



Transforming Public Procurement: The Organizational Change Model of UKPBJ Central Buton

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Abstract

This article aims to analyze the organizational transformation of the goods and services procurement unit in Central Buton Regency using Kurt Lewin's change theory and change management perspectives. This research employed a qualitative descriptive approach, collecting data through interviews, observation, and document analysis. Data were analyzed qualitatively through preparation, organization, reduction, and presentation. The transformation occurred in three stages: unfreezing through the socialization of changes in structure, human resources, risk, technology, and budget, change with the formation of a centralized, performance-driven structure, and refreezing through capacity building, functional staffing, technology enhancement, and budget adjustment. The resulting model integrates Lewin's framework with transformational leadership, competent teams, human resources development, and technological innovation.

Keywords: Transforming; Public Procurement; Organizational Change; Model

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INTRODUCTION

The disruption era has prompted public sector organizations to transform for improved governance and service delivery (Lembaga Administrasi Negara, 2023). In Indonesia, this need is evident in the procurement sector, which is historically vulnerable to inefficiency and corruption. The transformation of the Procurement Services Unit (ULP) into the Goods and Services Procurement Work Unit (UKPBJ), as mandated by Presidential Regulation No. 93 of 2022, is a step toward institutionalizing procurement reforms through structural clarity, competency-based HR development, and system integration.

Despite this initiative, challenges persist at the regional level, particularly in Central Buton Regency. The UKPBJ continues to struggle with limited functional procurement personnel, fragmented e-procurement systems, and an underdeveloped organizational culture. Only three certified procurement officials handled over 200 packages in 2022, leading to administrative overload and errors. Procurement practices remain vulnerable to manipulation, including inflated estimated prices (HPS), late clarifications, and provider favoritism—factors that have previously triggered legal cases and state losses.

According to Albab, M. U., and Halim (2017), common barriers include unclear organizational roles, insufficient HR capacity, and weak legal protection. Procurement-related corruption is a significant concern, constituting 49.1% of national corruption cases from 2016 to 2020 (Syafar, Irfan, La Ode Husen, 2022). It often stems from non-transparent processes and conflicts of interest (Mulyono, 2016). These issues are not merely technical but institutional, demanding transformative change.

Organizational transformation theory offers a relevant lens for analysis. Kurt Lewin's three-phase model—unfreezing,

changing, and refreezing explains how organizations can shift behaviors and systems (Lamsihar, A. T., & Huseini, 2019). Complementary models by Kotter (Kotter, 1996) and Kilmann et al. (Luvita, M., & Toni, 2022) emphasize leadership, communication, and cultural adaptation as key drivers of sustainable reform.

Despite policy and theoretical frameworks, empirical research on how transformation unfolds in local procurement units remains limited. This study addresses that gap by analyzing the UKPBJ's transformation process in Central Buton Regency and examining its impact on public trust, transparency, and institutional effectiveness.

RESEARCH METHODS

This study applied a qualitative descriptive approach (Moleong, 2017) to analyze the organizational transformation process and identify the transformation model of the Public Procurement Work Unit (UKPBJ) in Central Buton Regency.

Using purposive sampling (Sugiyono, 2018), seven key informants were selected based on their direct involvement and experience with the UKPBJ transformation. These included the Head of the Procurement Section, functional procurement officials, Commitment-Making Officials (PPKs), and service providers. Informants were chosen for their ability to provide accurate and in-depth insights into the transformation process.

Data were collected through Semi-structured interviews guided by flexible interview protocols, allowing informants to elaborate freely. Interviews were recorded, transcribed, and validated through member checks. Observations focused on identifying visible changes in UKPBJ human resources, including skills development and increased transparency and accountability indicators. Document analysis included key regulations such as Presidential Regulation No. 16 of 2018 and its amendment (No.

12/2021), LKPP Regulation No. 10/2021, Central Buton Regent Regulations No. 8/2022 and No. 17/2024, and Permenpan No. 52/2020.

To ensure data validity, triangulation was conducted across sources and methods. Source triangulation involved cross-verifying information from internal officials and external providers, while method triangulation compared interview results with observations and document reviews.

The data were analyzed using Miles and Huberman's interactive model (Agustinova, 2015), which includes data collection from interviews, observations, and documents. Data reduction by eliminating irrelevant information and coding themes. Data display using matrices and narrative summaries to identify patterns and trends. Conclusion drawing involves organizing data into themes that correspond to Lewin's three transformation stages: *unfreezing*, *changing*, and *refreezing*. These stages were used to structure the analysis and derive the conceptual model.

To guide the analysis, this research adopted Kurt Lewin's three-stage model of organizational change —*unfreezing*, *changing*, and *refreezing*—as its primary analytical framework. This model was chosen due to its broad applicability in public sector change processes, particularly in explaining how institutional behavior evolves through preparation, implementation, and stabilization phases. Each model stage was operationalized using measurable indicators derived from LKPP Regulation No. 10 of 2021, which concerns the maturity assessment of Procurement Work Units (UKPBJ). These indicators span four domains: organizational structure, human resource development, procurement process management, and information systems, encompassing variables such as role clarity, functional staffing, risk management practices, e-procurement utilization, and

performance accountability. By aligning Lewin's transformation stages with the SIUKPBJ maturity indicators, the study systematically assessed how organizational transformation progressed at each phase and how structural, human, and technological dimensions interacted in the UKPBJ Central Buton Regency case.

RESULTS

1. Unfreezing Stage

The Unfreezing stage in the local government goods and services procurement organization in Central Buton Regency is the initial stage in the change process for performance improvement. At this stage, activities are conducted to explain and introduce the need for change and its purpose to all relevant parties. During this introduction process, changes in the institutional domain are also socialized, leading to adjustments in the structure and behavior of employees. There are fundamental changes in the Institutional and human resources (HR) domains at this stage. This is to ensure that an approach is made to policymakers and changes in the old organizational structure are socialized to a new one that requires ready-made human resources with good procurement management competencies.

The UKPBJ transformation is carried out in stages of behavior change in a top-down manner, which is initiated by regulations from the Central Government through Presidential Regulation Number 16 of 2018 and its amendment Perpres Number 12 of 2021, which is then broken down by LKPP Perlem Number 10 of 2021 with the UKPBJ maturity assessment level, with various assessment level variables by LKPP, or called SIUKPBJ (Goods/Services Procurement Work Unit Information System) made by LKPP. There are indicators and follow-ups in the UKPBJ maturity assessment contained in Appendix II of LKPP Regulation Number 10 of 2021; there are four domains and nine variables where there are organizational

variables, duties and functions, procurement HR planning variables, and procurement HR development, procurement management variables, providers, performance, and risks and information system variables. This updated assessment indicator can be viewed online in the SIUKPBJ application, which displays the development of maturity for each UKPBJ throughout Indonesia. In implementing the indicators, follow-up references have been formulated to achieve UKPBJ as a leading sector that impacts the objectives of government procurement of goods and services.

In the initial process of forming UKPBJ, the Head of the procurement/ULP services section and the Head of the development section of the regional secretariat as the LPSE control holder of Central Buton Regency held an internal meeting with the organization of governance section of the regional secretariat led directly by the regional secretary of Central Buton Regency, namely to make changes to the nomenclator and class of organization which was determined at that time to be Class A so that UKPBJ was formed in Central Buton Regency according to the nomenclature based on Permendagri 112/2018 which was followed up by changes in the organizational structure with Regent Regulation Number 8 of 2022 concerning the organizational structure and work procedures of the regional secretariat of Central Buton Regency. In the early stages of formation, problem identification is also carried out, namely, identifying problems or weaknesses in forming the UKPBJ of the Central Buton Regency Government. This was done by analyzing resource data and coordinating with the center and related parties at LKPP, the Ministry of Home Affairs (Kemendagri), and the Ministry of Administrative Reform and Bureaucratic Reform (Kemenpan-Rb).

At the time of the request, employees who sought to become proficient in the procurement of goods and services faced

obstacles due to numerous criminal cases and still held strategic structural positions within the procurement process. Then, an internal meeting was held with the regional secretary, the Head of the regional financial and asset management agency (BPKAD), and the Head of the central Buton regency development planning agency (BAPPEDA) to develop a budget format plan for a special allowance/honorarium for functional PBJ as a separate attraction. At that time, two functional PBJs were formed. The availability of minimal personnel makes functional PBJ a rare profession because, based on the Central Buton Regent Regulation Number 44 of 2020 concerning position analysis, workload analysis, and position evaluation within the Central Buton Regency Government, it was found that the need for functional procurement managers to serve the entire local device organization (OPD) was 16 people who had to be in the UKPBJ personnel, consisting of 7 first functional procurement managers, six young functional people, and three intermediate functional people. To fulfill this, it cannot be done easily, of course, because the certified human resources at that time had minimal ability and held structural positions. At that time, the Head of the Procurement Service Unit actively collaborated with various parties to promote and socialize the benefits of a functional procurement system. It coordinated with the Central Buton Regency civil service agency to establish a CPNS recruitment process for the functional procurement of goods and services. In the 2020 appointment, three functional procurement personnel were identified. This was different before the change, where most of the human resources in the ULP were still ad-hoc, meaning that the assignment in the ULP was an additional task given by regional leaders. This resulted in a lack of focus on carrying out functions in the ULP, which only focused on the auction process. The HR

career development process is carried out in each regional apparatus organization.

Following the change with HR centralized in UKPBJ (goods/services procurement work unit, which handles functional procurement of goods and services), they possess specific expertise and knowledge in the field of goods and services procurement. There is an increase in human resources with the HR coaching and advocacy program, which is allocated a budget in the budget execution list (DPA) of the regional secretariat of Central Buton Regency. In addition, recruitment is specialized to ensure the functional procurement of goods and services, ensuring that candidates possess the necessary qualifications based on the duties and responsibilities in the field of procurement. This aims to ensure that human resources working in UKPBJ have the appropriate competencies to carry out goods and services procurement tasks effectively and efficiently.

After UKPBJ was formed, the LPSE subdivision and the advocacy subdivision conducted socialization with external parties to inform them about the existence of UKPBJ and the management of goods and services procurement, which had evolved from planning to the final implementation of goods and services procurement using information systems previously employed by SPSE Ver. 3.6 to SPSE Ver. 4.3 and Ver 5.0, which are more modern and transparent.

The above shows that the UKPBJ transformation is done through a tiered process. This is intended so that the target changes expected by the institution can be achieved. The better the socialization process, the greater the potential for successful transformation of public sector organizations. The socialization of organizational transformation is related not only to the importance of organizational transformation but also to the needs of human resources in the organization.

The transformation of the organizational structure in UKPBJ was carried out by considering functional aspects, resulting in a structure that is formed based on organizational needs. The UKPBJ governance has been formed with the division of duties for managing the procurement of goods and services. The responsibilities of the procurement subdivision, including the development of information systems and provider databases, are part of the duties of the LPSE subdivision. HR development and risk management are the duties of the advocacy subdivision.

Building this awareness requires quality human resource management efforts, as mental readiness is necessary to help related parties accept changes and overcome fears or resistance to changes in public procurement governance. Mental preparation includes understanding the steps to be taken and providing emotional support. This is done with risk management.

2. Changing Stage

The Changing stage in the context of the public procurement work unit in Central Buton Regency is where changes planned and agreed upon in the unfreezing stage begin to be implemented. Planned and agreed upon in the unfreezing stage begin to be implemented.

There is a change in work patterns for employees compared to before. Before the change, employees who withheld production of goods and services, or procurement officers, usually worked separately and uncoordinated. They usually worked individually and were not well-coordinated with other OPDs. However, after the establishment of UKPBJ, procurement officers and other personnel could develop their skills to assist others in the procurement process and participate in various technical guidance and training sessions. The following table shows technical guidance attended by UKPBJ personnel in 2023:

Table 1: List of technical guidance followed by UKPBJ in 2023

No	Name of Activity	Personal UKPBJ	Offline/Online
1	Mitigating the Risk of Implementing Construction Work Contracts	Andika, Fajrin, dan Ladiamu	Offline
2	Technical Guidance on Construction Services Procurement (Tender Documents, Selection, and Bid Evaluation)	UKPBJ functional personnel	Offline
3	Technical Guidance on Verification of Calculation and TKDN Process for procurement of government goods/services	UKPBJ functional personnel	Offline
4	Technical Guidance on Implementation of Electronic Procurement Application	LPSE personnel	Online
5.	Technical Guidance on Permenpan RB Regulation Number 29 of 2020 concerning increasing the competence of functional positions for goods/services procurement manager	Head of UKBPJ and Subdivision of PBJ Management	Offline

Source: Processed from Research Results

Based on the above, the budgeting for UKPBJ Central Buton Regency has also increased. However, the budget will not be maximized if the technical guidance is limited only to internal UKPBJ; it is also necessary to guide external parties, which the UKPBJ Central Buton Regency does.

In addition, changes to the structure of the UKPBJ's duties and functions have an impact on improving the quality of the public procurement process, enhancing the ability of employees to support OPDs, MSMEs, and providers, and improving overall procurement governance. Unlike before, the orientation of the selection process was limited to the auction; the committee was scattered, so that after the auction, they were again focused on other duties. This different span of control indicates that there is no effective coordination between procurement planning and the implementation of goods and services procurement.

The change from ULP to UKPBJ in Central Buton Regency is an essential step, as mandated by Presidential Regulation 16/2018, which governs the government procurement of goods and services through providers. This change is not only limited to changing the organization's name but also involves changes in the procurement management of goods and services. This was carried out by UKPBJ on MSME coaching, as documented in the SIUKPBJ, as an indicator of provider assistance. UKPBJ Central Buton District collaborates with the Office of Cooperatives and MSMEs to encourage MSMEs, such as stationery

sellers, food and drink vendors, local artisans, and tailors, to participate through the procurement defense program and local catalog. Provider management has also changed, with the introduction of a coaching clinic program for coaching providers.

UKPBJ employees appreciate top-level policies such as the regional secretary and regional Head for paying attention to the fulfillment of employee rights, such as legal protection, employment status, and welfare or rewards allocated in the DPA of the Regional Secretariat of Central Buton Regency that functional public procurement officials are given different rewards from other employees. Functional officials also form TPP and honorarium working groups according to the work package they are responsible for. In addition, provider management has also begun to be developed, including MSMEs and local providers.

The functional role of procurement began to be prioritized with the LKPP Circular Letter Number 1 of 2024, which concerns fulfilling the needs of functional positions for goods and services procurement managers, as well as other competency-certified personnel and officials responsible for decision-making. It is a trigger that signifies a joint commitment to build procurement and HR management. Researchers also conducted a literature study on measuring functional positions contained in Permenpan Number 52 of 2020, concerning competency standards for PBJ managers in Jabfung.

Central and regional policies are very supportive of creating superior PBJ human resources. The application of the code of ethics, based on the Central Buton Regent Regulation Number 17 of 2024, aims to meet the needs of the UKPBJ development assessment. It is also hoped that functional PBJs can carry out their duties and responsibilities in accordance with established ethical standards. To increase transparency, accountability, and integrity in procuring goods and services.

The increase in maturity of the Central Buton Regency UKPBJ has an impact because several standards must be made and implemented. With the fulfillment of this standard, all management standards are formed, in addition to meeting the maturity assessment, while also bringing about changes to the mindset and culture of UKPBJ Central Buton Regency. However, socialization has not been comprehensive; it is still limited to the internal UKPBJ of Central Buton Regency, so implementation remains limited to the needs of the UKPBJ internally. Irregular internal meetings are still a weakness in the development of UKPBJ.

Organizational transformation is a complex process and does not always run smoothly. Change can also cause resistance and uncertainty among employees. Therefore, it is essential to involve stakeholders in the transformation process, provide them with sufficient support and understanding, and manage change effectively. The role of UKPBJ leaders, policymakers such as regional heads must understand that the development of UKPBJ is not limited to an organizational structure but a breakdown of programs and activities based on procurement objectives that must be implemented, namely producing the correct goods and services for every money spent, measured in terms of quality, quantity, time, cost, location, and provider. Using domestic products, increasing the participation of micro-enterprises, small businesses, and cooperatives, expanding

the role of national business actors, supporting the implementation of research and utilization of goods and services resulting from research, increasing the participation of creative industries, realizing economic equity, expanding business opportunities, and increasing sustainable procurement.

The existence of the UKPBJ budgeting, which is aimed at specific programs and activities, also facilitates achieving the UKPBJ development indicators. Based on the DPA of the regional secretariat, the goods and services procurement section has three activities that are part of the economic and development program, namely: 1) Sub-activity of guidance and advocacy of goods and services procurement which is allocated for human resource development such as technical guidance, evaluation meetings and monitoring activities, 2) LPSE management Sub-Activity, which is allocated for spending on network infrastructure improvement, IT resources, coordination with the central LKPP, and LPSE technical guidance, 3) Goods/Services procurement sub-activity, assistance activities in the process of implementing goods/services procurement, internal meetings. Based on the DPA Year 2024, researchers have analyzed that there is still a need to evaluate the budgeting process to focus on the role of MSME development, not limited to the PBJ management stage, for implementing goods and services procurement in OPDs and internal HR capacity building. There is also further coaching externally to fulfill the UKPBJ maturity indicators, which are strategic or superior categories.

Improving human resources is also a top priority in transforming an organization. To achieve this, UKPBJ Central Buton Regency prioritizes salary increases, training, and other activities to improve employee skills and knowledge. This can be done through training, workshops, seminars, or on-the-job

development. In addition to improving human resources, organizations also realize the importance of enhancing supporting facilities in supporting organizational performance. Good supporting facilities, including adequate infrastructure, up-to-date software, and equipment, can enhance organizational efficiency and productivity. At this stage, employees are also facilitated by law enforcement officers and resource persons, especially procurement experts. In the context of public procurement, this expert assistance can help the organization select and acquire goods and services efficiently and effectively. Such assistance can take the form of guidance, consultation, and monitoring at every stage of the procurement process.

The changing stage involves several key activities, which include:

- 1) Change begins with developing a change program, specifically the implementation of a work team or competent UKPBJ human resources who will create and apply it to procure goods and services in the Central Buton Regency. These programs and activities include specific steps to be taken, such as developing new policies, enhancing procurement processes, leveraging technology, and enhancing employee competencies.
- 2) Implementation of the change program: After the change program is developed, the next step is to implement it. The work team will be responsible for implementing the program, including making procurement process and system changes.
- 3) Establish training and competency development. This stage involves training and developing employees' competencies related to public procurement. This may include familiarizing them with new policies, utilizing the latest tools and systems, and enhancing their procurement management skills.

- 4) Conduct monitoring and evaluation of the change program's implementation. This is done to ensure that the change program runs smoothly and achieves the set goals. Evaluation is also helpful in identifying weaknesses or obstacles that still exist and providing recommendations for improvement.
- 5) Build communication and information. During the change stage, effective communication and proper information dissemination are essential. This aims to ensure that all parties involved get the required information about the changes being made and can actively participate in their implementation. Through this stage of change, the planned changes can be adequately implemented and have a positive impact on the procurement of goods and services in Central Buton Regency.

All of the above stages can run smoothly because of changes in central policy that have an impact on the level of all ministries/institutions/provinces/districts /cities that have been regulated to assess the maturity of UKPBJ with measurable indicators and follow-ups so that all levels of UKPBJ can have a goal towards the direction of the central policy. However, if the regional Head and Head of UKPBJ cannot translate this central policy, the program will likely not run smoothly. The effect of competent leadership is very influential on decisions, communication, and coordination towards the intended vision.

3. Refreezing Stage

This Refreezing stage aims to strengthen and solidify the changes made, ensuring they become new habits embedded in the organizational culture. Strengthening the structure or institution after organizational change is essential to improve organizational performance. This can be achieved in two ways: strengthening the organizational structure and fostering a strong culture. This strengthening can be directed by assessing the maturity of UKPBJ

towards strategic or superior levels, as required by LKPP Regulation No. 10 of 2021 concerning goods and services procurement work units. All indicators and follow-ups will reflect a more mature UKPBJ.

Researchers found that the UKPBJ of Central Buton Regency has received a UKPBJ assessment with a proactive category maturity, which has been monitored at www.siukpbj.lkpp.go.id and has even surpassed other district/city UKPBJs in Southeast Sulawesi Province. This is a strength that will enable UKPBJ to lead in a strategic or superior category.

In organizational structure, strengthening is achieved by improving work processes, clarifying duties and responsibilities, and enhancing relationships and communication between work units. Based on the achievements of UKPBJ Central Buton Regency, which demonstrates proactive maturity, a new work culture has emerged. Previously limited to auctioneers, this organization is now organized as an independent and centralized entity to provide goods and services procurement services in Central Buton Regency. With a strong work culture, organizational members will feel more involved, loyal, and committed to organizational goals and values. This work culture is also formed due to the ability of human resources in the UKPBJ of Central Buton Regency to understand the main tasks and functions, and possess the competence as a center for information services and guidance for procuring goods and services in Central Buton Regency.

This indicates that UKPBJ will establish a new work culture to prevent major problems, as the most significant potential for corruption arises from the procurement of goods and services. The prevention program carried out by the KPK (Corruption Eradication Commission) in collaboration with UKPBJ also aims to strengthen the capacity of UKPBJ and its human resources in procurement. UKPBJ's

focus and efforts are on preventing fraud and procuring government goods and services. Through collaboration with various parties, UKPBJ aims to enhance the supervision and monitoring of suppliers' activities and strengthen the capacity of the human resources involved in procurement. This is an essential step in enhancing integrity and efficiency in government procurement. There is also a clearing house, which refers to a team or institution responsible for clarifying, verifying, and managing risks related to public procurement activities. This team plays a role in securing the procurement process to guarantee its sustainability, security, and transparency.

Following the organizational change, the steps taken to strengthen and maintain the UKPBJ budget included improving or upgrading the facilities and infrastructure required by UKPBJ personnel. After the managerial change, the UKPBJ of Central Buton Regency developed the SIPBJ application (Goods and Services Procurement Information System) to support the implementation of employee duties in the Goods and Services Procurement (PBJ) process. The SIPBJ application is an innovative solution that utilizes technology to enhance efficiency and effectiveness in the PBJ process. With the existence of the SIPBJ application, this technology can increase the efficiency of time and resources required in the PBJ process. The small number of employees, applications, and the use of technology are practical solutions to optimize UKPBJ's performance in carrying out PBJ tasks. Through the SIPBJ application, various PBJ processes can be carried out online, including submitting requests for goods and services, supplier offers, evaluations, and implementing PBJ-related tasks. With this, UKPBJ employees can also perform their jobs more efficiently and effectively, allowing the responsibility for managing PBJ to be carried out properly, even with limited human resources. Additionally,

technology can expedite the procurement process, minimize the potential for errors, and offer convenience through real-time monitoring and reporting.

In the refreezing stage, the steps taken during the changing stage are reinforced to ensure that the changes are effective. This

stage also presents an opportunity for the organization to learn from the change process that has been implemented. The author observes areas of strengthening at the refreezing stage based on the UKPBJ maturity domain as follows:

Table 2: Change Variable Matrix on Refreezing Stage

Transformation Stages of Organization	Domain	Variables	Results UKPBJ Maturity Assessment
Refreezing Stage	Institutional	Organizing	Proactive/Strategic/Excellent
		Duties and functions	Proactive/Strategic/Excellent
	Human Resources	Human Resources Planning	Proactive/Strategic/Excellent
		Human Resources Development	Proactive/Strategic/Excellent
	Process	Procurement Management	Proactive/Strategic/Excellent
		Provider Management	Proactive/Strategic/Excellent
		Performance Management	Proactive/Strategic/Excellent
		Risk Management	Proactive/Strategic/Excellent
	Information System	Information System	Proactive/Strategic/Excellent

Source: Processed from Research Results

4. Transformation Model

The conceptual model for the transformation of the Central Buton Regency UKPBJ is as follows:

- a. The unfreezing stage is divided into several steps to implement the LKPP institution regulation policy Number 10 of 2021 concerning UKPBJ. The Central Buton Regency government drafts a regulation by the Central Buton Regent, analyzing the organizational structure and position, to understand the need to strengthen human resources in UKPBJ and sharpen this change process. Coordination between the local government and the center is strengthened by the SIUKPBJ application, making it easier for the central government to monitor the development of regional maturity. This also helps the regions understand the stages and information on the steps to improve the maturity of UKPBJ. This stage involves the role of leaders in conducting top and bottom-level communication with direct personnel, as well as understanding policy changes in the mandate of Presidential Regulation Number 16 of 2018 and its

subsequent amendments, including Presidential Regulation Number 12 of 2021.

- b. In the stages of change, program indicators are regular and measurable. Strengthening human resources as a PBJ functional profession is the primary point in providing various variables that will be implemented, such as preparing operational standards, which requires competence. Likewise, the Head of UKPBJ must have basic competencies in procurement for goods and services to implement policy. Without a short-term plan, UKPBJ will operate without direction, thereby failing to address the essence of the procurement objectives outlined in Presidential Regulation 12 of 2021. UKPBJ Central Buton Regency must create a collaborative program approach with other agencies to lead to a strategic or superior UKPBJ. All of this cannot run without a leader, competent human resources, and the development of an integrated information system. This means the leader is not limited to the Head of UKPBJ; instead, the regional Head uses procurement of goods and services as an indicator to advance the

regional economy. Rewards and sanctions will foster a work environment that motivates employees and promotes a culture that enables the implementation of effective, transparent, and efficient policies.

- c. The established work culture needs to be maintained and developed at the refreezing stage. The maturity of the Central Buton Regency UKPBJ, which has received the proactive category, needs to be improved. The proactive category means that UKPBJ has become institutionally, management, and

human resource independent. The next category involves producing strategic programs that require collaboration and integrated information systems. A well-organized and systematic approach will undoubtedly minimize fraud in managing goods and services procurement. However, this will be returned to the commitment of top-level policymakers, such as the Regional Head, Regional Secretary, and Head of UKPBJ, who competent human resources will support.

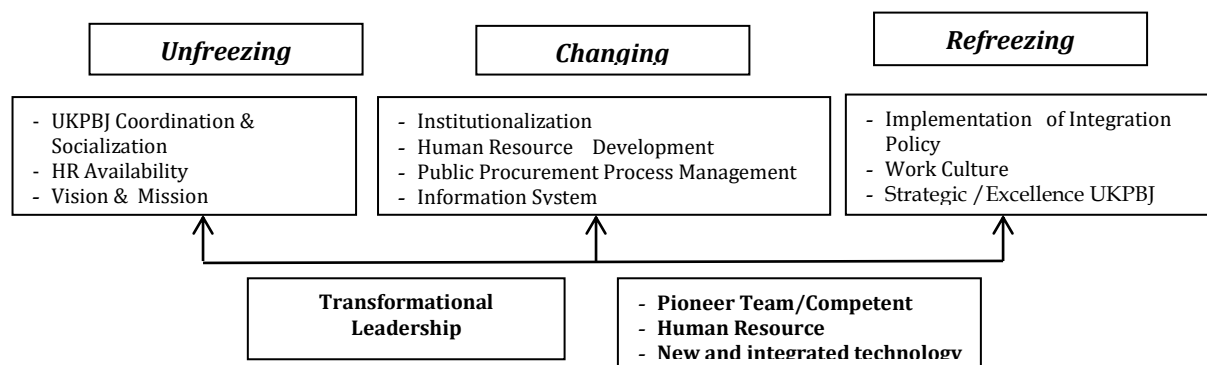


Figure 1: Organizational Transformation Model of UKPBJ Central Buton Regency

The transformation of UKPBJ in Central Buton is not only beneficial within the Central Buton District government. UKPBJ Central Buton facilitates easier interaction between the local community and the government regarding the procurement of goods and services. Moreover, it now reduces the dominance of actors from outside Central Buton Regency. The e-procurement portal and e-catalog allow local communities to access information through the portal. Tender announcements, project details, and tender results are accessible transparently. Regularly updated information helps reduce the gap between the government and local communities while minimizing the potential for certain parties to hold a monopoly on information. UKPBJ also held several socialization and consultation forums. UKPBJ Central Buton Regency holds discussion forums, socialization, or public consultations open to the

community in collaboration with relevant agencies. These forums enable the community to understand the procurement process and provide direct input, thereby increasing participation and engagement. The involvement of local MSMEs and CVs has increased rapidly in recent years, ranging from the procurement of office stationery, woven fabrics, and food and beverages to laptops for the needs of many OPDs in Central Buton. The increasing application of local products and the involvement of local entrepreneurs are also a result of the implementation of government policies and directives.

The community satisfaction survey conducted to see public satisfaction with public services by the Central Buton Regency Government in 2023 shows the highest SKM assessment, namely on transparency and accountability of goods and services procurement activities with a good performance predicate where UKPBJ

has provided information on the procurement of goods and services openly and transparently and can be accessed easily. In terms of the usefulness of goods and services, it is also considered beneficial, as it has maximized the participation of local SMEs, resulting in benefits enjoyed by the Central Buton community (UKPBJ, 2023).

Although the gradation or level of progress is still at the proactive (mid) level, not yet at the strategic or excellent level, public trust has also increased in the UKPBJ of Central Buton District. This is necessary social capital for the Central Buton government. The transformation of the Central Buton District UKPBJ increased trust due to transparency and accountability. The e-procurement system and real-time publication of procurement data enable the public to monitor every stage of the process. As the public, especially suppliers, are aware that the procurement process is proceeding according to the rules, their trust in UKPBJ increases. UKPBJ Central Buton also involves communities in consultation, so the projects implemented reflect local needs. For example, road infrastructure development proposed by local communities increases trust that the government is listening to their aspirations. The complaints channel provided in the portal also makes it easy for people to report procurement-related issues, such as project delays or suspected irregularities. The quick response of the Central Buton District UKPBJ to these complaints also strengthens public relations with the Central Buton District government.

5. Stakeholder Perceptions and Internal Dynamics of Transformation

Structural adjustments and policy compliance do not solely determine the success of the UKPBJ transformation in Central Buton Regency, but are also shaped by the varied perspectives of internal stakeholders. Interviews reveal that top-level leaders, such as the Regional Secretary

and the Head of UKPBJ, perceived the transformation as a strategic institutional alignment with national policy frameworks, particularly Presidential Regulation No. 12/2021 and LKPP's maturity level indicators. From their viewpoint, the transformation enhances legitimacy, standardization, and regional competitiveness in procurement governance.

However, functional implementers and procurement staff offered a more operational lens. While they acknowledged improvements in professionalism and structure, they also raised concerns about increasing workload, limited personnel, and overlapping responsibilities, particularly between LPSE operations and procurement advocacy units. These actors emphasized the importance of clear SOPs, better cross-unit communication, and sufficient training to meet the demands of the restructured system.

Meanwhile, technical and support personnel, such as the LPSE IT team and administrative staff, expressed cautious optimism. They welcomed the shift toward integrated digital platforms (SPSE v4.3 and v5.0) but underscored the need for more frequent technical training and improvements in system infrastructure. Their narratives focused on the practical challenges of maintaining daily operations and ensuring accessibility for providers and the public through e-catalogs and procurement portals.

These differentiated perspectives reflect the multi-level nature of change in public sector transformation. While upper management focuses on regulatory and structural alignment, mid- and lower-tier personnel emphasize functional clarity, resource adequacy, and workflow integration. Bridging these perceptual and functional gaps is essential to institutionalizing transformation and cultivating a sustainable culture of accountability and performance in procurement governance.

DISCUSSION

In the unfreezing stage, organizational transformation has resulted in improved performance accountability. Additionally, a conducive work environment has been established to enhance performance. This means that through this Unfreezing stage, all relevant parties can understand and accept the changes that will be made in the mechanism of procurement of public goods and services in Central Buton Regency and the changes that will be made in the mechanism of procurement of government goods and services in Central Buton Regency so that it has an impact on improving the quality of performance achievements. As Kotter (1996) has stated, the first step is to create a sense of urgency to motivate the start of setting targets and understanding weaknesses, thereby creating unrest to achieve better change. After that, form a strong pioneer team with competent change agents and policymakers (a powerful guiding coalition). Furthermore, creating a clear vision to direct change and formulating strategies to achieve it.

At this stage, Kotter (1996) outlined three stages of triggering change: communicating the vision, empowering others to act on the vision, creating short-term wins, and developing innovative ideas, rewards, and punishments through making short-term plans that lead to the long term.

Similar to previous research, organizational transformation in the changing stage impacts organizational structure and performance through the integration of human resource management practices, risk management, and technology (Schalock, Robert, & Verdugo, Miguel, & Loon, 2017; Nastain, 2021; Putri et al., 2021; Smit, 2021). However, this study also found that the transformation process toward stakeholder involvement and empowerment in procuring goods and services remains suboptimal.

On the other hand, the success of UKPBJ's transformation cannot be separated from changes in human resource behavior, leadership attitudes, and organizational culture that encourage change. According to Tjahjono et al. (2018), transformational leadership can promote and influence employees through inspiration and exemplary leadership figures, making them more willing to change and support changes (Tjahjono et al., 2018). Transformational, visionary, and situational leadership styles are very innovative and active in driving change.

Meanwhile, according to other researchers, organizational transformation can strengthen organizational culture, work motivation, and employee organizational commitment, while also encouraging the success of organizational change (Nastain, 2021; Appio, Frattini, & Petruzzelli, 2021). Furthermore, there is a different opinion that transformation is not enough only by making organizational changes; it is also necessary to strengthen the organization with a human resources management approach that encourages involvement and capacity building. In the refreezing stage, the steps taken during the changing stage are reinforced to ensure that the changes are effective.

The organizational culture within the UKPBJ of Central Buton Regency both enabled and impeded transformation. Initially, the prevalent culture—viewing procurement as a secondary task and resisting digital systems—created substantial resistance, mirroring observations by Tri et al. (2025), who note that entrenched mindsets can severely limit innovation unless proactively addressed.

A professional culture emerged as proactive leadership introduced regular internal communication, career incentives, and ethical frameworks. This shift aligns with findings by Tri et al. (2025), who report that public-sector agencies in Indonesia improve performance through sustained culture-building. Similarly,

Puspita et al. (2023) observed in Banten's procurement bureau that restructuring and infrastructure upgrades were only partially effective without sustained learning programs and SOP redesign, highlighting the importance of integrating cultural and structural change.

Furthermore, stronger ethical norms, an innovative culture, and digital tools in Central Buton facilitated greater transparency and efficiency. This supports the broader literature by Cooper (2024), which shows that cultures promoting innovation enhance public-sector procurement outcomes.

The change process in transforming UKPBJ in Central Buton Regency also implements targeted change management. Change management theory is essential to organizational development, focusing on the strategies and techniques to facilitate and manage organizational change (Rute, 2005; Moche, 2020). With change management, UKPBJ can effectively navigate transitions, overcome resistance to change, and ensure that new initiatives are implemented successfully.

Organizations can effectively manage the transition to new practices and ensure all stakeholders are on board with the change. This knowledge will also help them identify potential challenges and develop strategies to overcome them, ultimately leading to a more efficient and effective change process (Thekkekara, 2023). For example, by communicating the rationale for the change and involving employees in the planning process, organizations can ensure buy-in and cooperation from staff.

It is not only beneficial to the government organization internally, but the transformation of UKPBJ Central Buton Regency also positively impacts the local community. Overall, the transformation of UKPBJ Central Buton has had a positive impact on the people of Central Buton and its surrounding areas by increasing access to government procurement of goods and services. Encouraging growth and

development in the region. Improved quality of goods and services provided to the community and strengthened partnerships with local businesses and suppliers. Improved access to government procurement opportunities has enabled MSMEs and local companies to compete for contracts, driving economic growth and development in Central Buton Regency. This strengthens partnerships with local businesses and suppliers, creating a more positive environment for all stakeholders involved. Not only does it increase revenue for the company and local MSMEs, creating employment opportunities for locals, but it also improves infrastructure in the community, thereby benefiting all residents. UKPBJ Central Buton ensures that only the best products and services are provided to the community by selecting suppliers on merit, not based on personal relationships. This commitment to quality ultimately benefits the people of Central Buton, as they can have confidence in the integrity of the procurement process and the goods and services they receive.

The e-catalog currently used is version 5.0, which can empower Central Buton MSMEs. It demonstrates the readiness and active participation of goods and services providers in Central Buton, serving as a supporting factor in the implementation of the e-catalog. Central Buton MSMEs are providers who have displayed their products with an average of more than 50,000 product views. Additionally, by 2024, e-catalogs featuring local products are expected to continue increasing in number. This indicates that providers actively participate in the local e-catalog. The involvement of providers in showcasing their products is evident in the graph, where an additional 41 products have been featured in the e-catalog. There is also a policy supporting local SMEs where the transformation of the UKPBJ establishes a special policy to prioritize local small and medium enterprises. This ensures that local businesses have a fair chance to compete

for procurement opportunities. By providing technical support to local companies, UKPBJ helps them understand the procurement process and prepare the necessary documents, enabling more local companies to participate.

If associated with the final stages of Kotter (1996), this refreezing phase involves consolidating improvements and producing further change, as well as the need to consolidate achievements, encourage even greater changes, and institutionalize new approaches. All the results of changes are made into a work culture oriented towards public services or good governance.

Comprehensively, the renewal stage is characterized by the consolidation of new practices in the organization. The transformative leadership and employee behavior of UKPBJ Central Buton Regency play a significant role in becoming a strategic or superior UKPBJ. In addition, the role of process innovation practices as mediators suggests that the renewal stage may also involve continuous adaptation (Zhang et al., 2019; Nambisan & Wright, 2019; Mushonga & Hudson, 2020). The findings emphasize the importance of leadership, employee engagement, and innovation in ensuring that organizational change is implemented and sustained.

Scholars have examined Kurt Lewin's invigorating stage of organizational transformation. This stage will stabilize the organization after change by reinforcing new processes and behaviors (Romli & Syamweil, 2022; Nadkarni, S, 2021). However, some experts argue that the renewal stage may not be as permanent or straightforward as Lewin's model suggests, given the dynamic of modern organizations (Andreeva & Ritala, 2014).

CONCLUSION

The organizational transformation of the Procurement Work Unit (UKPBJ) in Central Buton Regency illustrates how structured change, guided by Kurt Lewin's

model, can lead to improved procurement governance at the local level. The transformation marked by a shift toward a centralized, functional, and digitally enabled procurement body has positively impacted performance, transparency, and public accountability. However, the process also revealed ongoing challenges in human resource capacity, system integration, and organizational culture.

To strengthen regional transformation strategies, this study proposes three practical recommendations. First, **Institutionalize Competency-Based Functional Staffing.** Regional governments should invest in sustainable human resource development by ensuring certified, functional officials fill procurement positions. This includes structured recruitment, mandatory capacity-building programs, and merit-based career progression to reduce role ambiguity and enhance professional accountability. Second, **Integrate Procurement and Digital Systems Strategically.** E-procurement platforms, such as SPSE and SIRUP, should be integrated into the core structure of UKPBJ rather than being treated as parallel systems. Integration requires cross-functional coordination, real-time data access, and clear operational SOPs that connect LPSE, advocacy, and monitoring units. Third, **Cultivate an Adaptive Organizational Culture.** Beyond regulatory compliance, transformation must be supported by an internal culture that values innovation, collaboration, and responsiveness. Local leaders should initiate culture-building activities such as joint workshops, leadership forums, and performance recognition that align daily practices with the broader goals of procurement reform.

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