



Research Paper

Effect Of E-Procurement, Competence And Good Governance On The Quality Of Electronic Procurement Services On The Island Of Java

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ABSTRACT

The quality of services provided by the Government is a must. Service quality itself is influenced by several variables. In this study, the variables studied were the effect of e-procurement, competence and good governance on the quality of electronic procurement services. The method used is quantitative with Smart-PLS tools. The results show that the variables of e-procurement, competence and good governance have an effect of 67.2% on service quality. Competence significantly affects service quality. Meanwhile, e-procurement and good governance do not significantly affect service quality.

KEYWORDS: e-procurement; competence; good governance; service quality; Smart-PLS; quantitative.

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I. INTRODUCTION

In the current era of openness, services provided by the government are always in the public spotlight. One of the services provided by the government is in the field of Electronic Procurement of Government Goods/Services (PBJP) which is managed by Ministries/Agencies/Local Governments through the Electronic Procurement Service unit (LPSE). According to Juran (Sedarmayanti & Nita, 2012) improving the quality of public services can be done with easy-to-understand service procedures. In order to support this, the Government Goods/Services Procurement Policy Institute (LKPP) has set the standardization of LPSE with 17 standards but from 688 LPSEs, only 83 LPSEs already have 17 standards as set out (Procurement Profile Book-LKPP, 2018).

PBJP services are also determined by the implementation of good governance in the management system. In the implementation of procurement governance, unfair business competition is still found. (www.ujungan.kppu.go.id).

In an effort to improve services at PBJP, e-procurement is built and developed. Based on the survey, there is a decrease in the actuality indicator, namely in terms of applications that do not respond to user requests quickly and do not provide up-to-date information (DPMEP-LKPP Report, 2018). In addition, based on information collected in online mass media, it is known that some e-procurement servers cannot be used.

The improvement of public services in the PBJP process is also related to the competence of Human Resources (HR) in procurement. Competence refers to knowledge, behavior patterns and skills (Basu, et.al, 2015). Changes in regulations regarding PBJP certainly affect the application. This requires application managers who are in the LPSE unit to always update and update their competencies.

Based on the background of the problems and phenomena that have been described, the researchers took the title for the research "The Influence of E-Procurement, Competence and Good Governance on the Quality of Electronic Procurement Services in Java".

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II. LITERATURE REVIEW

2.1 Service Quality

Yarimoglu (2014) argues, quality as an "innate advantage" as an uncompromising benchmark that can be widely known, and recognized through experience. Perceived service quality is the result of a comparison of perceptions about the service delivery process and the actual results of services Lovelock and Wirtz (2011). The dimensions of service quality according to Parasuraman et.al in Cahyadi (2016) include: tangible, reliability, responsiveness, assurance, and empathy. Tangible means that the appearance and function of physical facilities and infrastructure as well as the conditions of the surrounding environment are tangible evidence of the services provided. Reliability, namely the company's ability to provide services accurately and reliably. Responsiveness, which is willing to help customers by providing clear information and providing fast and accurate service. Assurance shows skills and capabilities so as to gain customer trust and confidence. Empathy, giving customers genuine and personal attention by trying to understand their needs.

2.2 E-Procurement

According to Willem (2012) Electronic procurement is the use of electronic networks (Internet network or Intranet) or electronic data exchange (EDI) to purchase goods and services. According to Delone & Mclean (2016) the success indicators of information systems depend, among others, on the quality of the system and the quality of information. Most importantly, e-procurement in general must have a process of improving the quality of public services and people's welfare (Ramli, 2013). According to Sutedi (2012) In order for e-procurement to be successfully implemented, several factors need to be considered, namely: "Readiness of human resources, ICT infrastructure, and the attention of all participants directly from the highest leadership to the operational level". Willem (2012) stated that to support the implementation of e-procurement, several aspects must be met, including: efficiency, effectiveness.

2.3 Good Governance

According to Mardiasmo in Cahyadi (2016) good governance is an approach concept that focuses on development in the public sector. The involvement of community organizations is a feature of good governance as a balancing force for the state. Characteristics or principles in good governance include participation, transparency, and accountability Sedarmayanti (2012). Participation means both men and women, everyone must have an equal voice in the decision-making process, directly or through a representative body, according to their own interests and desires. Transparency is built within the framework of a free flow of information, people in need can freely access various processes, institutions and information, and the information must be provided adequately and easily understood so that it can be used as a monitoring and evaluation tool. Accountability demands accountability from the government in carrying out its duties.

2.4 Competence

Competence is a combination of knowledge, behavior patterns and skills (Basu, et.al, 2015). Spencer in Rahmah (2014) states that there are 5 (five) types of characteristics of competence, namely: motive, trait, self-concept, knowledge and skill. Motives are what people always think or want, which will cause motivational behavior to encourage, guide and select behavior for certain behaviors or goals. Traits are traits and consistent responses to situations and information. Self-concept is a person's attitudes, values or self-image. Self-confidence is the belief that one can be effective in oneself. Dara is part of everyone's self-concept in almost every situation. Knowledge is information that people have in a particular field. Knowledge is a complex ability. Knowledge test scores usually cannot predict job performance because they cannot measure knowledge and skills in the way they are actually used at work. Skills refer to the ability to complete certain physical or mental tasks, mental abilities or cognitive skills (including analytical and conceptual thinking).

2.5 Research Hypothesis

The following are the hypotheses proposed in this study:

H1: there is a significant influence between e-Procurement on Service Quality

H2: there is a significant influence between good governance on service quality.

H3: there is a significant influence between Competence on Service Quality.

III. RESEARCH METHODOLOGY

The research method in this study is a quantitative research method. With tools using a questionnaire using even questions, namely strongly agree, agree, disagree and strongly disagree. This data processing is done by using the least squares structural equation model (PLS-SEM).

3.1 Research Design

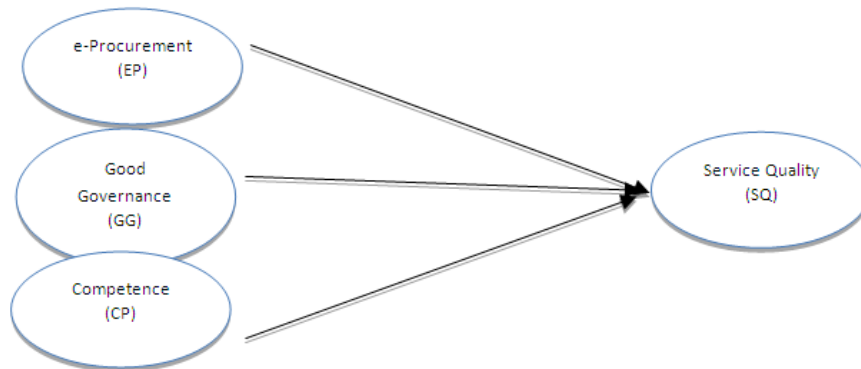


Figure 1. Research Design

The diagram above is a design used to measure between latent variables consisting of exogenous latent variables, namely e-Procurement (EP), Good Governance (GG) and Competence (CP) with the endogenous variable Service Quality (SQ). The indicators for each variable are as follows: e-procurement variable indicators are effective, efficient and system quality. Indicators for good governance variables are accountability, transparency and participation. Indicators for competence variables are motivation, nature, self-concept, knowledge of skills. Indicators for service quality variables are tangible, reliability, responsiveness, assurance, and empathy.

3.2 Population and Samples

The population in this study are actors in the procurement of government goods/services in the government of the island of Java in Indonesia. One procurement agent in a city government represents that government. With a population of 118 local governments on the island of Java (www.inaproc.id/lpse). The sampling used the slovin formula. With a population of 118 with a margin of error of 5%, the number of samples obtained is 91.1 rounded up to 92 samples.

3.3 Data Analysis Techniques

The evaluation of the model in PLS consists of two stages, namely the evaluation of the Outer model and the evaluation of the Inner model.

Table 1. Research Parameters/Criteria

Parameters/Criteria	Rule of Thumb	
Outer Model	Convergen validity (Loading Factor)	>0.5
	Average Variance Extracted (AVE)	>0.5
	Composite Reliability	>0.7
	Cronbach's Alpha	>0.7
Inner Model	R-square	0,75 ; 0,50 ; 0,25 shows strong, moderate and weak
	Significance	1,96 for significant level 5%

IV. RESULTS

4.1 Pre-Test

From the pretest test conducted by 32 respondents with the validity test that has been carried out using Partial Least Square (PLS) with three independent variables including E-Procurement, HR Competence, and Good governance while the dependent variable includes Service Quality, it can be concluded that the results obtained said to be valid in every variable that has a standard value of 0.5 and only indicator no.8 of the good governance is below 0.5. So these indicators are not used in the study. From the results of the second pretest, all of them showed that the data above were of standard values and it could be stated that this research was feasible to continue. Reliability test each worth 0.869; 0.903; 0.945 and 0.929. Because it has a cronbarch's alpha value of more than 0.7, it can be concluded that the results obtained are said to be reliable for each variable that has a standard value of 0.7 and it can be stated that this research is feasible to continue.

4.2 Data analysis

The outer model is seen from the values of AVE and Cronbach's alpha. The AVE value on the E-Procurement, HR Competency, Good Governance and Service Quality variables can be stated as valid variables. each has a value of 0.518, 0.695, 0.550, 0.633. Of the four research variables, the AVE value > 0.5. Then it can

be said to be valid for all variables. Meanwhile, Cronbach's Alpha values from E-Procurement, HR Competence, Good Governance and Service Quality are 0.887, 0.951, 0.895, 0.933, respectively. From these results, all variables can be said to be reliable because they have a conbrach alpha value > 0.7.

Inner model seen from R-Square and t-statistics. The R-square in this study was 0.672 (67.2%). The results of this test illustrate that the Service Quality variable can be explained by the E-Procurement, HR Competence and Good Governance variables of 67.2%. So it can be concluded that each independent variable has a moderate influence on the dependent variable.

Table 2. T-Test

hypothesis	variable	original sample	t-statistic	P value
H1	EP-SQ	0.132	1.441	0.150
H2	GG-SQ	0.106	0.955	0.340
H3	CP-SQ	0.622	6.757	0.000

Based on table 2, it can be seen that from the three hypotheses proposed in this study, namely H1, H2, H3, the competence variable can be accepted because it has a value <0.05, it can be concluded that this independent variable has a significant influence on the dependent variable while the e-procurement and good governance do not. Competence has a significant effect because the results obtained are greater than the value of 0.05. The path coefficient value (original sample) of competence is positive 0.639, meaning that competence has a positive and significant effect on service quality.

V. DISCUSSION

5.1 E-Procurement

In this study, it was found that e-procurement had no effect on service quality. Based on research conducted by Muklis dan Pranoto (2020), that the Working Group is still having problems using the e-procurement application because the SPSE application changes versions quickly. Infrastructure readiness such as internet connection, server capacity also causes process failures in e-procurement applications. Meanwhile, according to Sutedi (2012) in order for e-procurement to be successfully implemented, several factors need to be considered, namely: ICT infrastructure.

5.2 Good Governance

In a study conducted by Ayu (2019) that good governance has no effect on service quality. This is in line with current research. This can happen because based on the 2018 procurement profile, only 12% of LPSE units have 17 standards in accordance with the Decree of the Deputy for Monitoring Evaluation and Development of Information Systems Number 22 of 2015 concerning the Application of Standards and Criteria for Electronic Procurement Services Standards. In addition, community participation, namely the involvement and active role of the community, is still considered weak, especially community organizations and community groups in electronic procurement. Good governance should occur if there is community participation (Osborne and Geabler in Gamayuni (2019).

5.3 Competence

Abomaleh and Zahari (2014) state that qualified personnel means that those who have competence will improve the quality of community services. In the research of Agus Heri Purnomo, Raden Andi Sularso, Ahmad Roziq (2018), it is also known that competence has a significant effect on service quality. This is in line with current research. In order to improve the competence of human resources at the Regional Government LPSE, LKPP always provides training on the use of the SPSE application. Periodically open a training schedule for LPSE personnel throughout Indonesia, including the Regional Government in Java. In addition, as LPSE Trustees, LKPP receives services/complaints if there are obstacles in its implementation to be resolved at the LPSE of each Regional Government.

VI. CONCLUSION

After researching the effect of e-procurement, good governance and competence on service quality, it can be concluded that:

1. The E-Procurement variable has no significant effect on the Service Quality variable. This can happen because there are still obstacles in the use of e-procurement applications, especially obstacles in terms of internet connection and server capacity. This results in failure in the e-procurement process.
2. Good Governance variable has no significant effect on Service Quality variable. This happened because not all components participated in the procurement process, namely there were still at least community organizations and community groups involved in the procurement process.

3. Competence variable has a significant and positive effect on the Service Quality variable. So that if competence increases, the quality of service will also increase.

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