

INFLUENCE OF PUBLIC POLICY ON QUALITY OF SERVICE, INSTITUTIONAL INSTITUTION AND PERFORMANCE ORGANIZATION OF GOVERNMENT

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ABSTRACT

The low of government performance in Indonesia occurred because the institution which not support in actualization it, to rise of service perception which less quality. This caused the public policy by government not to formulation, implemented and evaluated with good, which affected toward the quality of service, public policy toward institution and public policy toward performance. The research aims to know and analysis the affected of public policy toward service quality and performance, public policy toward the strength of institution and performance, the service quality and the strength of institution toward performance. The method of analysis with quantitative and observation survey approach with sample used Slovin formulation. Data analysis with SEM from computer aims AMOS 18. The result of research to found that the public policy have negative and significant toward service quality and performance, the public policy have positive and significant toward the institution have positive and significant toward performance. The research implication that the public policy required to formulation with good suitable with implementation which to be process in appointment of achieve the result of work which can to evaluation in implementation of service quality, institution and achieve of performance.

Keywords: Public policy, service, institution and performance.

INTRODUCTION

The bureaucracy in Indonesia, including the bureaucracy in the Provincial Government of West Papua, in fact, shows that the administrative bureaucracy that is applied still needs to be addressed and transformed into a governance system that leads to good governance. Realizing this, public policy, service quality, institutional strengthening and organizational performance need to be improved.

Public policy according to Dye (2004) policy as the government's choice to do or not do something (whatever government chooses to do or not to do). This implies that government policy as power allocates the value of interest to society as a whole. Included in this case how the government provides the best quality of service to the public, always improve the institutional strengthening and achievement of organizational performance.

Every modern and advanced organization always puts forward the forms of quality public service actualization. But it cannot be separated from the ability of the government in providing services according to the needs, desires and expectations of the public. Parasuraman (2001: 133) states that the form of public service or quality customer is determined by five aspects commonly known as quality service "RATER" (reliability, assurance, tangible, empathy and responsiveness). The concept of quality service RATER essentially is to form attitudes and behavior of service developers to provide a form of strong and fundamental services, in order to get an assessment in accordance with the quality of

service received. This is important in providing institutional strengthening and achievement of organizational performance.

The importance of institutional strengthening in the context of administrative policy is defined as an institution that accommodates the activities and programs of the policies applied both in the formulation, implementation and evaluation. Institutional theory according to Winter (1990) to the introduction of social economy context in making of policy must have policy formulation, policy implementation process and the result of implementation. Winter's statement shows that it introduces the socioeconomic context in making an input policy formulation, the process of policy implementation and evaluation results to achieve the objectives of the institution, so that the institution is able to run the policy well in accordance with the quality of service to realize the achievement of the organization's performance.

Achievement of organizational performance allows the organization (in this case governmental organizations) able to provide better public services to assess the success of the organization's performance. The gap theory used to compare the observed gap above refers to the theory of results orientation according to Fiedler (2008: 74) which suggests that the assessment of organizational performance is judged on the basis of quantity, quality, efficiency, effectiveness and goal orientation. This assessment should be assessed objectively based on the work of the organization utilizing all its resources.

THEORETICAL REVIEW

Public policy

Understanding the meaning of public policy first needs to know the meaning of the policy. Dye (2004) mentions the policy as the government's choice to do or not do something (whatever government chooses to do or not to do). This understanding implies that government policy as power allocates the value of interest to society as a whole.

Aeston (2005) defines policy as a means to assess the choice of goals to be achieved. Kaplan (2009) policy is a means to achieve goals, policies as projected programs with regard to objectives, values and practices (a projected program of goals, values and practices). Frederick (2009) states that the most fundamental of a policy are goals, objectives and goals. Heglund in Abidin (2008) declares policy as a course of action intended to accomplish some end ", or an act that intends to achieve certain goals. The intended purpose is some of the issues of a policy.

Nugroho (2010) argues that more policy can be considered as an analytical tool that explains the various behaviors in various business relationships to solve public problems and provide solutions. William (2007) states that policy is the new side of the development of activities that experience the metamorphosis of relevant information to solve public problems. Eva (2008) states that policy is a wise and prudent step to solve public problems and provide the best solution.

Service quality

Every modern and advanced organization always puts forward the forms of actualization of service quality. Quality of service in question is to provide the optimal form of service in meeting the needs, desires, expectations and satisfaction of the community who requested services and who requested full service. Parasuraman (2001: 26) suggests the concept of quality service related to satisfaction is determined by the five elements commonly known by

the term quality of service "RATER" (responsiveness, assurance, tangible, empathy and reliability). The concept of quality of service RATER essentially is to form attitudes and behavior of service developers to provide a strong and basic service form, in order to get an assessment in accordance with the quality of service received.

The essence of the concept of service quality is to show all forms of actualization of service activities that satisfy the people who receive services in response to responsiveness, cultivate the assurance, show tangible evidence that can be seen, according to empathy (empathy) of persons who provide services in accordance with their reliability (reliability) carrying out the service tasks are given consequently to satisfy the receiving service.

The core of the service quality concept of "RATER" is that most work organizations make this concept as a reference in applying service actualization in their work organization, in solving various forms of gap (gap) for various services provided by employees in fulfilling the demands of public service. Actualization of the concept of "RATER" is also applied in the application of the quality of employee services both government and non-government employees in improving their work performance.

It is said the concept of service quality meets expectations, if the expected service is the same as perceived (satisfying). Similarly, said perception does not meet expectations if the expected service is greater than the service perceived (not qualified) (Parasuraman 2001: 165).

The concept of quality service of expected expectations as stated above is determined by four factors, which are interrelated in providing a clear perception of customer expectations in obtaining services. The four factors are the first, word of mouth communication (word of mouth communication), this factor is very decisive in the formation of customer expectations for a service / service. The choice to consume a quality service in many cases is influenced by word of mouth information obtained from customers who have consumed the service before.

Second, personal needs, i.e. customer expectations varies depending on the characteristics and circumstances of the individual affecting his or her personal needs. Third, past experience, the experience of a customer feeling a particular service in the past influences his or her expectation of obtaining the same service in the present and future. And fourth, external communication (company's external communication) is an external communication used by service organizations as a service provider through various forms of promotion efforts also plays a role in the formation of customer expectations.

Based on the above understanding there are three levels of quality service concept is quality (quality surprise), if the reality of service received exceeds customer satisfaction, satisfactory (satisfactory quality), if the reality of service received the same service expected by customers, and not quality unacceptable quality), if the fact that the service received is lower than the customer expected.

The above description, becomes an assessment in determining the various models of service strategy measurement. According to Peter (2003: 99) states that to measure the concept of service quality, it is seen from six reviews that become an assessment in knowing the concept of service quality adopted from the findings of research results include the following: Gronroos Perceived Service Quality Model created by Gronroos. The approach taken is to measure the expectation of a service strategy (expected quality) with experienced service

experience experience and between technical quality and functional quality. The focal point in that comparison uses the image of the service provider (corporate image) of the service provider. (Gronroos 1990: 55).

Heskett's Service Profit Chain Model. This model was developed by Heskett's (1990: 120) by creating a profit value chain. In the value chain it is explained that the internal service strategy (internal quality service) is born of employee satisfaction (employee satisfaction). Satisfied employees will have an impact on employee retention and employee productivity, which in turn will lead to a good external service strategy. A good external service strategy will create customer satisfaction, customer satisfaction (customer loyalty), and ultimately increase sales and profitability.

Normann's Service Management System. This model was developed by Normann (1992: 45) which states that service is actually determined by the participation of the customer, and the evaluation of the service strategy depends on the interaction with the customer. European Foundation for Quality Management Model (EFQM Model). This model was developed by the European Foundation for Quality Management and has been accepted internationally. This model was discovered after the agency conducted a survey of successful service organizations in Europe. Where the service strategy is determined by the leadership factor in managing human resources, strategies and policies, and other resources owned by the organization. A good process of these factors will result in satisfaction to employees, customer satisfaction and significant social impact, and they are the real business outcome.

Service Performance Model (SERPERF Model). This model was developed by Cronin and Taylor that measures the level of service strategy based on what the expectation is expecting compared to the performance measures provided by the service organization and the degree of importance desired by the customer (Tjiptono 2003: 99) . Service Quality Model (SERVQUAL Model). This model was developed by Parasuraman, Zeithaml and Berry. The measurements in this model use a multidimensional comparison scale between expectations (expectation) and performance perceptions (performance).

Gaspersz (2003: 4) The basic understanding of quality shows that the word quality has many different definitions and varies from conventional to more strategic. The conventional definition of quality usually describes the immediate characteristics of a service such as performance, reliability, ease of use, esthetics and so on, such as interaction quality, physical environmental quality and yield quality. Dekker (2001: 14) basically the modern quality system is divided into three, namely the quality of design, quality confirmation and service strategy.

Institutional Strengthening

Institutional and organizational notions differ in context. Institutions according to James (2008: 151) is the entity (bureaucratic behavior) in coordinating consciously through various forms of cooperation with various interests to achieve a common goal. Robbin (2004: 79) states that the organization is a container that involves more than two people who have the competence to perform various cooperation in various interests to achieve organizational goals. A clear distinction between institutional and organizational lies in the actors who carry out the activity. In the institutional run by people who have behavior, while the organization run by people who have competence

The definition of institution in the context of administrative policy is defined as an institution that accommodates the activities and programs of the policies applied both in formulation, implementation and evaluation. Basic theory of institutional understanding by Winter (1990: 207) to the introduction of social economy context in making of policy must have policy formulation, policy implementation process and the result of implementation. Winter's statement indicates that it introduces the socioeconomic context in making an input of policy formulation, the process of policy implementation and evaluation outcomes to achieve institutional objectives.

The assessment to be raised in this study is to understand the importance of process context in this case institutional implementation. Winter (1990: 209) states the context of institutional implementation. There are three studies that are explored are: 1) the behavior of inter-organization bureaucracy (inter organization bureaucracy behavior); 2) lower-level bureaucratic behavior (street level bureaucracy behavior); and 3) target group bureaucracy behavior (target group bureaucracy behavior). These three bureaucratic behaviors determine the institutional implementation in achieving their objectives.

The importance of institutional implementation in achieving the policy objectives is largely determined by the existence of a series of behavioral practices that run inter-organizational institutions, hierarchical levels and target groups to achieve goals (James, 2008: 61). Institutional implementation is needed to explain the relationship and relevance of a behavior, actions and results achieved from an implementation or implementation of the policy (Apter, 2007: 76).

Government Organization Performance

Stolovitch and Keeps (2007: 92) stated that performance is a set of results achieved and refers to the action of achievement and execution of a requested job. Performance is one of the total aggregates of labor available to workers (Griffin, 2008: 87). Performance is influenced by the goals (Mondy and Premeaux, 2006: 3).

Performance is a manifestation of the results achieved. Completing a task or job, a person must have a degree of willingness to achieve work. One does not have a performance without a clear understanding of what to do and how to do it to produce something that can be judged (Hersey and Blanchard, 2007: 93).

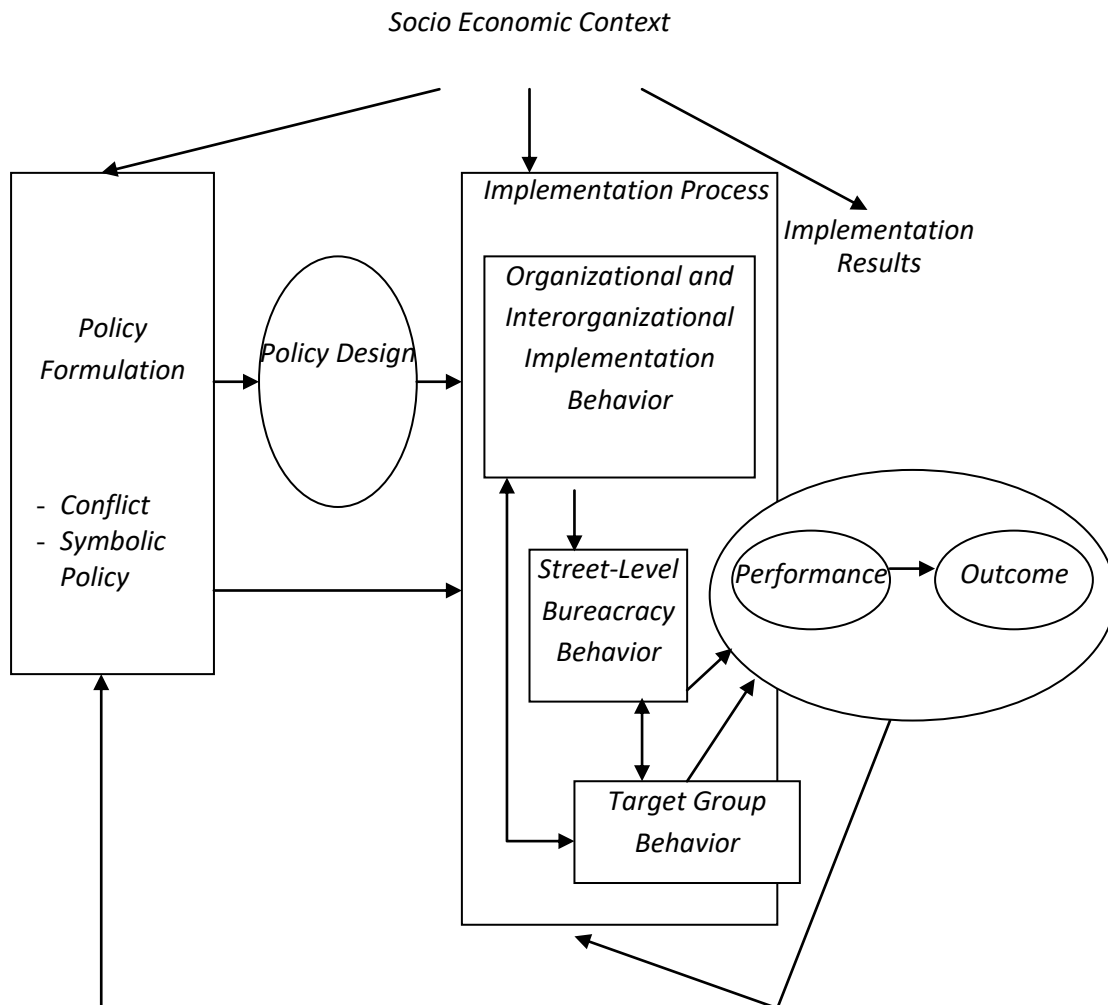
According to Donnelly, Gibson and Ivancevich (2010: 49) performance refers to the level of success in performing the task and ability to achieve the goals set. Performance is considered good and successful if the desired goal can be achieved well, according to the results assessed. Achieving a set goal is one of the benchmarks of individual performance.

There are three criteria in performing individual performance assessments namely individual tasks, individual behavior and individual characteristics (Robbins, 2006: 19). Furtwengler's view (2007: 36) mentions there are four indicators assessing the performance of individual activities within the organization, i.e. quantity, quality, efficiency, effectiveness and loyalty.

Furtwengler (2007: 37) explains that assessing the performance of individuals within an organization can be seen from the results of work produced in quantity in the amount of work generated, the quality of work quality generated, always consider the work efficiency according to the use of working time and effectively always see the resulting work benefits and compliance with organizational rules.

Performance as quality and quantity is always related to efficiency and effectiveness, according to loyalty in working for the achievement of tasks, whether done by individual, group or organization (Schemerhorn, Hunt and Osborn, 2007: 91). Performance as an integral part of the relationship between the organization, human resources and work. The better the organization's support of human resource development, the more work produces the maximum as a reflection of performance activities.

Framework



Hypothesis

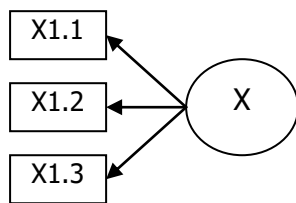
Observations of this study provide three hypotheses that need to be proven are: 1) public policy has a positive and significant impact on service quality and organizational performance; 2) public policy has a positive and significant impact on institutional and organizational performance; and 3) service quality and institutional strengthening have a positive and significant effect on organizational performance. This hypothesis aims to prove the direct and indirect influence of the construct of exogenous variables on the constructs of endogenous variables in finding a research result that can be recommended to realize the research objectives.

Research methods

The material used in this research is to see the relationship of each construct of latent variable observed, either in the form of exogenous latent variable as the variable that influences as

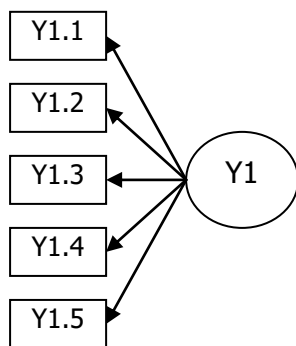
independent variable and endogenous latent variable that is influenced, consist of variable between and dependent variable. More details are shown construct materials from this research:

Exogenous Latent Variables

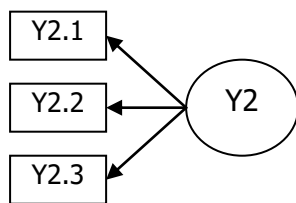


Description:
 X = Public Policy
 X1.1= Formulation
 X1.2= Implementation
 X1.3= Evaluation

Latent Endogen Variable (Session Variable)

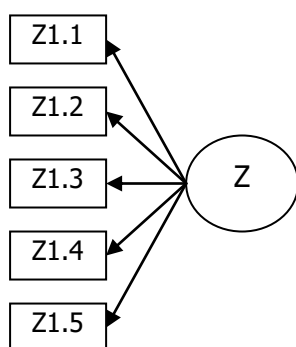


Description:
 Y1 = Quality of Service
 Y1.1= Responsiveness
 Y1.2= Quarantee
 Y1.3= Physical evidence
 Y1.4= Emphaty
 Y1.5= Reliability



Description:
 Y2 = Institutional Strengthening
 Y1.1= Bureaucracy between Organizations
 Y1.2= Lower Level Bureaucracy
 Y1.3= Target Group Bureaucracy

Latent Endogen Variables (Bound Variable)



Description:
 Z= Organizational Performance
 Z1.1 = Quantity
 Z1.2 = Quality
 Z1.3 = Efficiency
 Z1.4 = Efektivitas
 Z1.5 = Goal Orientation

Data analysis techniques used in explaining the phenomenon in this research are descriptive statistical analysis techniques and analysis of Structural Equation Modeling (SEM). Descriptive statistical analysis is used to analyze data by describing or describing the data collected as is without intending to make conclusions that apply to the public (Sugyono, 2009). Descriptive statistical analysis is used to explain the characteristics of respondents, including sex, recent education, age, and years of service. In addition, descriptive statistical

analysis is also used to explain the responses of respondents to research variables. Calculations in descriptive statistical analyzes were performed with the help of computers using AMOS 5.0 and SPSS version 17.0 program packages.

Structural Equation Model (SEM) is an inferential statistical analysis technique that combines several aspects of path analysis and confirmatory factor analysis to estimate several equations simultaneously. Structural Equation Modeling is a second generation multivariate analysis technique that allows researchers to examine the relationship between complex variables, both recursive and non-recursive to obtain a comprehensive picture of the overall model (Ghozali, 2011).

Bollen (in Ghozali, 2011) states that SEM is not like the usual multivariate analysis, this is because SEM can test together. Structural model (structural model); the relationship between the latent variable (construct) independent and dependent. Structural model (structural model) is part of SEM that describes relationship between latent variables. Latent variables in the structural model can be divided into two kinds, namely exogenous and endogenous variables. Exogenous variables are latent variables that are not influenced by other latent variables in the model, whereas endogenous variables are latent variables that are influenced by other latent variables in a research model. Pattern relationship between latent variables in structural model is analyzed by path analysis approach identical with regression analysis. In structural model daapt known big exogenous variable influence to endogen variable either directly or indirectly.

Measurement model (measurement model); relationship (value loading) between the indicator variable (observation) with the construct variable (latent variable). The measurement model (measurement model) is part of SEM that describes the relationship of indicator variable (observation) with latent variable. This relationship is expressed by a loading factor which indicates the correlation between the indicator and the latel variable it describes, in analyzing the measurement model, the method used is Confirmatory Factor Analysis (CFA).

Analysis and Discussion

Analyze the result of research by using Structural Equation Model (SEM) model with confirmatory factor analysis (CFA) of the AMOS 18.0 program. The predictive power of the observed variables at both the individual and the construction levels is seen through the critical ratio (CR). If the critical ratio is significant then the dimensions will be said to be useful for predicting constructs or latent variables. The latent variable (construct) of this research consists of public policy on service quality, institutional strengthening and organizational performance. By using the model of structural equation from AMOS will get fit model indicator. The benchmark used in testing each hypothesis is the critical ratio (CR) value of the regression weight with a minimum value of 2.0 in absolute terms.

The criterion used is to test whether the proposed model is compatible with the data or not. The fit model criteria consist of: 1) degree of freedom should be positive and 2) non-significant Chi-square required ($p \geq 0.05$) and above conservative received ($p = 0.10$) (Hair et al., 2006), 3) incremental fit above 0.90 i.e. GFI (Goodness of fit index), Adjusted GFI (AGFI), Tucker Lewis Index (TLI), The Minimum Sample Discrepancy Function (CMIN) divided by degree of freedom (DF) and Comparative Fit Index (CFI), and 4) RMSEA (Root Mean Square Error of Approximation) is low.

Confirmatory Factor Analysis is used to examine the variables that define a construct that cannot be measured directly. The analysis of the indicators used gives meaning to the label given to the latent variables or other constructed constructs.

After testing the assumptions and necessary actions against subsequent violations, a fit model analysis with fit model criteria such as GFI (Goodness of fit index), adjusted GFI (AGFI), Tucker Lewis Index (TLI), CFI (Comparative of fit index) , and RMSEA (Root Mean Square Error of Approximation) for both individual and complete models. The results of measurements of the dimensions or indicators of variables that can form a constructor or latent variable with confirmatory factor analysis are consecutively described as follows:

The result of constructing test of the exogenous variable of public policy is evaluated based on goodness of fit indices in Table 1 below by presenting criteria model and its critical value. From the evaluation of the proposed model shows that the evaluation of the overall construct yields a critical value indicating that the model has been in accordance with the data, so that it can be tested the suitability of the next model.

Table 1: Evaluation of Goodness of Fit Indices Criteria of Exogenous Variables

Goodness of fit index	Cut-off Value	Model Result*	Description
Chi_Square	Small Expected	111,577	Marginal
Probability	≥ 0.05	0,000	Marginal
CMIN/DF	≤ 2.00	7,970	Marginal
RMSEA	≤ 0.08	0,138	Marginal
GFI	≥ 0.90	0,912	Good
AGFI	≥ 0.90	0,824	Marginal
TLI	≥ 0.94	0,678	Marginal
CFI	≥ 0.94	0,824	Marginal

Source: Result of Data

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TLI	≥ 0.94	0,678	Marginal
CFI	≥ 0.94	0,824	Marginal

Source: Result of Data

Table 1 shows that the exogenous variable measurement model shows a less fit fit model between data and model. This is evidenced by eight unfulfilled criteria. Thus the above model indicates an acceptable level of acceptability, therefore it can be concluded that the model needs to be analyzed further.

Furthermore, to know the observable variables from the regression value and the significance level (p^{***}) means probability value <0.05 or 0.000 , which reflects each variable as an indicator of the exogenous variable shown in table 2.

Table 2: Regression Value for Measurement of Exogenous Variable Indicators

Variable Indicator	Loading Factor (λ)	Critical Ratio	Probability	Description
X1	0,229	3,839	0,000	Significant
X2	0,587	9,817	0,000	Significant
X3	0,280	4,659	0,000	Significant

Source: Result of Data

The factor loading (λ) measurement of the exogenous variable in Table 13 shows the test results on the variable measurement model of each indicator explaining the construct, so that all indicators are included in the next test.

The endogenous CFA test results are service quality (Y1), institutional strengthening (Y2) and organizational performance (Z) on the model. The endogenous variable constructs test results are evaluated based on the goodness of fit indices in Table 3 with the presented criteria model and its critical value. From the evaluation of the proposed model shows that the evaluation of the overall construct yields a critical value indicating that the model has been in accordance with the data, so that it can be tested the suitability of the next model.

Table 3: Evaluation of the criteria of Goodness of Fit Indices Endogenous Variables

Goodness of fit index	Cut-off Value	Model Result	Description
Chi_square	Small Expected	199,942	Marginal
Probability	$\geq 0,05$	0,000	Marginal
CMIN/DF	$\leq 2,00$	3,920	Marginal
RMSEA	$\leq 0,08$	0,090	Marginal
GFI	$\geq 0,90$	0,905	Good
AGFI	$\geq 0,90$	0,855	Marginal
TLI	$\geq 0,94$	0,791	Marginal
CFI	$\geq 0,94$	0,838	Marginal

Source: Result of Data

Table 3 shows that the endogenous variable measurement model shows the fit model or suitability between the data and the model. This is evidenced from the eight criteria that have been met. Thus the above model shows a good level of acceptance, therefore it can be concluded that the model is acceptable.

Furthermore, to know the variables that can be used as indicators of endogenous variables can be observed from the regression value and the significance level (p^{***}) means probability value <0.05 or 0.000 , which reflects each variable as a performance indicator shown in table 4.

Table 4: Regression Value for Measurement of Endogenous Variable Indicators

Quality of Service (Y1)	Loading Factor (λ)	Critical Ratio	Probability	Description
Y1.1	0,408	6,719	0,000	Significant
Y1.2	0,414	7,227	0,000	Significant
Y1.3	0,808	FIX	0,000	Significant
Y1.4	0,606	10,387	0,000	Significant
Y1.5	0,566	9,705	0,000	Significant
Institutional Strengthening (Y2)				
Y2.1.	0,470	7,946	0,000	Significant
Y2.2	0,716	FIX	0,000	Significant
Y2.3	0,516	8,488	0,000	Significant
Loyalty (Z)				
Z1.1	0,235	4,439	0,000	Significant
Z1.2	0,617	FIX	0,000	Significant
Z1.3	0,215	4,041	0,000	Significant
Z1.4	0,527	FIX	0,000	Significant
Z1.5	0,315	5,114	0,000	Significant

Source: Results of Data

Loading factor (λ) measurement of endogenous variables in Table 4 shows the test results against the endogenous variable measurement model of each indicator explaining the construct, so that all indicators are included in the next test.

Based on the way of determining the value in the model, the first model testing variable is grouped into exogenous variables (endogenous variables) and endogenous variables. Exogenous variable is a variable whose value is determined outside the model. While the endogenous variable is a variable whose value is determined through the equation or from the established relationship model. Included in the group of exogenous variables is public policy, whereas those belonging to endogenous variables are service quality, institutional strengthening and organizational performance.

The model is said to be good when the hypothetical model development is theoretically supported by empirical data. From the evaluation model shows that the eight criteria of goodness of fit indices show that the value of its chi-square is still large and there are criteria that are not in accordance with the determined cut-off value, so modification of the model is done by correlating between the error indicators in accordance with the instructions of modification indices. Model test results are evaluated based on the goodness of fit indices in table 5 below with presenting the criteria model and its critical value that has the suitability of the data.

Table 5: Evaluation of Goodness of Fit Indices Overall Model criteri

Goodness of fit index	Cut-off Value	Model Result*	Description
Chi_Square	Small Expected	137,202	Good
Probability	≥ 0.05	0,053	Good
CMIN/DF	≤ 2.00	1,225	Good
RMSEA	≤ 0.08	0,025	Good
GFI	≥ 0.90	0,964	Good
AGFI	≥ 0.90	0,938	Good
TLI	≥ 0.94	0,979	Good
CFI	≥ 0.94	0,986	Good

Source : Hair (2006), Arbuckle (1997)

From the evaluation model shows eight criteria of goodness of fit indices has met the criteria cut off value, so that the model can be said to have been in accordance with the criteria of goodness of fit indices for the analysis.

Based on the empirical model proposed in this study can be tested against the hypothesis proposed through the testing of path coefficients in the model of structural equations. Table 6 is a hypothesis testing by looking at the value of P value, if the value of P value is less than 0.05 then the relationship between the significant variables. It also explains the direct effect (direct effect) means there is a direct positive influence between the variables, indirect effect (indirect effect) means there is an indirect positive influence between the variable, and the total effect (total effect) is the accumulation of direct influence and indirectly. Test results are presented in the following table:

Table 6: Hypothesis testing

HIP	Variabel			Standardize			P.Value	Description
	Exogen	Endogen		Direct	Indirect	Total		
1	Public Policy (X)	Quality of Service (Y1)	Organization Performance (Z)	-0.633	0.334	-0.299	0.028	Significant
2	Public Policy (X)	Institutional Strengthening (Y2)	Organizational Performance (Z)	0.588	0.273	0.861	0.000	Significant
3	-	Corporate Image (Y1)	Organizational Performance (Z)	0.353	0.000	0.353	0.008	Significant
	-	Customer Satisfaction (Y2)		0.774	0.000	0.774	0.000	Significant

Source: Results of Data.

Interpretation from Table 6 can be explained that public policy has a negative and significant effect on service quality and organizational performance with $p = 0.028 < 0.05$, with direct influence value -0.633 and indirect influence 0.334. Public policy has a positive and

significant effect on institutional strengthening and organizational performance with $p = 0.000 < 0.05$, with a direct effect value of 0.588 and indirect influence of 0.273. Service quality and institutional strengthening have a positive and significant impact on organizational performance. For the quality of service to the performance of the organization with $p = 0.008 < 0.05$ and the value of direct influence of 0.353, and for institutional strengthening of organizational performance with $p = 0.000 < 0.05$ and the value of direct influence 0.774.

CLOSING CONCLUSION

The results concluded with the implication that public policy has a negative and significant effect on service quality and organizational performance. The implication of the quality of service is not well implemented, so the government apparatus decreases. It is recommended to continue to make strategic public policy decisions based on quality of service and performance.

Public policy has a positive and significant impact on institutional strengthening and organizational performance. The implication is that organizational institutions are more solid in achieving performance. Recommended to maintain institutional and performance oriented policies.

Service quality and institutional strengthening have a positive and significant impact on organizational performance. The implication is that organizational performance is increasingly qualified and institutionalized. Recommended to develop institutionalized service quality.

RECOMMENDATION

Based on the above conclusions, it is recommended to continue to make strategic public policy decisions based on quality of service and performance, to maintain institutional and performance oriented policies, and to develop institutionalized service quality.

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