Determinant Factors in the Implementation of Merit System: An Overview of Indonesian Case

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	ABSTRACT
Keywords: merit system; meritocracy; governance; transformation; government	It is believed that implementing and realizing a merit system in managing government resources not only increases professionalism but also anticipates the occurrence of corruption. A comprehensive merit system can also encourage further positive impacts, especially on the investment climate and boosting the national economy. The enactment of the Civil Service Law is the government's step in realizing a merit system in Indonesia. However, approaching a decade of implementation, admitting the merit system still leaves some outwork and shortcomings. The strong culture of primordialism, patronage, and nepotism affects human resource management at various levels of the Indonesian government. Meanwhile, Indonesia has a noble ambition to implement a comprehensive merit system in the upcoming golden Indonesia period of 2045. This begins by determining the achievements of the merit system to produce professional ASN as a foundation by 2029. This study will further discuss what merit system principles as factors can be determined and implemented for Indonesian government institutions. Considering merit system principles such as strengthening capacity and capability, openness and impartiality, empowerment, and effective leadership is believed to encourage widespread and comprehensive implementation of the merit system. The elements of an optimal and effective merit system in the workplace will form professional employees, foster better societal conditions, and ultimately have a broader positive impact at the regional and national levels.

Introduction

The concept of a merit-based system in government is rooted in the principles of justice, efficiency, and accountability. This ensures that individuals are appointed and promoted based on their qualifications, skills, and abilities, not through nepotism, political connections, or other favouritism. The benefits of implementing meritocracy in

public services are often associated with higher economic growth and reduced corruption. Recommendations regarding applying the merit system principle require that the employee placement process be based on ability (talent, skill, experience, competency) and not on status or social and political connections. In government, implementing a merit system is generally in sharp contrast to a government culture that is patronizing, clientelism, or nepotism, where work is distributed as a form of reward for support or based on social ties (OECD., 2020).

Merit-based systems have been widely used to guide modern civil service management worldwide. A merit system means implementing a policy that strengthens the view of equality and competence because it declines patronage, nepotism, corruption, and the inability to enter the civil service and government organizational environment (Poocharoen & Brillantes, 2013). The merit system values competition rules, open selection, and careful quality evaluation. It has a set of qualification morals and quality recruitment stages compared to the arbitrary appointment of individuals to various government positions.

A merit-based system is also believed to increase the efficiency of public administration. This ensures that professional individuals have the necessary skills and qualifications to carry out critical roles, resulting in better decision-making, improved public services, and more efficient government operations. Furthermore, the presence of meritocracy can encourage social mobility and provide benefits for both individuals and society at large. So, countries governed based on the principle of meritocracy will achieve higher economic growth through better public services (Everest-Philipps, 2015). Strengthening the merit system is also seen as a simple and powerful way to increase effectiveness and reduce corruption and patronage, but it is often overlooked by the government (McCourt, 2000).

The merit system is the contrary of the spoil system, where colleagues, family, or supporters of the controlling party charge positions in government. To encourage greater effectiveness and efficiency in the government sector, a massive reform program has been carried out in human resource management to ensure that the optimal and fittest people can be on duty. The reform program implemented was an affirmative action program, an equal professional opportunity program, and a revision of recruitment and promotion procedures to reinforce the performance of the selection process (Dann, 1996).

In Indonesia, the reform program became the government's main agenda and was strongly supported by the public after implementing a more democratic government in 1998. Before the initiation of the reform agenda, government administration was centralized and dominated by the patronized public sector management model, which was identical to the old public administration pattern (Turner, Prasojo, & Sumarwono, 2022). The delivery of public services is not in keeping with the demands of democratic governance, improved service delivery, and the need to restore sustainable economic growth. Meanwhile, civil service reform itself still has significant weaknesses, i.e., the failure to radically overhaul human resource management to create a merit-based system managed by highly qualified, results-oriented, and innovative officials in a more flexible working relationship that encourages the use of organizational capabilities optimally.

The governance reform program continues to roll out until a merit system-based management is realized to reach the Golden Indonesia Period 2045 dream. Improving the quality of civil service apparatus based on a merit system strengthens the governance foundations in 2025-2029. Realizing a merit system can encourage impartial public services and become an administrative buffer between the economy and politics. So that

the existing organizational structure obtains social benefits from a competitive economy while reducing the social impact of disparities emerging from that economic condition (Guy & Mastracci, 2023).

The Indonesian government laid the legal foundation in Law Number 5 of 2014 jo. Law Number 20 of 2023 concerning State Civil Apparatus (ASN) to implement the merit system as part of the bureaucratic reform program. The primary substance regulated in the ASN Law includes strengthening the supervision of the merit system, determining the requirement and welfare aspect of ASN, drawing up honorary employees, and digitizing ASN management. This law firmly mandates that government agencies must implement a merit system in ASN management. State Civil Apparatus Law is a step for the government to manage state apparatus resources based on a merit system in realizing professionalism, neutrality, integrity, and performance of ASN. Operationally, the realization of the merit system in Indonesia is carried out based on the Ministerial Regulation of PANRB No. 40 of 2018 and the merit system assessment mechanism by the Indonesian Civil Service Commissioner (KASN) through KASN Regulation No. 9 of 2019.

However, approaching a decade after the State Civil Apparatus Law was enacted, implementing the merit system in Indonesia still seems spiritless. Even in 2021, of the 347 agencies that conducted independent assessments of the implementation of the merit system, 56.20% were still below the good category.
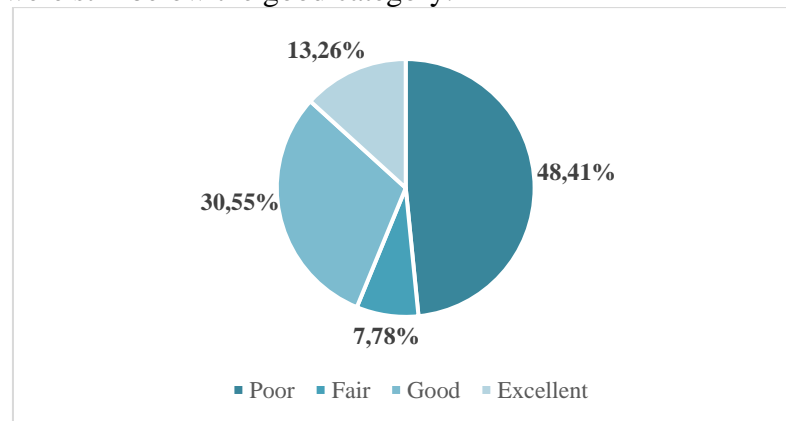

Figure 1 Government Agency Merit System Assessment Category-2021
Source: KASN 2021

Meanwhile, if we look deeper at the achievements of the merit system assessment aspects in 2023, of the 81 agencies that have received good and excellent categories. Two aspects are less than optimal: career development, promotion, and transfer. Even at the provincial and district/city levels, the achievements of these two aspects are still below the national average. This type of merit system has similarities in several Asian countries, which are only translated through open selection. The obstacles to the merit system in Indonesia are identical: position fulfillment and promotions still do not fully implement the merit system, which is often a characteristic of Indonesian bureaucracy. In contrast to The Weberian bureaucracy, which set impersonal relationships, the civil service process in Indonesia applies many personal practices and uses close connections (Mubin & Roziqin, 2018).
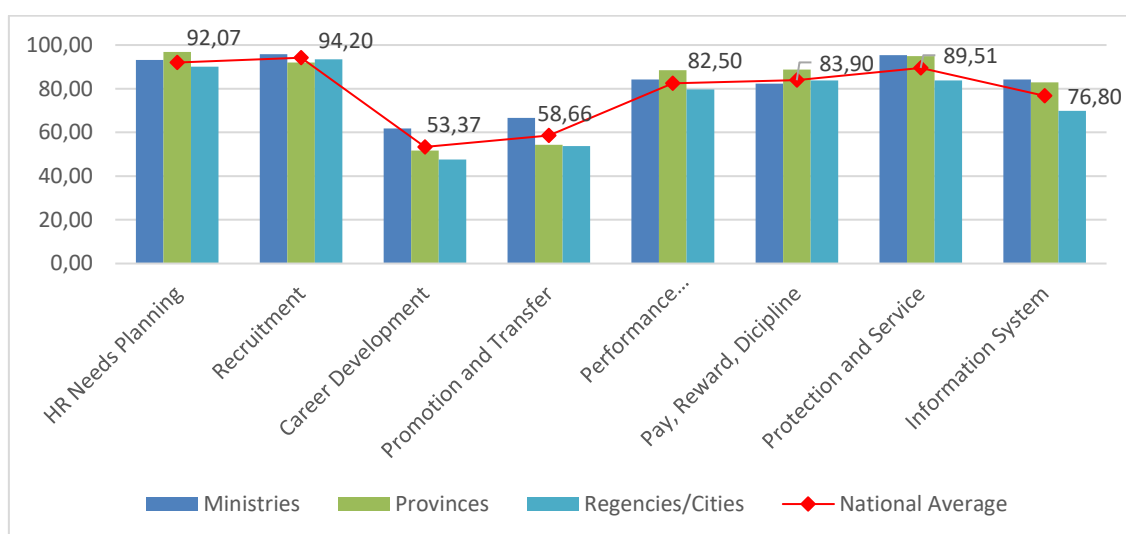
Figure 2 Average Merit System Achievement in the Good-Excellent Category
Source: KASN Merit System Assessment Data Bank - 2023

In bureaucratic reform, which also aims to create ASN professionalism, there are weaknesses in accountability, political regime hegemony, superior and legal power distance, and bureaucratic dysfunction, which are often formed in Indonesian bureaucratic reform (Amarullah & Maulana, 2017). The existence of autonomy as a form of decentralization is carried out, and bureaucratic design is sometimes to meet the interests of the regime that wins the election. This can potentially eliminate the merit mechanism in promotions, demotions, and transfers. Not to mention that the pattern of relationships that occur between employees working with their superiors or those responsible for determining their place of work tends to be patronizing in nature (Priyadi, 2021). This relationship pattern creates common interests between patrons and clients to maintain a situation that benefits both parties. This mutually beneficial condition takes the form of subordinate-superior protection, supported morally and psychologically based on the principle of mutual respect.

(Hayat, 2020) captured and analyzed the promotion patterns of bureaucratic officials during direct regional leader elections. The research results show that the practice of the patronage system (spoil system) in promotion to bureaucratic positions is still very dominant compared to the merit system. This is distinct evidence of the strength of interests, political power, and successful teams of political officials in determining promotions.

The principles of the merit system and political neutrality reflect the ideals of public sector service, where the belief that a competent and committed civil servant workforce is essential for the administration of a professional public sector (Klingner, 2006). While Indonesia, with its existing bureaucratic culture, has the potential to make changes and realize professionalism, this does not rule out the possibility of a decline in meritocracy. However, learning national ideals and goals as a professional ASN is necessary. This needs to be a moment for the government to take a merit-based HR management approach and consistently prepare every ASN policy and management (Prasodjo & Rudita, 2014).

Considering the situation described above makes the author interested in exploring the factors and principles within which the merit system concept can be found so that it can encourage the implementation of the merit system in Indonesia effectively

and beneficially. After the enactment of the State Civil Apparatus Law, of course, some factors are the principles of the merit system that need to be considered. So, this study will answer the question: what are the determinant factors in implementing a merit system?

Research methods

What factors can be determined in implementing a merit system for organizations will be reviewed by collecting data and studying literature. A literature review can provide an overview of different and interdisciplinary research areas. Additionally, a literature review is a distinguished method to unify research findings to demonstrate proof and to find areas that involve more research, especially in creating theoretical frameworks and building conceptual models. (Snyder, De Brey, & Dillow, 2019)

The literature review process is carried out through the stages of identifying research topics, reviewing secondary sources to obtain a general picture, developing a search strategy for appropriate research documents and journals, selecting appropriate articles, obtaining complete references, understanding articles, evaluating research, synthesizing findings, and using reviews. literature to obtain a conceptual framework (Mertens, 2023). The data sources used in this research are scientific journals, books, reports, and the latest regulations as a form of deepening and exploring factors and facts that can encourage the implementation of the merit system.

Results and Discussion

The merit system is a broad practice internationally to ensure the enforcement of effective and efficient government. Based on publication records from the Scopus database, the development of publications regarding the "merit system" and "meritocracy" indexed from 1989 to 2023 in 516 documents, with the peak of research publications in 2022 being 79 documents.
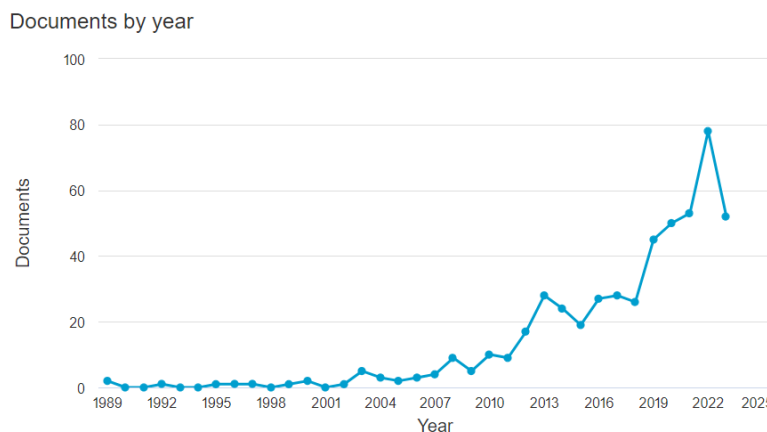

Figure 3 Publications regarding the "merit system" and "meritocracy"
Source: Scopus Database

Analysis of meritocracy reveals that the term "meritocracy" was first introduced in the book "The Rise of the Meritocracy" written by British sociologist Michael Young, where merit is formed from the use of intelligence and effort (I+E=M) (Young, 2017). Michael Young also emphasized three factors that can change the principle of seniority, which often appears in organizations: 1) pressure from the younger generation, 2) support from senior employees, and 3) improvement in merit system ranking. The substantial

thing in creating a climate of mental change is an increasingly measurable merit system. In this sense, meritocracy can provide a means of progress and a chance to contribute to the broader welfare of society from talented and hardworking people from all levels of the organization. (Everest-Philipps, 2015)

Meritocracy is defined as a system and ideology that is strongly supported by today's society. Society's aspiration to succeed through hard work has completely transformed the original dynamics of meritocracy into a dystopia. Based on its initial definition, meritocracy can foster individual competence and "equality of opportunity" to build impartial countries and organizations in the long term (Kim & Choi, 2017).

State bureaucracies are reflected by meritocratic recruitment and foreseeable and rewarding career paths related to higher growth rates (Evans & Rauch, 1999). (Everest-Philipps, 2015) also illustrates that Singapore is an excellent example of the impact of meritocracy on the development of outcomes in that country. This is based on Lee Kuan Yew's viewpoint that the government should have a system that enables the best and most appropriate people to do the work required.

The idea of a merit system in a community may vary following the existing context and culture, with several principles that can be encouraged and become prerequisites in a merit system:

Competency and Capability

The merit system is planned to ascertain that civil servant selection and recruitment are open, transparent, and free from political intervention, including filling positions for promotion, rotation, and determining career patterns. Government employees must be recruited, hired, and given the support and resources necessary to improve their skills continually. Significant capacity building and commitment must be a key component in efforts to expand, refine, and consolidate public service reform (Nigro & Kellough, 2006).

There are five competencies required by civil servants to perform highly, including increasing the efficiency of providing public services, complying with the rule of law, enforcing public policies, and maintaining integrity (Mulaphong, 2023). Meanwhile, the adaptation of the merit system has weaknesses when the competitiveness of bureaucratic employees becomes low because there are no competitors who can be used as a benchmark for competence, expertise, and professionalism in certain areas of work. As a result, the productivity and performance of government human resources become stagnant, ineffective, and inefficient in providing public services (Mau, Subarsono, & Purbokusumo, 2020).

The merit system has the important characteristic of fair and open competition. So, in obtaining a job or position in government, employees must undergo a well-structured screening process, and decisions must be made based on knowledge, skills, and abilities that align with the position's requirements (Kong & Su, 2020).

Capabilities, often equated with competencies and skills, are fundamental to effective governance. In a world that continues to change and faces complex challenges (VUCA), governments must be supported by individuals with the skills, knowledge, and experience to solve public problems. Whether it is economic policy, national security, health care, or environmental issues, the capabilities of government officials play a critical role in shaping policies, implementing programs, and solving problems.

Meritocracy in government is not about arbitrary selection but rather a systematic and careful evaluation of a person's abilities and qualifications. This aims to ensure that

individuals entrusted with the government are ready to carry out their roles and have the skills to make appropriate and responsible decisions.

Transparency and Impartiality

Transparency and impartiality are prerequisites for a meritocratic society. Leaders must realize that development can occur if impartial and transparent services provide equal treatment to every member of a community (Kim & Choi, 2017). As stated by Young, there are two main categories in meritocracy: competition and equality of opportunity (Talib & Fitzgerald, 2015). So, to form an ideal meritocratic society, there needs to be a fair, transparent system that can prevent corruption.

In implementing merit-based public services, a transparent and logical organizational structure must clearly identify positions and state the roles and what work must be done in those positions. This ensures that creating jobs to be filled is carried out with the right intentions and based on functional needs. The existence of clear procedures for recruitment and promotion, ensuring transparency in the selection process, including checks and balances, and an appeals process in the event of arbitrary actions are elements that can ensure that an effective merit system can be achieved (UNDP, 2015).

In simple terms, merit is defined as the best person for a particular job, where someone is chosen for a position because of their qualities and abilities, not because of non-merit factors such as ethnicity, religion, family, friends, region, social class, gender, wealth, politics, etc. Systematic, transparent, and competitive means that appointing the best people is carried out systematically, transparently, and competitively (McCourt, 2000).

Transparency is the anvil of a meritocratic society, and impartiality goes hand in hand with transparency. Transparency ensures that information is freely available, enabling individuals to assess and evaluate their opportunities and make informed decisions. Meanwhile, impartiality means making decisions without favoritism, discrimination, or bias. In such an environment, candidates for various positions, whether in education, employment, or public office, must have access to the same information. The path to success becomes fairer when decisions are free from these distortions. Meritocracy can thrive when individuals are evaluated solely on their qualifications and abilities, not personal connections or superficial characteristics.

Empowerment

A merit system-based climate can be created due to the quality of performance feedback and empowerment, which is mediated by trust in supervisors and perceptions of procedural justice (Lee, 2020). Empowering government employees will lead to the development of skills and self-confidence. By enabling employees to use their decision-making abilities, governments can identify, and reward talent based on merit. This encourages innovation and efficiency while reducing bureaucracy and inefficiency.

There are many ways to build employee engagement and empowerment. For example, employees who have their superiors consulted directly will have a favorable view of the individual's influence on their work environment (Tangirala & Ramanujam, 2012).

An organizational culture that is results-oriented, involving empowerment and inclusiveness, and ensures that unit and individual performance is linked to organizational goals is part of the conceptual framework, guidelines, and instructions on achieving success in building a human resource foundation (Rainey, 2006).

Empowerment involves giving employees responsibility to make decisions within their area of expertise. This sense of belonging can motivate employees because they feel

that their work directly impacts the organization's goals. When employees have control over their tasks and are responsible for the results, they tend to strive for the best. This empowerment can be the basis for a merit system because by feeling ownership of their work, employees will be prouder of their achievements and actively seek recognition and appreciation.

Empowerment brings a clear sense of responsibility and accountability. This sense of responsibility can encourage individuals to do their best to ensure positive outcomes. By demonstrating accountability for their work results, organizations create an environment where actual accomplishments and contributions measure achievement. The merit system then becomes a way to recognize and reward those who consistently meet or even exceed the performance of their responsibilities.

Leadership

Several notable figures encourage the need for a merit system, and the results can be seen clearly. Meritocratic ideals are closely woven into how many think about fairness and justice. The call for equality of opportunity and the importance of *Leistung* (performance) also align with the wishes of German Chancellor Angela Merkel and her successors (Rohde, 2023). Under her leadership, Germany promoted a system that rewards achievements and qualifications, especially in education and research. The emergence of the Pendleton Act in 1883 by Abraham Lincoln also brought about a shift from patronage to a merit system in the federal government. It reflected significant institutional changes in the recruitment and administration of the federal workforce (Johnson & Libecap, 1994). In this merit system, most jobs in the bureaucracy are tied to organizational needs and not to the political needs of party leaders or political leaders.

There is also Lee Kuan Yew, associated with extraordinary transformation and even surpassing meritocratic public services. Because of his long-term vision, a small republic with no natural resources could be shaped into one of the best-governed countries in the world. The essence of this success is his understanding of the need for good public administration, which requires the creation of a public service ethos that is "clean, efficient, effective, and extraordinary" (Everest-Philipps, 2015)

High meritocracy will result in a better quality of democracy in a country. Socio-economic inequality will decrease and result in a safer and more stable society. Singapore is the most dominant country because of its favorable policy context and effective public bureaucracy. The attention to meritocracy and training in Singapore's public bureaucracy has resulted in notable personnel competency in implementing policies (Jones, 2016).

Concerning preventing corruption and strengthening integrity, corruption can be controlled, not least because bureaucrats who are recruited based on a merit system are better than politically appointed officials. However, bureaucrats in a merit system have different characteristics and qualifications than political appointments. In this case, the role of leadership in developing a merit-based system and strengthening integrity cannot be underestimated.

Effective leadership will set direction, communicate expectations, and foster a culture of excellence and fairness within the organization. By implementing strategies emphasizing transparency, recognition, accountability, and continuous improvement, leaders can create an environment where employees are motivated to do their best, increasing organizational success and employee satisfaction.

Conclusion

Based on the results of the study, it can be concluded that implementing the merit system is expected to change the form of patronage and prevent potential corruption, especially nepotism, in occupying a position in government. Efforts to encourage the implementation of the merit system will be related to aspects of strengthening capacity and capability, openness and impartiality, empowerment, and effective leadership. Facilitating the performance of a merit system in the workplace will not only grow employees who are professional and capable of carrying out their duties but will foster better conditions in society and will have a broader positive impact both at the regional and national levels.

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