesia to put the elderly in nursing homes. Thus, when Javanese people become old, they usually live with their children or at least live nearby one of their children. This factor usually becomes one of the reasons why the employees ask to be relocated back to their home town or do not want to move from their home town. Another example of a cultural factor is expressed by the SG:

“An example of a cultural factor is Balinese people. Balinese people, at a certain age, have to go back to Bali as they have to take care of their “sangha” (private family praying place). Especially if that man is the eldest child in their family and their parents have passed away. So it becomes one of our obstacles. Those are the influencing factors [of implementing the relocation practice effectively].”

Based on the interview above, the management acknowledges the challenges faced for setting up a decent relocation policy for the employees. As revealed by the SG, they recognised some of the problems faced in relocating the employees as follows. First, the budget constraints to build the employees’ boarding houses or to provide other financial support for the relocated employees. Second, most of the employees in ABI coming from Java Island. Third, more than 50% of the employees are married and the gender
composition consisting of 60% men and 40% women employees. Fourth, the Indonesian people’s culture, which is different from that of Western countries.

However, without underestimating the organisation’s budget allocation, I argue the management could have allocated a bigger portion to provide a boarding house/financial support for the employees if they wanted to improve their relocation policy. As seen in the following table, the organisation’s expenditures tend to increase each year.

<table>
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<tr>
<th>Expenditures</th>
<th>Realisation (in Billion Rupiahs)</th>
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<td></td>
<td>2012</td>
</tr>
<tr>
<td>Personnel expenditures</td>
<td>705.42</td>
</tr>
<tr>
<td>Goods expenditures</td>
<td>1,055.42</td>
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<tr>
<td>Capital expenditures</td>
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</tr>
<tr>
<td>Total</td>
<td>2,248.27</td>
</tr>
</tbody>
</table>

Table 13 – Organisation’s expenditure (2012-2015)
Source: The Audit Board’s financial statement from year 2013-2016 (http://www.bpk.go.id/assets/files/kap)

From the above table, we can see that most of the budget is spent on personnel and goods. Personnel expenditures are money spent on employees’ salaries and all their allowances. Goods expenditures are all the expenses for procuring consumable goods, such as office supplies, maintenance expenses and travel expenses. The last category is capital expenditures, which are money used for procuring fixed assets such as land, office buildings and official houses.

The capital expenditure (which includes buildings/housing in this category) approximately consumed only about 19% of total expenditures every year. As Lewis and Oosterman (2011, p. 158) concluded when they studied the spending structure in the Indonesian government, the major constraints are not related to the shortage of finances, but more to the regulatory inflexibilities in preparing and implementing the budget and more importantly, to the lack of the capacity to plan, design and implement investment projects. To associate Lewis and Oosterman’s argument with the relocation practice in ABI, if the management intends to make this programme successful, they better allocate their budget more to the things needed by the employees instead of spending a lot of the government money on consumable goods.
3.3. Aspects not covered yet in the relocation policy

According to Antonius, one of the RO heads interviewed in this study, there were several aspects/dimensions missing from the managers’ consideration when setting up the relocation policy, which are the housing facilities for the employees, the opportunity to have professional development in their career and the ability to create a new environment in a new place. What he meant by creating a new environment is the ability to settle down in a new region, not only settle down for him/herself but also for the family. He observed that not all the employees who are relocated to RO want to move back to HO or Java Island because the employees might have built up their comfort zone in that region already; for example, the employees get married there, establish their own business there, or any other reason that makes them more comfortable to live in such regions.

While not many of the employees fall into this cluster, Antonius’ observation is not without evidence. He said that he had several colleagues who actually did not want to be relocated back to HO. One of them was from Java, who was relocated to North Sulawesi and got married to a girl from that area. Another one was relocated to South Kalimantan, brought his family along and his wife built a successful business there. Another one was his colleague who moved to Central Sulawesi by following her husband and did not want to move to another region anymore. Evidence from the data collection captures similar opinions. There were at least seven staff respondents who thought that the management should give leniency to some employees who prefer to stay longer in RO or even do not want to move to HO.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Regional Office</th>
<th>Reason</th>
<th>Interview Excerpt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marina</td>
<td>West Kalimantan</td>
<td>Difficult to adapt</td>
<td>If I may choose, I just want to stay here, don’t relocate me anymore, please.</td>
</tr>
<tr>
<td>Aydin</td>
<td>Papua</td>
<td>Settled down</td>
<td>Some of my friends have already found their comfort zones here, so they don’t want to move to anywhere anymore…Maybe there should be a special policy for some people. While everybody else does not want to stay in certain areas, those people who do not mind staying there forever,</td>
</tr>
<tr>
<td>Respondent</td>
<td>Regional Office</td>
<td>Reason</td>
<td>Interview Excerpt</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>--------</td>
<td>------------------</td>
</tr>
<tr>
<td>Budi</td>
<td>West Kalimantan</td>
<td>Settled down</td>
<td>One of my subordinates has already settled down here with his family. So he asks not to be relocated again as it will make him separate from his family. I already wrote a letter to the central management about this matter, but we have to leave the decision to the central management as we don’t have the power regarding this.</td>
</tr>
<tr>
<td>Kasmir</td>
<td>West Kalimantan</td>
<td>Settled down</td>
<td>Sometimes, when we’re already comfortable here, the thought comes to my mind, how to ask not to be relocated anymore, especially move to Jakarta.</td>
</tr>
<tr>
<td>Sofi</td>
<td>Aceh</td>
<td>Settled down</td>
<td>I have a friend from Makassar [South Sulawesi]. She’s just moved to HO but she actually didn’t want to. I think the management should map the employees, which ones would like to stay in RO, then let them stay there.</td>
</tr>
<tr>
<td>Rica</td>
<td>Papua</td>
<td>Settled down</td>
<td>I think sometimes they [the management] forget to ask us whether we want to be relocated or not. When I was in Kupang, some of my friends felt comfortable there already. And then they were relocated. Well, why didn’t they [the management] just let them stay there?</td>
</tr>
<tr>
<td>Prihadi</td>
<td>Papua</td>
<td>Not a type of metropolitan person</td>
<td>For me, I found Jakarta not to be a comfortable place to live in.</td>
</tr>
</tbody>
</table>

Table 14 – Opinions on staying in ROs

According to Antonius, even though the employees are not satisfied with the relocation policy, they very seldom choose to quit from their current job as a civil servant as most of them think they will stay in the same job until they retire. This is the attitude of Indonesian civil servants, different to that of private sector employees. The reasons why the Indonesian civil servants prefer to stay in the same organisation have been discussed in Section Two in this chapter. Turnover in private companies is a common practice, but not in public organisations. Thus, according to him, when an employee is relocated to a not favourite place, they mostly try to find a way to get back to their favourite place, be it through a formal or informal procedure.
4. Conclusion

In an attempt to explore the impact of the relocation policy, this study found that many respondents claimed their work motivation were not affected. Utilising psychological contracts and organisational commitment, the rationales behind their answers were analysed. In Rousseau’s two types of psychological contract (relational and transactional), transactional contract people tend to focus on the concrete content of the contract (George, 2009). The lack of a detailed contract in the Indonesian civil servant system, stating both parties’ (the government/management and the employees) rights and obligations may cause the employees to become incapable of distinguishing a breach of contract. Thus, although they observed the unfairness in the relocation practice, they possibly did not consider it as a psychological contract breach and therefore believed their work motivation had stayed the same.

Another reason to explain the deviation of the data from the motivation theory might be because the respondents internalise multiple commitments to stay with the organisation. In this case study, the respondents seem to have multiple organisational commitments. For instance, they feel indebted since the organisation has provided them with much training or a scholarship to pursue their education (normative commitment) or they have found their comfort zone due to the high status of the organisation so they decide to stay in the organisation regardless of their dissatisfaction.

A likelihood that PSM plays a role in maintaining the respondents’ motivation levels was considered as well. As several studies have suggested that PSM can be influenced or nurtured by the organisation’s environment (Moynihan and Pandey, 2007, Camilleri, 2007, Yung, 2014), the existence of PSM can be traced back to the staff’s responses. Unfortunately, as there is very little evidence of the existence of PSM in the staffs’ early motivation within this study, it turns out that PSM did not flourish either after the
respondents had worked for several years. Hence, this postulation cannot be used to back up the data.
Chapter Nine
Research Conclusion

1. Introduction

To recap, this study was conducted to analyse the impact of the relocation practice on the employees’ motivation in an Indonesian government organisation. Due to practicality, financial and time constraints, a single case study was chosen and ABI was the case organisation studied in this research. Utilising a qualitative method, with semi-structured interviews and thematic analysis, the perceptions of employees and managers were gathered and analysed so the research questions could be answered. It was expected that this research could fulfil several objectives, which are: to explore employees’ perceptions on the current relocation policy and how it affects their motivation, to add to the literature about HRM in the context of Indonesian government institutions, and to provide constructive input for the policy makers regarding the relocation policy of Indonesian public servants.

2. Conclusion of the Research

The conclusion of the research should be able to answer the research questions that were set in Chapter One. What is written in this section is based on the findings discussed in the previous four chapters (Chapters Five to Eight). One thing that should be noted is, even though the findings and discussions are clustered within four chapters, the answers to each research question are not exclusively paired with each chapter.

1) Why has employee relocation become normal practice in ABI and how far was the NPM notion adopted in its relocation policy?
After the amendment of National Constitution, relocation has become normal practice in ABI because the management perceived it to be beneficial to maintain the independence of both the organisation and the auditors, to enable the employees to develop their competence and intellectual capability and to distribute the employees fairly. However, not all respondents in this study agreed with that, particularly with the idea that relocating employees periodically will maintain their independence. At least seven out of 33 employees interviewed within this study expressed their thoughts to the contrary. In their view, independence depends on the character and intention of the auditors themselves. Thus, relocating people periodically is not a way to maintain auditor independence. It may even pose a risk that dishonest auditors will become worse in compromising their audit findings or by accepting bribes from the entities they audit.

As discussed in Chapter Five, it appears that there are different perceptions between the managers and employees regarding the relocation policy. While the staff thought periodic relocation would not affect their independence much, the senior manager perceived it as the best way to maintain auditor independence. Adopting a practice from the private sector, in this case the US Sarbanes-Oxley Act of 2002, which requires mandatory rotation of audit partners after serving a company for five years, was seen by senior managers as a good benchmark for the organisation.

It is in any case quite common to apply Western practices in Indonesia. For instance, the changes that happened in ABI can be linked to the New Public Management theory. Although some scholars have argued that the NPM concept is outdated (Dunleavy et al., 2006), the changes that happened in Indonesia and in ABI still fit with the NPM model proposed by Common (1999a). The question is, whether the benefits prevail over the loss it brings, as the research evidence shows that universal concepts frequently cannot be practised since different contextual factors really do matter in influencing the nature of NPM reforms in each country (Common, 1999a, Haque, 2007, Samaratunge et al., 2008).
As described in Chapter Three, public administration reform in this country was mostly coerced by international financial institutions. This initiative poses a risk that the reform did not really originate from the Indonesian public officials/bureaucrats to improve the performance of the government. Instead, the reform programme, which resembled the concepts offered in Western countries, was applied merely for the sake of fulfilling the requirements of the international financial institutions. In other words, the reforms happened partially, were not carefully planned and did not consider all the aspects of the government. An example of this risk is evident in the civil servant relocation policy.

At the national level, there is merely one clause in the new Law on National Civil Servants (Law No. 5 Year 2014) that talks about relocation, and even so it is only encapsulated in the general term of *mutasi* (job rotation). The national policy is not based on research or studies to accommodate employees’ needs and does not consider or incorporate employees’ well-being. Hence, it is likely that central government did not issue many regulations on the details of relocation practice such as additional allowances for the employees in remote areas, safety insurance and moving allowance – all the facilities complained about by the staff respondents in this study.

The lack of a national-scale relocation policy might have resulted from the fact that not all government institutions have a relocation policy in place, so the policy was handed over to each organisation that implemented such practices. Nevertheless, at the organisational level, this lack of a comprehensive policy becomes a constraint for the internal managers to set up an effective policy as they are obliged to comply with national regulations. For instance, providing safety insurance is not yet feasible as the national regulations do not include such allowances as a component of a civil servant’s salary. This study provides some useful insights from views of employees, views that have not been accommodated in either the national or organisational policy.
Another issue in this policy is the lack of transparency regarding the relocation policy itself. Narrowing down to the NPM implementation within ABI itself, the expansion of ABI to have RO in each province also meant distributing some power from HO to RO. Yet, the distribution of power does not seem to affect relocation practices. While HO’s management said that they have tried to make the procedure as transparent as they could be, the heads of ROs in this study admitted that they were not involved in the decision-making process. From the interviews, it was found that even though they already had a high structural position in the organisation, they themselves still had anxiety about relocation since they were not sure when and where they would be relocated next.

2) What were the employee’s initial motivations for working in ABI and what were their perceptions about relocation practices?

In an attempt to know the impact of the relocation policy on the employees’ motivation, I queried the respondents’ early motivations in choosing a career in the government sector. I based my analysis on a notion in the public HRM field which suggests that there are people in the public sector who are idealistic enough, having strong norms and emotions about performing a public service; a theory known as Public Service Motivation (Mann, 2006, Armstrong, 2006, Taylor, 2007). As Perry and Wise (1990) argued, people with strong PSM will be more likely to work in the public sector and to be more sensitive to non-extrinsic rewards. While this theory is arguably valid in Western countries, where the theory originated, in this case study in the Indonesian context, the empirical evidence tells a different story. Based on the data obtained, it appears that for most respondents, the decision for selecting a career in the government sector was mainly influenced by pragmatic reasons, their families or culture of their origins. This is corroborated by their information-seeking behaviour that they did not even try to seek any information about the organisation before applying.
Having known the early motivation of the staff in ABI, the next question asked is about their perceptions of the relocation policy; most of them perceived that the current relocation policy is unfair. From this study, it appears that there were several factors that affected their perceptions in disclosing how they thought the policy is unfair. Several incidents were shared as evidence to back up their statements. For example, there were some people who could move back to Head Office or their favourite locations in a short time and there were some people who never moved at all. Other incidents revealed by the respondents are the fact that a few of them were relocated not according to the pattern stated in written policy and a few of them thought that they were exiled for being too vocal or for some other unclear reasons.

Similar to the issue of auditor’s independence being viewed differently by the staff and manager, the transparency and consistency of the relocation policy was also viewed differently by both sides. While some respondents expected the policy to be implemented transparently, the managers stated that they had been trying to be as transparent as they could. The unfairness perceived by the employees can be seen as the manifestation of distributive justice in organisational justice theory. As many scholars contended, employees’ perceptions of distributive justice are mainly based on their comparisons with other employees in the same organisation (Khan et al., 2010, Greenberg, 1990). As they compared the outcomes of the policy and they observed that individuals were not treated equally, it would be plausible if they perceived the relocation policy implementation as being against distributive justice. Furthermore, different perceptions between the staff and the manager on the issues of auditor independence and policy transparency reflect the lack of procedural justice. While many scholars have suggested that involving employees in the decision-making process may increase employees’ trust and may alter employees’ perceptions on organisational fairness, it does not seem to be the strategy implemented at ABI or at best, only partially implemented.
3) What are the dominant factors that shape their perceptions about relocation policy?

The evidence in this study reveals several factors which caused the employees’ dissatisfaction with the relocation policy. Several reasons were disclosed in regard to the employees’ dissatisfaction. One of them is the interference from the top-level management. What the respondents mean by interference in this research is the nepotism/favouritism that occurs where a few employees benefit from it, in effect some employees were excluded from the relocation database.

As much as many people despise nepotism/favouritism in a government organisation and want it to disappear, the reality is that it is problematic to remove it or regard it as a crime, even when it is an act of corruption. Furthermore, the problem with the crime is that criminality frequently is in the eye of the beholder (Senior, 2006). When we asked the actor, they might not see it as a wrongdoing or they might try to rationalise their actions. For instance, ABI manager argued that keeping some employees still in HO was not favouritism, but an effort to maintain the business processes for them to run smoothly. Thus, two different perspectives on the same issue exist here. Furthermore, accusing managers’ nepotism/favouritism as a form of corruption, that is talking about it out loud in ABI would also make individual employees vulnerable as well. That is why a few respondents preferred to use metaphors in describing that term as they feared the consequences should the top leaders be able to identify them.

Besides interference in relocation practice, other forms of interference from top management were also disclosed. One example was interference in the auditors’ work. It is an open secret amongst employees that several top leaders, due to their political or other vested interests, might interfere in the auditors’ work by asking them to modify the audit results. If the staff/auditors cannot be intimidated, they then will find a way to move such auditors to other places or replace them with the staff/auditors who are willing to
accommodate their requests. Since it is difficult to find hard evidence for these kinds of allegations, this kind of interference may only be rumour or gossip in the workplace. The finding from this study supports what many scholars in organisational studies have claimed, that people tend to spread negative rumours more than positive rumours (Robertson, 2005) and that rumours tend to increase in an environment where individuals feel anxious (Michelson and Mouly, 2002, p. 59).

Another type of management interference was highlighted by the senior management’s decision to relocate most of the auditors from one RO where a corruption case had happened. This action was presumed to be taken by the management to show the public that they were being responsive enough in handling misconduct performed by employees. The disappointment expressed by one respondent reflects the lack of procedural justice in this case. Studies of both rumour in the workplace and procedural justice emphasise the importance of informing the employees of what is happening in the organisation to increase the level of trust that employees have in the organisation/managers. Unfortunately, open communication between the employees and the managers scarcely occurs in ABI, thus jeopardising the employees’ trust in the management and possibly increasing their perception of being treated unfairly.

It has been suggested elsewhere that employers should consider all the costs of implementation when designing a relocation policy (Prehar, 2001). The evidence from ABI suggests that removal costs, in this matter the relocation allowance, housing facilities and life/security insurance for the staff, have not yet been properly considered. This situation, combined with other factors specifically related to Indonesia such as challenging geographic condition, unequal development, cultural diversity and ethnic/religious conflict threats, increase the respondents’ unwillingness to relocate periodically. I would argue that research on domestic relocation in developed countries has been conducted with the supposition that the infrastructure is equal in all parts of a
given country. However, unbalanced infrastructure is a common issue in managing resources in emerging countries, and Indonesia is no different in that respect.

In addition to what has been described in the previous paragraphs, this study also touches on an aspect of the Work-Life Balance (WLB) concept. Posner and Schmidt (1996), in their USA context, argued that many people, especially public sector employees, tend to reject a better job/promotion if it means relocating their family (Posner and Schmidt, 1996). Nevertheless, since employees had no choice but to relocate in this case, employees have to decide either to bring their families or to leave them behind. They have to either sacrifice their WLB by moving away from their nuclear family or bring the family along with all its consequences for example difficulties to find a good school for their children of comparable quality to those in Java Island, lack of an opportunity for their spouse to get a job, and expensive living costs.

Many studies focusing on domestic geographical relocation, which were conducted in Western countries, revealed that unwillingness to accept relocation was mostly based on the stress those employees and their families experienced when being moved (Carter, 1996, Saunders and Thornhill, 1998, Stroh, 1999, Eby and Allen, 1998, Eby and Russell, 2000). Other considerations included concerns over the employees’ partners’ careers, perceived lack of promotion, lifestyle issues and expected socio-cultural adjustments (Dowling and Welch cited in Hutchings and Ratnasari, 2006). The results in this study reveal the stress/concern that is related much more to employees’ basic needs. The concerns of relocated employees in this study, regarding the decision to bring their family with them, are more about fulfilling the physical/tangible aspects in their new location such as finding adequate health and education facilities, decent accommodation and their general security.

4) How do they think the relocation will affect their motivations?
In an attempt to explore the impact of the relocation policy, this study found that many respondents claimed their motivation to work was not affected. Even though one-third of the respondents from the employees’ side stated that their motivation was negatively affected, the rest did not perceive it that way. For the respondents who said their motivation was negatively affected by the unfairness of relocation policy, their responses confirmed elements of motivation theory which commonly emphasise the importance of organisational support and fairness to maintain employees’ motivation. For the ones who confessed that their motivation stayed the same regardless of their dissatisfaction with the current practice, some further explanation is required.

Utilising the concepts of psychological contract and organisational commitment, the rationales behind employees’ answers were analysed. In Rousseau’s two types of psychological contract (relational and transactional), transactional contracts people tend to focus on the concrete content of the contract (George, 2009). The lack of a detailed contract in the Indonesian civil servant system, stating both parties’ (the government/management and the employees) rights and obligations, may mean that employees are unable to distinguish when a contract is breached or not. Thus, although they observed some unfairness in relocation practices, arguably they did not consider it as a psychological contract breach and therefore believed their work motivation had stayed the same.

Another reason to explain the deviation of the data from motivation theory might be because respondents internalised multiple commitments to stay with the organisation. For instance, employees stated that they felt indebted to the organisation since it had provided them with a lot of training or a scholarship to pursue their education (normative commitment) or that due to the high status of the organisation they had found their ‘comfort zone’ so they decided to stay in the organisation regardless of their dissatisfaction. A likelihood that PSM plays a role in maintaining respondents’ motivation
level was considered as well. As several studies have suggested that PSM can be influenced or nurtured by the organisation’s environment (Moynihan and Pandey, 2007, Camilleri, 2007, Yung, 2014), the existence of PSM can be traced back to the staff’s responses. Unfortunately, it appears that PSM did not flourish after the respondents had worked for several years either. Hence, this postulation cannot be used to back up the data.

All in all, to respond to the main question of this study: Does relocation policy affect employees’ perceptions about their jobs and their motivations in ABI? The answer is yes, it does to some extent. For one-third of the staff respondents in this study, the relocation policy affected their motivation negatively. Being separated from their nuclear families, the lack of financial and accommodation support from the organisation, the anxiety associated with being relocated to a remote area, the difficulty in adapting to a new environment, the disappointment of being in an uncondusive working environment, the uncertainty about when and where they will be relocated next, and the frustration with the favouritism that occurs in the organisation are the factors that affect their motivation. Yet, for many others, those factors appear not to play a significant role in affecting their motivation. The perception of a psychological contract breach and the internalisation of multiple organisational commitments, added to the practical reasons for their early motivation, might explain why many staff said that their motivation stayed the same and they chose to stay with the organisation regardless of their dissatisfaction with the organisation’s relocation practices.

3. Potential Contribution of the Thesis

Alongside the empirical contribution, this study attempts to offer a few contributions to the theories in related fields of study. In regard to the NPM concept, this study confirms what Pollitt (2011) suggests, that many NPM studies have indicated that HRM is not a
priority in reforming public management. Haque (2007) discusses the gaps between the ideal-type of NPM models and the actual practices in Southeast Asia, and argues that in several countries in that region (Malaysia, Philippines, Indonesia, Singapore, Thailand, Vietnam, Cambodia and Laos), external pressure from international financial institutions such as the World Bank and the IMF plays a significant role in such countries in terms of them introducing neo-liberal market policies and administrative reforms which can be associated with the NPM model.

Haque (2007) contends that in the case of Indonesia, where the civil service and administrative system remain vulnerable to vested political interests, a reform based on NPM principles is not helpful as it is likely to have unfavourable impacts on low-income families (p. 1314). While Haque (2007) warns about the negative impacts of imposing an NPM model in such Southeast Asia region, he did not make the point that governments may adopt the model merely for the sake of fulfilling the requirements of the international financial institutions. In other words, the reform in Indonesia did not originate from the Indonesian government or its public officials or bureaucrats to improve government performance. As a result the reform has been carried out only partially and was not carefully planned and did not consider all the elements of a reform programme. The evidence from this study, particularly on the issue of setting up a national-scale relocation policy, presents that risk. Based on the data from this research, I propose that there is an additional negative impact of an imposed NPM model in Indonesia, in this matter the adoption of NPM model is half-hearted. The public officials implement it just to show the international financial institutions that they follow the recommendations. Whether the NPM adoption will give an effective result for Indonesia's improvement is another story.

The second possible contribution is related to the theory of PSM. In a nutshell, if we refer back to the early motivation of the respondents to work for ABI, I would argue that, in a country where the gap between the supply and demand of the workforce is extensive,
the notion of PSM, which is common in Western countries, cannot really be applied in the context of a country like Indonesia. As Anderfuhren-Biget et al. (2010, p. 218) contend, comparative studies have argued that employees in the public sector are likely to have different motives from those in the private sector. Public sector employees may be more inclined to disregard extrinsic elements such as pay and other material rewards and to value intrinsic job characteristics (Anderfuhren-Biget et al., 2010). However, while these empirical results are validated both in North America and Europe, the findings suggest that this notion does not apply in ABI.

Furthermore, although several studies have suggested that PSM can be nurtured by the organisation’s environment (Moynihan and Pandey, 2007, Camilleri, 2007, Yung, 2014), this was not the case within ABI. The idea that employees with a high level of PSM are more likely to be higher performers, enjoying higher job satisfaction and hence less likely to leave their jobs (Moynihan and Pandey, 2007, Naff and Crum, 1999) cannot be applied in this case. In the absence of PSM, added to respondent’s dissatisfaction with the relocation practice, PSM notion cannot be used to why respondents chose to stay in ABI. Other factors such as having a stable job, pension rights and a social position in the community are arguably the main explanations for employees deciding to remain in this public organisation no matter how poor the organisation is.

The third contribution relates to the studies of corruption, which as the findings show exists in ABI. The contribution relates to the metaphors used by respondents to replace the words ‘nepotism’ or ‘favouritism.’ While nepotism/favouritism is perceived as a negative practice in public organisations, the use of metaphors in literature for nepotism/favouritism is very rare compared to metaphors for corruption. While “disease, cancer, or virus” metaphors are frequently used to describe corruption (Senior, 2006, Otusanya, 2011) or “black, grey, and white corruption” metaphors to describe the corruption level (Senior, 2006, Luo, 2005), I am unaware of familiar metaphors used in
literature to describe nepotism/favouritism. I presume this may be because, even though many people think it is unethical conduct, scholars still have different views on favouritism and nepotism. Still, the metaphors used in this study could give a new perspective for discussing nepotism/favouritism.

In addition to the discussion on corruption, by exploring employees’ perceptions regarding the relocation facilities they received, I argue that some respondents actually became the victims of petty corruption because some of them admitted that their relocation allowance was lower than what they were supposed to receive or was not in accordance with the written regulations. It is interesting to notice that many employees were quite tolerant of petty corruption regardless of their profession as an auditor, one might expect that the nature of their occupation as auditor would mean that they would be critical of any kind of corruption. The findings of this study could complement the four types of employees’ motives to keep silent when they observe unethical practice in their organisation proposed by Knoll and van Dick (2013).

Knoll and van Dick (2013), in their quantitative study, proposed four types of employees’ motives to keep silent when they encounter or observe unethical practice in their organisations, which are acquiescent silence, quiescent silence, prosocial silence and opportunistic silence. In addition to those four forms of silence, (Knoll and van Dick, 2013) they also developed a 12-item scale that can be very useful in studying employees’ silence using a quantitative method. By utilising a qualitative and inductive approach, I propose that it is possible to capture other items to complement their study. For example, within this study, a combination of pragmatic reasons and the cultural context appear to be additional motives for the employees to remain silent.

The fourth possible contribution is that, in the employee relocation study, the geographical features of a country – particularly a country that lacks infrastructure facilities – also needs to be considered. Furthermore, the personal security of employees
in relocating employees to conflict or ex-conflict areas also needs to be considered. This issue was a critical concern for the auditors posted in such areas since they had to deal with quite harsh geographical conditions or difficult transportation modes to get to the secluded areas, or deal with the risk of encountering local separatist groups in conflict/ex-conflict areas. The fact that Indonesia is as an archipelagic country, the data from this study confirms that the unbalanced infrastructure and personal safety issue create additional challenges for relocation policies and practices; issues that many studies in Western countries do not adequately consider when discussing the factors that influence employees’ willingness to relocate.

4. Practical Implications

Besides the main purpose of this study to add to the academic discussion in the public management field, this research tries to offer some feasible recommendations to the Indonesian public policy makers should they intend to improve the relocation practice. The recommendations are based on the findings found within this study.

First, observing the responses given by the employees and ABI managers, it appears that there was a lack of open-honest bilateral communication between those two parties. For instance, the different perceptions on several issues such as the auditor’s independence, the manager’s interference and the employee-employer psychological contract are evident in this study. Thus, a mechanism to increase the employees’ trust should be considered and applied in this organisation. There are many articles that offer an organisation a strategy to halt the office rumours or to build/regain the employees’ trust (Difonzo et al., 1994, Akande and Odewale, 1994, Rivero, 2014, Robertson, 2005, Galford and Drapeau, 2003). However, according to Robertson (2005, p. 540), in most cases, it is the act of top level manager who can stop or at least slow down the spread of rumours. In the case of ABI, if the top managers want the employees to embrace the
ABI’s core values (independence, integrity, professionalism), then they should show it first on the daily basis.

Second, without undermining the importance of recruiting candidates with a high level of PSM, in the case of ABI this is not a crucial aspect to retain the employees. Yet, endorsing this value would be beneficial for ABI as research evidence shows various positive impacts of having employees with a high PSM level (Brewer et al., 2000, Moynihan and Pandey, 2007, Pandey et al., 2008, Wright et al., 2012, Naff and Crum, 1999). With regard to reducing the unwillingness to move, ABI could adjust its recruitment policy to determine the location of the candidates in advance before the recruitment process is started. For instance, in its recruitment advertisement every year, ABI could state clearly that the recruitment for that year is open for the positions in the regional offices A, B, C, so that the candidates can already have it set in their minds that they will be in those regional offices for several years should they be accepted in ABI.

Third, as many employees expressed their frustration with the unfairness in the relocation policy implementation, the managers should start to reduce such kinds of practice (nepotism, favouritism, petty corruption). Although the evidence shows that employees are more tolerant in accepting such practices, it does not mean that the managers should ignore them, as the employees’ dissatisfaction might accumulate to the level that the employees exhibit negative behaviours in the workplace. Internal policy should be improved to avoid such practice so that managers are enforced to comply with it. For instance, ABI could implement a policy to restrict immediate family members to work in the same organisation, unless there has been a meticulous assessment that the risk of conflict of interest outweighs the benefits of the appointment.

Fourth, it would be beneficial for the ABI managers to conduct a comparative study in other Indonesian institutions that have implemented relocation practice for longer period than ABI such as the Ministry of Finance, the Directorate General of Tax, and the
Directorate General of Treasury. ABI managers could learn how the other institutions can set up and implement their relocation policy. Furthermore, the ABI managers could adopt some best practices, which perceived by the managers of those institutions to have been implemented successfully.

Fifth, there should be some people at the national level who can think about the relocation policy in a holistic and thorough manner so that the constraints faced by the ABI managers (i.e. lack of facilities due to the budget constraints and the government expenditure’s rigidity) can be resolved. Holding a periodic cross-organisations meeting could be an interesting way to gain input from all organisations that implement relocation practice.

5. Recommendations for Further Research

This section acknowledges potential issues for further research in this area, based on the findings found during the data analysis. First of all, this research covered only one government organisation. Although this research is not intended to make a generalisation of the results, I consider it would be better if this research could have included more government organisations that have applied relocation practice so that more propositions can be proven.

This research is not a longitudinal study. I only executed one-time interviews of all respondents. Thus, their admission that their motivation was not affected by the relocation practice is based solely on the interviews carried out. A longitudinal study which includes perceptions before and after a certain period of relocation is thought to be a good approach to give a more thorough analysis of the impact of the relocation practice. It would be a good idea to include perceptions of former ABI employees in further research to know their real reasons of leaving this organisation.
This research also depicted briefly the relocation policy of other Indonesian organisations, which, according to the internal managers from those institutions, have been successfully applied in their organisations. However, as the researcher only interviewed the HR managers of those institutions, the descriptions within this study only represent the perceptions of the managers. To confirm the implementation of the policy at the staff level would be an interesting opportunity as they might have different insights, as what happened with ABI.
Appendix 1 – Tables of natural disasters in Indonesia

Some notable volcanic eruptions in Indonesia's modern history are listed below. This list only contains major eruptions that led to at least 29 fatalities.

<table>
<thead>
<tr>
<th>Volcano</th>
<th>Location</th>
<th>Date of Eruption</th>
<th>Casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merapi</td>
<td>Central Java</td>
<td>3 November 2010</td>
<td>138</td>
</tr>
<tr>
<td>Kelut</td>
<td>East Java</td>
<td>10 February 1990</td>
<td>35</td>
</tr>
<tr>
<td>Galunggung</td>
<td>West Java</td>
<td>5 April 1982</td>
<td>68</td>
</tr>
<tr>
<td>Merapi</td>
<td>Central Java</td>
<td>6 October 1972</td>
<td>29</td>
</tr>
<tr>
<td>Kelut</td>
<td>East Java</td>
<td>26 April 1966</td>
<td>212</td>
</tr>
<tr>
<td>Agung</td>
<td>Bali</td>
<td>17 March 1963</td>
<td>1,148</td>
</tr>
<tr>
<td>Merapi</td>
<td>Central Java</td>
<td>25 November 1930</td>
<td>1,369</td>
</tr>
<tr>
<td>Kelut</td>
<td>East Java</td>
<td>19 May 1919</td>
<td>5,110</td>
</tr>
<tr>
<td>Awu</td>
<td>North Sulawesi</td>
<td>7 June 1892</td>
<td>1,532</td>
</tr>
<tr>
<td>Krakatau</td>
<td>Sunda Strait</td>
<td>26 August 1883</td>
<td>36,600</td>
</tr>
<tr>
<td>Galunggung</td>
<td>West Java</td>
<td>8 October 1822</td>
<td>4,011</td>
</tr>
<tr>
<td>Tambora</td>
<td>Sumbawa</td>
<td>10 April 1815</td>
<td>71,000+</td>
</tr>
</tbody>
</table>

Several recent earthquakes that caused severe damage and at least 20 fatalities:

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>Magnitude</th>
<th>Casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumatra</td>
<td>2 July 2013</td>
<td>6.1</td>
<td>42</td>
</tr>
<tr>
<td>Sumatra</td>
<td>25 October 2010</td>
<td>7.7</td>
<td>435</td>
</tr>
<tr>
<td>Sumatra</td>
<td>30 September 2009</td>
<td>7.6</td>
<td>1,117</td>
</tr>
<tr>
<td>Java</td>
<td>2 September 2009</td>
<td>7.0</td>
<td>81</td>
</tr>
<tr>
<td>Sumatra</td>
<td>12 September 2007</td>
<td>8.5</td>
<td>23</td>
</tr>
<tr>
<td>Sumatra</td>
<td>6 March 2007</td>
<td>6.4</td>
<td>68</td>
</tr>
<tr>
<td>Java</td>
<td>17 July 2006</td>
<td>7.7</td>
<td>668</td>
</tr>
<tr>
<td>Java</td>
<td>26 May 2006</td>
<td>6.4</td>
<td>5,780</td>
</tr>
<tr>
<td>Sumatra</td>
<td>28 March 2005</td>
<td>8.6</td>
<td>1,346</td>
</tr>
<tr>
<td>Sumatra</td>
<td>26 December 2004</td>
<td>9.2</td>
<td>283,106</td>
</tr>
</tbody>
</table>

The tables were derived from http://www.indonesia-investments.com/business/risks/natural-disasters/item243
## Appendix 2 – Statistics of Indonesia (as per year 2010)

### Table: Average Monthly Expenditure per Capita in Urban and Rural Areas by Province and Commodity Groups (rupiahs) in 2010

<table>
<thead>
<tr>
<th>Province</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aceh</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banda Aceh</td>
<td>3,03</td>
<td>1,90</td>
<td>4,93</td>
</tr>
<tr>
<td>Jakarta</td>
<td>3,37</td>
<td>2,50</td>
<td>5,87</td>
</tr>
<tr>
<td>DKI Jakarta</td>
<td>3,74</td>
<td>3,14</td>
<td>6,88</td>
</tr>
<tr>
<td>West Java</td>
<td>3,35</td>
<td>2,74</td>
<td>6,09</td>
</tr>
<tr>
<td>Central Java</td>
<td>3,26</td>
<td>2,60</td>
<td>5,86</td>
</tr>
<tr>
<td>East Java</td>
<td>3,14</td>
<td>2,50</td>
<td>5,64</td>
</tr>
<tr>
<td>Bali</td>
<td>3,39</td>
<td>3,24</td>
<td>6,63</td>
</tr>
<tr>
<td>South Sumatera</td>
<td>3,05</td>
<td>2,13</td>
<td>5,18</td>
</tr>
<tr>
<td>North Sumatera</td>
<td>2,97</td>
<td>2,14</td>
<td>5,11</td>
</tr>
<tr>
<td>South Sulawesi</td>
<td>3,03</td>
<td>2,05</td>
<td>5,08</td>
</tr>
<tr>
<td>North Sulawesi</td>
<td>3,19</td>
<td>2,22</td>
<td>5,41</td>
</tr>
<tr>
<td>West Kalimantan</td>
<td>2,58</td>
<td>1,85</td>
<td>4,43</td>
</tr>
<tr>
<td>Central Kalimantan</td>
<td>2,82</td>
<td>2,08</td>
<td>4,90</td>
</tr>
<tr>
<td>East Kalimantan</td>
<td>2,61</td>
<td>1,93</td>
<td>4,54</td>
</tr>
<tr>
<td>South Kalimantan</td>
<td>2,41</td>
<td>1,64</td>
<td>4,05</td>
</tr>
<tr>
<td>North Sulawesi</td>
<td>2,79</td>
<td>1,91</td>
<td>4,70</td>
</tr>
<tr>
<td>Central Sulawesi</td>
<td>2,69</td>
<td>1,85</td>
<td>4,54</td>
</tr>
<tr>
<td>South Sulawesi</td>
<td>2,86</td>
<td>1,98</td>
<td>4,84</td>
</tr>
<tr>
<td>South Minahasa</td>
<td>2,57</td>
<td>1,75</td>
<td>4,32</td>
</tr>
<tr>
<td>Central Minahasa</td>
<td>2,66</td>
<td>1,84</td>
<td>4,50</td>
</tr>
<tr>
<td>North Minahasa</td>
<td>2,43</td>
<td>1,62</td>
<td>4,05</td>
</tr>
<tr>
<td>West Papua</td>
<td>2,40</td>
<td>1,60</td>
<td>3,99</td>
</tr>
<tr>
<td>Central Papua</td>
<td>2,46</td>
<td>1,64</td>
<td>4,10</td>
</tr>
<tr>
<td>East Papua</td>
<td>2,38</td>
<td>1,57</td>
<td>3,95</td>
</tr>
</tbody>
</table>

### Source: http://www.bps.go.id
### Appendix 3
Statistics of the Infrastructure in provinces of Aceh, West Kalimantan, Papua and Jakarta (as per year 2014)

<table>
<thead>
<tr>
<th>Province</th>
<th>Area (sq.km)</th>
<th>Population (in 2010)</th>
<th>Population density</th>
<th>Mini market</th>
<th>Restaurant</th>
<th>Hotel/Inn</th>
<th>Supermarket/Mall</th>
<th>Gas station</th>
<th>Public</th>
<th>Private</th>
<th>Public</th>
<th>Private</th>
<th>Public</th>
<th>Private</th>
<th>Public</th>
<th>Private</th>
<th>Public</th>
<th>Private</th>
<th>Hospital</th>
<th>Maternity house</th>
<th>Pharmacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aceh</td>
<td>57,956</td>
<td>4,494,410</td>
<td>78</td>
<td>460</td>
<td>411</td>
<td>427</td>
<td>150</td>
<td>100</td>
<td>498</td>
<td>2,360</td>
<td>3,571</td>
<td>395</td>
<td>989</td>
<td>362</td>
<td>449</td>
<td>222</td>
<td>132</td>
<td>50</td>
<td>46</td>
<td>110</td>
<td>54</td>
</tr>
<tr>
<td>Kalimantan Barat</td>
<td>147,307</td>
<td>4,395,983</td>
<td>30</td>
<td>421</td>
<td>515</td>
<td>696</td>
<td>64</td>
<td>121</td>
<td>174</td>
<td>883</td>
<td>4,062</td>
<td>671</td>
<td>592</td>
<td>418</td>
<td>115</td>
<td>390</td>
<td>91</td>
<td>74</td>
<td>19</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td>Papua</td>
<td>3,85,381</td>
<td>2,833,381</td>
<td>963</td>
<td>365</td>
<td>741</td>
<td>391</td>
<td>598</td>
<td>41</td>
<td>136</td>
<td>546</td>
<td>1,664</td>
<td>871</td>
<td>431</td>
<td>126</td>
<td>118</td>
<td>56</td>
<td>67</td>
<td>44</td>
<td>17</td>
<td>62</td>
<td>46</td>
</tr>
<tr>
<td>DKI Jakarta</td>
<td>664</td>
<td>9,607,787</td>
<td>14,536</td>
<td>1,933</td>
<td>1,924</td>
<td>3,510</td>
<td>765</td>
<td>174</td>
<td>192</td>
<td>2,071</td>
<td>2,218</td>
<td>1,160</td>
<td>145</td>
<td>834</td>
<td>143</td>
<td>473</td>
<td>66</td>
<td>402</td>
<td>16</td>
<td>115</td>
<td>139</td>
</tr>
</tbody>
</table>

**Note:**
http://www.bps.go.id/index.php/publicasi/index?Publikasi%5BtahunJudul%5D=2014&Publikasi%5BkataKunci%5D=statistik+infrastruktur+indonesia&yt0=Tampilkan
accessed on June 4, 2015
Appendix 4 – Hierarchy of Auditor and Managerial position in ABI

<table>
<thead>
<tr>
<th>Functional Auditor hierarchy</th>
<th>Group range</th>
<th>Roles in the audit team</th>
<th>Comparison with managerial position</th>
</tr>
</thead>
</table>
| 1. Early auditor (Pemeriksa Pertama) | III/a - III/b | 1. Junior audit member  
2. Senior audit member, or  
3. Junior audit team leader |                                     |
| 2. Junior auditor (Pemeriksa Muda) | III/c - III/d | 1. Senior audit member  
2. Junior audit team leader  
3. Senior audit team leader, or  
4. Technical supervisor | ![Echelon 4 (low managerial level)](Echelon_4.png) |
| 3. Middle level auditor (Pemeriksa Madya) | IV/a - IV/c | 1. Senior audit team leader  
2. Technical supervisor, or  
3. Quality control | ![Echelon 3 (middle managerial level)](Echelon_3.png)  
![Echelon 2 (senior managerial level)](Echelon_2.png) |
| 4. Principal auditor (Pemeriksa Utama) | IV/d –IV/e | Quality control | ![Echelon 1 (top managerial level)](Echelon_1.png) |
Appendix 5 – IDMP’s (Internal Displacement Monitoring Centre) Map

Figure 1 – Conflict and displacement in Aceh
Figure 2 - Conflict and displacement in Papua and West Papua.
Source: http://www.internal-displacement.org/assets/library/Asia/Indonesia/pdf/Indonesia-Overview-13oct10.pdf
Appendix 6 – Research Ethics Approval

Dear Teivani,

Thank you for your thorough and careful response to the concerns of the ELMPS Ethics Committee. As Chair, I am now able to approve your proposed research. I do hope it goes well.

Best wishes,

[Signature]

On 16 June 2015 at 12:12, Teivani Saveth <teiva@uq.edu.au> wrote:

Good morning, I hope this email finds you well. Below is my response on the reviewers’ comments. I hope it could answer the questions satisfactorily.

Thank you for your kind assistance. I am looking forward to any news from the Ethics Committee. Have a nice day.

Best wishes,

[Signature]

RESPONSE ON FEEDBACK FOR TEIVANI SAVETH’S APPLICATION

Reviewer 1:

1. The researcher is asking fellow co-workers in their own workplace about the impact of job satisfaction on job motivation and job satisfaction while also being funded by the ministry under which the work bound in which she conducts her research falls.

Response:

The ministry who finances my study is different from the organization in which I will conduct my research. The study is funded by the Ministry of National Development Planning, and the one study organization is the Audit Board of the Republic of Indonesia. They are totally distinct organizations with different tasks and authorities.

The fact that I get the sponsorship from this ministry is because this ministry regularly has scholarship programs attended to all civil servants in Indonesia. Any civil servant can apply for it as long as they pass the selection process and it has nothing to do with the organization where the scholarship awardees work.

As I stated in the ethics application form, apart from the requirement for the scholarship awardees to provide satisfactory academic achievements and reports, there is no requirement from the relationship to the sponsors in the form—i.e., the presence of the director of the research and the involvement of students from the institution. The above statement also applies to the situation of the above study.
Appendix 7 – Approval from the organisation

The Audit Board of the Republic of Indonesia
Jalan Jend. Gatot Subroto No. 31, Telp. 25549000, Fax. 5720909, Jakarta Pusat 10210

Reference Number : 309 A/S/X/05/2015
Date : May 15, 2015
Subject : Permission to conduct research

To Whom It May Concern

This letter is to inform you that:

Name / employee ID : Telviana Savitri / 197304061994012001
Position : Assigned study staff
Scholarship : Scholarship Program for Strengthening Reforming Institutions
Programme / University : PhD in Management / The University of York, United Kingdom

has been granted access to conduct a research at the Audit Board of the Republic of Indonesia. Any data obtained from this organization can be used for her PhD thesis and will not be restrained for completion of her study.

Secretary General
The Audit Board of Republic of Indonesia

Hendar Ristriawan, S.H., M.H.
NIP. 195803211978021001
PARTICIPANT'S INFORMATION SHEET

You are being invited to take part in a research study looking at the implication of employee relocation policy to the employees’ motivation and job satisfaction in the Audit Board of RI. Before you decide whether to take part or not in this study, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully. Talk to others about the study if you wish. Ask the researcher if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

Research aim and objectives.
In general, the research aims to gain insight on how a government institution manages its relocation policy and how the policy influences the employees’ motivation and/or job satisfaction. In particular, the objectives of this research are:
1. To explore employees’ perception on the current relocation policy and how it affects their motivation and/or job satisfaction
2. To add a literature about HRM in a context of Indonesian government institution
3. To provide constructive input for the policy makers regarding the relocation policy of Indonesian public servant.

Selection and involvement of the participants.
You are invited to take part of this study because you either have been experiencing the relocation policy or you are a part of management who have set up and/or implemented the policy in practice. Participation in this study is entirely voluntary. It is up to you to decide whether or not to take part. If you decide to take part, you are still free to withdraw at any time without giving a reason and without any detriment to yourself or your organisation.

The process involved.
If you agree to participate, you will be involved in one-to-one semi-structured interview session and each session will take approximately one hour to finish. The researcher will visit your office or other public places to conduct an interview at a date and time that would best suit you. Prior to the session, you will be given a brief on the consent form. You will also be given an opportunity to ask questions and then, if you agree to participate, you will be asked to sign the written consent form. The researcher will ask your permission to record the interview session. If you do not want to be recorded, the researcher will take detailed notes during the interview session.

Possible benefits.
By taking part in the research, you will have an opportunity to share your views on the current policy that has been implemented and might also personally affect you. It is expected that the findings will be of great value to the designated organization as well as the Indonesian Government in managing the relocation policy of Indonesian public servant.

Confidentiality and anonymity.
There are likely no risks attached to the study because your information is confidential and available only to the researcher and her research panel. The research Panel Committee consists of two supervisors and the other panel member from the university. What is more, the participants’ anonymity is assured in this research. There will be no part of your name or any other information that could identify yourself that is included in any written reports or publications as the results of this study. All data will be treated anonymously. In addition to anonymity please be rest assured that all data will be treated confidentially. Data will be stored in a laptop and a personal file store in the University of York secure server, both can be accessed only by the researcher using password that is known only to the researcher. All the information will be destroyed after being stored for 5 years. The confidential handling, processing, storage and disposal of data will comply with the 1998 Data Protection Act.

The next step.
If you agree to take part, please complete the reply slip and you may return it by email to the researcher (contact details are in the bottom of the page). The researcher will contact you after receiving your reply slip to arrange the date and time of the interview. A consent form can be signed on the day of interview. The consent form will not be used to identify you. It will be filed separately from all the other information. However, you may keep this sheet for reference.

Further information.
Should you have any queries about this research, please do not hesitate to contact the researcher, Telviani Savitri in the address below. For any further concerns, you can contact her supervisors, (1) Professor Richard Common at richard.common@york.ac.uk and (2) Dr. Claire Smith at claire.smith@york.ac.uk. Thank you for your time.

Telviani Savitri
Freboys Lane
University of York
Heslington
York, YO10 5GD, UK
Email: ts964@york.ac.uk
Penelitian mengenai pengaruh kebijakan rotasi/relokasi pegawai terhadap motivasi dan kepuasan kerja pegawai di institusi pemerintah Indonesia: studi kasus atas Badan Pemeriksa Keuangan Republik Indonesia

LEMBAR INFORMASI PARTISIPAN


Tujuan penelitian.
Secara umum, penelitian ini dimaksudkan untuk memperoleh pemahaman mengenai bagaimana suatu institusi pemerintahan mengelola kebijakan rotasinya dan bagaimana kebijakan tersebut mempengaruhi motivasi dan/atau kepuasan kerja pegawainya. Secara khusus, penelitian ini bertujuan untuk:
1. Memahami persepsi pegawai terhadap kebijakan rotasi yang saat ini berlaku dan bagaimana kebijakan tersebut berpengaruh terhadap motivasi dan/atau kepuasan kerja pegawai
2. Memberi kontribusi terhadap bahan pustaka mengenai MSDM dalam konteks pemerintahan Indonesia
3. Menawarkan input yang dapat dimanfaatkan para penyusun kebijakan publik, khususnya dalam hal rotasi PNS.

Pemilihan dan keikutsertaan partisipan.

Proses pengambilan data.

Manfaat penelitian.
Dengan berpartisipasi dalam penelitian ini, Anda mempunyai kesempatan untuk menyampaikan suara dan pandangan Anda tentang kebijakan rotasi organisasi yang mungkin saja berpengaruh terhadap Anda. Temuan dari penelitian ini diharapkan dapat bermanfaat bagi organisasi terkait dan juga bagi pemerintah Indonesia dalam mengelola rotasi PNS di Indonesia.
Kerahasiaan data.
Proses pengambilan data yang akan dilakukan diperkirakan tidak akan menimbulkan risiko bagi partisipan, karena informasi yang diberikan akan dijaga kerahasiaannya dan hanya dapat diakses oleh Peneliti dan Komite Riset yang bersangkutan. Komite tersebut terdiri dari dua orang pembimbing penelitian dan satu orang anggota komite dari University of York. Selain itu, seluruh data akan dikelola secara anonim. Tidak akan ada nama atau informasi lain yang dapat mengidentifikasi setelah disimpan selama 5 (lima) tahun. Penanganan, penyimpanan dan pemusnahan data dilakukan mengikuti Undang-undang Perlindungan Data Tahun 1998 yang berlaku di the United Kingdom.

Tahapan selanjutnya.

Informasi lebih lanjut.
Jika Anda memiliki pertanyaan lebih lanjut mengenai penelitian ini, silakan menghubungi Telviani Savitri, pada alamat di bawah ini. Jika Anda ingin bertanya lebih jauh lagi, silakan menghubungi dosen pembimbing dari peneliti yang bersangkutan, (1) Professor Richard Common at richard.common@york.ac.uk and (2) Dr. Claire Smith at claire.smith@york.ac.uk.

Terima kasih atas waktu Anda.

Telviani Savitri
Freboys Lane
University of York
Heslington
York, YO10 5GD, UK
Email: ts964@york.ac.uk

Appendix 9 – Invitation Letter and Reply Sheet

THE UNIVERSITY of YORK

The York Management School

INVITATION LETTER

Date: June 27, 2015

Dear Sir or Madam,
My name is Telviani Savitri, a PhD student in The York Management School, and I am currently conducting a research on the implication of employee relocation policy to the employees’ motivation and job satisfaction in Indonesian government organization: a case study of the Audit Board of the Republic of Indonesia. My research aims to gain insight on how a government
institution manages its relocation policy and how the policy influences the employees’ motivation and job satisfaction.

For this purposes, I would like to invite you to participate in the study. I kindly invite you to take part in an interview session. Before you decide to take part, it is important to understand the research objectives and processes involved in it, so please take time to carefully read the information enclosed to this invitation letter.

The decision to take part is entirely voluntary. However, it is very valuable and greatly appreciated if you can participate in this study. If you choose to do so, please complete the reply slip as your indication to take part and send it back to me by email as written below.

Your kind assistance by participating in this research is highly appreciated. I believe that your views can give valuable perspectives on this important topic. Should you have any queries, please feel free to contact me. I will be more than happy to provide you with a summary of the research findings, if you request.

Yours sincerely,

Telviani Savitri
Graduate Researcher
Freboys Lane
University of York
Heslington
York, YO10 5GD, UK
Email: ts964@york.ac.uk
REPLY SLIP

A Study of the Implication of Employee Relocation Policy to the Employees’ Motivation and Job Satisfaction in Indonesian Government Organization: a Case Study of the Audit Board of the Republic of Indonesia

Date : 
Name : 
Address : 

Phone number : 
Email address : 

Please cross/tick the box:
☐ I am interested in participating in the above study and willing to be contacted by phone or email to discuss possible participation
Tangg: 27 Juni 2015

Yth. Bapak/Ibu/Saudara/Saudari,
Saya, Telviani Savitri, karya siswa tingkat S3 di The University of York, United Kingdom, saat ini sedang melakukan penelitian mengenai pengaruh kebijakan rotasi pegawai terhadap motivasi dan kepuasan kerja pegawai di Badan Pemeriksa Keuangan Republik Indonesia. Tujuan penelitian saya adalah memperoleh pemahaman mengenai bagaimana suatu institusi pemerintahan mengelola kebijakan rotasinya dan bagaimana kebijakan tersebut mempengaruhi motivasi dan kepuasan kerja pegawainya.

Sehubungan dengan hal tersebut, saya ingin mengajak Anda untuk berpartisipasi dalam penelitian ini melalui sesi wawancara. Sebelum memutuskan untuk turut berpartisipasi dalam studi ini, penting bagi Anda untuk memahami tujuan penelitian dan proses yang akan Anda lalui. Untuk itu Anda dimohon untuk membaca secara teliti informasi yang dilampirkan pada surat ini.

Keputusan untuk ikut serta sepenuhnya bersifat suka rela. Namun, saya sangat menghargai jika Anda berkenan untuk berpartisipasi dalam penelitian ini. Jika Anda memutuskan untuk turut serta, mohon untuk melengkapi Reply Slip terlampir dan mengirimkannya kepada peneliti melalui email seperti yang tertera di bagian bawah surat ini.


Hormat saya,
Telviani Savitri

Doctoral Researcher
Freboys Lane
University of York
Heslington
York, YO10 5GD, UK
Email: ts964@york.ac.uk

The York Management School

REPLY SLIP
Penelitian mengenai pengaruh kebijakan rotasi/relokasi pegawai terhadap motivasi dan kepuasan kerja pegawai di institusi pemerintahan Indonesia: studi kasus atas Badan Pemeriksa Keuangan Republik Indonesia

Tanggal : 
Nama : 
Alamat : 
Nomor telp./HP : 
Alamat Email : 

Mohon disilang/dicek:
☐ Saya berminat untuk ikut serta dalam penelitian dimaksud dan bersedia untuk dihubungi melalui telepon atau email untuk membicarakan keikutsertaan saya.
**A Study of the Implication of Employee Relocation Policy to the Employees’ Motivation and Job Satisfaction in Indonesian Government Organization: a Case Study of the Audit Board of the Republic of Indonesia**

**PARTICIPANT’S CONSENT FORM**

This form is for you to state whether or not you agree to take part in the study. Please read and answer every question. If there is anything you do not understand, or if you want more information, please ask the researcher.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>I agree to take part in the study.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that my participation in this study is voluntary. In addition, I have the right to request the sessions to be stopped and withdraw from the research at any time and have the information withdrawn as well, without giving any reason and without any detriment to myself and my organization.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I confirm that I have read and understand clearly the information sheet for this research and have had the opportunity to ask questions about the study.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I agree that the interview will be audio-taped. I can request a copy of the recording or the transcript of the interview (you may take part in the study without agreeing to this part).</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that the information collected is only accessible to the researcher and via translation to her research supervisors.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I am aware that the information collected in this study will be used to write up a PhD thesis, publications, or presented in academic conferences.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that the information I provide will be held in confidence and will be treated anonymously by the researcher.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I am aware that I have a right to be informed of the outcome of the research via a report summary, and/or be informed of any future publications.</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Participant: ____________________ Date: ____________________ Signature: ____________________

Researcher: ____________________ Date: ____________________ Signature: ____________________

<table>
<thead>
<tr>
<th>Partisipan:</th>
<th>Tanggal:</th>
<th>Tanda tangan:</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Researcher:</th>
<th>Tanggal:</th>
<th>Tanda tangan:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telviani Savitri</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Interview questions for the employees:

<table>
<thead>
<tr>
<th>No.</th>
<th>Questions</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduction:</td>
<td>Ice breaking session to gain a rapport with the interviewee</td>
</tr>
<tr>
<td></td>
<td>• Thank the interviewee for taking part in the research</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Build rapport by introducing myself and background</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Explain the aim and objectives of the research and the importance of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>their information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Explain and assure the interviewee the issue of anonymity and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>confidentiality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ask them to complete and sign the consent form</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Getting interviewee’s background information:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ask them about themselves and their background:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>name, age, positions, work experiences and job roles.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Could you tell me your early motivation to work for the government,</td>
<td>To get employee’s early motivation to work and will relate it later on</td>
</tr>
<tr>
<td></td>
<td>particularly for the Audit Board of RI?</td>
<td>whether it changes over time.</td>
</tr>
<tr>
<td>3.</td>
<td>What do you think about the employee rotation/relocation policy in this</td>
<td>To gain employee’s perception on organizational current rotation/relocation</td>
</tr>
<tr>
<td></td>
<td>organization?</td>
<td>policy</td>
</tr>
<tr>
<td></td>
<td>• Do you think it is good? Why or why not?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Do you think it is fair? Why or why not?</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>If you think it is unfair, could you tell me what is the definition of</td>
<td>• To collect the definition of “fair policy” from employee’s perspective</td>
</tr>
<tr>
<td></td>
<td>“fair rotation/relocation policy” in your perception?</td>
<td>• Question no. 4 will be asked only if the respondent answers question</td>
</tr>
<tr>
<td></td>
<td>• Do you think, beside the formal written policy, there is informal</td>
<td>no. 3 with “not good/fair”</td>
</tr>
<tr>
<td></td>
<td>unwritten policy on employee rotation/relocation? Could you tell me</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the example of it?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Which one do you think play bigger role in practice?</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>If you directly experienced the relocation, do you think it has any</td>
<td>To seek the implication on employee’s motivation and/or satisfaction</td>
</tr>
<tr>
<td></td>
<td>impact to your work motivation and/or satisfaction?</td>
<td>(the last bullet point is a question for the employee who asked to</td>
</tr>
<tr>
<td></td>
<td>• If yes, why? If not, why?</td>
<td>be relocated on his/her initiative)</td>
</tr>
<tr>
<td></td>
<td>• If it does impact your work motivation, how big is the impact?</td>
<td></td>
</tr>
</tbody>
</table>
| 6. | Could you tell me the reason why you are accepting to be relocated?  
  - If you do not accept the relocation, what are the reason?  
  - Is there any impact on your career by not accepting that assignment?  
  - Do you have an option to choose which offices for your working place?  
  - If you have that option, what is your preference for your working place? Why? | To get the real motives behind employee’s acceptance of being relocated and find out their working place preference |
| 7. | What facilities do you receive from the organization before and after being relocated to other office?  
  - Do you think it is enough?  
  - If not, why? | To gather employee’s perception on the assistance from the organization in the relocation process |
| 8. | Do you think the organization have managed the relocation practice effectively?  
  - If yes, why? If not, why?  
  - What do you think the organization should do in managing the relocation practice? | To find the meaning of “effective relocation practice” |
| 9. | Is there anything you would like to tell me about which I haven’t thought to ask you? | To gather any information that I might miss from the interview questions. |
Appendix 12 – Glossary and Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABI</td>
<td>The Audit Board of Indonesia</td>
</tr>
<tr>
<td>Baperjakat</td>
<td>Badan Pertimbangan Jabatan dan Pangkat, an internal committee consists of all Echelon 1 managers that periodically meet to discuss the promotion of their subordinates</td>
</tr>
<tr>
<td>BKN</td>
<td>Badan Kepegawaian Negara (The State Civil Service Agency)</td>
</tr>
<tr>
<td>BPK</td>
<td>Badan Pemeriksa Keuangan (The Audit Board of RI)</td>
</tr>
<tr>
<td>DKO</td>
<td>Domisili – Kantor Pusat – Organisasi (Origin – Head office – Organisation), a relocation pattern written in the case organisation relocation policy</td>
</tr>
<tr>
<td>HO</td>
<td>Head Office</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>KemenPANRB</td>
<td>Kementerian Negara Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (The Ministry of State for the Empowerment of State Apparatus and Bureaucratic Reform)</td>
</tr>
<tr>
<td>LAN</td>
<td>Lembaga Administrasi Negara (The National Institute of Public Administration)</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PSM</td>
<td>Public Service Motivation</td>
</tr>
<tr>
<td>RO</td>
<td>Regional Office</td>
</tr>
<tr>
<td>SG</td>
<td>Secretary General</td>
</tr>
<tr>
<td>UK</td>
<td>The United Kingdom</td>
</tr>
</tbody>
</table>
References


BELLÉ, N. & ONGARO, E. 2014. NPM, administrative reforms and public service motivation: improving the dialogue between research agendas. *International Review of Administrative Sciences*, 80, 382-400.


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