

THE INFLUENCE OF SKK MIGAS LEADERSHIP, COORDINATION, CONTROLLING AND PUBLIC PARTICIPATION TO MANAGEMENT EFFECTIVENESS OF ENERGY RESOURCES OF OIL AND GAS IN KUTAI KARTANEGARA REGENCY

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ABSTRACT

Kutai Kartanegara Regency is a rich area in natural resources, especially oil and natural gas. The availability of oil and gas should be able to be used by citizen of Kutai Kartanegara Regency, as oil and gas producer's areas. Regulation and control of the various of oil and gas entity, carried out by the implementing agencies, Satuan Kerja Khusus Pelaksana Hulu Minyak dan Gas Bumi (SKK Migas) with covering oil and gas exploration and production. The methodology which used is survey method, with the approach descriptive and verification or hypothesis testing. Types of data that's used is ordinary scale, and later it's used hypothesis test by the structural equation testing tools, "Structural Equation Modeling (SEM)", and it was applied base on CFA (Confirmatory Factor Analysis) analysis. The research results show that leadership, coordination, controlling and public participation were significantly effect on management effectiveness of energy resources of oil and gas in Kutai Kartanegara Regency.

Keywords: *leadership, coordination, control, public participation and management effectiveness*

I. Background

Unitary Republic of Indonesia, here after called (NKRI) organize the nation government and development to achieve a fair society, prosperous, and equitable based on Pancasila and the 1945 Constitution. That of the mandates contained in the preamble of the 1945 Constitution is to improve public welfare. Article 33 section (2) and section of the 1945 Constitution asserts that Sectors of production which are important for the country and affect the life of the people shall be under the powers of the State, The land, the waters, and the natural riches contained therein shall be controlled by the state and exploited in the greatest

prosperity of the people. Given oil and gas as natural riches contained in the land are nonrenewable natural resources, the management thereof needs to be optimally conducted in efficient, transparent, sustainable, environmentally-sound, and just manners in order to reap the continuous benefits in the greatest prosperity of the people. As time passes, the law with centralized contents no longer keeps pace with the current situations and future challenges. In addition, oil and gas development must adjust itself to both national and international strategic environmental changes. The primary challenge faced by oil and gas is the globalization effects that push democratization, regional autonomy, human rights, the environment, technology and information developments, intellectual property rights and demands for improved private and public participation.

The implementation of petroleum and natural gas related business activities stipulated shall be based on the principle of populist economy, integration, benefit, balance, equitable, distribution, collective prosperity and public welfare, security, safety and legal certainty as well as the environmentally friendly principle. To improve public welfare, the 1945 Constitution also mandates the State to serve all citizens and residents, so they can meet their basic need for better life based on the principles of good government and democracy. All public interests should be managed by government; especially the fulfillment of the civil rights and basic needs that affect the life of the people shall be managed in accordance with the constitutional mandate. The level of effective management energy resources of Oil and gas has enormous impact on a wide variety of life especially in the pursuit of public welfare. Therefore efforts to improve effective management must be performed continuously and sustainability. Efforts to improve effective management must be implemented simultaneously, well organize, targeted and consistently with due observance to public needs and expectations.

II. Methodology

Survey research is a valuable tool for use in scientific research which aims to develop new theoretical models. Within this approach we can distinguish two main categories of surveys:

1. explorative, also known as descriptive: these surveys are meant to study the current state of a phenomenon, in a chosen population. It is the first step in a scientific investigation. This category also includes all the data collected to describe the results of a certain phenomenon.
2. explicative, also known as relational: these surveys are meant to test a certain hypothesis and the relationships among the variables which are the object of the investigation. Hypotheses may just prove the existence of a specific relationship, or also infer the existence of a positive or a negative influence.

Survey research is therefore an important empirical tool which can be used when studying. Here is a short synthesis of the main steps of this approach setting of the theoretical background, selection of the research methodology, definition of the data collection approach, data collection, selection of tools for the analysis, analysis of the collected data.

III. Structural Equation Modeling (SEM) approach.

Structural equation modeling (SEM) refers to a diverse set of unrelated computer algorithms and statistical methods that fit networks of constructs to data. SEM includes confirmatory factor analysis, path analysis, partial least squares path analysis, LISREL and latent growth modeling. The term should not be confused with Structural Modeling in economics. Use of SEM is commonly justified in the social sciences because of its ability to impute relationships between unobserved constructs (latent variables) from observable variables. Structural equation models are often used to assess unobservable 'latent' constructs. They often invoke a measurement model that defines latent variables using one or more observed variables, and a structural model that imputes relationships between latent variables. The links between constructs of a structural equation model may be estimated with independent regression equations or through more involved approaches

When SEM practices, it is often necessary to deal with a wide range of variables that cannot be measured directly. If this is the case, we estimate values for these variables by referring to proxy indicators. Structural Equation Modeling (SEM) is an extremely useful methodology in such a context, since it allows a phenomenon to be described by a two-step procedure. In the first step, used confirmatory factor analysis (CFA) which a special form of factor analysis, most commonly used in social research. It is used to test whether measures of a construct are consistent with a researcher's understanding of the nature of that construct (or factor). In confirmatory factor analysis, first develops a hypothesis about what factors believes are underlying the measures has used. In the second step, used Model Structural Model Evaluation. the structural model showing potential causal dependencies between endogenous and exogenous variables, and the measurement model showing the relations between latent variables and their indicators. Exploratory and confirmatory factor analysis models, for example, contain only the measurement part, while path diagrams can be viewed as SEMs that contain only the structural part.

In specifying pathways in a model, the modeler can posit two types of relationships: (1) free pathways, in which hypothesized causal (in fact counterfactual) relationships between variables are tested, and therefore are left 'free' to vary, and (2) relationships between variables that already have an estimated relationship, usually based on previous studies, which are 'fixed' in the model. A modeler will often specify a set of theoretically plausible models in order to assess whether the model proposed is the best of the set of possible models. Not only must the modeler account for the theoretical reasons for building the model as it is, but the modeler must also take into account the number of data points and the number of parameters that the model must estimate to identify the model. An identified model is a model where a specific parameter value uniquely identifies the model, and no other equivalent formulation can be given by a different parameter value. A data point is a variable with observed scores, like a variable containing the scores on a question or the number of times respondents buy a car. The parameter is the value of interest, which might be a regression coefficient between the exogenous and the endogenous variable or the factor loading (regression coefficient between an indicator and its factor). If there are fewer data points than the number of estimated parameters, the resulting model is "unidentified", since there are too few reference points to account for all the variance in the model. The solution is to constrain one of the paths to zero, which means that it is no longer part of the model. This research examined four exogenous variable (Leadership (ξ_1), Coordination (ξ_2), Control (ξ_3) and Public Participation (ξ_4)) and one endogenous variable (Management Effectiveness (η_1)).

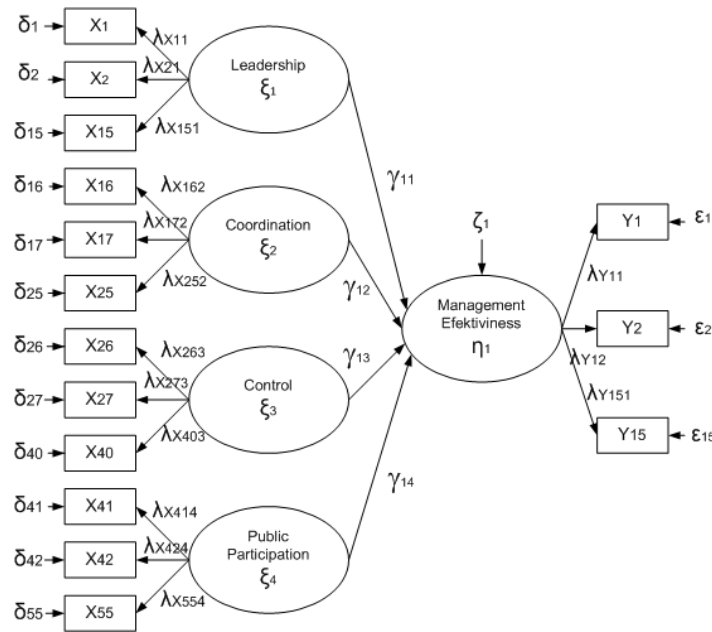


Fig 1. SEM Model

IV. Discussion

1. The effect of Leadership on Management Effectiveness.

Based on the analyst result, it is obvious that leadership partially has role and positive significant on effectiveness management of energy resources oil and gas in Kutai Kartanegara Regency. This is in line with Kouzes and Posner (2007:3), that leadership is the creation of method by person to create a climate of trust, take away and controls and allow people to be free to innovate and contribute, also nurture openness, involvement, personal satisfaction, and high levels of commitment to excellence. This definition can be interpreted that effectiveness management can be achieved by creation of method by person to create a climate of trust, take away and controls and allow people to be free to innovate and contribute, also nurture openness, involvement, personal satisfaction, and high levels of commitment to excellence.

2. The effect of Coordination on Management Effectiveness.

Based on the analyst result, it is obvious that coordination partially has role and positive significant on effectiveness management of energy resources oil and gas in Kutai Kartanegara Regency. This is in line with Terry (2014:19) that Coordination is the orderly synchronizing of efforts to provide the proper amount, timing and direction resulting in harmonious and unified action to stated objectives.

3. The effect of Control on Management Effectiveness.

Based on the analyst result, it is obvious that Control partially has role and positive significant on effectiveness management of energy resources oil and gas in Kutai

Kartanegara Regency. This is in line with Siagian (2014:112) that Controlling is the process of observation the implementation of all the activities of an organization in order to ensure that that all work is to be done according to plan having been previously decided

4. The effect of Public Coordination on Management Effectiveness.

Based on the analyst result, it is obvious that Control partially has role and positive significant on effectiveness management of energy resources oil and gas in Kutai Kartanegara Regency. This is in line with Isbandi (2013:231) that public participation is public involvement in the process of identifying existing and potential problems in the community, selection and making decisions of alternative solution to solve problems, efforts to solve problems, and their involvement in the evaluation of change.

The research analyzing that four exogenous variable (SKK MIGAS Leadership, Coordination, Controlling and Public Participation) do have pointed to endogenous variable (Management Effectiveness with have dimension such as control, innovation, and efficiency) and this is in line with Jones (2007:15). There are as the three most important process managers/leaders use to assess and measure how effective they, and their organization, are at creating value. In this context, control means having control over the external environment and having the ability to attract resources and customers. Innovation means developing an organization's skills and capabilities so that the organization can discover new products and processes. It also means designing and creating new organizational structures and cultures that enhance a company's ability to change, adapt, and improve the way it functions. To evaluate the effectiveness with which an organization confronts each of these three challenges, managers/leaders can take one of three approaches. An organization is effective if it can (1) secure scarce and valued skills resources from outside the organization (external resource approach); (2) creatively coordinate resources with employee skills to innovate products and adapt to changing customer needs (internal system approach); and (3) efficiently convert skills and resources into finished goods and services (technical approach).

V. Conclusions

1. Leadership has significant and positive impact on Management Effectiveness of Energy Resources of Oil and Gas in Kutai Kartanegara Regency with the line coefficients 0.76 or influential of 58 %.
2. Coordination has significant and positive impact on Management Effectiveness of Energy Resources of Oil and Gas in Kutai Kartanegara Regency with the line coefficients 0.88 or influential of 77%.
3. Control has significant and positive impact on Management Effectiveness of Energy Resources of Oil and Gas in Kutai Kartanegara Regency with the line coefficients 0.97 or influential of 94%.
4. Public participation has significant and positive impact on Management Effectiveness of Energy Resources of Oil and Gas in Kutai Kartanegara Regency with the line coefficients 0.97 or influential of 94%.

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