



# HUMAN RESOURCES EMPOWERMENT AND CORRUPTION ERADICATION IN PUBLIC SECTORS: A BRIEF PICTURE FROM INDONESIA<sup>1</sup>

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## **Abstract**

*Corruption has been hampering development process in Indonesia and it is believed that E-government hypothetically will diminish corruption in the country. The paper briefly compares Corruption Perception Index and E-government Index to portray the respective case, and proposes human resources empowerment as essential tactic to curb corruption in public sectors. It concludes that E-government might decrease corruption if it is incorporated with increasing infrastructure and human capital, and; in doing so, managing human resources to exercise their individual moral identity within organization is suggested so that corruption eradication can be initiated from individual self-awareness which then evolves to collective awareness to create a common culture in corruption prevention.*

**Keywords:** Law, Criminal, and Public Service

## **A. INTRODUCTION**

Human resources empowerment in public sectors is an emerging issue in developmental studies. Having personnel that can exercise decisions based on what is the best for organization and its constituents will hypothetically increase government performance in the service delivery process. However, corruption has become an international issue that hampers the development process. Because of corruption, development's goals cannot be achieved and the number of the poorest of the poor is still high.

Transparency International reported in 2010 Global Corruption Barometer that in 2009 one out of four people bribed one of nine institutions and services, from health to education to tax authorities. More than 20 countries have reported significant increases in since 2006. The biggest increases were in Chile, Colombia, Kenya, FYR Macedonia, Nigeria, Poland, Russia, Senegal and Thailand. More people report paying bribes to the judiciary and for registry and permit services than five years ago. And, on another side, eight of 10 people said political parties are corrupt, and half of the people said government's action to eradicate corruption is ineffective.

Among Asian countries, 39% of people paid a bribe within last 12 months during the study and 62% felt that in country corruption had increased in the past three years. In Maldives and Nepal political parties and parliament were perceived

as the most corrupted bodies in the decision-making systems. In Bangladesh and Pakistan, those that have more frequent interaction with the public were perceived having the greatest corruption level. Transparency International Indonesia (TII) reported in 2008 that police and customs were perceived to be the most corrupt institutions, and 45 per cent of public officials admitted to accepting bribes. Compared to Bangladesh and Nepal, corruption in political financing in Indonesia remains a significant problem. According to 2011 Corruption Perception Index (CPI), Indonesia's score was 3.0 or at 100th position out of 183 countries. The score was lower than other Southeast Asian countries such as Singapore, Brunei, Malaysia, and Thailand.

One of the efforts to eradicate corruption in developing countries is by applying e-government in governmental agencies. Hypothetically, less personal interaction will prevent bribery and other under-table transactions in delivering services to the public. Nevertheless, several issues have become constraints to success. Not only poor infrastructure but also other intangibles issues such as cultural resistance and personnel's mental block in perceiving corruptions are serious concerns.

One country that has applied e-government and established Corruption Commission Eradication (CCE) to alleviate corruption is Indonesia. However, according to TII there has

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not yet been significant change in corruption eradication. The .2 increase between 2010 and 2011 is methodologically meaningless and government is too optimistic to increase the score to 5.0 by 2015. In alignment with this background, this paper will briefly describe the implementation of e-government to address corruption, and mainly stresses how empowering human resources can transform personnel's cultural resistance to decreasing corruption in Indonesian public sectors.

## B. E-GOVERNMENT AND CORRUPTION ERADICATION

A general definition of corruption provided by United Nations Development Program is the misuse of entrusted power for private gains. Klitgaard (Lio et al, 2011) pointed out that corruption is a problem of asymmetric information and incentives than can be seen in a simple principal-agent-client model. According to the model, corruption occurs due to monopoly, discretion, and lack of accountability. Several common practices of corruption based on this model are bribery, extortion, fraud, nepotism, and embezzlement, in which the agents have more information than the principals, and use it to seek advantages for themselves during delivery of services to the public.

It is believed that e-government can create more transparent government. Citing several scholars and policy-maker's sources, Lio, Liu, & Ou (2011) argue that e-government has a significant role to eradicate corruption by improving enforcement rules, lessening the discretion of officials, and increasing transparency (p. 47). Mahmood (2004) stated that the implementation of e-government in developing world could contribute to curb corruption by altering the principals-agent-citizens model since it allows citizens to administer transactions directly with computer databases, and if accessibility is an issue then government should provide the supporting systems for citizens. He proposed that e-government also associates with political will, ideological reforms, and sense of crisis in the countries.

Backus (Nurunnabi & Ullah, 2009) perceives e-government as having wider application than just utilizing Websites in governmental entities, but also relates to improvisation of government-citizens and government-business relationship

by employing electronic means in internal government operations to simplify and increase democratic government and business-like government services with primary aims to enforce administrative efficiency (p. 144).

Wescott (2001) identified stages that can be contextualized according to countries' environment to implement e-government: a) setting up an email system and internal network; b) enabling inter-organizational and public access to information; c) allowing two-way communication; d) allowing exchange of value; e) digital democracy, and f) joined-up government.

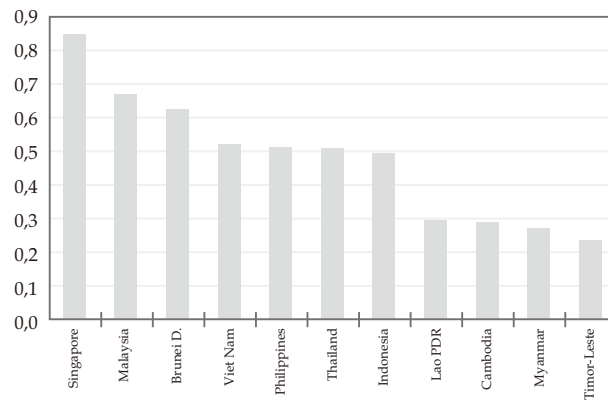
In China, e-government was established to add stability and order to a chaotic governing process by controlling the governing authorities, improving surveillance quality, and data gathering (Kluver, 2005). In Kazakhstan, e-government is incorporated to basic components of e-government infrastructures, and others services (Bhuiyan, 2010). In the Seoul Metropolitan Government, the incorporating e-government with strong leadership was effectively reducing corruption prevalence (Kim, Kim, & Lee, 2009). Using a panel of 149 countries, Andersen (2009) found out that e-government has positive impact on corruption reduction.

Indonesia has implemented e-government since 2003. According to a 2010 Global E-government Survey, the country has .15 lower than average global score or .1 lower than regional scores. The table below compares e-government index among Southeast Asian countries in 2010. It shows that Singapore led the index and Timor-Leste was the lowest. Viet Nam, Philippines, Thailand, and Indonesia were relatively equal, and so were Lao, Cambodia, and Myanmar.

In relation to how the introduction of e-government can reduce corruption prevalence, the graph below pictures association between them.

It looks that both indexes have positive relation each other; the higher the country's e-government index the higher the corruption index. However, the implementation of e-government is also affected by infrastructures and human capital owned by a country. Table below provides comparison between 2010 e-government index, infrastructure, and human capital of Southeast Asian countries and their respective corruption perception index in 2012.

The Table 1 shows that Singapore has the highest indexes and scores among the countries,



**Figure 1.**  
**2010 E-government index Southeast Asian Countries**  
*Source: 2010 Global E-government Survey*

and Indonesia was about in the middle. Its infrastructure's score was relatively low compared to Singapore, Malaysia, and Viet Nam, with relatively similar human capital scores. Indonesia has a higher corruption index than Viet Nam, but lower than the other two.

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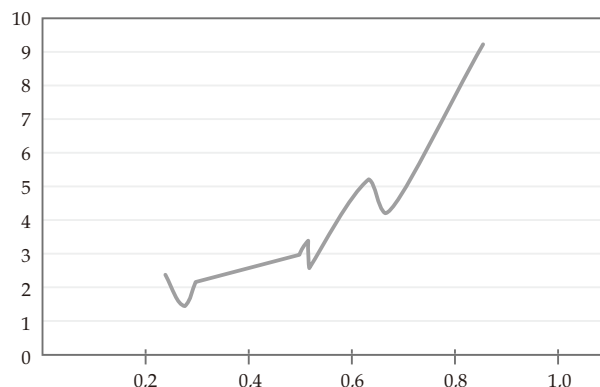
In 1998, the index was at point 2 then slightly decreased about .5 at the next two years. During this time frame, the country was experiencing political turmoil resulted the 32 years dictatorship to leave the office and more

democratic administrations run the country afterwards. In 2003, when the index was climbing, Indonesia established Corruption Eradication Commission. At the same years, the country also applied e-government to deliver services. Table 2 snapshots Indonesia's e-government and corruption index between 2003 and 2010.

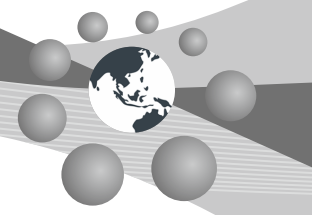
It describes Indonesia's e-government index ranges between .3 and .4, and there were no significant changes during the time frame. The corruption index increased about .9 in seven years since e-government was first introduced in 2003. Considering the given data, it might imply that attention to curb corruption has become serious, the index increased until it reached its peak of 3 in 2011.

### C. EMPOWERING HUMAN RESOURCES TO ERADICATE CORRUPTION IN PUBLIC SECTOR

Human capital plays important roles in corruption eradication since it posits those who are able to operate the administration. Although



**Figure 2.**  
**Corruption and E-government Index**  
*Source: 2010 Global E-government Survey*



**Table 1.**

Countries	E-government index	Corruption Index	Infrastructures	Human capital
Singapore	0.8474	9.2	0.6923	0.8500
Malaysia	0.6703	4.3	0.4510	0.7691
Brunei D.	0.6250	5.2	0.4550	0.8253
Viet Nam	0.5217	2.9	0.3969	0.7434
Philippines	0.5130	2.6	0.2082	0.8341
Thailand	0.5093	3.4	0.2361	0.7815
Indonesia	0.4949	3.0	0.1897	0.7982
Lao PDR	0.2935	2.2	0.0998	0.5651
Cambodia	0.2902	2.1	0.0814	0.5997
Myanmar	0.2703	1.5	0.0000	0.7064
Timor-Leste	0.2365	2.4	0.0067	0.4290

Source: 2010 Global E-government Survey and 2012 Corruption Perception Index

**Table 2.**

Years	E-government index	Corruption Index
2003	0.4220	1.9
2004	0.3909	2,0
2005	0.3819	2.2
2008	0.4107	2.6
2010	0.4026	2.8

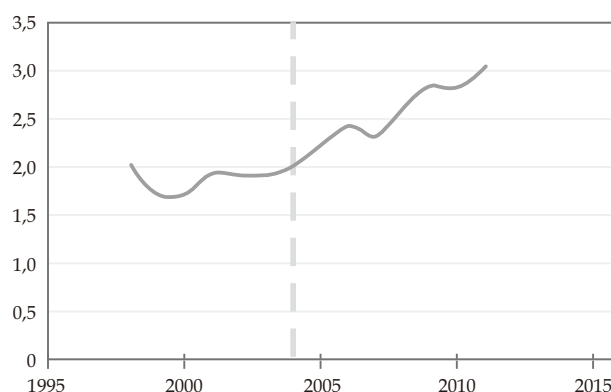
Source: 2010 Global E-government Survey and 2012 Corruption Perception Index

have similar score of human capital and e-government index, Southeast Asian countries have different achievements in curbing corruption, as it is shown in Figure 4.

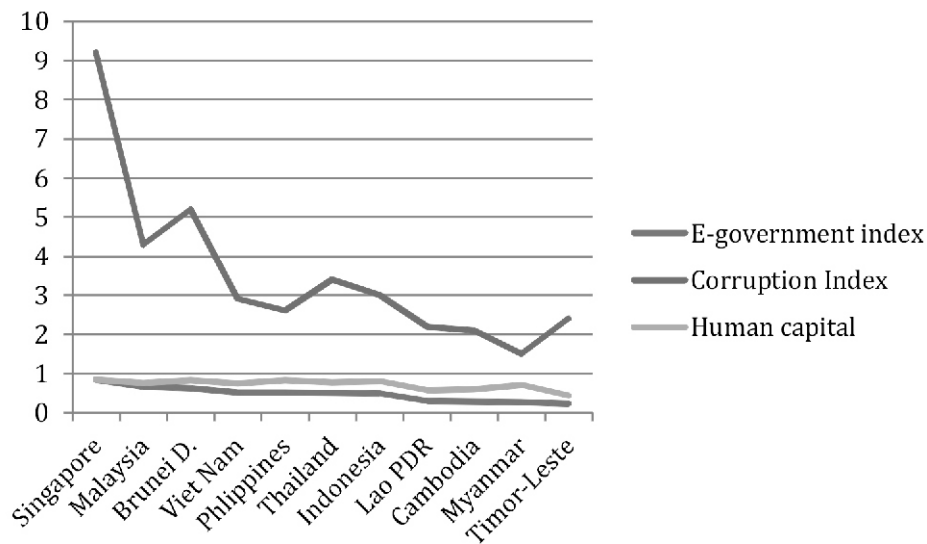
It seems that there was a gap between Singapore and other Southeast Asian countries in terms of its Corruption Perception Index in 2010. In contrast to Singapore which was on the highest position, Timor Lester was at the bottom of the countries' index in line with their e-government index and human capital index. Indonesia was at the 7th rank slightly lower than Thailand but a

step higher than Lao. In general, the chart shows that there was positive association between implementation of e-government, improvement in human capital, and the increase of the corruption index among Southeast Asian countries.

Incorporating e-government into government agencies is important, but it is not the only means of eradicating corruption. Beyond this technology utilization is reforming cultures to create an organizational environment that streamlines anti-corruption efforts.



**Figure 3.**  
**Corruption Perception Index**  
Source: 2010 Global E-government Survey



**Figure 4.**

Source: Corruption Perception Index and 2010 Global E-government Survey

According to Luo's framework (2004) corruption increases when task pressures (uncertainty, oligopoly, and regulation) and institutional pressures heighten; moral consciousness is a modifier of transmitting them into malfeasance and corrupt acts' organizational architecture which is built by culture, structure and system, determines how morally conscious the organization is and how effective its initiatives are to avoid corruption's supply side; and without it, organizations might experience deficiency caused by corruption.

Houston & Graham (2000) identified cultural predictors of corruption as religious history, level of language ambiguity, cultural value, interrelationship, social context, and level of economic development. The more religious a country, the less corruption it should have due to the nature of religiosity, however the historical and religious contexts such as reciprocity in gift giving have the potential to be lubricants for "bribery." Indonesia, as the largest Islamic population on the globe, hypothetically should have a low prevalence of corruption compared to other less religious nations. Yet, the historical aspect of the country to encourage people to be benevolent might contribute to the prevalence of bribery. In addition, in the past the country also has had a kingship system in which the kings and their allies collected tax from ordinary people for their own sakes. In order to get necessary services, the general public should "bribe" the bureaucrats.

Along with that occurrence, Indonesia has a culture that basically emphasizes on the importance of human relationships, social

attachment, and relatively high degrees of uncertainty. Getz & Volkema (2001) found out that uncertainty avoidance and power distance has a positive effect on corruption. In other words, a high level of uncertainty leads to a high prevalence of corruption, and the more powerful the social distance among society's members tends to increase corruption. Seleim & Bontis's work (2009) also supported this finding and proposed that cultural values and practices should be distinguished as they relate to corruption. Misangyi, Weaver, & Elms (2008) mentioned that corruption is relevant to relational self-interest and opportunities to exploit discretion for gain, they suggested that institutional entrepreneurs to reduce misuse of entrusted authorities.

To end corruption, reformation in organizational integrity such as the bribe paying supply and demand side of corruption needs to be performed along with other corruption eradication tools. This can be done by leaders' commitment to exercising good governance (Vogl, 2007). More importantly, corruption eradication needs personnel's self-consciousness to fight against it. Empowering personnel to eradicate corruption can be done through enabling and increase them to exercise ethical behavior within organization which is important to organizations to avoid hazardous scandal occurrence. It is influenced by moral awareness, moral judgment, moral disengagement, and identity-based interrelated with organizational contextual setting and other issues that matter (Trevino, Weaver, & Reynolds, 2006). The public's demands of organizational credibility



has been increased, and therefore it is important to promote transparency, accountability, trust, and ethics in building an organization's capacity as part of innovation in strategic human resources management (Farazmand, 2004 p.16)

To curb corruption from a human development perspective, we should see it as a social process caused by social interaction (Warburton, 2001 p. 221-231). The abuses of public trusts by governmental agencies often do not occur alone, but are intertwined among the complexities. From an internal organizational context, personnel to some extents face dilemmas between personal values and organizational culture, or groups' thinking. In general, people often rely on their opinions to referent groups when deciding to how to behave. In doing so, they consider factors in determining levels of moral responsibility: the severity of the act's consequences, the certainty that the act is moral or immoral, the actor's degree of complicity in the act, and the extent of pressure leading to unethical behavior (Jones & Ryan, 1997). This relates to moral identity as a kind of self-regulatory mechanism that leads to particular action. This explains moral conduct perceived by an organization's members (Aquino & Reed, 2002).

In alignment with the preceding discussion, this paper argues that combining e-government and empowering personnel to have self-regulation might be able to reduce corruption in the public sector. Enabling human resources, technical abilities of e-government, and moral awareness to fight corruption should be performed. Other factors such as political will and leadership are definitely substantial.

#### D. CONCLUSION

Political will and leadership substantially affect the enforcement of corruption eradication. Without trying to simplify the complexity of efforts to eradicate corruption, the paper proposed two main ideas:

- a) E-government might decrease corruption if it is incorporated with increasing infrastructure and human capital;
- b) In order to decrease the prevalence of corruption, besides political and instrumental approaches, enable personnel to assert their integrity to fight against corruption is urgent. In doing so, managing human resources to exercise their individual moral identity

within organization is suggested so that corruption eradication can be initiated from individual self-awareness which then evolves to collective awareness to create a common culture in corruption prevention. This can become part of the responsibilities of human resources management to mainstream the idea and link it into organizations' actions in daily activities.

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