

ARTICLE

The Impact of Regional Institutional Bureaucracy Restructuring from the Perspective of Capacity Building: A Case Study of East Nusa Tenggara Province of Indonesia

Indriyati* and Paulus Adrianus K.L Ratumakin

Public Administration Study Program, Faculty of Social and Political Sciences, Universitas Katolik Widya Mandira, Kupang, Indonesia

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ABSTRACT

This study aims to analyze the impact of restructuring regional institutional bureaucracy from a capacity-building perspective, focusing on the case of the East Nusa Tenggara Provincial Government, a border region adjacent to Timor-Leste. In the context of institutional reform, this research evaluates the implementation strategies, processes, and outcomes of regional organizational restructuring in border areas, where Government Regulation (PP) No. 18 of 2016 lacks provisions for border affairs management, creating unique coordination challenges with the Ministry of Home Affairs. The research employs a qualitative approach, using data collected through interviews with 11 key informants, observations, and documentation spanning 2016-2024. The results indicate that restructuring follows right-sizing principles, reducing the regional apparatus from 42 to 38 units while strategically accommodating border coordination functions. However, the primary challenge in building bureaucratic capacity lies in the lack of strong political commitment from local leadership. Critically, following border governance resolution, public service innovations surged from zero (pre-2022) to 122 innovations during 2023-2024. This study proposes a four-dimensional capacity-building framework for border provinces, adding Geopolitical Institutional Adaptation as a fourth dimension to the conventional dimensions. To achieve effective institutional reform, synergy between reform policies, geopolitical considerations, and institutional capacity is required to create an efficient bureaucracy responsive to public needs.

A. INTRODUCTION

Indonesia's bureaucratic reform through regional institutional restructuring has emerged as a critical governmental priority. The President's inaugural address emphasized a commitment to improving bureaucratic quality through central policies and reducing the tiers III and IV echelons. This reduction carries significant implications for local governance, affecting bureaucratic performance, human resource allocation, and potential organizational resistance. Successful implementation requires comprehensive preparation through organizational strengthening, focusing on management systems that enhance operational performance and microstructures (Grindle & Thomas, 1991).

* Corresponding Author

Email : indrisutrisno770@gmail.com

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Pusjar SKPP-Lembaga Administrasi Negara, Indonesia.

Bureaucratic reform encompasses structural, functional, and behavioral improvements in public administration. Primary objectives include enhancing efficiency and effectiveness, promoting democratic norms, building consensus, and ensuring justice within public service institutions (Sarker & Zafarullah, 2020). From a new institutionalist perspective, trust, rules, and norms fundamentally shape organizational design and behavior. Organizations pursue institutional conformity to achieve legitimacy, reduce uncertainty, and improve operational clarity. Contemporary institutional theory identifies legitimacy as the primary driver motivating organizational environmental adaptation (Salomo & Rahmayanti, 2023). Organizational strengthening enables bureaucracies to address persistent governance challenges amid environmental dynamics.

A persistent challenge involves bureaucratic pathologies within Indonesia's administrative system. Smith categorizes these pathologies into two types (Frederickson et al., 2018). First, bureaucratic dysfunction relates to structural elements, rules, and procedures that hinder performance and are directly connected to institutional quality. Second, poor administration involves behaviors such as bribery, corruption, insensitivity, and arrogance, reflecting deficiencies in human resource quality. These pathologies manifest through rigid administrative processes and excessive procedures, creating budgetary inefficiencies (Newman et al., 2022) and diminishing public trust due to declining governmental integrity. Tax institutions exemplify bureaucratic pathology when officials fail to enforce regulations appropriately (Ormeño-Pérez & Oats, 2023).

Developing governmental capacity remains essential for restoring and maintaining public trust. Bureaucratic capacity development aims to improve efficiency, effectiveness, and performance responsiveness by strengthening human resources, organizational systems, and institutional reforms, potentially initiated at the local level (Grindle & Thomas, 1991). Capacity development correlates with bureaucratic levels. Greater autonomy enables bureaucracies to enhance capacity without excessive political interference, facilitating performance improvement initiatives (Ormeño-Pérez & Oats, 2023). While conventional capacity-building frameworks effectively support most Indonesian provinces in implementing restructuring, they neglect a critical variable: geopolitical positioning.

In July 2016, the Ministry of Home Affairs issued Government Regulation Number 18 of 2016 (PP 18/2016) on regional apparatus, replacing Government Regulation Number 41 of 2007 (President of the Republic of Indonesia, 2007; Republic of Indonesia, 2016). PP 18/2016 mandates that provincial governments reorganize regional apparatuses to suit local conditions, needs, and budgetary capacity, thereby improving public service performance (President of the Republic of Indonesia, 2014; Republic of Indonesia, 2016). However, implementation reveals differential challenges across provinces with varying geographic and political contexts.

Critically, PP 18/2016 lacks explicit border affairs regulation, creating regulatory gaps for geopolitically sensitive provinces like East Nusa Tenggara (NTT), which borders Timor-Leste internationally. This omission creates institutional ambiguity, requiring ad hoc negotiations and informal arrangements for border-related administrative and security matters beyond the scope of standardized restructuring frameworks. This regulatory gap necessitates close coordination with the Ministry of Home Affairs to resolve jurisdictional uncertainties in border management, which represent institutional burdens absent in interior provinces.

This reality exposes gaps in capacity-building literature. Seminal works by Grindle and Thomas (1991) and Neo and Chen (2007) on dynamic governance address human resources, organizational systems, and institutional reform but inadequately consider the geopolitical complexities of border regions. Border provinces must simultaneously manage local administration, coordinate central government border infrastructure, and navigate frameworks that were designed without consideration of their distinctive security, diplomatic, and developmental requirements.

This study extends existing frameworks by introducing a fourth dimension: "Geopolitical Institutional Adaptation," referring to border governments' capacity to negotiate and adapt national policies inadequately accommodating geographic-political specificities. This study analyzes the impact of regional bureaucratic restructuring on capacity development and bureaucratic performance in East Nusa Tenggara Province, emphasizing the geopolitical and institutional adaptation processes required to implement PP 18/2016 in border contexts.

B. LITERATURE REVIEW

Bureaucratic Restructuring in Indonesia: Policy Context and Reform Objectives

Bureaucratic restructuring and institutional reform in Indonesia respond to criticisms regarding policy design and implementation quality. The collaborative report by the Ministry of National Development Planning/Bappenas and the Australian Government documents significant reforms undertaken in recent years ([Kristiana et al., 2021](#)). These reforms commenced during Indonesia's democratic transition and intensified under President Joko Widodo's administration, which prioritized bureaucratic reform in the National Medium-Term Development Plan (2020-2024).

The reform agenda addresses deficiencies in public service delivery and in the quality of policy design. [Sutmuller and Setiono \(2011\)](#) identify political expediency frequently superseding evidence-based policy-making, prompting a shift toward performance-based selection and promotion. This transition forms part of a "Grand Design" for bureaucratic reform aimed at establishing functional roles where recruitment and promotion depend on expertise and merit ([Dwiyanto, 2015](#)). The reform objectives include building public trust and eliminating negative perceptions of bureaucracy, such as inefficiency, red tape, and corruption, to achieve a professional civil service and good governance ([Singh, 2023](#); [Thomas, 2012](#)).

Governance is the theoretical foundation

Governance encompasses three interrelated dimensions: economic (resource management and distribution), political (policy formulation processes), and administrative (implementation systems and processes) ([Elfert & Ydesen, 2023](#); [Graham et al., 2003](#); [Rosenau, 2021](#)). This study adopts socio-cybernetics approach, which posits that effective public policy outcomes require synergy among government bodies, civil society, and the private sector rather than relying solely on government ([Brahmasari & Sukristyanto, 2023](#)). This collaborative governance perspective proves particularly relevant for understanding bureaucratic restructuring, as reform effectiveness depends on multi-stakeholder coordination.

Good governance incorporates accountability, transparency, openness, and the rule of law ([Dutta, 2024](#)). The UNDP framework identifies critical characteristics, including participation, transparency, responsiveness, equity, effectiveness, and accountability ([Thomas, 2012](#)). However, local government implementation encounters significant barriers. [Mardiasmo et al. \(2008\)](#) identify nine major obstacles: communication barriers, lack of implementation guidelines, leadership influence, human resource constraints, political history, local customs, remuneration issues, absence of minimum public service standards, and insufficient society involvement.

In July 2016, the Ministry of Home Affairs issued Government Regulation Number 18 of 2016 (PP 18/2016) concerning regional apparatus, mandating provincial governments to reorganize according to existing conditions, local needs, and budgetary capacity, following right-sizing principles to create functionally appropriate and financially feasible structures ([Republic of Indonesia, 2016](#)). This policy serves as the primary instrument for translating Indonesia's national vision for bureaucratic reform into regional implementation.

Capacity Building Framework

Capacity building in local government enhances institutional ability to adapt to dynamic environments. Grindle and Thomas (1991) establish the foundational framework, identifying three core dimensions: (1) human resource development, focusing on recruitment, training, and professional development; (2) organizational strengthening, emphasizing management systems; and (3) institutional reform, addressing changes in existing systems and structures.

Neo and Chen (2007) introduced the Dynamic Governance framework, which provides insight into how governments can continuously adapt their policy formulation and execution methods, as shown in Figure 1 (Bohn & Toh, 2025). Dynamic Governance comprises Dynamic Capabilities (the organizational ability to adapt resources and processes through Able People and Agile Processes) and Institutional Cultures (the organizational environment that supports adaptive processes through Thinking Ahead, Thinking Again, and Thinking Across). The framework emphasizes that effective capacity building requires both the development of dynamic capabilities and a supportive institutional culture.

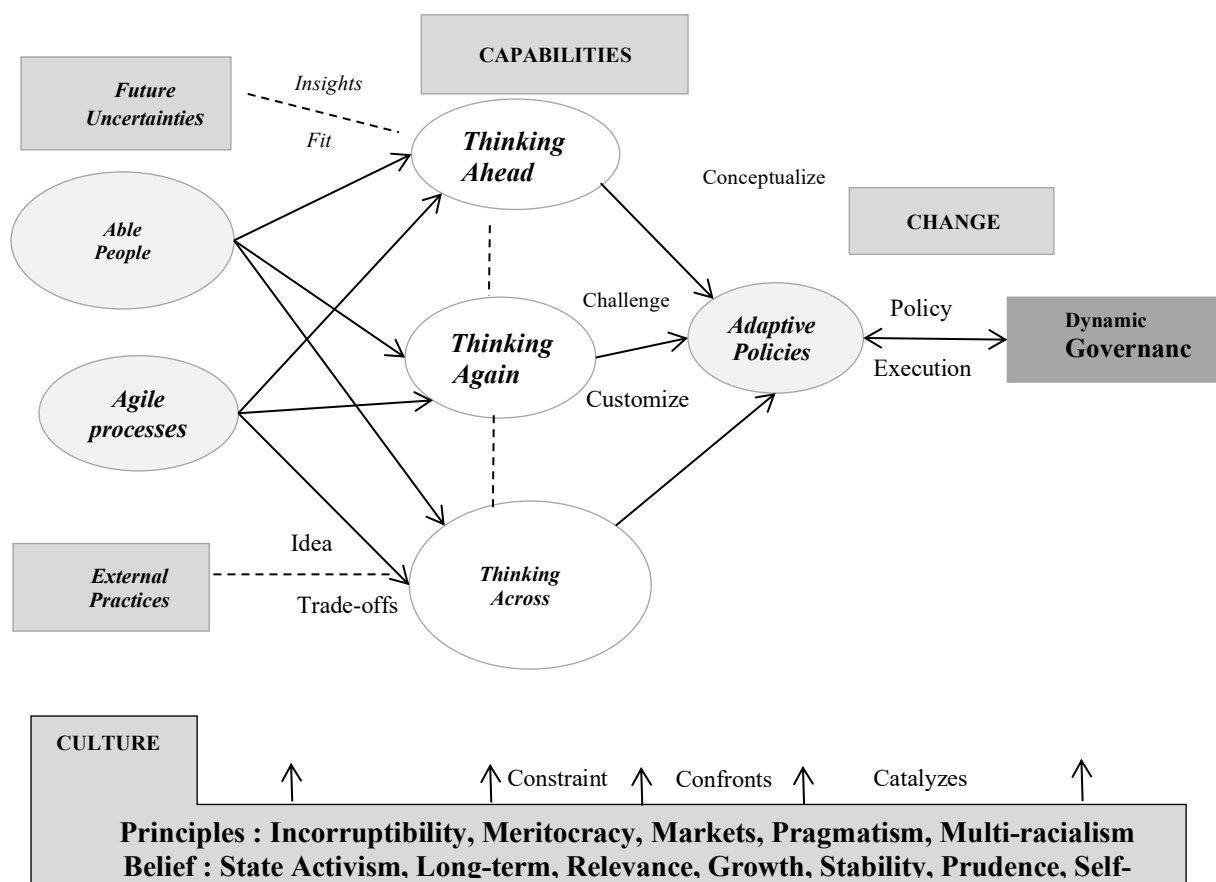


Figure 1. Capability Building and Dynamic Governance

These conventional frameworks share a common assumption: capacity building challenges are primarily technical, administrative, or organizational. They implicitly assume relatively uniform governance contexts across subnational units, in terms of resource availability, leadership quality, and organizational design, the primary variables. This assumption proves problematic when applied to subnational governments in geopolitically sensitive contexts, where territorial positioning fundamentally alters the logic of governance.

Governance Challenges in Border Regions: A Geopolitical Perspective

The existing literature, including works by [Grindle and Thomas \(1991\)](#) and [Neo and Chen \(2007\)](#), inadequately addresses the complexity of border regions with distinct geopolitical dimensions. These frameworks overlook the unique challenges provincial governments face in geopolitically sensitive areas, where national sovereignty concerns and cross-border dynamics fundamentally shape bureaucratic operations and policy implementation.

Border regions face complex governance environments that require the simultaneous management of security imperatives, local development needs, and cross-border dynamics. Research demonstrates that border areas must balance national security requirements with economic development while managing structural barriers and regulatory fragmentation that impede effective governance ([Downes et al., 2024](#); [Scalera & Perri, 2024](#); [Yu & Wang, 2025](#)). Contemporary research identifies 12 critical factors across four dimensions (territorial, resources, institutional, and political-regulatory) that demonstrate multidimensional complexity extending beyond traditional capacity-building models ([Krüger et al., 2024](#)).

Recent studies emphasize that institutional quality serves as a fundamental determinant of resilience in border regions, with strong institutional frameworks enabling border communities to transform geographical constraints into strategic opportunities through practical cross-border cooperation ([Krüger et al., 2024](#); [Scalera & Perri, 2024](#)). However, border regions systematically face governance deficits due to their peripheral position in national development priorities and the absence of specialized regulatory frameworks. Cross-border data governance research reveals that regulatory fragmentation creates significant compliance challenges, including duplicated efforts, higher costs, and potential gaps when navigating multiple jurisdictions ([Yu & Wang, 2025](#)).

Geopolitical considerations fundamentally alter the logic of policy design and implementation in border regions. Recent analysis demonstrates that interstate relations are increasingly characterized by geoeconomic competition, in which economic statecraft becomes central to foreign policy objectives ([Hurrell, 2024](#); [Moura et al., 2025](#)). Border regions, situated at the interfaces of sovereign states, face heightened exposure to these geopolitical tensions, necessitating sophisticated institutional capabilities to navigate shifting interstate relations and manage weaponized interdependence ([Hurrell, 2024](#)). Border provinces cannot simply implement nationally designed policies in a standardized fashion; instead, they must engage in continuous negotiation with central authorities to adapt policies to local geopolitical realities.

Indonesia's border provinces: The regulatory gap. Government Regulation Number 18 of 2016 does not explicitly regulate border affairs, creating a critical regulatory gap necessitating special coordination with the Ministry of Home Affairs. This omission proves particularly consequential for provinces such as East Nusa Tenggara (NTT), which shares an international border with Timor-Leste. The absence of specific provisions creates institutional ambiguity, necessitating ad hoc negotiations to address border-related administrative and security matters. Indonesia has five provinces with international borders (NTT, Papua, West Papua, North Kalimantan, and Riau Islands), yet Government Regulation No. 18/2016 treats all provinces identically, assuming uniform governance contexts.

Research Gap and Theoretical Proposition: The Fourth Dimension

The preceding review reveals a critical gap in capacity building theory. Conventional frameworks identify three dimensions (human resource development, organizational strengthening, and institutional reform) ([Grindle & Thomas, 1991](#)) or emphasize dynamic capabilities and institutional cultures ([Neo & Chen, 2007](#)). However, neither framework addresses the capacity requirements of border provinces as they navigate geopolitical

constraints. This study proposes extending capacity building theory to incorporate a fourth dimension: Geopolitical Institutional Adaptation.

Geopolitical Institutional Adaptation refers to border regional governments' capacity to negotiate and adapt national policies that inadequately accommodate their geographic and political specificities. This dimension encompasses four key capabilities: (1) identifying regulatory gaps in national policies failing to address border-specific governance functions; (2) negotiating jurisdictional ambiguities through inter-governmental coordination; (3) designing institutional arrangements balancing local governance needs with national security and international relations imperatives; and (4) establishing cross-border coordination mechanisms operating across multiple authority levels and international boundaries.

While traditional capacity-building frameworks emphasize technical, organizational, and political capacity, the geopolitical institutional adaptation dimension recognizes unique challenges in translating centrally designed policies into locally appropriate implementation. This adaptation involves bureaucratic flexibility and strategic engagement with national authorities to secure policy adjustments, resource allocations, and regulatory accommodations that reflect the distinctive security, diplomatic, and developmental imperatives of border provinces.

The capacity to navigate geopolitical constraints emerges as a critical mediating factor determining how national reform initiatives translate into local institutional outcomes in border provinces. In NTT's implementation of Government Regulation No. 18/2016, this fourth dimension is empirically observable in the province's need to coordinate with the Ministry of Home Affairs to resolve organizational positioning in border affairs, reflecting institutional work beyond the standardized restructuring process. This theoretical proposition will be examined through an empirical analysis of NTT's restructuring experience, detailed in the subsequent sections.

C. METHOD

Research Design

This study employs a qualitative case study approach to examine the implementation process, strategies, and outcomes of the organizational restructuring of the regional apparatus in NTT Province, Indonesia. The case study design is appropriate for analyzing the implementation of a bureaucratic restructuring policy in a border province adjacent to Timor-Leste, where Government Regulation Number 18 of 2016 does not explicitly address the management of border affairs. This qualitative methodology enables holistic analysis of institutional adaptation processes within geopolitically sensitive regions (Creswell & Creswell, 2018).

Research Context and Timeline

The study was conducted in NTT Province, focusing on the Provincial Secretariat and regional apparatus units engaged in the restructuring mandated by Government Regulation No. 18/2016. Data collection occurred in two phases: (1) a preliminary survey in June 2016 during the pre-proposal stage to assess initial restructuring planning, and (2) primary fieldwork from July to September 2023 to evaluate implementation outcomes and institutional impacts seven years post-restructuring. This longitudinal approach permits examination of both immediate implementation processes and longer-term capacity development outcomes.

Participant Selection and Sampling Strategy

Purposive sampling was employed to select participants based on their direct involvement and knowledge of the restructuring process. Selection criteria included: (1) formal authority in

restructuring policy formulation or implementation; (2) technical expertise in organizational design, legal drafting, or budget allocation; and (3) legislative oversight responsibilities. This strategy ensured access to informants representing policy design, technical implementation, and political legitimization phases. Eleven key informants participated across three institutional clusters (Table 1). Data saturation was achieved after the eleventh interview when subsequent informants provided confirmatory rather than novel information.

Table 1. Research Informants and Selection Criteria

Informant Category	Position	Number	Selection Rationale	Interview Period
Executive Leadership	Provincial Secretary (Sekda)	1	Strategic oversight of the entire restructuring process; coordination with the Ministry of Home Affairs on border affairs	July 2023
Bureau-Level Technical Actors	Head of Bureau of Organization; Head of Bureau of Legal Affairs; Head of Bureau of Governance; Head of Bureau of Economy	4	Technical design of organizational structure; legal drafting of regional regulations; border affairs coordination; economic impact assessment	July-August 2023
Agency-Level Technical Actors	Head of Regional Finance Agency (Badan Keuangan Daerah); Head of Division for Institutional Analysis and Job Analysis	2	Budget allocation for restructured apparatus; technical analysis of institutional capacity and position requirements	August 2023
Legislative Oversight Actors	Chair of the Regional People's Representative Council (DPRD); Chairs of three DPRD Commissions	4	Political approval and oversight; representation of constituent interests in restructuring decisions	September 2023
Total	11 using Purposive sampling based on decision-making authority and technical expertise (July-September 2023)			

The saturation criterion was applied during data collection, whereby interviews continued until no new themes or insights emerged from additional informants. Saturation was determined after the eleventh interview, when the final three legislative informants provided confirmatory rather than novel information regarding restructuring processes and outcomes.

Data Collection Instruments and Procedures

Data collection utilized three techniques standard in qualitative research: in-depth interviews, observation, and documentation (Taylor et al., 2015). This triangulated approach provided comprehensive information to address research questions.

Primary Data: Semi-Structured In-Depth Interviews

Interview protocols were organized around five thematic areas: (1) policy environment and regulatory context necessitating restructuring, including gaps in PP 18/2016 regarding border affairs; (2) implementation stages, actors, and coordination mechanisms, particularly negotiations with the Ministry of Home Affairs; (3) institutional strategies for navigating regulatory ambiguities in border province contexts; (4) changes in regional apparatus

configuration and position allocations; and (5) border governance arrangements and structural outcomes.:

1. Background and Context: Understanding the policy environment necessitating restructuring, including the regulatory gap in PP 18/2016 regarding border affairs management
2. Implementation Process: Documenting the stages, actors, and coordination mechanisms involved in restructuring, with particular attention to negotiations with the Ministry of Home Affairs
3. Strategies and Adaptations: Identifying institutional strategies employed to navigate regulatory ambiguities specific to border province contexts
4. Outcomes and Structural Changes: Assessing changes in regional apparatus configuration, position allocations, and border governance arrangements
5. Outcomes and Structural Changes: Assessing changes in regional apparatus configuration, position allocations, and border governance arrangements

Questions were designed with flexibility to explore emergent themes through probing. Each interview lasted 60 to 90 minutes, was audio-recorded with consent, and transcribed verbatim. Transcripts totaled approximately 180 pages of single-spaced text.

Secondary Data: Document Analysis

Documentary evidence was systematically analyzed to triangulate interview data, including: Government Regulation No. 18 of 2016; Law No. 23 of 2014 on Regional Government (Article 361 on border management authority); Regional Regulations No. 9 of 2016 and No. 1 of 2019 on Regional Apparatus Organization; Academic Manuscript for Regional Apparatus Restructuring; Provincial Medium-Term Development Plan 2018 to 2023; Gubernatorial Decrees on Innovation Climate Building (2022); budget documents and position allocation tables (2016, 2018, 2023 to 2024); and innovation registry data from the Bureau of Organization (2023 to 2024). Analysis focused on tracing decision-making processes, identifying regulatory gaps, and quantifying structural changes in apparatus configuration and innovation outcomes.

Observational Data

Direct observation was conducted during: (1) submission sessions for the draft Regional Apparatus Organizational Restructuring Regulation to DPRD; (2) public consultations on the Provincial Medium-Term Development Plan 2018 to 2023; and (3) site visits to the Bureau of Organization to examine documentary archives and organizational charts. Observational field notes supplemented interview and documentary data.

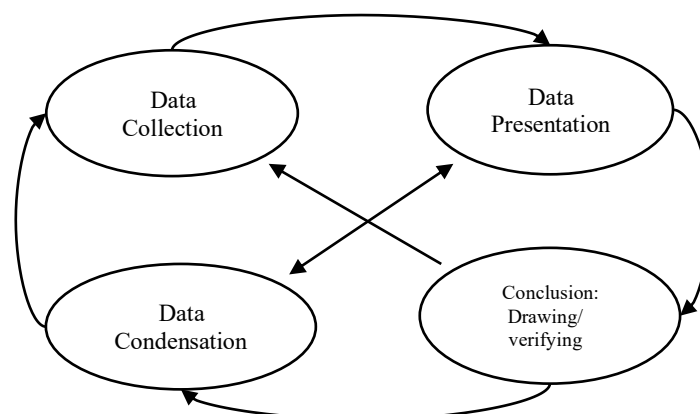


Figure 2. Data Analysis Scheme (interactive model) (Miles et al., 2013)

1. Data Collection

An interactive model of data analysis was employed following [Miles et al. \(2013\)](#), involving continuous engagement with qualitative data until saturation. The analysis comprised four stages (Figure 2).

2. Data Condensation:

Large volumes of qualitative material were systematically sharpened and organized to enable thematic development and interpretation. Key themes and recurring patterns related to (1) regulatory interpretation and gaps, (2) inter-governmental coordination, (3) organizational adaptation strategies, (4) political commitment and leadership, and (5) innovation capacity outcomes were identified and retained. Irrelevant or duplicative data segments were excluded to maintain analytic clarity and focus.

3. Data Presentation:

Data were organized into multiple display formats: chronological matrices tracing restructuring phases from policy issuance (2016) through implementation (2018) to capacity building outcomes (2022 to 2024); role-ordered matrices comparing perspectives across executive, technical, and legislative informants; thematic tables organizing coded segments by analytical theme; and process flowcharts mapping decision-making pathways and inter-institutional coordination. These displays facilitated a systematic comparison between NTT's border-province experience and the conventional restructuring processes documented by [Ningsih et al. \(2015\)](#) for Manado and by [Setya et al. \(2023\)](#) for Maros.

4. Conclusion Drawing/Verifying:

Preliminary interpretations underwent multiple verification procedures: triangulation across interview, documentary, and observational data sources; member checking with three key informants (Provincial Secretary, Head of Bureau of Organization, DPRD Chair); negative case analysis searching for disconfirming evidence; and peer debriefing with academic colleagues specializing in public administration and regional governance. These procedures enhanced credibility and trustworthiness, ensuring conclusions were grounded in robust empirical evidence.

Research Ethics

Informants provided informed consent with assurances regarding confidentiality and voluntary participation. Although direct quotations appear in the Results section, informants' identities are protected by using positional titles rather than personal names. All procedures received institutional ethics approval from Widya Mandira Catholic University.

Limitations

Several limitations warrant acknowledgment: (1) the single-case design limits generalizability to non-border provinces or other countries; (2) the seven-year gap between implementation (2018) and primary data collection (2023) may introduce recall bias; (3) the study primarily accessed executive and legislative elites, underrepresenting frontline civil servants and service recipients; (4) innovation outcomes are assessed over only two years (2023 to 2024), limiting assessment of longer-term impacts. These limitations are addressed through methodological transparency, triangulation, and explicit acknowledgment of the study's exploratory and context-specific nature.

D. RESULT AND DISCUSSION

Restructuring Context and Structural Position Analysis

Government Regulation Number 18 of 2016 mandates the formation of regional apparatuses based on mapping Mandatory and Optional Government Affairs. The East Nusa Tenggara Province document (BO.061/169/VIII/2016) explains that this mapping determines the organizational structure and the apparatus workload, and is supported by an online information system at facilitate.otda.kemendagri.go.id.

Table 2 shows a net increase of 86 structural positions (from 1,094 to 1,180), which runs counter to conventional downsizing objectives. This expansion reflects NTT's strategic emphasis on strengthening the technical capacity of middle and lower management. Specifically, Echelon III-b positions increased from 10 to 95 (850% increase), and Echelon IV-a expanded from 754 to 823 (9.1% increase), while Echelon III-a decreased from 276 to 208 (24.6% reduction).

Table 2. Design of Structural Positions Based on the Results of Regional Apparatus Organizational Restructuring

No.	Descriptions	Total	
		Actual Situation	Results of Restructuring
1	Number of Structural Positions	1. 094	1. 180
2	Breakdown of the Number of Structural Positions		
	Each echelon:	1	1
-	Echelon I-b	42	42
-	Echelon II-a	11	11
-	Echelon II-b	276	208
-	Echelon III-a	10	95
-	Echelon III-b	754	823
-	Echelon IV-a		
3	Assistant	3	3
4	Regional Council Secretary	1	1
5	Supervisory Organization	1	1
6	Services	17	26
7	Company	14	8
8	City Police	1	1
9	Dr. W. Z. Johannes Regional General Hospital	1	1
10	Indonesian Civil Servants Corps(KORPRI)	1	1
11	Bureau	9	9
12	Offices	3	0
13	Mutis Model XIX Protected Forest Management Unit	1	0
14	Indonesian Regional Broadcasting Commission	1	0
15	Technical Implementation Unit	62	85
16	Expert Staff	5	3

Source: Bureau of Organization, Provincial Secretariat of East Nusa Tenggara; Regional Regulation No. 9/2016 and No. 1/2019

This vertical extension served three institutional purposes. First, following the dissolution and integration of the Border Management Agency into the Bureau of Governance, additional technical positions were required for border coordination functions. The Head of the Bureau of Organization stated that merging border management necessitated the creation of new technical

positions for inter-district coordination and liaison with the central government, without eliminating border-related responsibilities. Second, the increase in Services (17 to 26) and Technical Implementation Units (62 to 85) required a proportional increase in technical and supervisory positions to maintain service-delivery capacity consistent with the typology framework set out in Government Regulation No. 18/2016. Third, prioritizing technical-functional positions over leadership roles, aligned with bureaucratic reform principles emphasizing an expertise-based organization.

Budget analysis indicates personnel expenditure increased 12% during 2018-2019 compared to 2016-2017. However, apparatus consolidation (the agency reduced from 14 to 8, three Offices eliminated) partially offset this increase. By 2020-2021, personnel expenditure stabilized at 2017 levels despite an increase in positions, with the cost per service unit decreasing by 8% between 2019 and 2021, indicating improved organizational productivity.

Border Governance Challenge: Regulatory Gaps and Institutional Adaptation

The Regulatory Gap in Government Regulation No. 18/2016

The implementation of Government Regulation No. 18/2016 in NTT revealed inconsistencies between national restructuring regulations and the requirements of border provinces. Although PP 18/2016 provided comprehensive restructuring guidelines, it omitted provisions on border affairs management. This gap proved problematic, given that Law No. 23 of 2014 (Article 361) stipulates that border management is a central government authority, with provincial governments exercising functions only through the Governor as the central government representative.

This legal ambiguity created institutional uncertainty about the positioning of border management within NTT's restructured apparatus. Resolution required geopolitical institutional negotiation between the NTT Provincial Government and the Ministry of Home Affairs. The strategic solution involved integrating the Border Management Agency into the Bureau of Governance, justified because the provincial border authority is limited to inter-district coordination, while international border management (including PLBN Motaain, Motamasim, and Wini) falls under central government jurisdiction.

Figure 3 presents the restructuring recommendation model. Table 3 provides a comparative analysis demonstrating that border provinces face systematic disadvantages and additional institutional burdens compared to non-border provinces that implement standardized restructuring mandates.

Table 3. Comparative Analysis of Bureaucratic Restructuring: Border Province vs. Non-Border Provinces

Dimension	Dimension	Non-Border Provinces	Border Province (East Nusa Tenggara)
1. Regulatory Framework	PP 18/2016 provides comprehensive guidance for apparatus restructuring	PP 18/2016 lacks explicit provisions for border affairs management	Consultation with the Ministry of Home Affairs to clarify jurisdictional boundaries between provincial and national authorities
2. Institutional Restructuring Process	Straightforward merging/separation of agencies based on PP 18/2016 typology	Ambiguity regarding Border Management Agency status and positioning Overlapping authority: provincial vs. central government border management (Law 23/2014 Article 361)	Negotiation of institutional positioning; strategic integration of border agency into the Bureau of Governance
3. Jurisdictional Clarity	Clear delineation of provincial authority under PP 18/2016		Inter-governmental coordination to define provincial vs. national border responsibilities

4. Cross-Border Coordination	Not applicable	Coordination with 3 Cross-Border Posts (PLBN) under the central government operation	Establishment of coordination protocols with the national border management infrastructure
5. Geopolitical Considerations	Minimal	High: border security, international relations with Timor-Leste, national sovereignty concerns 4 dimensions: HR, Organizational Systems, Institutional Reform, + Geopolitical Institutional Adaptation	Integration of geopolitical risk assessment into organizational design decisions
6. Capacity Building Dimensions	3 dimensions: Human Resources, Organizational Systems, Institutional Reform	Extended timeline: 18-24 months due to the need for jurisdictional clarification Strategic increase (1,094 → 1,180) to accommodate border coordination functions Initial 12% increase in personnel expenditure (2018-2019), stabilized by 2020-2021	Additional dimension: navigation of regulatory gaps through inter-governmental negotiation
7. Implementation Timeline	Standard timeline as per PP 18/2016 (6-8 months)		An additional 6-12 months for Kemendagri consultation and border affairs resolution
8. Position Allocation Strategy	Generally, downsizing or neutral position changes		86 additional positions primarily at technical levels (Echelon III-b: +85; IV-a: +69)
9. Budget Impact	Typical reduction of 5-10% operational costs		Higher short-term costs offset by medium-term efficiency gains; cost-per-service decreased 8% by 2021

Source: Compiled from NTT provincial government documents, interview data with 11 key informants, and comparative literature (Ningsih et al., 2015 on Manado; Setya et al., 2023 on Maros)

Figure 3 shows the recommendation model for the restructuring of East Nusa Tenggara (NTT) Province. It presents a distinctive case in Indonesia's regional bureaucratic restructuring, given its geopolitical position as a border region adjacent to Timor-Leste. This geographical characteristic introduced unique governance challenges during the implementation of Government Regulation No. 18 of 2016 on Regional Apparatus Restructuring, revealing a critical regulatory gap that necessitated institutional adaptation beyond conventional capacity-building frameworks.

Innovation Capacity Outcomes: From Institutional Stabilization to Service Innovation

Table 4 documents the temporal evolution of border governance arrangements (2016-2024) and their impact on organizational capacity. Following institutional stabilization in 2018-2021, NTT experienced a dramatic transformation in its capacity for innovation. Before 2022, no formal public service innovations were documented. However, following the 2022 Innovation Climate Building initiative, NTT recorded 68 innovations in 2023 (29 provincial, 39 district/municipal) and 54 in 2024 (14 provincial, 40 district/municipal), for a total of 122 innovations over two years.

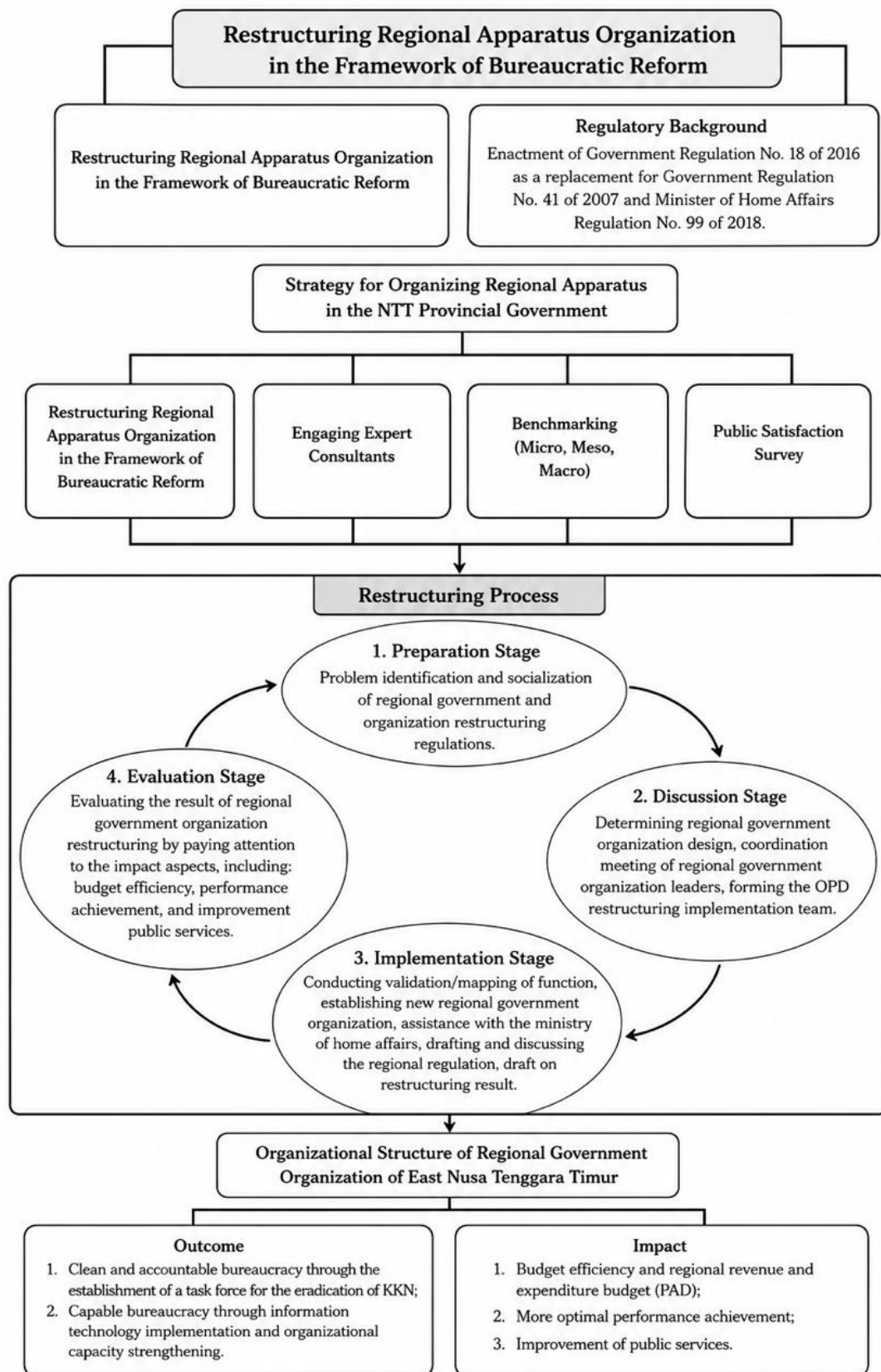


Figure 3. Recommended Model for the Regional Government Organization Restructuring of East Nusa Tenggara Provincial Government

This progression (from geopolitical institutional adaptation (2016-2018) to organizational stability (2019-2021) to innovation capacity (2022-2024)) demonstrates that geopolitical institutional adaptation serves as a prerequisite for effective capacity building in border provinces. The findings indicate that national restructuring regulations must explicitly address border-specific governance requirements rather than apply uniform frameworks across all provincial contexts, as shown in Table 4.

Table 4. Public Service Innovation Outcomes in East Nusa Tenggara Province (2022-2024)

Year	Total Innovations	Provincial Agency Innovations	District/Municipal Innovations	Key Innovation Drivers
< 2022	0	0	0	Consultation with the Ministry of Home Affairs to clarify jurisdictional boundaries
2023	68	29	39	Negotiation of institutional positioning; integration of border agency into the Bureau of Governance
2024	54	14	40	Inter-governmental coordination to define provincial vs. national border responsibilities
Total (2023-2024)	Not applicable	Coordination with 3 Cross-Border Posts (PLBN) under the central government		Establishment of coordination protocols with the national border management infrastructure

Source: Compiled from NTT provincial government documents, interview data with 11 key informants, and comparative literature (Ningsih et al., 2015 on Manado; Setya et al., 2023 on Maros)

This institutional stabilization laid the foundation for remarkable capacity-building in innovation during 2022-2024, revealing a causal pathway from geopolitical institutional adaptation to service innovation outcomes.

Discussion

Empirical Validation of Four-Dimensional Capacity Building Framework

The restructuring of East Nusa Tenggara Province demonstrates that conventional capacity-building frameworks (Grindle & Thomas, 1991; Neo & Chen, 2007) are insufficient for border provinces facing geopolitical constraints. Three empirical findings support this proposition. First, NTT experienced a 7-year innovation lag (zero innovations from 2016 to 2022) despite the successful implementation of PP 18/2016, as organizational resources prioritized border governance negotiations over service improvements. Second, the 86-position increase (1,094 to 1,180) reflects a strategic accommodation of border coordination functions that are absent from standardized frameworks. Third, the innovation surge following border governance resolution (0 to 122 innovations during 2023-2024) indicates that geopolitical institutional adaptation enables conventional capacity dimensions to achieve intended outcomes.

Table 5 presents systematic linkages between theoretical dimensions, empirical indicators, NTT findings, and evidence sources.

Table 5. Linking Theoretical Framework to Empirical Findings: Theory-Data Integration

Theoretical Dimension	Conceptual Definition	Empirical Indicator	NTT Finding	Evidence Source	Theoretical Validation
Human Resource Development (Grindle & Thomas, 1991)	Recruitment, training, and professional development of personnel	Structural position changes and allocation patterns	Total positions: 1,094→1,180 (+86); Strategic vertical extension at technical levels (Echelon III-b: +850%; IV-a: +9.1%)	Table 1; Regional Regulation No. 9/2016 & No. 1/2019; Interview: Head of Bureau of Organization	Confirmed: Position increases reflect technical capacity strengthening for border coordination, not inefficiency
Organizational Strengthening (Neo & Chen, 2007: Agile Processes)	Management systems enhancing task/function performance; flexible organizational design	Regional apparatus reconfiguration and consolidation	Apparatus units: 42 →38 (consolidation); Dinas: 17→26 (service expansion); Badan: 14→8 (board reduction)	Table 1; Regional Regulation No. 1/2019; Provincial Secretariat documents	Confirmed: Right-sizing achieved through strategic mergers and functional specialization
Institutional Reform (Dynamic Governance: Thinking Again)	Policy implementation and structural adaptation to changing environments	Major organizational restructuring decisions	Merger of Border Management Agency into Bureau of Governance; elimination of 3 Kantor units; creation of 23 new UPTs	Interview: Provincial Secretary; Document analysis: Academic Manuscript for restructuring	Confirmed: Adaptive institutional design in response to Law 23/2014 Article 361 jurisdictional clarification
Geopolitical Institutional Adaptation	Capacity to negotiate regulatory gaps and adapt national policies to border-specific needs	Regulatory gap resolution processes and inter-governmental coordination	Two-phase validation with Ministry of Home Affairs (2016-2017); 12-month extended timeline; coordination protocols with 3 PLBN facilities	Interview: Head of Bureau of Legal Affairs, Head of Bureau of Governance; Coordination meeting minutes	Novel finding: Border provinces face additional institutional dimension not captured by conventional frameworks
Innovation Capacity (Capacity Building Outcome Indicator)	Systematic production of public service innovations	Documented formal innovations over time	Pre-2022: 0 innovations; 2023: 68 innovations (29 provincial, 39 district); 2024: 54 innovations (14 provincial, 40 district); Total 2023-24: 122 innovations	Table 3: Provincial Innovation Registry; Gubernatorial Decree on Innovation Climate Building (2022)	Confirms causal pathway: Geopolitical adaptation (2016-18) → Organizational stability (2019-21) → Innovation surge (2022-24)

This table systematically links theoretical constructs to observable indicators, empirical findings, data sources, and validation status, addressing methodological rigor in theory-testing case study research (Eisenhardt, 1989; Yin, 2014).

NTT's empirical evidence reveals four distinct geopolitical institutional adaptation capabilities:

1. **Regulatory Gap Identification Capacity (2016).** NTT's legal bureaus identified PP 18/2016's omission of provisions on border affairs management, requiring technical expertise and contextual awareness of NTT's geopolitical position.
2. **Inter-governmental Negotiation Capacity (2016-2017).** NTT conducted a 12-month coordination with the Ministry of Home Affairs, involving problem framing, institutional

solution proposals, and jurisdictional boundary agreements. This requires "two-level diplomatic competencies" (Hurrell, 2024).

3. Adaptive Institutional Design Capacity (2017-2018). NTT accommodated border coordination functions within the PP 18/2016 frameworks through 85-position increases at Echelon III-b for inter-district coordination and cross-border liaison roles.
4. Multi-scalar Coordination Protocol Development (2018-2021). NTT established formalized mechanisms at the local, provincial, national, and international levels to operationalize "coordinated border management" (Krüger et al., 2024).

The comparative analysis (Table 2) confirms that non-border provinces did not require these capabilities, validating geopolitical institutional adaptation as a distinct dimension.

Sequential and Prerequisite Relationships Among Capacity Building Dimensions

Before resolving ambiguities in border governance, NTT recorded no innovations despite completing conventional capacity-building activities. This "institutional friction" absorbed organizational energy in jurisdictional negotiations. Following successful geopolitical adaptation, NTT gained "freed-up capacity" (Bohn & Toh, 2025), redirecting attention toward service delivery and generating 122 innovations across 2023-2024.

Theoretical Contribution: Four-Dimensional Framework for Border Provinces

This study extends existing frameworks (Grindle & Thomas, 1991; Neo & Chen, 2007) by proposing a Four-Dimensional Capacity Building Framework. The fourth dimension addresses geopolitical constraints in border regions by identifying regulatory gaps, facilitating intergovernmental negotiation, advancing adaptive institutional design, and coordinating across borders. Border regions globally face tensions between policy uniformity and contextual diversity (Downes et al., 2024; Scalera & Perri, 2024), making this framework analytically valuable. Recent scholarship identifies institutional quality as fundamental for border resilience (Krüger et al., 2024); this framework operationalizes required institutional capabilities.

Policy Implications and Recommendations

Four recommendations are: (1) incorporate explicit border-specific provisions in national regulations; (2) extend implementation timelines for border provinces (12-18 months versus 6-8 months); (3) establish inter-ministerial coordination mechanisms; and (4) create knowledge-sharing platforms among Indonesia's five border provinces. Without addressing distinctive institutional challenges, standardized reforms risk exacerbating development gaps between border and interior regions.

E. CONCLUSION

This study reveals that traditional capacity-building frameworks that focus on human resource development, organizational strengthening, and institutional reform (Grindle & Thomas, 1991; Neo & Chen, 2007) inadequately address the challenges faced by border provinces under geopolitical constraints. Analysis of the restructuring of East Nusa Tenggara Province identifies a fourth critical dimension: Geopolitical Institutional Adaptation. This dimension encompasses the ability to identify regulatory gaps, negotiate jurisdictional ambiguities, design institutions that balance local governance with national security, and establish cross-border coordination mechanisms. The absence of border provisions in Government Regulation No. 18 of 2016 required an additional 12 months of coordination between NTT and the Ministry of Home Affairs, resulting in an 86-position increase in border functions. This geopolitical dimension is a prerequisite for optimal capacity-building

outcomes: NTT produced zero innovations during 2016-2022 amid unresolved border governance ambiguities, but achieved 122 innovations during 2023-2024 following institutional stabilization, demonstrating the causal link between geopolitical adaptation and innovation capacity.

Four policy recommendations emerge. First, revise PP 18/2016 to include explicit guidance on border affairs. Second, establish formal inter-ministerial coordination between the Ministry of Home Affairs and the National Border Management Agency. Third, implement differentiated timelines (12-18 months for border provinces versus 6-8 months for non-border provinces). Fourth, create inter-provincial learning networks among Indonesia's five border provinces.

Limitations and Future Research

Three limitations exist: the single-case design limits generalizability, the 7-year data-collection gap introduces recall bias, and the innovation assessment covers only 2 years. Future research should conduct comparative multi-case analysis across border provinces, a quantitative examination of institutional arrangements and development indicators, and international comparative studies across unitary and federalist systems to test the framework's applicability.

Contributorship

The first author was responsible for conceptualizing the study, collecting and analyzing the data, and writing and revising the manuscript. The second and third authors contributed by reviewing the content and providing proofreading support to improve the article's clarity and quality.

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