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THE INFLUENCE OF PERFORMANCE AND POLICY OF LOCAL INSTITUTIONS AS WELL AS COMMUNITY PARTICIPATION ON THE GROWTH OF SLUMS IN URBAN AREA OF MAKASSAR CITY INDONESIA

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ABSTRACT

The history of settlements development began with a set of settlements in a small scale, then along with the population growth in the urban area. Latter, it developed into a medium city and eventually developed into a big city. The objectives of this study were to analyze the performance and policies, also the community participation on the growth of slums in the urban area and to analyze the slum factors in the growth of slums in urban area. Data collected from 250 respondents from 2 sub-districts of 14 sub-districts, namely Panakukang Sub-district and Mariso Sub-district. The method of discussion employs a statistical approach, Structural Equational Modeling-Partial Least Square (SEM-PLS). The results of the analysis show that 1) the path coefficient of institutional performance on the institutional policy was 0.735 with t-statistic 20.2356 ($p < 0.05$), it means that the performance aspects significantly influenced policy; 2) the path coefficient of institutional performance on community participation was 0.162 with t-statistics 2.037 ($p < 0.05$), it means that the aspects of performance significantly influenced community participation; 3) The path coefficient of institutional policy on the community participation was 0.640 with t-statistic 8.635 ($p < 0.05$), it means that the policy had a significant effect on community participation; 4). the path coefficient of institutional performance on slums factors was 0.063 with t-statistics 0.611 ($p > 0.05$),

it means that iinstitutional performance had a significant effect on the slums factors; 5). the path coefficient of institutional policy on the slums factors was 0.444 with t-statistics 7.462 (p <0.05), it means that institutional policy did not have a significant effect on the slums factors; and 6) The path coefficient of participation on slums factors was 0.487 with t-statistics 5.417 (p <0.05), it means that participation had a significant effect on the factors of slums.

Keywords: Performance, Policy, Participation, Growth, Settlement.

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1. INTRODUCTION

The history of settlements development began with a set of settlements in a small scale, then along with the population growth in the urban area, it developed into a medium city and eventually developed into a big city. The growth of a city is accompanied by socio-economic, cultural changes, and their interactions with other cities and the surrounding area. The development process of some cities in Indonesia are not supported by the construction of adequate urban facilities and infrastructure. In fact, the urban areas in Indonesia experience environmental degradation that potentially create slums, such as in Jakarta and Bandung. Some citizens have a principle that urban area is as a place to get the maximum income. Thus, they have to be economical in the broadest sense; such as being frugal in getting the land, financing development, operation and maintenance, including in obtaining the materials and structural systems [1].

Based on how to own a house, building houses by themselves reach 71%, buying from a developer was 4%, buying not from a developer was 6% and others such as inheritance, grants, traditional houses and many others was 19%. Settlements ownership of only 10% was obtained through developers and non-developers so that the concept of building occupancy was both physical and non-physical buildings equipped with infrastructure and the rest was residential which was obtained out of the concept of decent building.

Thus, the illustration of the existance of settlements in Indonesia in general and in Makassar City in which the houses are dominated by the concept of self-constructed partially or individually built by the community without the concept of adequate housing in both physical and non-physical as well as utilities infrastructure needed. Makassar is one of the big cities in Indonesia located in South Sulawesi which has problems of population increase. Makassar is inhabited by more than 1.7 million [2].

The current condition shows that there are still many slum neighborhoods, moreover there is a tendency to be increased if there is no solution for this problem. In general, slum factors are classified into two factors, namely; physical factors and non-physical factors. As for physical factors, among others: 1) Low quality of buildings, 2) Limited facilities and infrastructure, 3) Limited area of housing, 4) Other physical factors.

Meanwhile, the non-physical factors, among others: 1) Lack of public awareness regarding sanitation and hygiene issues, 2) Lack of rules and regulations compliance, 3) Low legal awareness, 4) High economic demands, 5) Other non-physical factors.

The government as the executor of mandates and responsibilities as regulated in law No. 26 of 2007, which is authorized to plan, use and control the utilization of the urban spatial planning. If the city government had a good performance and implementation in their duties or authorities and also paid more attention to the issue regarding urban slums, this issue would not occur and at least they would be able to reduce the urban slums. Several strategies that have been carried out by the government of Makassar are the Procurement of Healthy Houses, Clean Village Programs (PROKASIH), Clean-up day on Friday and Adipura and others.

Urban slum management cannot be separated from the implementation factor of the performance of city government, policy drafting as the solution for the arising problem and community participation as a manifestation of participation in overcoming slums in their environment.

Performance is a translation of performance in English word which is often interpreted as "appearance", "demonstration" or "achievement". Thus, performance is the result of activities implementation that have been achieved based on the provisions in carrying out these activities [3]. Institutions are rules created by humans to regulate and shape political, social and economic interactions. These rules consist of formal rules (for example: regulations, laws, constitutions) and informal rules (for example: social norms, conventions, customs, value systems) and the process of enforcing the rules. These rules also determine the incentive structure for the community, especially the economy [4].

Employee performance (work performance) is the result of work in quality and quantity achieved by an employee in carrying out his/her duties in accordance with the responsibilities given to him/her [5]. The level of success of a performance includes quantitative and qualitative aspects. The definition of performance according to Stephen Robbins which is translated by Harbani Pasolong, 2007 "Performance is the result of evaluation of the work done by employees compared to predetermined criteria". Performance is a condition that is related to the success of an organization in carrying out its mission which can be measured from the level of productivity, service quality, responsiveness, responsibility, and accountability [6].

The understanding performance, namely "Performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined in strategic planning of an organization" [7]. Performance is the result of work that has a strong relationship with the objectives of organizational strategy, customer satisfaction and economic contribution [8]. Meanwhile performance also comes from the word ‘performance’ in English which means the results of work or work performance [9].

However, performance is not just the result of work or work performance, but also covers how the work process takes place. Performance stands for work energy kinetics which is in English word called as ‘performance’ [10]. Performance is the output produced by functions or indicators of a job or a profession in a given time. It can be concluded that, through knowledge and human resources as an important thing for an effective organization or institution can increase the knowledge and skills of employees to develop human resource management models tailored to environmental needs, and contribute to improving institutional performance[11].

Another opinion suggests that by managing employee knowledge, through the strategy of implementing human resources, it is important for the institutions or organizations to maximize their personnel performance. Meanwhile, several studies have noted that management science promotes the performance of an institution or organization. Other studies argue that management science is human resource management that helps to improve the performance of employees [12]. The term of performance in general can be interpreted as an assessment to find out the final goals to be achieved by individuals, groups and organizations. In this sense,

performance is a tool that can be used to measure achievement levels or group and individual policies. Some opinions about performance are also stated by several experts as follows:

Policy is a series of concepts and principles that form an outline and plan for implementing a job / leadership and how to act. Policy is an applicable provision, characterized by consistent and repetitive behavior both from those who make or implement the policy. Policy is the principles that govern actions and are directed towards certain goals. Policy is a provision that contains the principles to direct the way of acting made in a planned and consistent manner to achieve certain goals [13].

According to Carl Friedrich, policy is an action that leads to the goals proposed by a person, group or government in a particular environment in connection with the existence of certain obstacles while searchingfor the opportunities to achieve goals or realize the desired goals. Anderson formulated policy as a step of deliberate action carried out by an actor or a number of actors regarding the existence of a particular problem or the problem that is being faced [14].

Public policy is a sanctioned that leads to a specific goal directed at a certain interrelated problem that affects most citizens [15]. Public policy is a decision made by the state, especially the government, as a strategy to realize the objectives of the country concerned. Public Policy is a strategy to transform the community in the early days, then move to the community in the transition period, towards the aspired community [16].

Many of public policy definitions were stated by the experts, among others, which was stated that public policy is a series of actions proposed by a person, group or government in a particular environment by showing obstacles and opportunities towards the implementation of the policy proposal in order to achieve certain objectives [17]. Public policy is a program to achieve goals, values and directed practices. In line with this study, it also suggested that public policy is what the government states, also whatever governments choose to do or not to do. Public policy is in the form of goals or objectives of government programs. Furthermore, according to Eulau and Prewitt in Albab, public policy contains several terms including intention, purpose, plan or proposal, program, decision or choice and influence. Intentions are the true goals of an action. Goals are the final state to be achieved [17].

Plans or proposals are ways that are determined to achieve goals. A program is an authorized way to achieve goals. Decisions or Choices are actions taken to achieve goals, develop plans, implement and evaluate programs. Meanwhile, effect is the impact of a program that can be measured, both expected or unexpected and is primary or secondary.

Some opinions from the experts can be drawn a conclusion related to the definition of public policy, they are: Public policy is defined as whatever goverment says, does and does not in solving a public problem. The formulation of the definition is considered sufficient to explain the meaning of actual public policy. This is because to solve a public problem, the government takes steps in the form of speech or giving statement, actions and determining not to act or being silent. Each of these steps has the same impact [17].

There are several definitions related to the implementation of public policies stated by the experts, one defines policy implementation as: Implementation of basic policy decisions usually in the form of laws, but can also be in the form of orders or important executive decisions or decisions of the judiciary. Typically, the decision identifies the problem that wants to be addressed, explicitly states the goals or objectives to be achieved and various ways to structure or regulate the implementation process [18].

Policy implementation is "actions carried out either by individuals or officials or groups of government or the private sector that are directed at achieving the goals outlined in policy decisions. "For this reason, it can be concluded that implementation is a dynamic process, in which the policy implementer conducts an activity, so that in the end it will get a result which is in accordance with the policy goals or objectives [18].

Definition and significance of institutions: the word "institution" is often translated as "organization", however institutions have different definitions in New Institutional Economics (NIE). In the NIE literature, institutions define as formal and informal rules and mechanisms. The enforcement that shapes individual and organizational behavior in society [19]. Different from the definition of organization, in which the definition of an organization is a unit consisting of a group of people acting together in order to achieve common goals [20]. The institution is a form of organization that is constantly composed from the patterns of behavior, roles and relations as a binding way to achieve basic social needs [21].

Institutions are built by humans to create a good order and reduce uncertainty in people's lives. Institution is the foundation for the existence of a civilized society. Without an institution, there will never be a community, only a group of "intelligent animals" who will always try to fulfill the demands of their desires which are sometimes unlimited, so that riots, looting and crime becoming a commonplace. During this time neoclassical-economists (conventional) denied the role of institutions.

According to Swanson organizational performance is questioning about the goal or mission of an organization whether it is in accordance with the reality of the existing condition and factors of economy, politics, and culture; whether the structure and policies support the desired performance; whether having leadership, capital and infrastructure in achieving its mission; whether the policy, culture and the incentive system support the desired performance achievement; and whether the organization creates and maintains selection and training policies, also its resources [3]. Organizational performance is as an illustration of the achievement of tasks in an organization to realize the goals, objectives, mission and vision of the organization.

Organizational performance is an overview of the work of the organization in achieving its objectives which is influenced by the resources in the organization. The resources can be physical such as human or non-physical resources such as regulations, information, and policies, also the factors that can influence an organization's performance. The concept of organizational performance also illustrates that every public organization provides services to the community and can measure its performance by using the indicators of existing performance to see whether the organization has carried out its duties well and to know whether the objectives have been achieved or not.

Institutions are classified into two types, namely formal institutions and informal institutions [4]. Rules in the form of laws and various regulations made by the government, as well as rules that are made and adopted by private institutions and community organizations that are generally accepted and have a legal basis include formal institutions. Meanwhile, the informal institutions often function outside the rules of the legal system, reflect unwritten social values such as social norms and sanctions and use social mechanisms to provide rewards that are in accordance with the reputation of the person concerned, judged from their involvement in social activities.

Institutional performance is Local government organization that in charge of City Spatial Planning. The understanding of local Institution is the performance of the organization, then the authority of the city government as a local institution, as in the provisions of the legislation that is Law No. 26 of 2007 concerning Spatial Planning Article 11 paragraph (2), the local government has the authority in the implementation of urban spatial planning which includes

urban spatial planning, utilization of urban space and control of urban spatial use. The three local institutional authorities.

Participation can be interpreted as someone's conscious involvement in social interaction in certain situations. Thus, someone can participate if he finds himself with or in a group, through various processes of sharing with others in the terms of values, traditions, feelings, loyalty, obedience and shared responsibility [22]. Community participation is community participation in the process identifying problems and potentials in the community, selecting and making decisions about alternative solutions for the problems, implementing efforts to overcome problems, and community involvement in the process of evaluating changes [23].

Mikkelsen divides participation into 6 (six) understandings [24], namely:

Participation is a voluntary contribution from the community for the project without participating in decision making;

Participation is "sensitizing" the community to increase willingness and ability to respond to development projects;

Participation is voluntary involvement by the community in changes that are determined by the community themselves;

Participation is an active process, which means that the person or group concerned takes the initiative and uses their freedom to do so;

Participation is the strengthening of dialogue between local communities and staff who prepare, implement, monitor the projects, so as to obtain information about the local context, and social impacts;

Participation is the involvement of the community in the development of themselves, their lives, and their environment.

The importance of participation are stated as follows [25]:

First, community participation is a tool to obtain information about the conditions, needs, and attitudes of local communities, in which without the presence of development programs and projects, it will fail.

Second, that the community will trust the project or development program more if they feel they are involved in the preparation and planning process, since they will know the ins and outs of the project and will have a sense of ownership of the project; third, that it is a democratic right of the community to be involved in the development of their own society.

The principles of participation, as stated in the Guidelines for Implementation of Participatory Approaches arranged by the Department for International Development (DFID) are:

1. Coverage. All people or representatives of all groups who are affected by the results of a development decision or process of a project.
2. Equal Partnership. Basically everyone has skills, abilities and initiatives and has the right to use these initiatives to be involved in each process to build dialogue without taking into differentiate the level and structure of each party.
3. Transparency. All parties must be able to develop communication and build communication openly and conducively.
4. Sharing Power / Equal Powership. Various parties involved must be able to balance the distribution of authority and power to avoid domination.
5. Sharing Responsibility. Various parties have clear responsibilities in each process due to the sharing of authority and their involvement in the decision making process and subsequent steps.

6. Empowerment. The involvement of various parties is inseparable from all the strengths and weaknesses of each party, thus, through the active involvement in each activity process, a process of mutual learning and mutual empowerment occur.
7. Cooperation. Collaboration of various parties involved is needed to share advantages to reduce various weaknesses, especially those related to human resource capabilities.

The configuration of participation consists of several things, namely:

- Participate in making a financial contribution.
- Participate in donating physical strength.
- Participate in material donations.
- Participate in giving moral contributions (support, advice, suggestion, recommendation, mandate, etc.).

The objectives of this study were to analyze the performance and policies, also the community participation on the growth of slums in the urban area and to analyze the slum factors in the growth of slums in urban area.

2. METHOD

Research Design

Reviewed from the type of data, the research approach used in this study is a qualitative approach. Qualitative research is a research that is intended to investigate the phenomenon of research subjects' experiences holistically, and by describing it all in the form of words and language, in a special natural context and also by utilizing various scientific methods [26].

The type of approach to this research is descriptive. Descriptive research is a study that seeks information to explain the existing problem solving based on several data. The type of qualitative descriptive research used in this study is intended to obtain information about the extent of performance, institutional policy and community participation related to the growth of slums in the city of Makassar.

In accordance with the problems studied, the number and type of sampling used in this study, it belongs to survey research. Survey research examines large and small populations by selecting and reviewing selected samples from the population to find relative incidence, distribution, and interrelation of psychological sociological variables. Descriptive research is a study of exploring information regarding to the phenomenon that is being observed [27]. In this study, the researchers describes data about the objects or research variables that existed in the Growth of Slums in Makassar City.

Referring to the problems in urban areas, in general, the targeted sampling used in this study shows that it belongs to a survey research. A survey research studies large and small populations by selecting and reviewing selected samples from a population to find the incidence, distribution, and relative interrelation of psychological sociological variables. This kind of survey can be defined as a sample survey [27]. This study will describe data about objects or research variables which is existed in the Makassar City as the research location, including performance variables, policies and community participation in the urban area.

The model of the relationship between the variables above shows that in this study there are two exogenous variables (variables that are not influenced by other variables in the relationship model or which are often known as an ' independent variables'), these variables were; institutional performance (X1) and institutional policy (X2), while the endogenous variables (variables that are influenced by other variables in the relationship model or which are often known as "dependent variables") are community participation variables (Y1) and the factor that

causes slums (Y2) variables. The model involves all variable indicators, thus all variables are latent. In accordance with the Intervening Variale model above, the data analysis technique that was used in this study was structural equation modeling (SEM), in which independent variables were divided into a number of structured blocks. The model of intervening variable concept was presented in Figure 1.

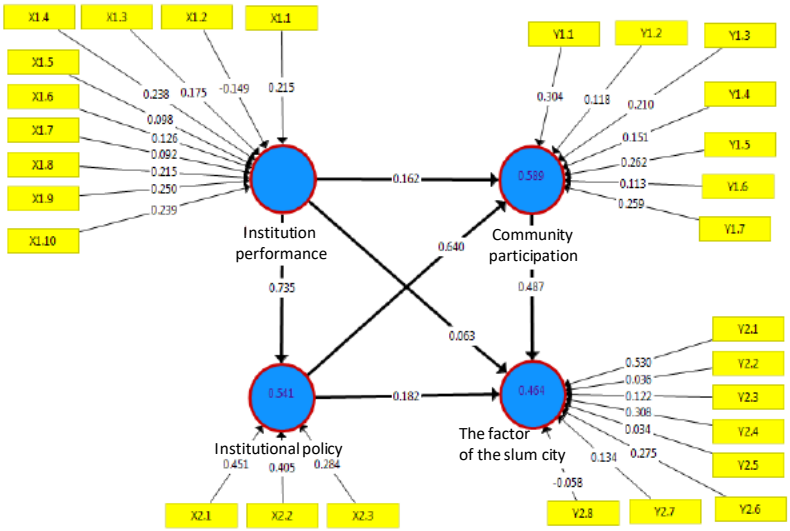

Figure 1 The Model of Intervening Variable Concept

Population and Samples

Population is a group of individuals with quality and characteristics that have been set. The whole group of people who have certain criteria according to the attention of researchers is called as population. A population is a group of humans or something that really exists and is well formulated. Therefore, the opinions of the three experts can be concluded that the population is a group of individuals who have certain qualities and characteristics that have been well defined and formulated by researchers.

The population in the study were the community of Makassar city. Based on the data collection plan, there were two sub-districts from 14 sub-districts, consisting of 20 sub-districts in 134 sub-districts, each of which was set as many as respondents who targeted respondents and community leaders and staff in the village, including some townspeople to participate as respondents, such as students and educators.

Data Analysis

After the research data is collected, the research data were analyzed with data analysis techniques in accordance with the type of research. Data description used descriptive statistical analysis techniques. Data analysis used in inferential statistical methods in this study is partial least square (PLS). PLS has several advantages compared to other analysis tools, namely: (1) it can analyze complex models, (2) the data do not need normal distribution, (3) it can use small sample and (4) it can handle the missing value.

This study was analyzed using primary data collected through questionnaires using the survey method. The research questionnaire consists of questions about four variables or constructs that are measured by a number of indicators. Each respondent was asked to convey his/her perception of the indicators for these variables by choosing one number from the likert scale of 1 to 5. Therefore, each construct needs to be tested for validity and reliability.

The final stage of the analysis in this study is testing the hypothesis. The hypothesis testing tool is the Smart Partial Least Square (SmartPLS) software version 3.2.6. The reason of using Partial Least Square (PLS) is that there are several research hypotheses which do not yet have a solid theoretical foundation. Another reason is because PLS is able to analyze constructs with reflective and formative indicators. The PLS is a powerful analytical method, because it is not based on many assumptions, data does not have to be normally distributed, the sample does not have to be large, and is able to explain the relationship between latent variables. Another advantage of PLS is that it can be used on data with different scale types, able to manage multicollinearity problems between independent variables, and generates robust result even though there are abnormal and missing data [28].

The use of PLS as an analysis method requires several steps in structural equation modeling. The PLS steps can be explained as follows:

1. Designing the structural model (inner model) is designing the relationships between variables (constructs) based on the research hypothesis.
2. Designing the measurement model (outer model) is designing the relationship between latent variables and indicators. This study uses formative indicators.
3. Constructing the path diagram.
4. Making a path diagram that describes the relationship between latent variables (constructs) both exogenous and endogenous. The path diagram is presented in Figure 3.8.
5. Converting the path diagram into the equation system.
   Equation system that shows the relationship between latent variables (inner model) and the relationship of indicators to variables (outer model).

Research Location

The research location is in the area of Makassar City, in the South Sulawesi Province, and focused on two urban villages, namely Panakukang Urban Village in 11 sub-districts and Mariso Urban Village in 9 sub-districts. This research activity began since the ratification of research proposal and research permit from post-graduate program, then through the City Regional Capital Coordination Agency (CRCCA), to obtain permission from the mayor through the Makassar City National Unity and National Unity and Politic Office to be sent to each sub-district which was overall realized between May to August 2018.

The object of the research is the growth of slums in the city of Makassar, including the variables of performance and local institutional policies and community participation in the urban slums. The research subject is the data source that was asked for information related to the research problem. The data sources in research is the subject from which data is obtained [27]. To get the right data, it is necessary to determine the informants who have competence and are in accordance with the data needs (purposive), that is, the townspeople in general and focused on the community in two sub-districts, as well as the local government. This study describes how the community responds as the object, reviewing from the aspects of performance, policy and community participation which were correlated to the growth of urban slums.

3. RESULTS AND DISCUSSION

This study used a PLS SEM model and was processed with Smart PLS version 3.2.6 to evaluate the research model. Testing the hypothesis was done through two stages, namely testing the outer model and testing the inner model. The outer model test aimed to determine the value of the latent variable correlation, cross loadings, validity and construct reliability and R Square (R2). Inner model testing aimed to find out the value of path coefficient, inner T-statistical

model, and total effect value that shows the level of changes variation of the independent variable on the dependent variable [28]. The results of model evaluation were presented in Figure 3.

Inspection of Linearity Assumptions

It is necessary to do a linear assumption test, before conducting further evaluation of this analysis, that the relationship between constructs to be tested has a linear relationship. Therefore, the first step in the PLS SEM model was to test the linearity assumptions. The relationship between variables in this analysis was linear. The assumption linearity test used test of linearity. The assumption of linearity in path analysis was only related to structural equation modeling and was not related to hypothesis testing, in which the relationship between variables in the structural model was linear. This means that the increase or decrease in the criteria variation was followed consistently by an increase or decrease of the variation in the criteria for the predictor so that the relationship form a straight or linear line.

Table 1 Linearity Assumption Examination

Correlation	Linierity		Description
	F	p	
Performance ==> Policy	414.305	0.000	Linier
Performance ==> Participation	175.470	0.000	Linier
Policy => Participation	503.276	0.000	Linier
Performance ==> Slums	102.460	0.000	Linier
Policy ==> Slums	144.395	0.000	Linier
Participation ==> Slums	195.028	0.000	Linier

The results of linearity explained that all paths meet the linearity assumption and the results of the F test in the linearity section were significant ($p < 0.05$) (Table 1). There was a supporting test result in the other part, that was the deviation from linierity which aimed to test whether the fulfilled linearity was also supported by the low compatibility of the model for non-linear relationships. If the deviation from linierity test results were not significant ($p > 0.05$), the relationship between the two variables was linear. However, if the deviation from linierity test results were significant ($p < 0.05$), then the relationship between the two variables can be linear and also not linear. Thus, this linearity assumption was fulfilled if the linearity test results were significant. This analysis provided the conclusion that linearity requirements have been fulfilled in all paths in the hypothesis model. According to the result of the linearity test, the results of the F test were significant ($p < 0.05$).

Construct Validity and Reliability

The construct validity and reliability in formative relationships were examined by using a number of different ways with latent variables that were reflective. In latent constructs with reflective relationships, this test was conducted to assess convergent validity, discriminant validity, and reliability. A model has convergent validity if the outer loading value was > 0.7, communality> 0.5, and average variance extracted (AVE)> 0.5 [28]. Meanwhile, in the formative relationship, indications in assessing items were based on the test results of the significance of the outer weight coefficient and the value of the variance inflation factor (VIF). All indicators were still be used in measuring latent constructs even though the coefficient was tested insignificantly provided that there was no high multicollinear problem (VIF> 5).

Table 2 Loading Factor and VIF Value

Variable	Indicator	Outer Weight	VIF
Institutional	X1.1	0.215	1.788
Performance	X1.2	-0.149	1.675
	X1.3	0.175	1.673
	X1.4	0.238	2.034
	X1.5	0.098	1.372
	X1.6	0.126	1.562
	X1.7	0.092	1.754
	X1.8	0.215	1.791
	X1.9	0.250	1.460
	X1.10	0.239	1.511
Institutional	X2.1	0.451	1.962
Policy	X2.2	0.405	2.040
	X2.3	0.284	2.262
Community	Y1.1	0.304	1.818
Participation	Y1.2	0.118	1.203
	Y1.3	0.210	1.624
	Y1.4	0.151	1.907
	Y1.5	0.262	1.868
	Y1.6	0.113	1.406
	Y1.7	0.259	1.840
Factor of slums	Y2.1	0.530	1.715
in the urban area	Y2.2	0.036	1.518
	Y2.3	0.122	1.780
	Y2.4	0.308	1.747
	Y2.5	0.034	1.358
	Y2.6	0.275	1.535
	Y2.7	0.134	1.931
	Y2.8	-0.058	2.076

Institutional policy variables were measured formatively by 3 indicators. All coefficients were positive and tested significant ($p < 0.05$). Significant indicator coefficients on institutional policy include planning (X2.1), utilization (X2.2) and identification (X2.3). VIF value in the range of 1,962 - 2,262 shows that there was no high multicollinear problem among the indicators (Table 2).

The variable of community participation was measured formatively by 7 indicators. All coefficients were positive and partially tested was significant ($p < 0.05$). Significant indicator coefficients for the variable of community participation include sensitivity (Y1.1), confidence (Y1.3), interest / willingness (Y1.5) and initiative (Y1.7). VIF value in the range of 1,203 - 1,907 showed that there was no high multicollinear problem among the indicators. Two large coefficients were in the indicators of sensitivity (Y1.1) and interest / willingness (Y1.5).

The variable of the factors of urban slum were formatively measured by 8 indicators. Almost all coefficients were positive and some were significant ($p < 0.05$). Significant indicator coefficients of the factors of urban slums include urbanization / migrants (Y2.1), infrastructure (Y2.4) and education (Y2.6). VIF value in the ranged of 1.518 - 2.076 shows that there was no high multicollinear problem among the indicators. The biggest coefficient was on the indicator

of urbanization / migrants (Y2.1) and infrastructure (Y2.4), thus the factor of urban slums were urbanization / migrant and infrastructure problems.

Structural Models Testing (Inner Model Testing)

The four variables in the model have positive correlation coefficients with a range of 0.505 to 0.760. The correlation coefficient on the relationship among the variables was significant, since the critical value of the correlation coefficient at a sample size of 250 was 0.105 (Table 3).

Table 3 Inter-Variable Correlation Matrix

Construct	Performance	Policy	Participation	Slums
Performance	1.000			
Policy	0.735	1.000		
Partisipation	0.633	0.760	1.000	
Slums	0.505	0.598	0.665	1.000

The correlation coefficient of institutional performance due to urban slums that was 0.505 shows the existence of a positive correlation in these two variables. The factor of urban slums tend to be handled well if the institutional performance was getting better. The magnitude of the coefficient on the factors of urban slums showed by the other two variables was quite high, namely 0.598 from the institutional policy and 0.665 from community participation (Table 3). In the hypothetical model, institutional policy and community participation were mediators in the relationship of institutional performance to the factors of urban slums. The suspicion of institutional policy and community participation as mediators was quite firm, because the correlation coefficient between institutional performance of these two variables ranged from 0.633 to 0.735.

Hypothesis Model

In the hypothetical model, mediation of institutional policies and community participation were added. Assessing the results of testing the structural model (inner model) can be seen in R-square (R^2) in each endogenous construct (institutional policies, community participation and factor of urban slums), the value of path coefficients, t and p of each interconnected path relationship. The path coefficient value and t value for each path was explained in the sub discussion of the results of hypothesis testing. R^2 value was used to measure the level of variation in endogenous variables explained by a number of influencing variables [28]. The higher the value of R^2 means the better the prediction model of the proposed model.

The correlation coefficient between work motivation and policy on the performance of waste management that were 0.609 and 0.606 shows the existence of a positive correlation in these three variables. The performance of waste management tends to be better if the motivation of work for the implementers was high and the supporting policies were successfully formed.

Assessing the testing results of the structural model (inner model) can be seen in R-square (R^2) in each endogenous construct (community participation and behavior), value of path coefficient, t and p for each interconnected path relationship. Path coefficient values and t values for each path were explained in the results of hypothesis testing. R^2 values were used to measure the level of variation in endogenous variables explained by a number of influencing variables [28]. The higher the value of R^2 means the better the prediction model of the proposed model.

In this hypothetical model the result of the path coefficient test that passes through the institutional policy and community participation on the factors of urban slums was interesting, since they were specifically related strongly to the notion that policies and public participation were mediating variables (Figure 2). The path coefficient on the direct relationship of institutional performance to the factors of urban slums was decreased to 0.063. This was because the contribution to the factors of urban slums originating from institutions and community participation was preponderant.

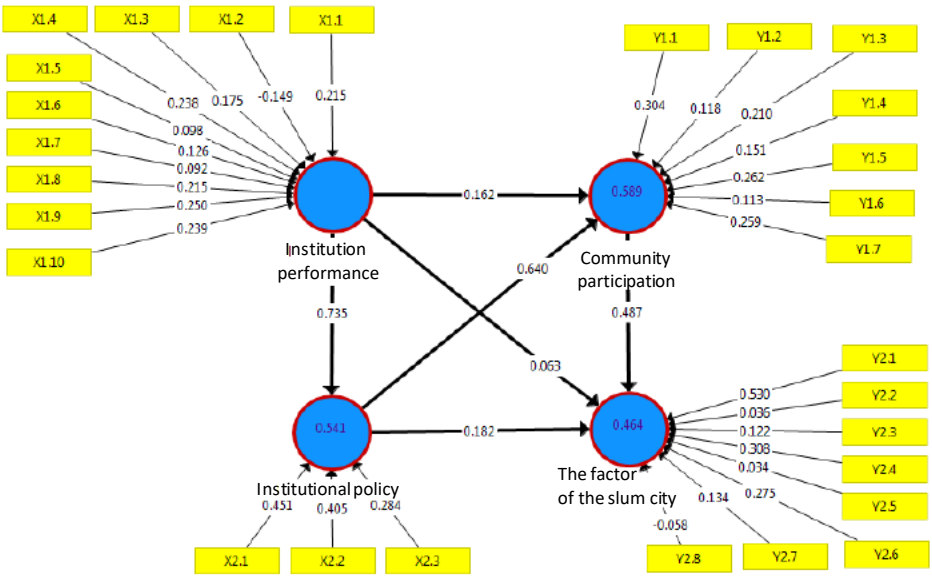

Figure 2 Hypothesis Model

Hypothesis models were calculated using Smart PLSversion 3.2.7 to determine the significance of path coefficients that were in the model or the significance of hypothesis support [28]. The path coefficient was significant if p was less than 0.05, the summary of the results of the inner model was explained in Figure 2 and Table 4. The interpretation of the tables and figures explains the relationships among variables as follows:

Table 4 Path Coefficient Test Results in the Inner Model

Relationship	Path Coeffisient	Standard Deviation	P
Performance -> Policy	0.735	0.036	0.000
Performance -> Participation	0.162	0.080	0.042
Policy -> Participation	0.640	0.074	0.000
Performance -> factor of Urban Slums	0.063	0.103	0.541
Policy -> factor of Urban Slums	0.182	0.105	0.085
Participation -> factor of Urban Slums	0.487	0.090	0.000

Description: ns = p> 0.05; * = p <0.05

1. Institutional performance towards institutional policy had a coefficient with a positive direction. The result of calculations shows that the path coefficient was 0.735 with a t-statistic of 20.2356 ($p < 0.05$), thus it means that the institutional performance had a significant effect on the institutional policy.
2. Institutional performance towards community participation had a coefficient with a positive direction. The calculation result shows that the path coefficient was 0.162 with a t-statistic of 2.037 ($p < 0.05$), thus it means that institutional performance had a significant effect on community participation.
3. Institutional policy towards public participation had a coefficient with a positive direction. The result of the calculation shows that the path coefficient was 0.640 with a t-statistic of 8.635 ($p < 0.05$), thus it means that institutional policy had a significant effect on public participation. Institutional policies that were close to people's expectations will increase community participation.
4. Institutional performance towards the factors of urban slum had a coefficient with a positive direction. The calculation result shows that the path coefficient was 0.063 with a t-statistic of 0.611 ($p > 0.05$), thus it means that the institution's performance had no significant effect on the factors of urban slums. The completion of urban slums factors cannot be directly explained by institutional performance.
5. Institutional policy towards the factors of urban slums had a coefficient with a positive direction. The result of calculation shows that the path coefficient was 0.182 with a t-statistic of 1.727 ($p > 0.05$), thus it means that the institutional policy had no significant effect on the factors of urban slums.
6. Community participation towards the factors of urban slum had a coefficient with a positive direction. The result of calculation shows that the path coefficient was 0.487 with t-statistic of 5.417 ($p < 0.05$), thus it means that community participation had a significant effect on the factors of urban slums. High participation rate of the community will increase the efforts to resolve the problem of urban slums.

4. DISCUSSION

The results of hypothesis testing explain that there were two insignificant path coefficients. In this section further analysis will be conducted as an evaluation model in order to find a structural model that was simpler but has a level of compatibility for the models that were not much different from the hypothesis model. In this model a number of paths with insignificant coefficients will be eliminated, namely in the direct relation of the institutional performance and institutional policies on the urban slums.

The evaluation of this model produces a relationship structure that was simpler yet has a relationship path with all the coefficients that were significant tested ($p < 0.05$). The suitability of the model (R_m^2) in this evaluation model was 89.7%, whose value was not different from the hypothesis model. The results of the hypothesis model and path coefficient test of the evaluation model were described in Figure 3.

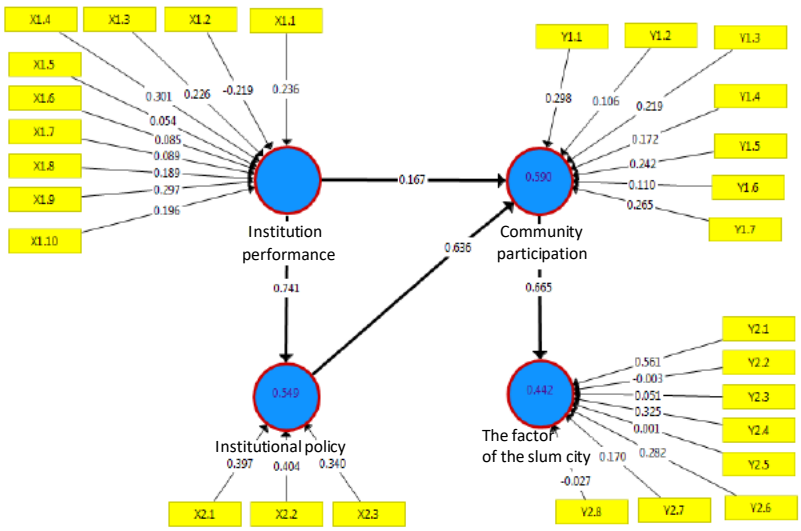

Figure 3 Results of the Evaluation Model

From the results of the evaluation model, it was seen that the factor of the slum city was influenced by the variable institution performance, while institutional policy and community participation became moderators of the relationship. This means that institution performance influenced the slum city through institutional policy channels as well as institutional policy affecting the slum city through the path of community participation.

Related to institutional performance and institutional policy, it was necessary to demonstrate the importance of the form of security of tenure (the definition of which is varied across case studies), which needs to be incorporated into upgrading, the critical the importance of governance and institutions and the significance of the community and elements of civil society [1].

Another study conducted in Nairobi, Kenya, reveals that the majority cannot afford motorized transport options in the city. They cope by limiting their travel outside their settlement and, if they do travel, by often 'choosing' to walk. As compared to the non-poor, poor households were systematically worse off [29]. For this reason, the form of public participation needs to be done so that efforts to deal with the slum city can be done by gaining the support of all parties. This is due to initiatives led by non-governmental organizations (NGOs), community-based organizations (CBOs) or other self-help groups that might get good community support. Efforts to do upgrading were carried out in Nairobi, Kenya, reveals that using an adaptive management approach and strongly encouraging community involvement must be the goal of the institution that provides slum improvement projects and that this can produce effective and successful development results [30]. It faceted sustainability issues that affect the livelihoods of slum dwellers within the framework of context-driven development policy of the country [31].

There are several variables that influence the success of policy implementation [17], namely:

Policy Standards and Objectives

The success of policy implementation is determined by the presence or absence of policy standards and targets. If a policy does not have standards and targets, the policy will be difficult to be implemented. In order to make the policy be implemented properly, the policy standards and targets must be clear and measurable. This is intended to not generate multi-interpretation and conflict between the implementors.

Resources (Resources)

To implement the policies well, it needs a support from human resources and non-human resources. Human resources can be define in the form of "competence" implementor, while non-human resources can be in the form of financial.

Communication

In order to make the policy implementation works well, the policy implementers have to know what to do.Thus, it is needed to establish communication and conduct socialization in a good and correct manner to the implementors, especially regarding the issues relating to policy goals and objectives. Furthermore, the implementor must socialize and communicate it to the target group.

Disposition

Disposition is the propensity possessed by the implementor. If the implementor has a good disposition, then he will be able to implement the policy as stated by the policy makers. Conversely, if the implementor has a bad disposition, he will not be able to implement the policy properly.

Characteristics of Implementor

According to Metter and Horn, the characteristics of the implementor are characteristics that include:

- Characteristics of bureaucratic implementers.
- Norms and patterns of relations that occur in the bureaucracy of the implementor.

Policy Environment

A simple bureaucratic structure guarantees more effective work, makes supervision easier, and makes bureaucratic activities more flexible. On the contrary, a complex and complicated bureaucratic structure does not guarantee work effectiveness, this also makes it difficult to supervise and bureaucracy becomes inflexible.

Content (Substance) Policy

According to Grindle, policy content variables include:

- How far the interests of the target group are contained in the contents of the policy.
- Types of benefits received by the target group.
- The extent of the desired changes in a policy.
- Whether the location of a program is correct.
- Whether a policy has mentioned the implementor in detail.
- Whether an implementation program has been supported by adequate resources.

Implementation Environment

According to Grindle, implementation environment variables include:

- How much power, interests, and strategies possessed by the actors involved in policy implementation.
- Characteristics of the authoritative institutions and regimes.
- Level of compliance and responsiveness of the target group.

5. CONCLUSION

Conclusion

The conclusions that are based on the results of the analysis and discussion, are as follows:

1. The compability test of the model through the Normed Fit Index (NFI) which is between 0-1, and if the value is 1 means that the compability is 1 perfect. In the results of the analysis, the NFI was0.780 which means that the level of compatibility of the hypothesis model was high and close to the value 1.
2. The hypothesis model was calculated using Smart PLSversion 3.2.7 to determine the significance of path coefficients that was in the model or the significance of hypothesis support: The path coefficient is significant if p is less than 0.05, the analysis results explain the relationship among variables as follows:
   - Institutional performance towards institutional policy had a coefficient with a positive direction. The result of calculations shows that the path coefficient was 0.735 with a t-statistic of 20.2356 ($p < 0.05$), thus it means that the institutional performance had a significant effect on the institutional policy.
   - Institutional performance towards community participation had a coefficient with a positive direction. The calculation result shows that the path coefficient was 0.162 with a t-statistic of 2.037 ($p < 0.05$), thus it means that institutional performance had a significant effect on community participation.
   - Institutional policy towards public participation had a coefficient with a positive direction. The result of the calculation shows that the path coefficient was 0.640 with a t-statistic of 8.635 ($p < 0.05$), thus it means that institutional policy had a significant effect on public participation. Institutional policies that are close to people's expectations will increase community participation.
   - Institutional performance towards the factors of urban slum had a coefficient with a positive direction. The calculation result shows that the path coefficient was 0.063 with a t-statistic of 0.611 ($p > 0.05$), thus it means that the institution's performance had no significant effect on the factors of urban slums. The completion of urban slums factors cannot be directly explained by institutional performance.
   - Institutional policy towards the factors of urban slums had a coefficient with a positive direction. The result of calculation shows that the path coefficient was 0.182 with a t-statistic of 1.727 ($p > 0.05$), thus it means that the institutional policy had no significant effect on the factors of urban slums.
   - Community participation towards the factors of urban slum had a coefficient with a positive direction. The result of calculation shows that the path coefficient was 0.487 with t-statistic of 5.417 ($p < 0.05$), thus it means that community participation had a significant effect on the factors of urban slums. High participation rate of the community will increase the efforts to resolve the problem of urban slums.

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