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THE EFFECT OF INNOVATION ON THE PERFORMANCE OF LOCAL GOVERNMENTS AND ITS IMPLICATIONS ON THE QUALITY OF PUBLIC SERVICES IN LABUHANBATU SELATAN DISTRICT NORTH SUMATERA PROVINCE

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ABSTRACT

This research aims to describes and analyze the influence of innovation to local government performance and its implications to public service quality. This reasearch also uses quantitative approach in positivist paradigm with using LISREL version 8.8 to managing the data. All informants are gathered from slovin formula and analyzed with several secondary data. Reseach result shows that innovation variable significantly influenced local government performance, and local government performance significantly influenced public service quality. Some recommendations are suggested namely innovation policy from local government should be socialized to citizens in order to increasing public awareness.

INTRODUCTION

Public service is a necessity in all countries in the world. One of the functions of the state's presence (which is represented by the government) is to carry out the service function, namely public services. Public services have been the domain where the state represented by the government interacts with citizens or the wider community and non-governmental institutions. As a representation of the state, the government is the only institution or organization that has strong legitimacy for each of its citizens. Miriam Budiardjo (2008) states that the State is a tool (agency) of society that has the power to regulate human relations in society and curb the symptoms of power in society.

Meanwhile, Rasyid (2007: 11), modern government is essentially a service to the community. Government is not created to serve itself, but to serve society, creating conditions that allow every member of society to develop their abilities and creativity in order to achieve common progress. Mulyadi (2016) suspects that inaction in bureaucratic services is not only caused by poor service delivery methods at the executive level, there are other factors that affect service quality, namely the principles of government organizations that are oriented towards implementation and formal accountability, without considering quality aspects. So it can be understood if the services provided to the public by the state apparatus are still in the present and accounted rank, namely organizations or employees are aware and know their position to provide quality service, but have not seriously attempted to implement it (Ulbert Silalahi in Zulkarnaen, 1996: 55) .

The government (including local governments) in carrying out a very broad and complex public service function is carried out through a hierarchical level known as the government bureaucracy. This government bureaucracy acts as a driving machine for the sustainability of public services in all lines and sides of community life, nation and state. On the

other hand, from the perspective of citizens or society, every citizen actually needs public services. Starting from the womb, birth, babies, children, adolescents, adults, old people and even death, all need services or are related to public services. There is no single phase in the life of the nation, state and society that does not require services from the State (or the government).

However, the government bureaucracy often receives sharp attention from citizens or the wider community. Because the function of public services is their responsibility, which should be carried out with full moral responsibility and a high professional attitude. In fact, it is one of the crucial weak points in the public service bureaucracy itself. The interactions that take place between the State (government) and citizens or the wider community have been full of dynamics, but there are still many people who feel that services are not optimal. Public services cover all areas of the life of the nation, state and society. The government's very broad authority in the delivery of public services places the government bureaucracy in a very strong position over all citizens. Everyone must comply with the provisions determined by the government, including bureaucratic intervention in public services. The broad public service function is attached to the government and is carried out by the government bureaucracy. This should be followed by the implementation of quality, professional, accountable public services, accompanied by high moral responsibility.

The government bureaucracy culture, which should emphasize more on public services, has apparently not been carried out effectively by the government bureaucracy in Indonesia. This condition is an implication of the political system which places the bureaucracy as a political instrument of power rather than as an agent of public services. On the other hand, culturally this condition is more due to the roots of the feudalistic cultural history of the bureaucracy, such as the adoption of a very paternalistic priyayi culture. The actualization of the priyayi (bourgeois) value system which has a psychological effect on the bureaucratic apparatus. The bureaucracy and its officials tend to assume themselves as parties that must be respected by society. The bureaucracy does not feel obliged to provide services to the community, because bureaucracy is not a servant. However, on the contrary, it is the community who must serve and understand the desires of the bureaucracy (Diesa Callista, 2014).

The 1945 Constitution has stipulated that the role of the State is not only limited to guarding order, but it is also possible for the State to participate in all aspects of community life. Therefore, the government (State) penetrates into every aspect of community life in order to meet the needs of every citizen, one of which is interpreted as the implementation of public services. Services in a broad sense can be as products that are visible or invisible to the eye. Public services in the context of meeting community needs, here need to be remembered that community needs are not undeveloped. In line with the development of time, the needs of the community have also experienced various developments in terms of type, quantity and quality. The development of community needs is of course accompanied by demands for good fulfillment as well as improvements related to the quality desired by parties who are stakeholders in public services.

The government bureaucracy is required to be able to provide appropriate and quality public services. The ability to provide good, efficient, accountable and quality services according to the currently determined standards is a necessity. Whoever, any institution (from the

government bureaucracy) cannot avoid the demands of the community for quality, effective, efficient, transparent, and accountable public services. In this context, in the last few decades various models of minimum service standards in the public service sector have developed. If examined in depth, this implies a strong message that public services are not just the implementation of service functions inherent in the government bureaucracy. However, the administration of public services by the government is seen as a process of government performance (or government bureaucracy). This means that the good and bad public services provided by the government bureaucracy will reflect the good and bad performance of the government. It cannot be denied that there are still various irregularities in the implementation of public services. Apart from that, the government bureaucracy is also faced with various obstacles in improving the quality of public service delivery.

Actually the concept of public service today has reached a stage where in the process it always tries to avoid public lies (bureaucratic engineering) and monopolies that are often carried out by the State. However, in actual implementation, there are always deviations here and there. For example, the bureaucracy often takes the opportunity to provide service rights to consumers as a fertile ground for obtaining additional income by complicating administrative procedures in every bureaucratic chain. One of the impacts is the high cost economy phenomenon caused by rampant cartels, monopoly, favoritism, double standard practices and (wild) levies with official to semi-official nuances. This is of course very contrary to the nature of public service which is defined as providing excellent service (best ability) from government officials or agencies as a form of service to the wider community (Rahmawati, 2011).

The poor quality of public services organized by the bureaucracy in Indonesia is a serious concern of President Jokowi, as written in the Kompas newspaper, Sunday, June 12, 2016. President Jokowi stated that a number of public services such as immigration, passport processing, management of Identity Cards (KTP), Permits Driving license (SIM), vehicle registration certificate (STNK), motor vehicle owner's book (BPKB), birth certificate, marriage certificate, land certificate, are generally still bad. Many parties have highlighted various disease viruses or pathologies in the implementation of public service activities. The bad phenomenon that is often felt is the proliferation of brokering activities. This brokering phenomenon has illustrated that almost no bureaucratic institution is free from brokering practices. The practice of brokering in Indonesia, especially in government institutions that carry out public service activities directly to the community. For example, in managing SIM, KTP, Land Certificate, Case Brokerage, and even brokering services to obtain justice. Here there is a pathological virus with a nuance of corruption, namely extortion, bribery and others. Taking care of a need through brokering will allow the birth of an agreement that is contrary to ethical values, morality, rationality, faith and even the prevailing laws and regulations. The agreement may take the form of bribery and illegal fees. Bribery is a form of bribe to make it easier, liberation, relief and so on. Meanwhile, illegal fees are a form of acceptance that has no clear legal basis and is for its own benefit (Noer, Y.A., 2016).

METHOD

This study uses a quantitative approach, which is carried out to test the

theory and explain the causal relationship to variables. The research data is obtained through research questionnaires to research respondents and through interviews which function as control information and through observation, so that the data obtained from the research results are more complete. Prior to field research, a pilot survey was conducted to test the validity and reliability of the research questionnaire, with the aim of ensuring that the research questionnaire to be used in the study can be said to be valid and reliable. After testing the validity and reliability, the results show that the research questionnaire is valid and reliable. Then further field research was carried out by distributing research questionnaires to research respondents. The data obtained from the research questionnaire is still in the form of ordinal data, so the ordinal data must be converted into interval data using successive intervals, then analyzed statistically in the form of Structural Equation Modeling (SEM), which will later test the variables and research hypotheses. The data used is the result of the measurement scale of respondents' answers to the research questionnaire. Then the discussion of the research results with the addition of data obtained from the results of interviews and observations also carried out in this study, which are used as supporting data from the questionnaire data that has been obtained.

RESULT AND DISCUSSION

Descriptive Analysis

Descriptive analysis here is carried out based on the demographics of respondents, namely gender, age, education level, rank / class, position and work unit. This study will look at the composition of the respondents used, namely regional apparatus employees in Labuhanbatu Regency. One of the respondents included in this study was based on gender as in the following table:

Table 1. Respondents by Gender

Number	Gender	Frequency	Percentage
1	**Male**	**275**	**71,24%**
2	**Female**	**111**	**28,76%**
	Total	**320**	**100,00%**

Source: Managed by author, 2020.

Based on the results above, information is obtained that there are 275 (71.24%) male respondents and 111 (28.76%) female respondents. Furthermore, to calculate the age respondents is done by grouping the frequency distribution. The age intervals are determined using the basis of the frequency distribution formula, as described in the previous section. Analysis of respondents according to age can be seen in Table 2 below.

Table 2. Respondents by Age

Number	Gender	Frequency	Percentage
1.	28-30	7	1,81%
2.	31-33	9	2,33%
3.	34-36	45	11,66%
4.	37-39	20	5,18%
5.	40-42	58	15,03%
6.	43-45	69	17,88%
7.	46-48	33	8,55%
8.	49-51	69	17,88%

9.	52-54	48	12,44%
10.	55-57	28	7,25%
	Jumlah	**320**	**100,00%**

Source: Managed by author, 2020.

Based on the results of the analysis above, it can be seen that the highest age category is at the age of "43-45 years" and "49-51 years" with the number of respondents as much as 69 (17.88%) followed by the age of "40-42 years" as many as 58 (15.03%) continued to be sorted according to the table above until the age category "28-30 years" had the least number of respondents, namely 7 (1.81%).

Inferential Analysis

The analysis used in inferential is carried out using the Structural Equation Modeling (SEM) method with the help of LISREL 8.80 software. This analysis is to test the data in order to get a conclusion whether the factors proposed in this study, namely the innovation factor and performance accountability, have an influence on the quality of public services.

1. Normality

In data analysis using Structural Equation Modeling (SEM), the distribution of data used must meet the assumptions required in the analysis. One of the data requirements that can be processed by this method is normality. The normality test is a test that is carried out with the aim of assessing the distribution of data in a group of data or variables, whether the distribution of the data is normally distributed or not. The normality test is useful for determining data that has been collected in a normal distribution or taken from a normal population. According to Ghozali and Fuad (2008: 37), normality is divided into two, namely:*Univariate normality* and *Multivariate normality*.

The assumption for normality can be tested with the z statistical value for skewness and kurtosis. If the z value is good and / or significant (p-value <0.05 at the 5% level) it can be said that the data distribution is not normal. Conversely, if the z-value is good and / or insignificant (p-value> 0.05 at the 5% level) then it can be said that the data distribution is normal. So it is concluded that the expected normality test results are not significant (Ghozali and Fuad, 2008: 37).

In the normality test above, the data can be said to be normally distributed if the P-Value is> 0.05. Based on the results of the output above, it can be seen that the data is not normally distributed because there is still a total p-value <0.05. Furthermore, the multivariate normality test will be carried out.

Table 3. Multivariate Normality Test

No.	***Test***	***Statistic***	***p-value***	***Result***
1.	Mardia Skewness	114343.253366146	0	NO
2.	Mardia Kurtosis	37.2513464076468	0	NO
3.	MVN	<NA>	<NA>	NO

Source: Managed by author, 2020.

Based on the output results above, it can be seen that multivariate normality is not normally distributed because the P-value for skewness and kurtosis is 0 <0.05. To overcome this abnormality, the researchers used the Normal Scores feature in the LISREL program to transform the data into normal. After the transformation was carried out, it turned out that there were still many who did not meet the normality, where the P-Value for skewness and kurtosis> 0.05. As for the multivariate normality can be seen in the following table:

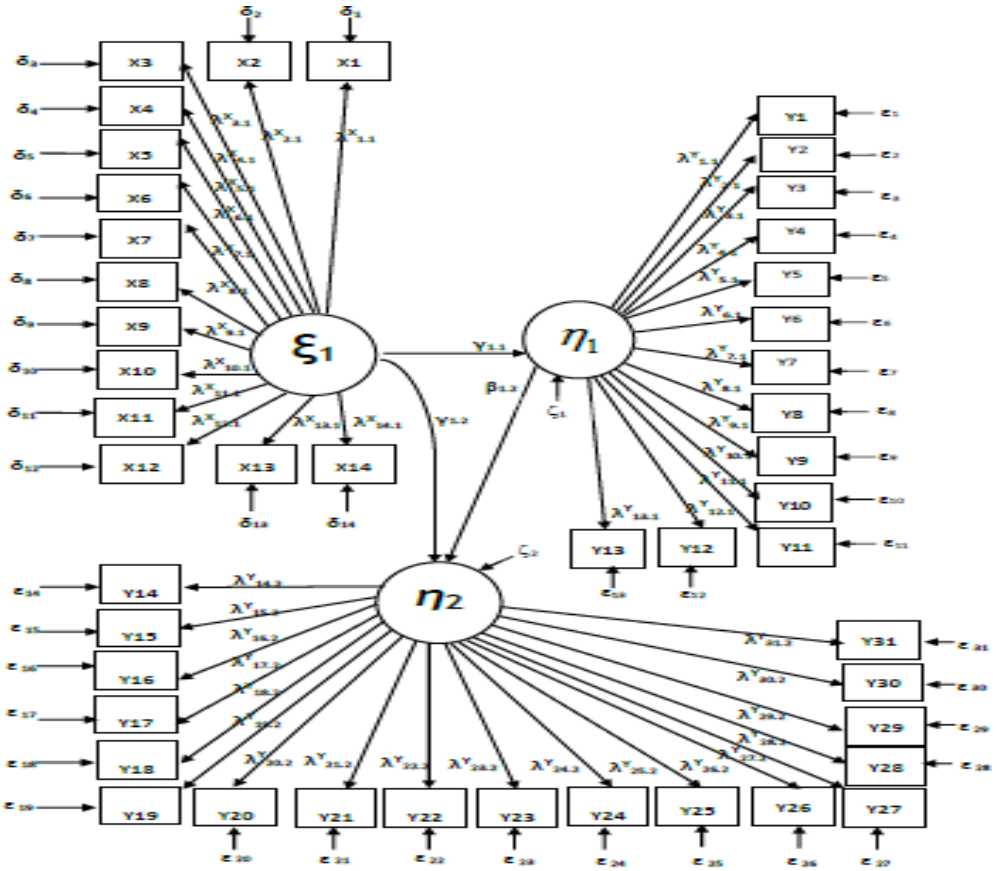
Table 4. Transformed Multivariate Normality Test

No.	Skewness			Kurtosis			Skewness dan Kurtosis	
	Value	Z-score	P-value	Value	Z-score	P-value	Chi-Square	P-Value
1.	1700.326	200.312	0.000	3376.129	17.959	0.000	40447.360	0.000

Source: Managed by author, 2020.

Based on the results above, it can be seen as well as multivariate normality, the data can be said to be still not normal where the P-value for skewness and kurtosis <0.05. This can be overcome by correcting the goodness of fit indices due to abnormal distribution of the data. At the model specification stage, it is related to model formation which is the formation of a relationship between one latent variable and another latent variable and the formation of a relationship between latent variable and manifest variable based on valid theory. Combining all SEM components into a complete model of the measurement model and structural model, commonly called the Full and Hybrid Model, the incorporation of all SEM components is depicted in a flowchart (Path Diagram) to make it easier to see the causality relationships to be tested can be seen in the following figure:

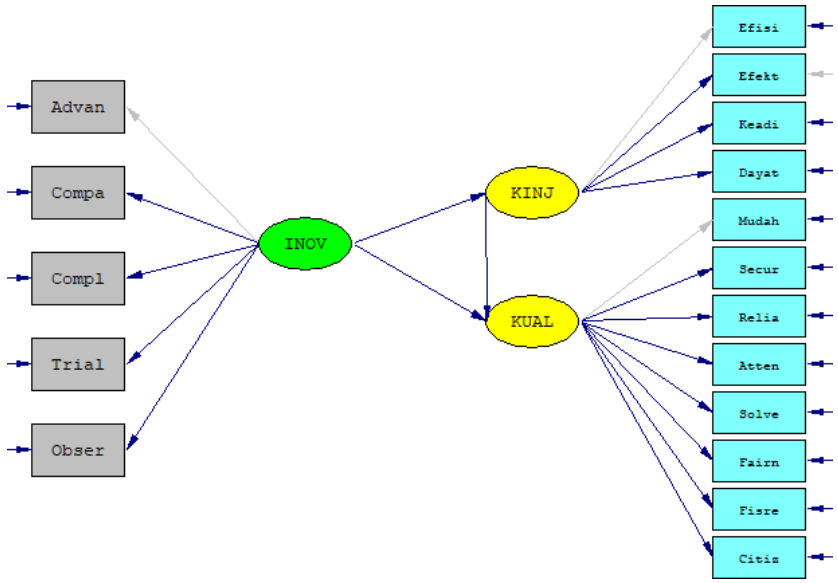
Figure 1. Hybrid Model Path Diagram with LISREL Notation



Source: Managed by author, 2020.

Based on the model that was built with reference to several theories that were constructed simultaneously, the research model to be tested with SEM analysis was simplified using the Latent Variable Score (LVS) method with the Lisrel 8.80 tool. Model simplification was carried out considering that the sample size was too large so it was not possible to run the original model. The simplification of the model using the 2nd CFA method is based on the proposed theoretical model as shown below:

Figure 2. Simplification of the Research Model with the LVS Method



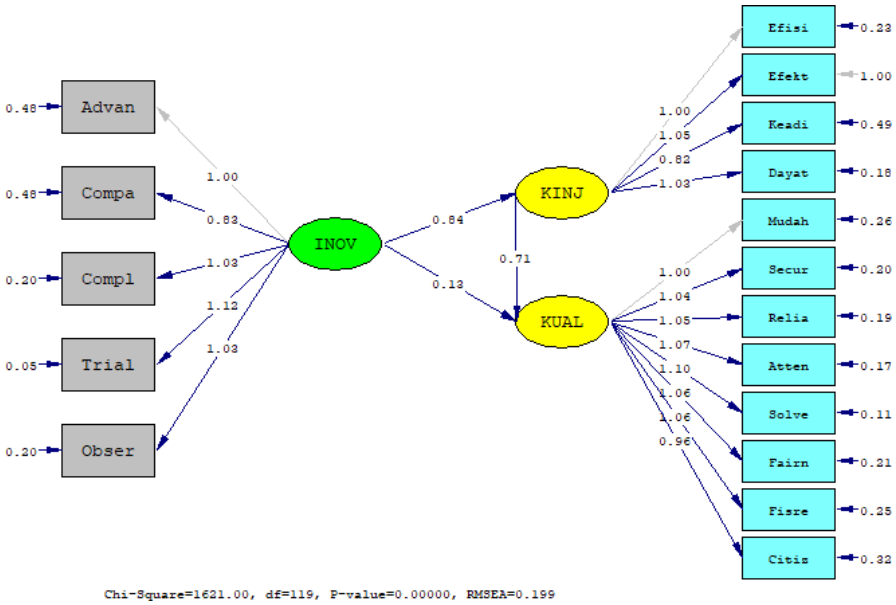
Source: Managed by author, 2020.

Based on the output of data analysis, it is found that the model in this study is over indentified. With the total number of covariance data (45 (45 + 1) / 2 = 1035, while the number of parameters estimated is 93. From these results, the resulting degree of freedom is 942. So the degree of freedom is 942> 0 so that the model is over indentified, then the proposed model has met the requirements for SEM analysis.

Model Estimation

Research models that have met the specification and model identification stages can then be estimated models. In this study the data did not follow the multivariate normal distribution, so based on the data abnormality assumption, the estimated model would be corrected for standard errors and some goodness of fit indices due to the abnormal distribution of the data. Based on this research, the estimation results can be shown in the following figure:

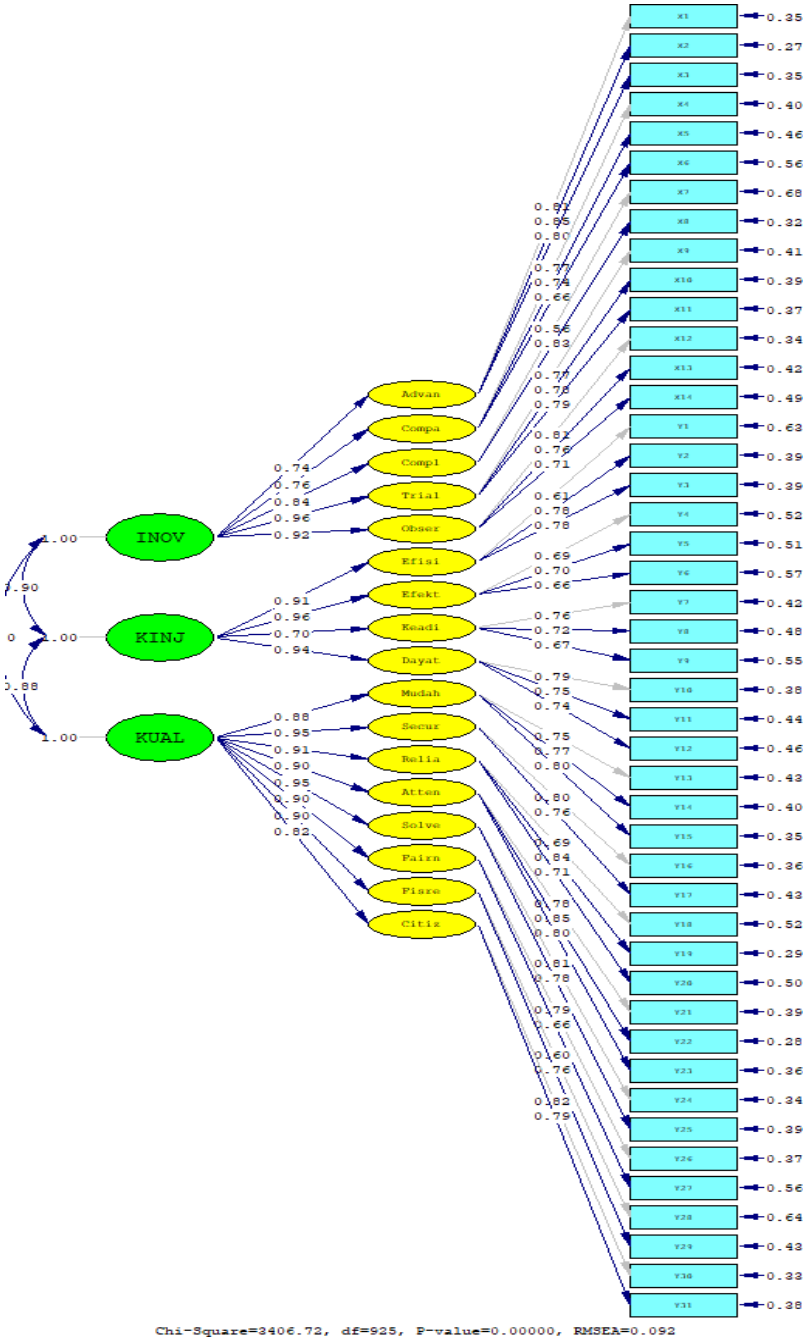
Figure 3. Diagram of Model Estimation Results



Source: Managed by author, 2020.

The results of the estimation of the model above were obtained from the 2nd CFA method based on the conceptual model according to the theory referred to, as in the following figure.

Figure 4.Two Level Measurement Model Path Diagram

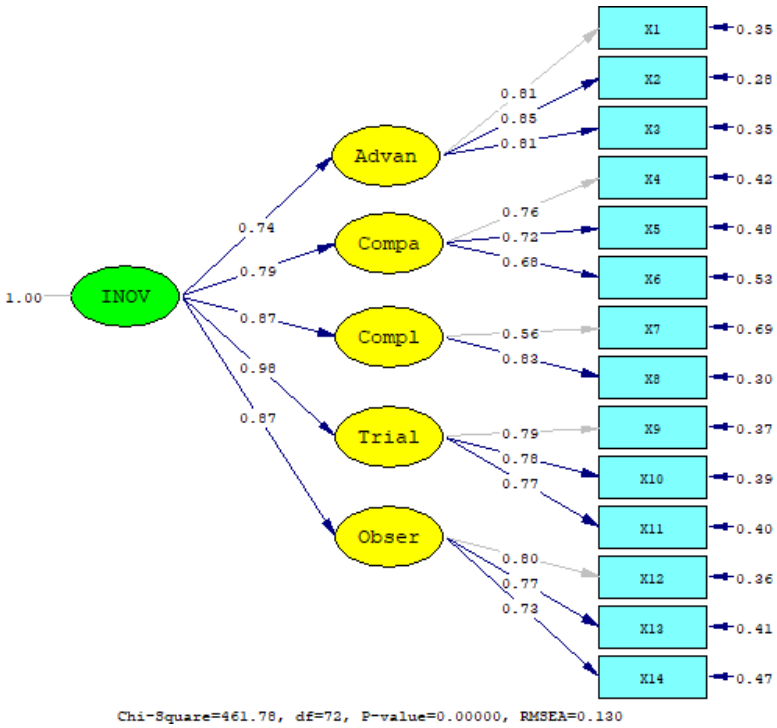


Source: Managed by author, 2020.

Fit Test and Respisification of the Measurement Model

This stage performs validation to determine whether the variable factors used for each latency are in accordance with what you want to measure. In the measurement model, the model fit test can be seen the validity and reliability of the measurement model. First, test the validity of the measurement model, namely loading factors ≥ 0.50.

Figure 5. Diagram of Estimation Results for Public Service Innovation Latent Variable Model



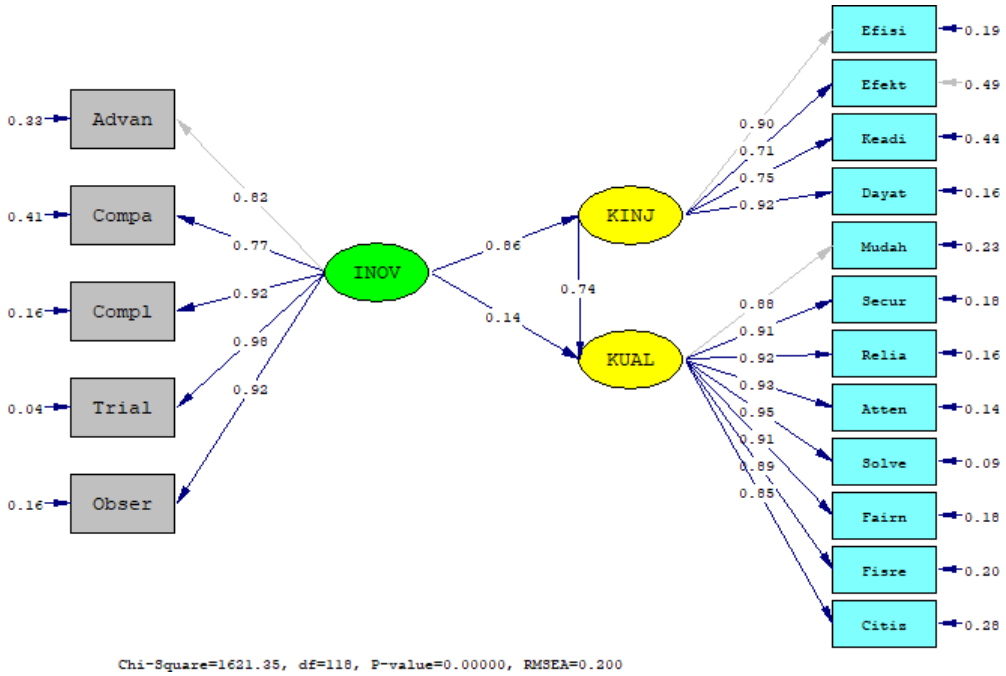
Source: Managed by author, 2020.

From the figure and table above, it can be seen that based on the loading factor value of all indicators and dimensions with the 2ndCFA method shows LSF> 0.50, which means that the measurement model for the Public Service Innovation variable all observed variables have good validity.

Model Validity and Reliability

After the fit of the model and the data as a whole is good, the next step is to test the fit of the measurement model. This evaluation will be carried out between a latent variable with several indicators. Figure 4.7 is a path diagram of a standardized solution and Figure 4.8 is a path diagram of the t-value. In the t-value estimation results, there are variables that do not have a trajectory, namely the relationship between the Advan dimension to Innovation, the Efficiency dimension to Local Government Performance and the Easy dimension to the Public Service Quality variable. This is because the variable has been set as the reference variance, which means that the manifest variable is significantly related to the latent variable.

Figure 6. Measurement Results for Standardized Solution Model



Source: Managed by author, 2020.

A variable is said to have good validity towards the construct or its latent variable if the t value of the loading factor is greater than the critical value (or ≥ 1.96 or practically ≥ 2) and the standardized loading factor ≥ 0.50 . And it is said to be reliable if CR ≥ 0.70 and VE ≥ 0.50. Table 4:12 shows the results of the evaluation of the validity and reliability of each latent variable or indicator.

Analysis

Theoretical Implications for Public Service Innovation

Based on the results obtained using the LISREL 8.80 software, it is found that the triablity dimension (Trial) has an effect value of 32.87; the complexity dimension (Compl) obtained an effect value of 26.68; the observation dimension (Obser) obtained an effect value of 26.64; the dimension of compatibility (Compa) obtained an effect value of 18.13; and the dimension of relative profit (Advan) obtained the smallest effect value of 11.98. These results indicate that all indicators used have a value of> 1.96 where it can be said that the indicators used in the study have a significant contribution in building public service innovation variables derived from Rogers' (1985) theory, the results of this test support this theory. Based on the results of the above calculations, it appears that the triability dimension (Trial) gives the highest value with a value of 32.87. This can be explained that the application of the service information system applied can be tested before being implemented. The value of the relative benefit dimension (Advan) which is based on the results of the calculation shows the lowest value of 11.98 it can be explained that according to the observation results it shows that there is still low awareness of the public about the benefits that can be obtained from the service application information system implemented.

Theoretical Implications for Local Government Performance

Based on the results of the calculation of the measurement model for local government performance variables obtained by using the LISREL 8.80 software, the results show that the responsiveness dimension (Dayat) has an effect value of 25.69; the dimension of justice (Keadi) obtained an effect value of

17.07; the effectiveness dimension (Efekt) obtained an effect value of 15.72; and the efficiency dimension (Efficiency) obtained a pengarus value of 9.59. These results indicate that all dimensions used have a value of t-count> 1.96 where it can be said that the dimensions used in the study have a significant contribution in building regional government performance variables derived from Kumorotomo (1985) theory. the. The dimension of responsiveness (Dayat) which has the greatest influence with a value of 25.69 shows that the local government has shown good responsiveness in providing services to the community and in the use of innovation. The efficiency dimension (Efficiency) which has a t-value of 9.59 gives the smallest contribution to local government performance.

Theoretical Implications for the Quality of Public Services

Finally, based on the results of the calculation of the measurement model for the variable quality of public services obtained by using the LISREL 8.80 software, the results show that the problem solving dimension (Solve) has the highest effect value, namely 27.70, then the effect value of the attention dimension of the apparatus (Atten) is followed. the effect value is 25.77; the reliability dimension (Relia) which obtained an effect value of 25.07; the security dimension (Secur) which obtained an effect value of 24.61; the dimension of equality (Fairn) which obtained an influence value of 24.60; dimension of service infrastructure (Fisre) which obtained an effect value of 23.78; the dimension of community influence (Citiz) which obtained an influence value of 21.14; and finally the dimension of ease (Easy) which obtained an effect value of 11.63. These results indicate that all indicators used have a value of> 1.96 which can be said that the indicators used in the study have a significant contribution in building public service quality variables derived from Carlson and Schwarz theory (in Denhardt and Denhardt, 2003: 61) , the results of hypothesis testing support the theory.

Theoretical Implications of the Influence of Innovation on Local Government Performance

The exogenous variable of public service innovation contributed to the research carried out because it had an influence coefficient value of 0.84 where this value is significant because it has a p-value of 0.0000 which is smaller than 0.05. So it can be concluded that the public service innovation variable has an influence on the performance of local governments, this supports the theory that has been put forward previously. As stated by Mulgan and Albury (in Khairul Muluk 2008: 46) that "innovation is needed to bring real improvements in public service performance and meet the expectations of service users who have long been neglected".

Theoretical Implications of the Effect of Local Government Performance on Public Service Quality

Based on the results of the output obtained using the LISREL 8.80 software, it is found that the local government performance variable contributes to the quality of service in the research conducted because it has a value of 0.71 where this value is significant because it has a p-value of 0.0000 which is more. smaller than 0.05. So it can be concluded that the compensation variable has had a significant influence on the performance of local governments, and supports the theory put forward by Kumorotomo (2005: 189-194) that the public bureaucracy must always strive to make the services provided are reasonable in terms of cost, have adequate quality, and provided in fair ways.

Theoretical Implications of the Effect of Innovation on Public Service Quality

Based on the results of the output obtained by using the LISREL 8.80

software, it is found that the public service innovation variable does not contribute to the research conducted because it has an influence value of 1.85 where this value is not significant because it has a t-count value smaller than 1.96. . So it can be concluded that public service innovation does not have a significant effect on the quality of public services, this does not support the theory put forward by Mulgan and Albury (in Khairul Muluk 2008: 45), the success of innovation is the creation and implementation of processes, service products and methods. new services which are the result of efficiency, effectiveness, or quality of service results.

Theoretical Implications of the Influence of Innovation and Local Government Performance on Public Service Quality

The results of the structural model test show that service innovation has a direct effect on local government performance with a coefficient of influence of 0.71, and a direct effect on the variable quality of public services with a coefficient of 0.13, while local government performance variables have a direct and significant effect on quality of public services with a coefficient value of 0.84. Thus there is also an indirect effect of the innovation variable on the quality of public services through a variable of 0.71 x 0.84 = 0.78, so the structural equation becomes KUAL = 0.71 * INOV + 0.84 * KINJ + (0, 71 * 0.84). This indicates that the magnitude of the influence of all exogenous variables, namely innovation and local government performance, if increased by 1 unit, will result in an increase in the value of local government performance by 2.52 units. So it can be said that there is an increase in the quality of public services determined by the magnitude of the influence of innovation and local government performance. This supports the theory of Mulgan and Albury (in Khairul Muluk 2008: 45) arguing that innovation ranges from incremental, radical, to transformative.

Incremental innovation means that the innovation that occurs brings small changes to an existing process or service. Generally most of the innovations are at this level and rarely bring about changes to organizational structures and organizational relationships. However, incremental innovation plays an important role in public sector reform because it can make small changes that can be applied on an ongoing basis, and supports service knitting that is responsive to local and individual needs, and supports value for money. Meanwhile, transformative or systemic innovation brings about changes in the structure of the workforce and organization by transforming all sectors and dramatically changing organizations. This type of innovation takes longer to produce the desired results and requires fundamental changes in social, cultural and organizational structures.

Meanwhile, related to the performance of the public service bureaucracy, Kumorotomo (1996: 83) used several criteria to serve as guidelines in assessing the performance of public service organizations, including efficiency, effectiveness, fairness and responsiveness. Efficiency involves considerations about the success of public service organizations to get profits, utilizing factors of production and considerations derived from economic rationality. When applied objectively, criteria such as liquidity, solvency, and profitability are highly relevant efficiency criteria. Effectiveness relates to whether the objectives of the establishment of the public service organization are achieved? This is closely related to technical rationality, values, mission, organizational goals, and the function of development agents. As for justice, it questions the distribution and allocation of services provided by public service organizations. This criterion is closely related to the concept of sufficiency or appropriateness. Both of them question whether a certain level of effectiveness, needs and values in society can be met. Issues related to equitable development,

services to marginalized groups and so on, will be able to be answered through this criterion.

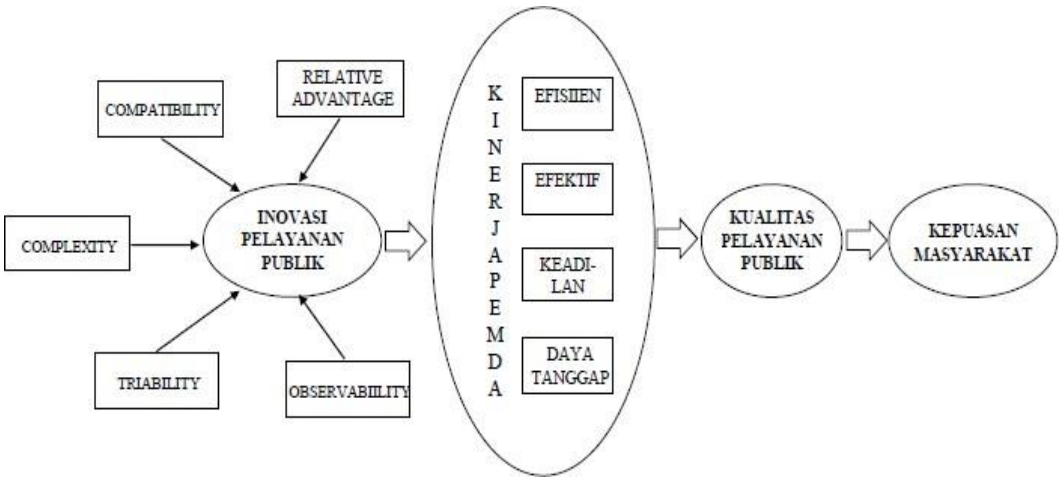
In contrast to businesses carried out by private organizations, public service organizations are a diagram of the state or government responsiveness to the vital needs of society. Therefore, the overall performance criteria of the organization must be accounted for in a transparent manner in order to meet the responsiveness criteria. Innovation variables and local government performance based on the results of the study show that there is a significant effect directly or indirectly on the quality of public services, as according to Carlson and Schwarz (in Denhardt and Denhardt, 2003: 61) which suggests that the performance of local governments is determined by: (1) Convenience, (2) Security, (3) Reliability, (4) Attention of personnel (personnel attendance); (5) problem solving (Problem Solving); (6) Equality (Fairness); financial responsibility (Fiscal responsibility) and (8) Citizen influence.

Public Service Quality Improvement Model

The model is a simple representation of the selected aspects of a problem condition that is arranged for a specific purpose (Dunn, 1994: 33). Furthermore, O 'Sullivan and Rassel (1989: 2) explain that a model is a statement, an equation or other abstraction that takes selected elements and links them to each other. The elements included in any model depend on its purposes. A model simplifies reality by eliminating irrelevant details. Models are useful for explaining complex problems through simplification in the form of schematics, mathematical models, physical models, symbolic models, and others. Models are also useful to simplify structural problem descriptions, assist in predicting consequences arising from the presence or absence of changes in causal factors. There are two types of models, namely schematic models and symbolic models. Schematic model refers to a model that uses images, lines, and points to designate elements and illustrations in relation to each other. While the symbolic model refers to a model that uses words, equations or computer programs to present elements and descriptions of their relationships.

To explain the appropriate strategy to be used in improving the quality of public services in South Labuhanbatu Regency, a schematic is compiled based on the results of hypothesis testing the effect of innovation and local government performance on the quality of public services. The schematic model is described as follows:

Figure 7. Schematic Model of Community Service Quality Improvement



Source: Managed by author, 2020.

CLOSING

The Public Service Innovation variable has a significant effect on Local Government Performance (t-value 18.97> 1.96) with an influence coefficient value of 0.85, this proves that the higher the level of innovation, the better local government performance is achieved. The influence of public service innovation variables is determined by the largest contribution from the Triability dimension of 0.96. Local Government Performance variables have a significant effect on the Quality of Public Services (t-value 9.02> 1.96) with a large value of the influence of the coefficient of 0.83, this proves that the higher the level of Regional Government Performance, the better the quality of public services. which is given. The influence of the Local Government Performance variable is determined by the largest contribution from the Responsiveness dimension of 0.94. The public service innovation variable based on the research results has a coefficient value of 0.13 and a t-count value of 1.85 or less than 1.96. This shows that the public service innovation variable does not have a significant effect on the quality of public services provided by local governments.

From the aspect of public service innovation, based on the research results show that the compatibility dimension (suitability) has the lowest coefficient value with a value of 0.77. For this reason, the Regional Government of South Labuhanbatu Regency is necessary to provide socialization to the community regarding innovations in public services that will be provided so that they have a positive impact on society. From the aspect of local government performance, the results show that the effectiveness dimension has the smallest coefficient value of 0.71. For this reason, each regional apparatus in South Labuhanbatu Regency is more oriented towards achieving optimal performance and focuses on improving the quality of services to the community. From the aspect of the quality of public services, the research results show that the dimension of the influence of citizens (Citizen influence) has the lowest value of 0.85. For this reason, it is necessary to maximize community involvement in the process of providing public services, for example in the preparation of public service standards supported by the activities of the Public Consultation Forum.

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