

# Beyond Codes: The Role of the Indonesian Civil Service Commission in Promoting Ethics within Indonesia's Civil Service

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## Abstract

This research studies an Indonesian integrity body with key roles in promoting ethical conduct across government agencies. The key research question is: How has the Indonesian Civil Service Commission played a role in ethics management within Indonesia's civil service? This research uses a qualitative case study by analysing documents to understand how a particular organisation employed its work in promoting ethics. This research finds that despite its intended role as an enforcement agency of ethics rules, the ICSC rolled out various mechanisms for translating its role into practice. The ICSC has implemented a combination of compliance and value-based approach that encourages individual civil servants to adhere to ethics codes while enabling the human resource unit to champion and promote ethics within government agencies, implementing ethics beyond adherence to ethical codes and cultivating ethical culture.

## Keywords:

Indonesia civil service commission; ethics; organization

## Introduction

Ethics are important aspects of the public sector. Citizens entrust public authorities with significant power and resources to make decisions and formulate policies on their behalf; therefore, providing public services efficiently and effectively is insufficient. Citizens demand that policies and services be executed ethically, fairly, and equitably (Sullivan, 2021, p. 1153). Furthermore, scholars find that the ethical climate in an organisation positively influences public trust, performance, and employee work satisfaction and turnover (Andersson & Ekelund, 2022; Menzel, 2015).

One common approach to promoting ethical conduct within an organisation is through ethics management (Maesschalck, 2004), which includes various tools and strategies to foster ethical behaviour among organisational members. There are two widely accepted approaches to ethics management: compliance-based or rule-based ('low road') and integrity-based or value-based ('high road')<sup>1</sup>. The compliance approach relies on clear rules to control employees' behaviour. It uses detailed and strict rules and procedures for limiting an individual's ethical choice and violating the rule will result in punishment. The value-based approach focuses on

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<sup>1</sup> This article will use compliance-based and value-based to refer to the distinct approaches.

activating the internal moral compass of an employee by stimulating moral judgment and strengthening ethical decision-making skills (Maesschalck, 2004). It also focuses on encouraging internal responsibility rather than strict rule enforcement.

Compliance-based ethics programs have become the primary method to promote ethics (Roberts, 2009), with the most common tool being codifying ethics (van Blijswijk et al. 2004). Ethics rules are important in standardising behaviour and useful tools for preventing misconduct. However, it is often too abstract or too specific, which could fail to guide employees in various situations (van Blijswijk et al. 2004). Reliant on strict rules to guide decision-making would also be unproductive for individual conscience when dealing with various ethical dilemmas (Roberts, 2009). Therefore, scholars have suggested that effective ethics management needs to combine the two approaches.

While much research has focused on conceptualising these approaches, there is still a lack of understanding about how organizations put a combination of these strategies into practice (Andersson & Ekelund, 2022). Furthermore, most of the literature on ethics management originates from developed (principally OECD) countries (OECD 2000; Andersson and Ekelund 2022; van Blijswijk et al. 2004). This essay will contribute to the literature by analysing how an organisation employs an ethics management approach outside the context of developed or OECD countries. The chosen organisation is the Indonesian Civil Service Commission (ICSC), the Indonesian state agency that oversees the implementation of civil service norms and ethics codes in all government agencies (Effendi 2014).

Six and Lawton (2013:647) argue that an organisation akin to the ICSC will implement a compliance-based approach as it operates to externally impose expected behaviour. On the other hand, Maesschalck (2004:22) states that compliance and value-based 'do not constitute a simple dichotomy but should be seen as the opposite ends of a continuum'. He emphasises the need to analyse ethical management strategies in a more extended view. Furthermore, the OECD argues that there is no prescriptive configuration on whether each approach is managed by a distinct unit or a unit with the combined approach. There are valid arguments supporting both configurations (Maesschalck & Bertok, 2009, p. 66). This essay will argue that while the ICSC's mandate primarily focuses on monitoring compliance-based tools, which are ethic codes, in practice, the ICSC implements combined strategies in translating the mandate.

Studying the ICSC in ethics implementation is important. As an organisation with a bird's-eye view, as suggested by Andersson & Ekelund (2022:1090, 1110), the ICSC plays a crucial role in promoting ethics across other organisations. Its function allows for developing more systematic ethics management strategies instead of merely scandal-driven responses.

The research question of this essay is, "How has ICSC played a role in ethics management within Indonesia's civil service?" The following sub-questions will guide the investigation and analysis:

1. What is the intended role of the ICSC in ethics management?
2. What mechanism does the ICSC employ to implement ethics management?
3. Are the mechanisms more associated with a compliance-based or value-based approach?
4. What are the prospects of this approach for Indonesia's integrity system?

The article is structured as follows: The following section will present the theoretical framework that will help analyse the Indonesian case. The research design will be presented in the subsequent section. Before delving into the findings, a brief overview of the Indonesian civil service system will be introduced. The essay then presents four subsections of the findings based on the research question, followed by a discussion. Last, the conclusion will present the research summary and highlight the future direction of exploring ethical management strategies within the public sector.

### **Analytical Framework and Prior Research**

This section will explore some conceptualisation of ethics management infrastructure, the attributes of compliance and value-based ethics programs, and the situation of a public service commission within an ethics management system. Moreover, the literature review will explore prior research on the implementation of ethics management strategies and ethics management in Indonesia's context.

#### **Attributes of compliance and value-based strategies**

The compliance-integrity distinction originates in the 1930s with the well-known Friedrich-Finer debate about the effectiveness of internal and external controls in influencing individual conduct. However, it was in the 1990s that these two approaches were first combined within a single framework by influential international organisations, such as the OECD (Tremblay et al., 2017, p. 221).

The OECD (2000) proposes a systematic framework to promote integrity and prevent misconduct within the public sector called 'ethics infrastructure'. Ethic infrastructure consists of three elements: guidance, management, and control, which should be complementary and must interact to become a coherent and integrated infrastructure (OECD, 2000, pp. 23–24). Guidance is defined by statements of values such as codes of conduct and is inculcated through education and training. Management can be realised through establishing a particular body or an existing

central management agency tasked with coordinating the ethics program and through public service policies and practices. Lastly, control elements allow independent inquiry, accountability mechanisms, and public involvement.

In 2009, Maesschalck and Bertok refined a more comprehensive ethics infrastructure for the OECD. They coined "the integrity management framework", a thorough and systematic approach consisting of instruments, processes, and structures for fostering integrity and preventing corruption in public sector organisations (Maesschalck & Bertok, 2009). Instruments, as the primary pillar, are specific tools and mechanisms to foster integrity, such as ethics codes, training, complaint mechanisms, and sanctions. They suggest that a sound framework should have instruments to serve four main functions: defining integrity, guiding toward integrity, monitoring integrity, and enforcing integrity. Furthermore, they argue that the sound framework does not only focus on instruments. Those instruments 'should be brought to life' through continuous processes, such as the PDCA (plan, do, check, adapt) cycle (Maesschalck & Bertok, 2009, p. 59). The third pillar, structures, emphasises the importance of actors with clear roles and responsibilities in promoting ethics. They argue that managers and specialised integrity bodies are the core actors in promoting ethics.

Maesschalck and Bertok distinguish instruments as compliance and value-based approaches (Maesschalck & Bertok, 2009, pp. 27–28). The compliance strategy focuses on external controls to regulate public servant behaviour through formal and detailed rules and procedures. The goal is to prevent ethics violations and prevent corruption. The value-based approach, on the other hand, focuses on guidance and "internal" control, which refers to the control that public servant exercise over themselves. The later strategy tries to strengthen ethical decision-making skills through interactive training, workshops, and individual coaching (Maesschalck & Bertok, 2009, p. 12). However, they point out that the distinction between the two techniques is not always evident and depends on the instrument's specific implementation. In sum, they argue that integrity management is a complex and never-ending process of striking a balance between the rules-based and the values-based approaches. The exact shape of both approaches will depend on the actual social, political and administrative context, and the history of the organisation (Maesschalck & Bertok, 2009, p. 13).

**Table 1.**

**Ethics instruments categorised as compliance-based and values-based**

<b>Compliance-based instruments</b>	<b>Function</b>
Risk analysis; Code of conduct; Conflict of interest policy; Gifts and gratuities policy; Post employment arrangements; Structural measures ( <i>e.g.</i> function rotation)	Determining & defining integrity
Rules-based integrity training; Oath, signing	Guiding towards integrity

integrity declaration; Advice, counselling Whistle-blowing policies; Complaints policies; Inspections; Integrity testing; Early warning systems; Systematic registration of complaints, investigations, etc.; Survey- measurement of integrity violations and organisational climate; Regular review of ethics rule	Monitoring integrity
Formal sanctions; Procedure for handling integrity violation; aversive consequences	Enforcing integrity
<b>Value-based instruments</b>	
Analysis of ethical dilemmas; Consultation of staff and stakeholders; Code of ethics; Non-written standard setting	Determining & defining integrity
Values-based integrity training; Integrating integrity in the regular discourse (e.g. announcing the integrity policy through channels of internal and external communication); Exemplary behaviour by management; Coaching and counselling for integrity	Guiding towards integrity
Survey measures of integrity dilemmas; Informal probing for ethical dilemmas and issues among staff;	Monitoring integrity
Informal sanctions; Supportive consequences (through recognition and financial incentives)	Enforcing integrity

*Source: Adopted from Andersson & Ekelund, 2022, p. 1095; Maesschalck & Bertok, 2009, p. 28*

Perlman et al. (2023) share several similar attributes of compliance and value-based with the former, though they do not categorise them into pillars and functions. They mention that the attribution of compliance-based approaches are mission statements, ethical mechanisms, and aversive consequences. Mission statements emphasise the availability of written and announced ethical values. Ethical mechanisms ensure employees conform to ethical standards through written ethical rules, guidelines for ethically problematic situations, mechanisms to report and investigate ethical breaches, and regular announcements of ethical rules and process changes. The last attribute, aversive consequences, refers to unwanted or undesirable consequences punished when employees are involved in ethical breaches.

On the other hand, the value-based approaches emphasise top management's central role in promoting ethical behaviour and openness of the environment in discussing ethics and ethical problems (Perlman et al., 2023). The attributes include ethical leadership, which consists of communicating ethics, role modelling, and showing commitment by tackling emerging ethical issues as they arise. Another attribute is ethical openness, when leaders enable an environment where they can provide necessary information to make informed ethical decisions and discuss ethical issues openly with employees. The last attribute is supportive consequences, achieved by recognising and rewarding ethical conduct with recognition or increased compensation.

Although Maesschalck and Bertok (2009) and Perlman et al (2003) share similar attributes, Perlman et al's attribution, especially in the value-based approach, is more loosely

identified because it is not only related to specific tools but also a situation, such as ethical openness, role modelling and showing commitment.

This project will mainly employ the integrity management framework for analysing the strategies of ICSC in promoting ethics within Indonesia's civil service as it is the most advocated framework endorsed by academics and practitioners (Tremblay et al., 2017, p. 220). Andersson and Ekelund (2022:1094) also use the framework to explore the ethics management strategies of two organisations in Sweden. In addition, this research will incorporate some attributes from Perlman et al. (2023) to deliver a more comprehensive framework, especially in analysing the value-based strategy. However, this project will only focus on exploring the instruments used by ICSC in implementing ethics management and will not discuss in detail the process and structure of ethics management.

This research acknowledges some limitations in drawing the theoretical framework. The focus of the project is primarily practical and centred on exploring the actual implementation of ethics management strategies. Hence, the research does not delve into the discourse of ethical theory. Furthermore, while insight from private sector ethics management is valuable, the research primarily relies on the framework of the public administration discipline.

### **Public Service Commission**

Drawing from the experience of OECD Countries in applying ethics management infrastructure, a public service commission could have several functions (OECD, 2000). These commissions often support public servants in addressing ethical issues by providing guidance, advice, and counselling. In some countries, the public service commission acts as an appeal body for disciplinary actions, investigating and prosecuting misconduct and delivering independent scrutiny. Furthermore, as an integrity body, the public service commission can carry out the four functions in the integrity management framework mentioned above, from defining integrity to enforcing integrity.

Integrity bodies should have considerable power because they focus on tackling issues that involve activities that people and organisations want to hide: corruption, misconduct, and maladministration (Prasser, 2012). Moreover, the effectiveness of integrity bodies relies on several critical factors, including the clarity and comprehensiveness of their mandates, the adequacy of their powers, the sufficiency of their budget and staffing, and their ability to cooperate with agencies that share common interests (Head, 2012, p. 18).

### **Prior Research on Ethics management strategies**

A number of studies have explored the implementation of ethical management strategies. Van Blijswijk et al (2004) explores how the Netherlands Tax and Customs Administration

promotes ethics in their organisation. It implements what they call a two-pronged approach by codifying the operational ethics of the organisation and fostering shared values and behaviours with ethics training, providing integrity counsellors, and establishing a forum to discuss ethical issues.

Similar to Van Blijswijk et al's study (2004), Yuhariprasetya (2015) also seeks to explore the ethics management strategy implemented in Indonesian Tax Offices. He identifies that the ethical management strategy tends to change periodically. In the first period, the approach was more compliance-based. In the second period, the approach was relatively balanced. In the third period, the approach shifted back to being more compliance-based. Furthermore, he finds that the shifting approach follows a typical pattern in which the approach and decisions tend to be pragmatic and scandal-driven.

Andersson and Ekelund (2022) explores the ethics management strategies in two Swedish organisations responsible for promoting ethics across organisations, namely the Swedish Agency for Public Management (SAPM) and the Swedish Association of Local Authorities and Regions (SALAR). The study reveals that both organisations prioritise rules-based instruments to define and enforce integrity while emphasising values-based instruments for guiding and monitoring integrity.

Van Bliswijk et al (2004) and Yuhariprasetya (2015) explore the implementation of ethical management strategy within an organisation. This research might have a similar design with Andersson and Ekelund's study. The ICSC has comparable tasks to SAPM and SALAR but has a broader reach, encompassing all organisations within both central and regional governments. To date, no research has explored how Indonesian oversight agencies employ an ethical management strategy.

## **Method**

This research uses a qualitative case study approach to explore the role of a particular organisation in ethics management. The method is selected as it can provide an "in-depth, detailed, and particular" explanation of the case (Tight, 2017, p. 29). It will help to understand how compliance and value-based ethics management approaches are applied in practice. While it can comprehensively explain a case, this method is considered feasible for small-scale research with limited resources, such as time and data availability (Tight, 2017, p. 29).

The study aims to contribute to the literature by presenting another perspective of ethics management implementation outside the context of developed or OECD countries. Thus, the study will focus on the Indonesian Civil Service Commission, an oversight agency with a unique

position as an institution promoting ethics across organisations. In particular, the study will analyse the work of a working group or unit within the ICSC. The unit serves as a purposive sample as it has the specific function of monitoring the implementation of ethics codes. The unit's strategies are expected to represent the organisation's decisions. Nevertheless, this research does not focus on producing generalisability for similar oversight agencies. Instead, it provides a specific example of how ethics management approaches are implemented by an organisation that focuses on monitoring civil service systems.

The analysis will be drawn from secondary data, primarily from what Coffey (2013) calls 'official' records from legislation encompassing law, government regulation, and internal procedures of the ICSC. Other sources are organisation reports, consisting of publicly ICSC annual reports and unpublished working group annual reports. Additionally, this study will examine ICSC's textual communications published on its website, representing its day-to-day practices. Studying these documents is important as they help 'understand and make sense of social and organisational practices' (Coffey, 2013, pp. 367–368).

The law and regulations will be useful in answering the ICSC's intended role. Meanwhile, the organisation's annual report and textual communications will help explore what mechanisms the ICSC has carried out to deliver its role. Although the available documents are sufficient to understand how the ICSC implements the ethics management policy, this study acknowledges the possibility that primary data sources, such as interviews with key decision-makers at the ICSC, will be valuable to understanding the rationale behind certain decisions.

## **Findings**

### **The ICSC's Intended Role**

Indonesia has enacted a civil service law since 1961, which has been amended several times. The government passed an amended civil service law in 2014, Law Number 5 2014, that marks a significant milestone in service reform (Prasojo et al., 2022). This law aims to create more professional public servants who are managed based on the merit system and guided by core values and a code of ethics (Sofian Effendi, 2014). Pierskalla mentions the new law as ambitious as it introduced strong formal principles of meritocracy by implementing open recruitment of senior executive positions (Pierskalla, 2022, p. 31). The law also created a new institution called the Indonesian Civil Service Commission, an institutional tool to support efforts in professionalizing civil service (The AIC 2020:5).

Article 30 of the law states that the ICSC's role is to supervise the implementation of core values and ethics code, as well as the merit system in the Indonesian civil service. Additionally,

the following Article states that the ICSC is tasked with maintaining civil servant neutrality. To fulfil its duties, the ICSC can dig for data and information regarding implementing the merit system in government agencies, receive reports and conduct independent investigation on ethics code violations (or alleged violations), and take preventive measures to prevent them. The law mandated that the ICSC has the power to determine if ethical code violations have occurred.

Based on the integrity management framework, the ICSC's function in ethics management is more in monitoring and enforcing ethics. The ICSC does not have a defining function because, in fact, the ethics code has been regulated since 2004 through Government Regulation 42 of 2004. According to the regulation, ethics codes are guidelines for civil servants in carrying out their daily duties and in carrying out their daily social life. Each government agency has been mandated to establish an internal ethics team to enforce the code of ethics and to ratify internal regulations on ethics codes. While the regulation mentions the sanction for those who breach ethics codes, it does not mention how the public could report alleged violations, nor does the internal ethics team conduct independent scrutiny.

The ICSC was established ten years after the code of ethics regulations were enacted. Thus, establishing the ICSC is an additional measure to enforcing ethical codes and likely serves the compliance-based strategy. The ICSC has powers not covered by existing regulations, such as receiving complaints regarding alleged violations from the public and the power to conduct independent investigations. Therefore, ICSC's role as a compliance tool involves creating a deterrent for civil servants. Adherence to ethical codes is strongly encouraged, as failure to comply can result in reports from the public or independent investigations by the ICSC.

### **The ICSC's Mechanism in Implementing its Role**

The research finds that, in general, the ICSC implements three main mechanisms in overseeing the implementation of ethics codes within the Indonesian civil service: receiving complaints of alleged violation and conducting investigations; monitoring the availability and the internalisation of internal ethics codes in government agencies; and public campaigns.

The public can report ethical breaches through various channels: directly to the ICSC office, by sending letters, or by submitting online via the website [lapor.kasn.go.id](http://lapor.kasn.go.id). The ICSC will begin an investigation if the complaint file is complete. The ICSC could request clarification from the reporter, the reported civil servant, or the human resource (HR) unit if needed. If the ICSC finds that an ethics violation occurred, the ICSC will issue recommendations for the investigation results to the civil servant's employer. These recommendations may be stated in direct sanctions or referring the case for further investigation by the internal ethics team. The investigation is

marked finished once the government agency reports that they have followed the ICSC's recommendations in sanctioning the employee.

Sanctions for violating the code of ethics typically take the form of moral sanctions, such as conveying an apology to the public or the employer. Additionally, if the investigation reveals further breaches of obligations, the employee may face administrative sanctions ranging from reduced performance allowances and demotions to dismissal from civil service.

The second monitoring mechanism carried out by the ICSC is to ensure that all government agencies have enacted and internalised internal ethics codes. The ICSC carries out this monitoring through various meetings with personnel units in government agencies, both multilaterally and bilaterally. In encouraging government agencies to establish ethical rules, the ICSC also provides counselling activities to help them understand the process of forming the rules. Furthermore, for agencies that already have ethical rules, the ICSC assesses what it calls 'maturity in ethics code implementation'. The assessment aims to enhance the quality of implementing the ethics code and act as preventive measures against misconduct. The following table summarises the assessment criteria.

**Table 2.**

**The quality assessment element and criteria**

<b>Elements</b>	<b>Criteria</b>	<b>Definition</b>
Ethic rules establishment	Leadership commitment	The inclusion of ethics policies in strategic plans at both the institutional and unit levels
	Relevance of substance	The extent to which internal policies cover core values, ethics codes, conduct codes, local wisdom, and mechanisms for complaint handling, monitoring, and evaluation.
	Internal involvement	The participation of different units and individual employees in formulating internal policies
	External involvement	The involvement of external stakeholders (academics, experts, practitioners, cultural figures) in rules formulation.
Ethic rules implementation	Internalisation	The extent to which ethical rules are disseminated within the agency, covering various target groups (e.g. new civil servant, newly appointed official, all employee in all levels)
	Institutionalisation	The establishment of mechanisms to integrate ethic principles within the agency (e.g. appointing ethic agents or role model, ethics training)
	Externalisation	Activities aimed at promoting ethic principles outside the agency
	Innovation in ethics implementation	Innovative activities conducted to enhance ethics implementation (e.g., applying information technology, organizing team building activities, giving award to employee)
	Employee survey	Conducting surveys to measure the employee understanding on ethic rules

Ethic rules enforcement	Complaint channel	Availability and functionality of channels for receiving complaints related ethics violations
	Internal ethics team	Availability and functionality of an ethics team within the agency
	Complaint handling	Procedures to handle and follow up on complaints of ethics violations
	Follows up on the ICSC recommendation	The extent to which the agency follows up on recommendations from the ICSC
	Incorporating ethic to performance appraisal and workforce decision (promotion, demotion)	The extent to which ethics considered in employee performance appraisal, promotion, and demotion
	Employee recognition	The practice of recognizing and awarding employees for their adherence to ethics principles
Sustainability of ethical system	Monitoring and evaluation	The processes in place for monitoring and evaluating the implementation ethic rules
	Budget allocation	The allocation of budget specifically for ethics implementation activities
	Ethic implementation roadmap	The availability of roadmap in ethics implementation

Source: (The ICSC 2022)

The criteria must be answered using a 4-point Likert scale. The assessment process begins with government agencies conducting a self-assessment and submitting evidence to support their claim. The ICSC then verifies this evidence and assigns a final score, resulting in one of four predicates: Compliant, Fairly Compliant, Less Compliant, or Not Compliant. The ICSC head commissioner will symbolically deliver the assessment results to government agencies that receive the "Compliant" predicate as a symbol of reward or appreciation. However, no financial or administrative rewards are associated with receiving this award.

The third mechanism carried out by ICSC is a public campaign. Since COVID-19 and restrictions on in-person activities, the ICSC has carried out several online public campaigns via webinars. This campaign involved inviting various experts and senior bureaucrats to deliver presentations on the importance of adhering to ethical codes. The campaign aimed to enhance public understanding of the significance of ethical conduct and maintaining neutrality. This webinar is accessible to the general public or public servants in particular, as it was broadcast live on YouTube.

### **Compliance and Value-based Ethic Management Strategies in Practice**

The last two findings illustrate the comparison of the intended role of the ICSC as stated in the law and the actual mechanism that the ICSC employs to implement the role. The findings indicate that despite the intended role as external control and serving a compliance-based strategy, the ICSC employs several mechanisms that comprise a combination of compliance and value-based strategies in practice. In general, ICSC promotes ethics by conducting interventions

in employees and HR units. Investigative power in handling alleged ethics violations becomes a tool in enforcing individuals to behave ethically. Public campaigns also target individual employees to provide knowledge to increase their understanding of ethical issues. Additionally, the ICSC encourages HR units to promote ethics by enforcing the enactment of internal ethics rules and providing assessment tools to measure the quality of ethics implementation.

**Table 3.**

**Categorisation of ethics management strategies employed by the ICSC**

<b>Level of intervention</b>	<b>Mechanism</b>	<b>Related ethic management strategies</b>	<b>Function</b>
<b>Individual</b>	Investigation of alleged violation	Compliance-based	Monitoring integrity
	Moral sanction	Compliance-based	Enforcing integrity
	Administrative sanction	Compliance-based	Enforcing integrity
	Public campaign	Value-based	Guiding toward integrity
<b>HR Unit</b>	Monitoring of the Availability of internal ethic codes	Compliance-based and Value-based	Enforcing integrity
	Quality assessment	Compliance-based and Value-based	Guiding toward integrity
	Recognition for government agencies with high score	Value-based	Enforcing integrity

Table 3 indicates that ethics management strategies can be clearly distinguished when these strategies aim to encourage individual conduct. Investigating alleged violations makes employees feel watched and perceive fewer choices in their decision-making as the ethics codes guide their decisions. Those features are associated with a compliance-based approach. The findings categorise both moral and administrative sanctions as compliance-based strategies. The assumption is that the incentive to avoid sanctions strongly motivates employees to adhere to the rules and that sanctions for misconduct lead to improved behaviour. Even if only moral sanctions are imposed, requiring an employee to apologise publicly for proven explicit violations can be a strong motivator for improving behaviour. It could cause a sense of shame and serve as a strong deterrent against repeating the misconduct. On the other hand, the public campaigns or webinars can be categorised as ethics training aimed at enhancing employees' ethical knowledge. Participants can share their experiences facing ethical dilemmas in these webinars and freely ask questions. This situation represents a condition of ethical openness, as described by (Perlman et al., 2023). The discussions in these webinars serve as valuable guidance for employees navigating ethical dilemmas in their work. Thus, public campaigns are the only value-based tool the ICSC employs to promote employees' ethics.

Furthermore, the research has found a more unclear categorisation when referring to the interventions in the HR Unit. On the one hand, the ICSC aims to force all government agencies to have ethical codes to guide their civil servants. As an external control enforcing Government Regulation 42 of 2004, the ICSC's role could be associated with a compliance-based strategy. On the other hand, while enforcing this regulation, the ICSC engages in various communications with government agencies, both multilaterally and bilaterally. In their interactions with government agencies, the ICSC refers to them as partners rather than mere objects of supervision (The ICSC 2022, 2023b). This assumption underlies categorising most interventions to HR units as value-based strategies. Treating them as partners enables a collaborative environment where HR units can discuss ethical issues with the ICSC. The ICSC aims to build the HR unit's understanding of the importance of establishing internal ethical codes and offers counselling on developing and ratifying these codes and what needs to be regulated. This discussion process simultaneously allows individuals in the HR unit to gain a deeper understanding of some ethical issues, increasing their ethical knowledge, which could be helpful for navigating ethical dilemmas.

The quality assessment could serve both as a tool for the ICSC in mapping the quality of ethics code implementation and as a guide for government agencies in strengthening their organisational ethical culture. It can shed light for the government agencies that merely establishing the ethical codes is insufficient. Several criteria in the maturity assessment are associated with a value-based approach, such as leadership commitment, role model, and ethics training. The assessment tool also requires incorporating ethics in management measures, such as sufficient financial support and ethics as one of the promotion criteria. Therefore, the quality assessment is a mechanism that allows the ICSC to force government agencies to combine their compliance-based and value-based strategies.

Lastly, giving recognition to government agencies with a high predicate on assessment is associated with a value-based strategy as supportive consequences. Despite having no financial or administrative consequences, the ICSC expects that giving this award will encourage other agencies to improve the quality of their ethics implementation (see The ICSC 2023). Unlike aversive consequences, which create motivation to drive away, supportive consequences aim to attract participants (Perlman et al., 2023).

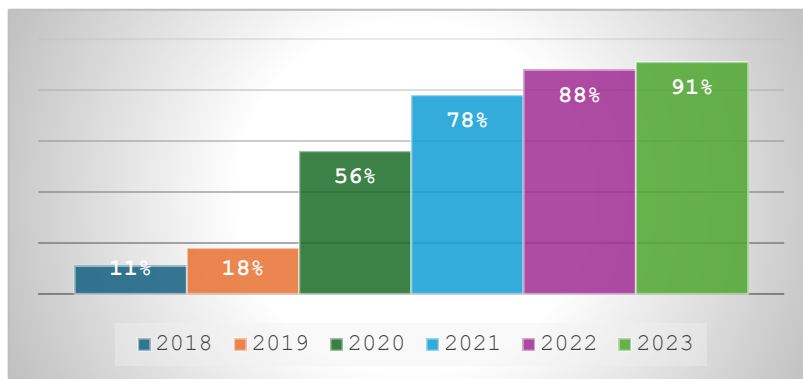
### **The Prospect of Ethic Management in Indonesian Civil Service**

With the mechanisms in place, the ICSC achieves several performance outputs. Firstly, regarding the investigative function of the alleged violation, the ICSC received an average of 655 allegation reports annually from 2020 to 2023, mainly involving civil servants in local government. Of this number, the ICSC completed the investigations and issued recommendations

for 541 cases in the same year. Cases that were not resolved within the year were not due to incapacity of investigative power but rather because the ICSC needed time to continue its investigations in the following year. With a staff of only 21 who have to carry out other duties, the performance is commendable because it shows the ICSC is committed to complaint handling and provides confidence to reporters. However, this also highlights that the ICSC is understaffed, and the workload for each staff is high. It is unsurprising, as a commentator has revealed, that most integrity bodies or ethics units have limited resources (Rifkin, 2014, p. 40).

Another noteworthy output is the availability of internal ethics codes across government agencies. Despite being regulated since 2004, only 11% of government agencies had an internal ethical code by 2018. This number increased to 91% by the end of 2023. The chart below shows the percentage of government agencies within the Indonesian civil service that have enacted internal ethical codes from 2018-2023.

**Chart percentage of government agencies enacted internal ethical codes**



*Source: (The ICSC 2023b)*

Of the number that already have internal ethics codes, the ICSC conducted quality assessments on 56 government agencies. There is less coverage of assessed agencies because the assessment tool is relatively new, developed in 2020, with piloting assessment starting in 2021. However, despite the slower progress in assessments, the findings have demonstrated how the ICSC has successfully managed to reach government agencies extensively. If this level of performance is maintained, it is likely that by 2024, all government agencies will have established internal ethics codes. Following this output, the ICSC could shift its focus to supporting agencies in cultivating ethical culture beyond adherence to ethical codes.

## Discussion

The findings reveal that despite its clear role as enforcement agency of ethics rules, the ICSC rolled out various mechanisms for translating those mandates into practice. It indicated that a particular strategy could not be attached to one specific organisation. Ethics management

strategies comprise interplay instruments and practices, and organisations make many policy decisions in translating mandates into various programs. It supports Maesschalck's argument that compliance and value-based strategy is not a clear dichotomy (Maesschalck, 2004).

Prior research indicates that shifting from the dominance of compliance-based strategy to more combined strategies typically comes from a top-down direction, such as national policy (see van Blijswijk et al. 2004; Hoekstra et al. 2008). In Indonesia, however, the strategies for promoting ethics within civil service are still dominated by compliance-based approaches. It is reflected in various assertions that professional civil service is one that adheres to ethical codes. Consistent with this policy, the ICSC frames its strategy as investigating alleged ethics breaches and conducting preventive measures against violations. In the literature, both foci are actually more associated with compliance-based approaches (Hoekstra et al., 2008, p. 149). However, most of the mechanisms implemented by the ICSC allow a safe environment for employees and HR units to discuss various ethical issues that can potentially increase ethical knowledge. Additionally, even though the ICSC claims quality assessment as a preventive measure, the various criteria in the quality assessment are strong enablers for increasing ethical culture within the agency. Thus, the ICSC has actually combined both strategies, albeit unintendedly.

Various policy decisions that the ICSC rolled out to execute its mandates are perhaps shaped by its legal and political position. It was repeatedly mentioned that its recommendations are not binding. In this case, there is no legal penalty for the employer, most of whom are elected officials, if they ignore the ICSC's recommendations. Therefore, the ICSC chose to be a relatively 'soft watchdog' to build good relationships and mutual trust, so that government agencies, specifically the employer, voluntarily adhere to the ICSC's recommendation. It also reflects that the weakness here is not its power to investigate as concerned by Prasser (Prasser, 2012) , but its recommendations, which do not have strong legal power. Hypothetically, if the ICSC had stronger legal power, they might would take a different position in carrying out their mandate.

On the other hand, this weak legal power could also be seen as a 'blessing in disguise' because, with that, the ICSC is implementing programs that go beyond adherence to ethical codes. Through its policy choices, the ICSC not only focuses on punishing misconduct but also enables the HR unit to actively contribute to promoting ethics within each agency.

## **Conclusion**

The research has contributed to the literature that a particular strategy could not be attached to one specific organisation. Despite its clear role as an enforcement agency of ethics rules, the ICSC rolled out various mechanisms for translating those mandates into practice. The

ICSC has implemented a combined approach that encourages both individuals to adhere to the ethics codes and the HR unit to be stronger integrity actors in each agency.

Most interventions for individuals could be categorised as compliance-based tools, as the ICSC dissuades individuals from breaching ethical codes. Meanwhile, the ICSC intervention in the HR unit aims to prevent misconduct and serves both as compliance and value-based. The ICSC's relationship with HR units ensures that each agency adapts internal ethics codes while facilitating an environment where ethical issues can be openly discussed. Additionally, the assessment tool developed by the ICSC provides HR units with guidelines to cultivate an ethical culture within their agencies.

The ICSC has demonstrated significant output in promoting ethics through their commitment to completing most reports of the alleged violations and enforcing agencies to adapt internal ethics codes. After ensuring all government agencies adapt internal codes, the ICSC could shift its focus to help them internalise the rules and cultivate ethical culture.

This research highlights the complexity of ethics management strategies, especially when viewed from the perspective of the oversight agencies responsible for promoting ethics across other organisations. While it confirms that ethical strategy does not operate as a clear dichotomy, it does not fully address how to balance both compliance and value-based approach in practice.

Therefore, further research is needed to explore the implementation of ethics management strategies in other organisational characteristics and greater detail. Investigating how other oversight agencies with more significant power, such as the Corruption Eradication Commission, employ ethics strategies could be particularly insightful. Additionally, examining how different ethics commissions handle other public officials, such as the police and the military, would be valuable, given their distinct human resource systems compared to civil servants.

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