Local government innovation model in Pekanbaru City, Indonesia: a study of public service mall

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Abstract

This research aims to find a model for implementing local government innovation in Pekanbaru City. One of the Innovation Public Service Mall innovations with the highest score is SMART PETAKU (Pekanbaru City Government Land Asset Management System) with a score of 820. However, there are still several innovations with the lowest score, one of which is the E-Archive with a score of 0. Using the theory of disruptive innovation (Yu & Hang, 2010), the basic design of this study uses a qualitative method with a descriptive approach from primary data sources obtained from in-depth interview techniques and secondary data, namely passive observation techniques. The research findings show that first, the success of the internal perspective is determined by the indicators of visionary and innovative local government head leadership, the right organizational structure with the establishment of a Public Service Mall, an organizational culture that is not separated from the pathology of democracy, and employee competencies that require development. Second, an external perspective determined by supervision from the Pekanbaru City DPRD, community participation, and appreciation factors that have a significant effect on the performance of the Pekanbaru City Government. Third, the marketing aspect is supported by the existence of a dynamic website from the content and information presented. Fourth is the technological perspective, where the Pekanbaru City Government through the Public Service Mall applies the E-Gov concept with application designs for requests and complaints. The conclusion of the study found the IEMT model with internal, external, market, and technology perspective dimensions. Recommendations for further research are collaborative governance studies in service innovation with the private sector at Public Service Malls which are still disproportionate.

Keywords: model, innovation, local government, service, public

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Introduction

Conceptual and empirical studies of innovation in public services are always interesting to study in the midst of the growing 4.0 revolution era. The readiness of reliable, superior apparatus, leadership, budget, new ideas, and technological instruments is the unit of analysis to initiate studies on innovation in public services. Research that examines innovation is currently dominated by technological and product innovation in the private sector (Roberts, 1999; Johnson, 2001; Fuglsang & Pedersen, 2011; Bhattacharyya et al., 2010; Salim, 2013; Kanagal, 2015), but there are still limited studies on the ideal innovation model in local governments in the field of public services.

The author presents a novel innovation model for the metropolitan city, incorporating the concept of Malay Islam within a smart city madani framework. Several studies on local government innovations tend to emphasize administrative and bureaucratic aspects, as carried out by (Gopalakrishnan & Damanpour, 1994; Rowe et al., 1974; Drejer, 2002; Krishnan & Jha, 2011; Marom, 2015; Jakovljevic, 2018; Anggraini,
The study focuses more on the government's general strategy in serving the community with service innovation. The study of the idea of a civilized metropolitan city in Pekanbaru City reinforces the fact that this research is unique in that it emphasizes not only the bureaucratic aspect but also the social and Islamic aspects of the people of Pekanbaru City. (Mashur, 2016; Wicaksono et al., 2021).

Innovation studies in the private sector have had a lot of impact on consumer attitudes, which tend to seek novelty in the products they use. (Pantano et al., 2019). In addition, innovation in the private sector can increase economic value and social impact in society (Coccia, 2017). However, there is a negative tendency to consider the public sector as the initiator of innovation in meeting the needs of society (Pradana et al., 2022). Although the public sector has initiated innovations at the central government and local government levels, such as the village internet, the impact has not been felt by the community or local government competitiveness. The literature on public sector innovation has so far been scarce (Albury, 2005; Bommert, 2010), although it has grown in recent years. The need for a public sector innovation measures is carried out by a number of local governments, such as in Indonesia (Nugraha, 2019). It was recorded in 2019 that there were 8016 local government innovations contained in the local government innovation index, consisting of 2771 innovations in public service aspects, followed by 754 innovations in other forms, and 754 innovations in governance (Balitbang Kemendagri, 2020).

What sets this research site apart is its location in an Indonesian city that embraces the vision and mission of a smart city, underpinned by the principles of a civil city functioning as an Islamic metropolitan area. There are six pillars: smart governance, smart people, smart economy, smart environment, smart mobility, and smart living. Of the six existing pillars, there is smart governance, commonly called smart governance, which is one of the pillars that aims to create effective, efficient, and accountable public servants. This study tries to map the innovation model carried out by the Pekanbaru City Government using the disruptive innovation theory Yu & Hang (2010) with four dimensions, namely internal perspective, external perspective, marketing perspective, and technology perspective. These dimensions are operationalized for systematic data collection, discussing the development of theoretical frameworks and indicators to measure local government innovation in the public service sector in Pekanbaru City.

The problem raised in this study is that there are nine innovations that have a score of 0 out of 15 innovations made by the Pekanbaru City Government, as shown in the following figure:

![Figure 1. Types of innovation within the Pekanbaru City Government.](Source:Research and Development Agency of the Ministry of Home Affairs of the Republic of Indonesia, 2020)
Based on the local government innovation development map, Pekanbaru City is one of the cities with regions with a very innovative focus. The number of innovations owned is 15, with a total score of 2530. The innovation with the highest score is SMART PETAKU (Pekanbaru City Government Land Asset Management System) with a score of 820. But there are still some innovations with the lowest score, one of which is E-Archive with a score of 0. This secondary data is the basis for conducting field investigations. More specifically, this study aims to find a model for implementing local government innovations in Pekanbaru City. The discussion will be based on an examination of the results of field research conducted on the implementation of the local government innovation system within the Pekanbaru City Government, which is focused on innovations in the Pekanbaru City public service.

**Research Methods**

This research is classified as descriptive qualitative research that seeks to describe the local government innovation model and the factors inhibiting innovation in public services in Pekanbaru City. This is in line with the opinion (Sotirios Sarantakos, 1993) that descriptive research is suitable for explaining a system, relationship, model, and social events that take place in the structure and process of understanding the connecting factors of important issues in it. Through qualitative methods, it is possible to understand and comprehend the processes of relationships that occur in more specific networks in depth in both formal and informal matters (Bogason, 2007).

The determination of informants used the snowball method technique, which is more suitable for policy studies (Lovink et al., 2015). The informants in this study were the Head of the One Stop Investment and Services Office, the Local government Secretary, the Head of Commission of The Local Representative House, and community leaders, and public service experts. This research uses primary data sources, namely in depth interview techniques, and secondary data sources, namely passive observation techniques (Bogason, 2007). Interview, observation, and documentation data (Creswell et al., 2007) were organized and chosen through coding and reduction processes to help identify, classify, and categorize the tendencies of informants’ answers and other recorded facts about local government innovation in Pekanbaru City.

**Results and Discussion**

The review and analysis in this section seek to answer this question by combining literature from four perspectives: a) Internal perspective; b) External perspective; c) Marketing perspective, customer orientation in disruptive change; and d) Technology perspective, technology mapping of Disruptive innovation. Possible inhibitors and supporters of disruptive innovation models occur in Pekanbaru City are summarized in the following discussion:

**Internal perspective**

Internally view, the Pekanbaru City Government has developed the digitalization of local government innovation to increase the utilization of e-government platforms to increase the effectiveness and efficiency of governance through the concept of the public service, which was inaugurated in 2019. The leadership dimension is an important factor in realizing the public service. The Pekanbaru City Government created the Public Service as part of a comprehensive set improvement and transformation of public service governance in Pekanbaru City. Combining various types of services in one place, simplification of procedures, and integration of services at the public service
will facilitate public access to various types of services, and increase public trust in public service providers.

Based on the results of an interview with the head of the One Stop Investment and Services Office in Pekanbaru City, he revealed,

The public service was designed as a form of Mayor Pak Firdaus MT’s commitment during his leadership in realizing the vision and mission of Pekanbaru City as a Civilized Metropolitan City. Then it was outlined in the Pekanbaru City RPJMD 2017-2022 and implemented on March 6, 2019. (Interview, 2023)

This aspect relates to the success of the organization in meeting the challenges of disruptive innovation internally determined by the competence of the leadership and commitment of the local government head as a policymaker (Dollery & Wallis, 1997). Some researchers have found that the cognitive framework of senior managers does play a major role in guiding strategic decisions (Kaplan, S., & Tripsas, 2004). It can be concluded that in the internal perspective setting, the first dimension is the leadership factor.

The second aspect of innovation from an internal perspective is the organizational structure that can facilitate innovation development. Based on the results of interviews with the Local government Secretary of Pekanbaru City, it said,

"The government formed a Public Service as part of the organizational structure of local government apparatus and is a follow-up to the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform of the Republic of Indonesia Number 23 of 2017 then followed up through Pekanbaru Mayor Regulation Number 603 of 2018 concerning the Establishment of Public Service and Decree of the Head of One Stop Investment and Services Office Pekanbaru City No. Kpts. 100 of 2018 concerning the Establishment of the Acceleration Team for the Implementation of the Public Service of Pekanbaru City in 2018.” (Interview, 2023)

Organizational structure drives innovation in the public sector as part of the government's legal authority, which distinguishes it from innovation in the private sector. (Christensen, Clayton M., 2003).

The results of field observations show that the Public Service as an integrated service center with the concept of one stop service is expected to become a role model for integrated services between Ministries, Local government Governments, BUMN/BUMD and the private sector with strict service standards. The basic principles of public services prioritize transparency, efficiency, and convenience in the delivery of services, so as to provide time certainty, clarity of processes and procedures, and cost transparency. Strengthened by the MoU and PKS between the Pekanbaru City Government and public service delivery agencies that have joined the Pekanbaru City Public Service to accelerate disruptive innovation in public services. The MoU and PKS can serve as examples to strengthen the diffusion of innovation into collaborative governance. (Provan & Kenis, 2008; Chris Silvia, 2011; Eppel, 2013). Ease of service for the business world in the industrial and service sectors in Pekanbaru City has had an impact on the high response of the business world to take care of licensing, especially for trading business license services reaching 250 in the 3rd series and managing company registration certificates reaching 278 services in the 3rd series. For example,
this innovation model has an impact on increasing the types of business licensing services at the Public Service, as shown in the following figure:

![Figure 2. Progress of types of business licensing services at Public Service Malls](source: public service mall)

The third aspect is organizational culture, which is an important component of the success of an innovation. Culture is an effective way to control and coordinate people without a complicated and rigid formal control system (Tushman et al., 1996). However, culture is a double-edged sword that sometimes results in innovation failure. Bureaucratic pathology is a classic obstacle to service innovation at Public Service Pekanbaru City. Based on the results of an interview with the Chairman of Commission I of the Pekanbaru City Local government People's Representative Assembly, he said:

> The Pekanbaru City Government must continue to evaluate services at public service, especially in population administration services. Our observation is that there are often long queues and piles of files. Innovation through this public service should be able to cut the bureaucratic process and reduce long queues because people can register online. This aspect has shown that bureaucratic pathology affects organizational culture, which is detrimental to promoting disruptive innovation. (Interview, 2023)

The fourth aspect is employees. Some experts also try to explain the success or failure of disruptive innovation from an employee perspective. Based on the results of an interview with the Head of One Stop Investment and Services Office Pekanbaru City, he said:

> In carrying out its main duties and functions, One Stop Investment and Services Office Pekanbaru City is supported by human resources of 106 (one hundred and six) people, consisting of: a. Structural Officials: 33 people; b. Staff / Civil Servants: 52 people c. Casual Workers: 43 people, Composition of State Civil Apparatus and Casual Workers at One Stop Investment and Services Office Pekanbaru City. (Interview, 2023)
This condition shows that the quality and quantity of human resources are still very limited, with limited educational backgrounds and technical skills. So it is necessary to increase the number of HR apparatus with a level of education and technical skills tailored to the position and assignment because the demand for soft skills in HR for innovation is getting higher.

If several indicators are identified that affect the internal perspective of the local government innovation model within the Pekanbaru City Government, then these four indicators become the findings in this study. Can be described as follows:

![Internal Perspective Innovation Model](image)

**External Perspective**

In some studies, the external dimension greatly influences the policies made by the government (Barry, 1995). The government's limitations in terms of resources are open to external factors taking an interest in the policies made by the government. Innovation can be a potential that can be utilized by external actors outside the government, so cooperation is needed and even leads to collaboration (Emerson et al., 2012) which emphasizes sharing resources in innovating. In addition, the external dimension is also determined by the public perspective, namely the community itself, because it is the community that feels the impact of service innovations made by the Government.

Based on the results of an interview with the Head of One Stop Investment and Services Office, he said:

We are open to receiving input from outside, especially from the community, regarding the service innovations provided. In fact, we consistently discuss with partners, especially the Pekanbaru City Local government People's Representative Assembly, in terms of service control and evaluation. (Interview, 2023)

The attitude of the Pekanbaru City Government, which is open to external factors, is a positive asset in realizing efficient and effective local government innovation. Supervision from the legislature as a partner of the local government is a strategy for creating a proportional local government innovation model.

Another external factor found is the high level of public demand for public services in Pekanbaru City. Based on data collection in the field, it shows an increase in people who arrange services at the Pekanbaru City Public Service, especially in 2022, as can be seen in the following figure:
The increase in visitors in 2022 was quite significant, amounting to 152,209 visitors who processed services at the Pekanbaru City public service. Public response as an external part of service innovation that occurs in Pekanbaru City is also a factor in assessing the performance of the Pekanbaru City Government in creating local government innovations. It is proven that in 2021, Pekanbaru City received the 2021 Innovative Government Award (IGA) from the Ministry of Home Affairs. Pekanbaru Mayor Firdaus received an award in the category of very innovative Mayor with this year’s Local government Innovation Index value of 60.14. This means that Pekanbaru is included in the Very Innovative City category. In 2022, Pekanbaru City obtained a Local government Innovation Index score of 60.14. This means that Pekanbaru is included in the category of very Innovative city and has again received the Innovative Government Award. Pekanbaru City managed to get the second rank as the Most Innovative City.

This condition shows that the external reward dimension from the Central Government through the Innovative Government Award program is a trigger to motivate the Pekanbaru City Government to create innovations in public services. So that it can be described that there are 3 dimensions of the external perspective that become indicators determining the local government innovation model in Pekanbaru City, as in the following figure:

**Marketing Perspective**

This dimension presents how to identify community demands and understand community needs for public services. In a private context, it can be interpreted that companies must be able to answer the demands and needs of consumers, who are so
Based on the results of interviews with the Head of One Stop Investment and Services Office in Pekanbaru City, he said, "The Public Service was created to create efficient, effective, accountable, and transparent public services. The Pekanbaru City Government presents various types of public services and even services to other horizontal and vertical agencies outside the services authorized by the Pekanbaru City Government." At the beginning of the establishment of the Pekanbaru City Public Service in 2019, the community immediately responded well, supported by socialization through print and electronic media; this is evident from the number of visits in 2019 of 117,143 visitors.

Based on the results of field data collection, it shows that the types of services at the Pekanbaru City Public Service consist of 266 types of services from 42 agencies and consist of 88 service counters. Of the 42 agencies, there are several private sectors, BUMN, BUMD, and civil society, namely Awal Bross Hospital, PT Pos Indonesia, PLN, PDAM, the Notary Association, Indonesian Architect Association, and Indonesian Dentist Association. In terms of marketing, the public service is quite good with dynamic website governance, presenting various kinds of information and service content to the public that can be accessed easily on the website https://mpp.pekanbaru.go.id/. The type of content provided is quite innovative, but it needs development in reciprocal relationships such as community responses and complaints. The website display provided can be seen on the following link page: https://mpp.pekanbaru.go.id/.

Another finding from this marketing perspective is that there is a concept of collaboration in public service innovation between the Pekanbaru City Government and the private sector, namely Awal Bross Hospital in presenting the website by displaying Awal Bross Hospital service information. Naturally, this is a strategy to strengthen the position of the public service in providing services to the community.

**Technology Perspective**

Technology is the main instrument in innovation based on electronic government (Carter, L., & Bélanger, 2005). The use of information technology in services will shorten the bureaucracy of services that tend to be long and bad (reference). The principles of efficiency, effectiveness, and transparency are the bargaining power in the use of information technology by the government for the public. The tendency of contemporary society is to accept the novelty of the information technology offered, but some people with a classical paradigm tend to reject it and require a long process.

Service innovation at the public service in Pekanbaru City has used technological instruments to prepare the content of the services provided, especially in the queuing and complaint service systems. These two problems have always been bureaucratic pathologies in public services provided by government agencies. The Pekanbaru City public service makes service innovations based on applications that can be accessed through the community’s smart phones. The name of the application is the Queue and Complaint Information System (SIAP), as illustrated in the following figure:
This application aims to facilitate the community in conducting services at the Pekanbaru City Public Service, especially in solving service time problems, namely long queue lists. Through the SIAP application, people can determine when to arrange the documents needed. However, based on the results of field research, it shows that there is still a low number of people who use this SIAP application to perform services at the Pekanbaru City Public Service. Recap data from the Investment and One-Stop Services Office of Pekanbaru City from January 2022 to January 2023 shows a low trend of 517 queues using the SIAP application. While people who come manually to perform services range from 14,299. For more clarity, it can be illustrated in the following figure:

**Figure 6.** Queue and Complaint Information System Application  
*Source: Investment and One-Stop Services Office of Pekanbaru City*

The data shows that the utilization of information technology in queue-type service innovation has not been maxiy utilized. This can be caused by user perceptions; in this case, the community is still classical, people do not understand the use of applications, or socialization is still not optimal. Based on the results of an interview with the Head of Investment and One-Stop Services Office of Pekanbaru City, he said:
The Pekanbaru City Government has prepared the SIAP application to facilitate the community in queuing and the complaint system. Our target is, of course, all types of services, especially population services, which are always crowded. But people still choose to queue manually by coming directly to the Public Service. This, of course, we cannot force, and we have socialized it through the website and actually in the Public Service. (Interview, 2023)

From the internal side, the government has made innovations through the information technology approach as a solution to reduce queues, but it returns to the diverse and dynamic attitudes of the community. For the community to benefit from socialization, it is necessary to practice it regularly. This can be discussed in subsequent studies to strengthen studies in the field of public services from a community perspective.

From the previous analysis, the findings of this research can be mapped in the context of local government innovation within the Pekanbaru City Government, as shown in the following figure:

| Table 1. Findings of Local government Innovation Models in Pekanbaru City Public Services |
|-----------------------------------------------|-------------|----------------|---------------|
| Unit of Analysis                              | Dimensions  | Section        | Findings                  |
| Internal Perspective                          | Leadership  | The Local government Head is committed, visionary and innovative |
|                                               | Organizational Structure | The establishment of the Public Service Organization is considered effective |
|                                               | Employees    | Need to develop the capacity and capability of employees. |
| Local government Innovation Model in          | Parliamentary Oversight | Strengthen the objective monitoring function of the DPRD |
| Pekanbaru City                                | Society      | Support from the public is needed. |
|                                               | Participation | Identify and strengthen Innovation Government Award (IGA) assessment indicators. |
|                                               | Award        | Provision of a more informative and productive website. |
|                                               | Dyamic Website | Strengthen multi-actor cooperation in technological and socio-economic fields |
| Marketing Perspective                         | Collaboration Strategy | Easy access to app content and context |
|                                               | User         | Strengthen user benefits |
|                                               | App Content  |                          |

Source: modification of field research findings
Conclusion

This study aims to find a model for implementing local government innovation in Pekanbaru City, selected by the Pekanbaru City Public Service as the most innovative city in 2022 in the Innovation Government Award. Based on the research results, it can be concluded that the local government innovation model in public services at the Pekanbaru City Public Service is called the IEMT model, which consists of internal perspective, external perspective, marketing perspective, and technology perspective dimensions. First, the internal perspective determined its success on the indicators of visionary and innovative local government head leadership, the right organizational structure with the establishment of the Public Service, an organizational culture that has not been separated from the pathology of bureaucracy, and employee competencies that need development. Second, the external perspective, which is determined by supervision from the Pekanbaru City DPRD, community participation, and reward factors that have a significant effect on the performance of the Pekanbaru City Government. Third, the marketing perspective is supported by the existence of a dynamic website from the content and information presented. Fourth is the technology perspective, where the Pekanbaru City Government, through the Public Service, implements the E-Gov concept with application designs for queues and complaints.

In the future, it is necessary to design the latest studies of public service innovation at the Pekanbaru City Public Service because several dimensions of innovation have not been optimally carried out, especially in maximizing the application that is still not utilized by the community from the perspective of government sociology. Then it needs the latest study from the perspective of government collaboration, which has involved multi-actors but has not been optimal in implementing innovations at the Public Service in Pekanbaru City.

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