Chapter 14
e-Leadership for e-Government in Indonesia

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Introduction

At present, Indonesia is going through some fundamental changes in the life of nation and state, i.e. a transition towards democratization and participatory governance. This change becomes more visible and pronounced when even the rest of the world is also undergoing a transformation towards the knowledge-based governance through an appropriate application of information systems and technological processes. The rate of progress of information and communication technology (ICT) and the potential for widespread utilization open opportunities for access, management and utilization of information in large volumes quickly and accurately. Experience has shown that the use of electronic media is a very important factor in a variety of international transactions, especially in trade transactions (Hjelm and McCarthy 2001). The inability to adjust to global trends will lock the Indonesian nation into the abyss of the world's digital divide.

Furthermore, the use of ICT by government, or so-called e-government, offers an increased portfolio of public services to citizens in an efficient and cost-effective manner. e-Government allows public services to be performed efficiently with more convenience to individuals. It is convenient and cost-effective for businesses, and the public benefits by getting easy access to the most current information available without having to spend time, energy and money to get it. The better accessibility of public services will enhance the implementation of some principles of good governance. e-Government is an easy way for the public to be more involved in political campaigns. It could increase voter awareness, which could lead to an increase in citizen participation in elections. e-Government also allows for government transparency which is important because it facilitates the public to be informed about

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what the government is working on as well as the policies they are trying to implement. All these will certainly improve the government accountability.

To anticipate the rapid progress of ICT and global changes, the government should immediately implement the transformation process towards e-government. Through the transformation process, the government can optimize the utilization of advances in ICT to eliminate barriers within a bureaucratic organization, and form a network management system and work process that allows government agencies, both national and local, to work in an integrated way to simplify access to all information and public services. The transformation carried out will affect the flexibility of all state institutions, communities, businesses and other interested parties in utilizing information to improve public services and to realize good governance.

Based on the observation on several local governments indicating best practices in e-government implementation and the literature study on e-leadership, this chapter is an attempt to analyse e-leadership as the key factor in the capacity building for e-government in Indonesia. The outcome of this chapter will expectantly improve the development of e-government and enhance the improvement of public service and the implementation of good governance principles in Indonesia and other developing countries. Above all, this chapter is also an actual contribution to reach the Millennium Development Goals (MDGs), especially to bring down IT illiteracy and to improve service delivery among the global citizens through electronic-based government.

The Development of e-Government

'e-Government' refers to the use by government agencies of information technologies (such as wide area networks, the Internet and mobile computing) that have the ability to transform relations with citizens, businesses and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth and/or cost reductions (The World Bank 2011).

The use of e-government is expected to empower the community through public access to information resources available (Haryono and Widiwardono 2010). In line with the definition, The World Bank (2011) states that by using electronic media, e-government provides services and facilitates interactions more friendly, convenient, transparent and inexpensive between government and communities (G2C), between government and business sector (G2B) and between a government institution and another (G2G). Thus, the proper use of e-government will be able to improve the quality of public services and to realize good governance in any developing countries.

In Indonesia, e-government was officially introduced to public administration by the President Instruction No. 6 Year 2001 on the Development and Utilization of Telematics (telecommunication, media and ICT) which instructs that the government

institutions have to use the ICT to support good governance. Furthermore, e-government should have been introduced for different purposes in government offices for the following reasons: (1) to support the government change towards a democratic governance practices, (2) to support the application of authority balances between central and local government, (3) to facilitate communication between central and local governments, (4) to gain openness and (5) to transform towards the information society era.

The changes are expected to build an accountable and transparent government which is capable to respond to changes effectively; to build a new dimension into the organization, management system and process; and to soon apply the transformation process towards e-government. The development of e-government is a mandate of President Instruction No. 3 Year 2003 on Policy and National Strategy for Development of e-Government in an effort to develop an electronic-based government in order to improve the quality of public services effectively and efficiently and to enhance the acceleration of good governance. The development of e-government will enable the restructuring of the management system and work processes within the central and local government agencies so as to implement the principles of better public service and good governance.

Based on the strategic plan of the Indonesian State Ministry of Communication and Information on the implementation of e-government (2003), there are some strategic plans to develop e-government as follows:

1. To develop a good service system with reasonable cost. The focus is to extend and improve the quality of information and communication networks, to build the information portals and integrated public services and to build the electronic document management system, standardization and information security system.
2. To develop management systems for central and local governments. The focus is to improve the quality of services needed by the community, to manage the changes, to reinforce the leadership and to improve the product of the regulation.
3. To optimize the use of ICT. The focus is on building the interoperability, standardization and procedure of electronic document management system, information security and basic application (e-billing, e-reporting) and to develop intergovernmental networks.
4. To improve the participation of private sector and ICT industries. The focus is to use the expertise of the private sector, to encourage further participation of the private sector and small industries.
5. To develop manpower capacity in the central and local governments. The objectives are to develop ICT culture in government institutions, to optimize the use of ICT training facilities, to extend the use of ICT for distant learning, to put ICT as input for school curriculum and to improve the quality of teaching.

There are currently several central and local government agencies taking initiatives to develop e-government for better public services and good governance through communication networks and information in the form of websites. Nevertheless, based on the writer's observation for the past 2 years, the majority of websites are

still at the *first level* (preparation) and only a small proportion has reached *level two* (maturation), whereas *level three* (strengthening) and *level four* (utilization) have not been reached yet. The development of e-government should be in harmony with optimizing the relationship between respective initiatives of government agencies and strengthening the policy framework. This approach is required to synergize two main interests in the implementation of e-government, namely, (1) the efficient use of the understanding and experience of each institution on better public services and good governance and (2) the structure of management system and integrated work processes.

The complexity of e-government development in government agencies therefore needs not merely ICT infrastructure but a strong leadership to manage the process of transformation towards its implementation. Leadership in question must have the ability to deal with personnel, equipment and other resources through various management roles and the proper use of ICT.

Definition of e-Leadership

Leadership is not limited only to a position or job; leadership covers a wider insight (Luthans and Avolio 2003). To be a leader, one needs to have vision and imagination (Ciulla 1997). As Burke (2008) defines, leadership is '…the ability to bring people, tools and resources together to solve problems and achieve results'. But in the current global era, leadership needs to go further. Leaders have to be capable of bringing people together despite geographical, cultural and other limitations by utilizing ICT to achieve organizational goals (Boudreau et al. 1998). Such leadership is called *e-leadership*, which might be simply defined as the ability to bring people, tools and resources together by utilizing ICT to solve problems and to achieve organizational goals.

Based on the above description, e-leadership competencies include the ability to integrate the various management roles and implement them by utilizing ICT. Burke (2008) points towards the roles to be executed by e-leadership as follows:

1. Visionary: the ability to see the big picture and translate it to staff
2. Convener: the ability to manage differences and bring organization staff towards clear goals and problem solving
3. Team sponsor: the ability to shape and direct the working group on real and virtual groups
4. Manager: the ability to seek and allocate resource management organization with responsibility and ability to manage real and virtual organization
5. Innovators: the ability to find new ways to work out duties and functions
6. Mentor: the ability to guide and direct the prospective new leaders within the organization

Furthermore, Raharjo (2008) indicates e-leadership characteristics as the vision and mission of the leaders and the commitment to the development of ICT. Both these

factors have very strong influences in the development of e-government implementation in several local governments in Indonesia such as Surabaya City and Sragen Regency.

On the other hand, Avolio (1999) said that a leader needs to understand that the power of the Internet has created a global society in a truly global market circle created by the interconnected world. This statement challenges the modern leadership to bridge the gap between government and society with the advancement of ICT and its impact and not merely the development of the technology (Burke 2008).

The solution to the problem depends on the leadership style of a leader, especially the readiness to transform from the existing to a new condition. e-Leadership requires a high level of transformation, which can be obtained through various sources, such as experiences, process of learning and the way a leader gets something just as an instinct, intuition, social relationship, etc. (Bass 1985).

An Overview of Transformational Leadership

The concept of transformational leadership was first proposed by Burns in 1978 and further developed by Bass and the other behaviourists. Burns (1978) introduced the concept of transformational leadership, describing it as not a set of specific behaviours but rather a process by which 'leaders and followers raise one another to higher levels of morality and motivation' (p. 20). He stated that transformational leaders are individuals that appeal to higher ideals and moral values such as justice and equality and can be found at various levels of an organization.

Working with Burns' (1978) definition of transformational leadership, Bass (1985) asserts that these leaders motivate followers by appealing to strong emotions regardless of the ultimate effects on the followers and do not necessary attend to positive moral values. Transformational competence of a leader may be measured by his ability in building a synergy of all employees through influence and authority so as to be more successful in achieving the vision and missions of organization. The change process made by a transformational leader, according to Bass and Riggio (2005), might be done through the following ways:

1. Increase employees' awareness on the values and importance of their tasks and jobs.
2. Direct them to focus on group and organizational goals, not on personal interests.
3. Optimize their potential.

Organizationally, Leithwood and Jantzi (1990) write that the implementation of transformational leadership is very useful to:

1. Build a culture of cooperation and professionalism among employees
2. Motivate leaders to develop themselves
3. Help leaders to solve organizational problems

Cultural cooperation and professionalism can be built in the organization because a transformational leader will facilitate the employees to engage in dialogue and

discuss and plan the work together (Leithwood and Jantzi 1990). Cooperation created from this activity will allow them to increase employees' awareness on the values and importance of their tasks and jobs (Bass 1985). Cohesion is also created when employees partake in formulating the vision and mission of the organization, which results in greater commitment (Bass 1985). A transformational leader will also share authority through the empowerment of employees and actively communicate norms and values of the organization (Bass 1985). To support cultural changes, Bass (1985) suggests using bureaucratic mechanisms implemented within the organization.

In addition, the cultural development will, indirectly, motivate leaders to develop themselves further. By involving staff in solving strategic problems, a transformational leader should be able to convince employees that the objectives are clear, rational and visionary (Bass 1985). The various skills possessed by a transformational leader will help the staff to work not necessarily harder but smarter (Bass 1985). Furthermore, staff involvement in solving strategic problems will increase shared understanding among employees so that any organizational problem would be more successful when solved collectively.

The above discussion and other sources (Burns 1978; Bass 1985; Bass and Riggio 2005; Leithwood and Jantzi 1990; Rees 2006; Soebhan 2004) summarize ten principles of transformational leadership within the government bureaucracy as follows:

1. Clarity of vision: Start with a vision reflecting the shared goals, and explain it to all employees in a clear and simple language.
2. Awareness of employees: Strive to increase employees' awareness of the value and importance of their job and tasks to the organization.
3. Achieving the vision: Be oriented to the achievement of the vision by way of protecting and maintaining the commitment built together.
4. The pioneer of change: Dare to make and respond to changes when necessary, and explain to all employees about the benefits of the changes made.
5. Improving competencies: Improve his leadership competencies continuously through a variety of instructional media and references.
6. Facilitating learning needs: Facilitate employees' learning needs and develop their potential as optimal as possible.
7. Empowering employees: Share his authority in a way to empower employees, based on trust, willingness and capability.
8. Developing creativity: Lead and develop the creativity of employees and assist them in solving strategic problems effectively.
9. Building culture: Build a culture of employees' collaboration, and direct them to prioritize the group and organizational goals rather than personal interests.
10. Creating conduciveness: Create an organization which is conducive for developing a culture of partnership, communication and multilevels and enhancing of ethics and morality.

It is clear then that transformational leadership can provide a variety of positive effects on employees, leaders and organizations (Bass 1985). In today's era of globalization, which requires the cooperation of all components of the organization to solve strategic problems such as the development of e-government, such a leadership model seems appropriate to be applied in a bureaucratic environment. In other words, such transformational leadership competencies are highly necessitated to complete the formation of e-leadership in the government agencies eager to improve the public services and implement the principles of good governance through the use of ICT.

Best Practices of Successful e-Leadership in Indonesia

For the past decade, several central and local government agencies in Indonesia have been implementing e-government for the purpose of public services improvement and good governance implementation with various levels, namely, street level, screen level and system level (Suprawoto 2008).

1. Street level is the level where people still have to come directly to public centres for a transaction, although the process is done electronically. The online service of ID card and passport is still at this level because the data coordination system has been integrated with the intranet network. Citizens still have to come to the service centres to take pictures and electronic signatures.
2. Screen level is the level where the device functions as tools of ICT support for public services. The e-procurement (bidding via the Internet) might still be in this category since the final stage of bidding still requires candidates to come directly to the agencies.
3. System level occurs when all service activities are done online. At this stage, the 'New Student Reception' conducted by the Department of Education can be categorized to this level. Although students should come to submit proof of diploma and other files, it was limited to just the final verification.

The most noted electronic applications facilitated by central and local government agencies are ID card and passport online, electricity and tax payments online, e-employment, e-procurement, e-election, e-finance, e-accountability and other services provided for the citizens to realize better public services and good governance. Several local governments in Indonesia prominent in the implementation of e-government are the regencies of Jembrana, Sragen and Kebumen and the cities of Jakarta, Bandung, Surabaya and Denpasar. However, due to the limited space and time, this chapter presents only two representing local governments that have successfully implemented e-government.

The City of Surabaya

In 2007 the local government of Surabaya City received a national award for its success in implementing the various systems and applications of e-government, such as e-procurement, e-budgeting and ID online. This achievement was facilitated through the accomplishment of several variables e-leadership (Aisonhaji 2008) as follows:

1. Aspects of the convener and team sponsors. In this respect, the Mayor of Surabaya City has proved to emphasize the use of ICT to support direct services and public works, while the implementation of e-budgeting and e-procurement is carried out through a 'coercion' for all units. The coercion in quotes also includes the protection of top management if the ranks of middle management in the city government turn to be 'mutually rubbing or deliberately swiped' from outside the organization because of a conflict of interest.
2. Aspects of manager and mentor. These aspects are applied through a significant budget allocation for network infrastructure with establishment of communication among the units. Various applications are also developed to further improve public services.
3. Aspects of innovator and radical change. Through these aspects various process and product innovation are facilitated through ICT services. Similarly, business model has been changed due to significant penetration of ICT into the organization. For example, the original auction is now carried out electronically that makes the process become shorter and simpler.

The implementation aspects above prove that e-leadership provides as the key factor of success in developing e-government. As Suprawoto (2008) notes, a strong e-leadership is the main prerequisite for the improvement of public services quality and the implementation of good governance principles through e-government.

The Regency of Sragen

The Sragen Regency is one of the pilot areas in the implementation of e-government in Indonesia. The rapid development of ICT in the regency can be seen from the rise of virtual worlds in society through the application of remote Sragen Global Network (Nagios). Its Internet and intranet are online for 24 h in all work units, and an interactive website is ready to provide public services. Here are the six success factors in developing the local e-government in Sragen Regency (Wahid 2007):

1. Strong political leadership with clear vision. This aspect is very important in ensuring the successful implementation of e-government. Strong political leadership is a proof of commitment to leadership in the implementation of e-government. Low commitment from the leadership, for fear of losing power, is one of the obstacles in the implementation of e-government (Allen et al. 2001).

2. Involvement of all parties. Strong leadership has provided a good climate to raise mutual awareness of the importance of support from all parties involved with implementation of e-government. The initial phase of implementation is not without obstacles. However, when innovation is proven, then it is easy to get the support of many parties (Rogers 1995).
3. Preparation of human resources in the implementation of e-government. One of the real constraints in the early stage of e-government implementation is the human resource capabilities. The problem is typical of human resources in the implementation of e-government, especially in developing countries (e.g. Heeks and Davies 1999).
4. Implementation in stages. This is another lesson that can be taken. 'One-stop service' is a good choice to initiate the implementation of e-government. In addition, since it involves many parties, the impact on public services can be directly felt. Infrastructure development was done in stages. In the early stages, 52 offices were connected to the Internet, and in the next stage, 208 villages were also connected.
5. Development of partnerships. The adaptive challenges of e-government go far beyond technology; they call for organizational structures and skills, new forms of leadership and transformation of public-private partnerships (Allen et al. 2001). Such partnerships with various stakeholders were developed in the Sragen Regency. For example, applications for identity cards' printing are the result of profit-sharing partnership with a private company.
6. Routine evaluation. One of the problems arising in the implementation of e-government is the absence of indicators of success (e.g. Janssen et al. 2000). It is well recognized by the Sragen Regency. Each year, the local government conducts a survey to service users in order to measure quality and, at the same time, to get feedback for improvement.

The regency of Sragen is a portrait of a successful e-leadership concerning with the improvement of public services quality and the implementation of good governance through e-government. As Allen et al. (2001) suggest, change management to overcome the inertia of the organization and culture can only be carried out properly with the support of such leadership (Allen et al. 2001). Organizational and cultural challenges (Allen et al. 2001) are very often more difficult to resolve than the challenge from the technology.

Conclusion

The development of e-government is meant to improve the quality of public services effectively and efficiently and to implement the principles of good governance. The success of e-government development depends highly on a strong transformational and ICT-oriented leadership or commonly known as e-leadership. Competencies

required in e-leadership implementation include the ability to integrate the various roles of leadership and the proper utilization of ICT to develop e-government.

From the study of best practices in two local governments in Indonesia, it can be concluded that various components of e-leadership are very significant in determining the successful development of e-government in any deserving countries for better public services and good governance. Even to say, if no e-leadership exists, do not expect e-government to be implemented in a government agency properly.

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