

Building Sustainable Performance Management in Provincial Government in Indonesia Through Governmental Institution Performance Accountability System (Sakip)

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Abstract

Governmental system in Indonesia has shifted from centralization to decentralization since reformation in 1998. Reformation has impacted not only the political domain but also bureaucracy and administration. Public policy making is inseparable from input, process, and output, just like those in management function. It ranges from planning, providing policy/program formulated based on the input resulting from system and environment to evaluation. This research aims to describe the sustainable performance management aspect in the government by focusing the study on Performance Accountability System of Government Institution with provincial government level being the locus. The study on the sustainability of performance management can fill in the emptiness of novelty in the aspect of performance management study scope. This research used a descriptive qualitative approach. Data was collected using documentation and library study. Data was collected from scientific journal of previous studies, books, and online media with keywords of literature source limited to performance management and SAKIP. The result shows that there are some aspects the Indonesian regional governments can develop in realizing the sustainable performance management: leadership, organization, social, political, and economical systems supported with three components: value-added, operational, and institutional.

Keywords: sustainability of performance management; provincial government, performance management, SAKIP

1. Introduction

The structure of society life is inseparable from the presence of state and government structure within it. Government becomes a vital aspect in daily society and state lives. It is of course inseparable from the role of government and its task and function in decision making process in public policy and vital organ of public service implementation. Governmental sector

is inseparable from the successful development in social, economic, political, infrastructure and environment. The government's task is currently not lighter in the presence of globalization. Industrial revolution 4.0 followed with the development of big data management and use and VUCA era occurring makes public sector work more dynamic and complex. The complexity of public problems with its any dynamization should be addressed agilely by the government.

Many improvements have been made by public sector, in this case government, from the change of public administration paradigm from *old public administration* into *new public service*; dichotomy between politics and administration in governmental organs; to the change of good government into good governance, open governance, dynamic governance, collaborative governance, and agile governance. These are all expected to improve the quality of policy, public management, public satisfaction, and public trust. However, in practice bureaucratic pathology is still found in public sector, remaining to be the problem with which both internal and external users complain in the organization of government. The bureaucratic pathology includes, among others, corruption still occurring widely, less optimum absorption of public budget, and inefficient use of public budget, and the achievement of program/policy inconsistent with the expected target and scope.

The organization of public sector should keep prioritizing check and balance to achieve one of state objectives, i.e. to promote public wellbeing by improving the quality of public policy and the implementation of public service. In Indonesia, the change of condition from centralization into decentralization is the factor considered capable to support the quality of government as the main guard in public service provider and organizer. Furthermore, following the shift from centralization to decentralization, Indonesia also makes bureaucratic reform and administrative reform. The condition of shift from centralization to decentralization, bureaucratic and administrative reforms is an interesting case study in public administrative discipline.

In addition to its agility to deal with public problem and the change occurring, government is also required to have good performance. The performance talks about not only its input but also its output and the effect generated. The result of evaluation conducted by the Ministry of State Apparatus Empowerment and Bureaucratic Reform shows that some problems are still found in the process of implementing performance management in Indonesia: governmental institution's ability of setting up strategic objective and target that is output oriented; the determination of success indicator representing the degree or objective/goal achievement; the determination of activity (program and activity) affecting the achievement of objective/goal; and the determination of program/activity budget allocation compatible to the objective/goal¹.

One of fundamental attempts taken to correct the problem is to implement performance management. Performance management is considered as capable of facilitating the process of developing work program and budgeting based on performance^{2,3}. Performance management is one of elements in bureaucratic reform implemented by Indonesian government since 2010 with legal foundation of Presidential Regulation No.81 of 2020 about Grand Design of

¹ Salsabila Firdausy and Ummu Nur Hanifah. 2018 <http://rbkunwas.menpan.go.id/artikel/artikel-rbkunwas/434-permasalahan-manajemen-kinerja-di-indonesia-dan-upaya-kementerian-panrb-untuk-mengatasinya> accessed on August 12, 2021

² Ammons, D. 2017. Leading Performance Management in Local Government. ICMA.

³ Berman, E. 2007. Performance and productivity in public and nonprofit organizations. Routledge.

Bureaucratic Reform (GDRB) in 2010-2025. Grand Design of Bureaucratic Reform (GDRB) in 2010-2025 contains road maps of Bureaucratic Reform for the first phase of 2010-2014 period and the second phase of 2015-2019 period. Bureaucratic Reform in the second phase in 2020 set up eight change areas: State Civil Apparatus mentality, supervision, accountability, institution, implementation, legislation, and public service⁴.

Performance management is viewed benefiting and affecting positively the performance of public organization. Therefore, the maturity of performance management-related concept should be easily implemented operationally by each of public sectors. However, the governmental apparatuses' oversight in implementing performance management is related to the program implementation still focusing on input and document administration, rather than the achievement of mission and outcome^{5,6}. Accountability is an important aspect in this case. All public programs and activities should be conducted accountably. The Ministry of State Apparatus Empowerment and Bureaucratic Reform keeps attempting to improve performance management at both central and local levels through Governmental Institution Performance Accountability System (*Sistem Akuntabilitas Kinerja Instansi Pemerintah*, thereafter called SAKIP) based on Presidential Regulation Number 29 of 2014 about Governmental Institution Performance Accountability System. In the presence of SAKIP, each of governmental institutions will be able to assess how effective the implementation of performance management is in governmental institution, because SAKIP can describe the quality of performance management implementation and is able to build a better performance culture⁷. Bureaucratic reform in public accountability area through building Governmental Institution Performance Accountability System (*Sistem Akuntabilitas Kinerja Instansi Pemerintah* or SAKIP) seems to be a sufficiently significant change area⁸.

However, the less optimum performance management implementation will be getting more crucial with the challenge of sustainable performance management implementation in the governmental body. The attempt to support the sustainability of performance management is important to maintain the stability of strategic objective and development priority achievement. Some problematic phenomena appear in the implementation of SAKIP, including among others the presence of wrong paradigm within state civil apparatuses that the success and the failure of program and activity organized are intended only to fulfill the absorption of budget allocated to governmental institution in certain period, so that some programs and activities are found still providing output not related to the achievement of program performance outcome⁹.

In this article, the author will describe the result of analysis on the attempt taken by local government in building a sustainable performance management. It is because the sustainable implementation of performance management system has been a recent

⁴ Media Indonesia. 2019 retrieved from <https://mediaindonesia.com/opini/278422/tantangan-dan-strategi-reformasi-birokrasi-2020> on August 21, 2021

⁵ Kettl, D. F., & Kelman, S. 2007. Reflections on 21st century government management. Washington, DC: IBM Center for the Business of Government.

⁶ Moynihan, D. P., & Pandey, S. K. 2010. The big question for performance management: why do managers use performance information? *Journal of Public Administration Research and Theory*, 20(4), 849-866

⁷ Jurnal, T., & Siti-Nabiha, A. K. 2015. Performance Management System for Local Government: The Indonesian Experience. *Global Business Review*, 16(3), 351-363.

⁸ Media Indonesia. 2019 retrieved from <https://mediaindonesia.com/opini/278422/tantangan-dan-strategi-reformasi-birokrasi-2020> on August 21, 2021

⁹ Ismi Febiani, Gugus Irianto, Lilik Purwanti. 2016. Determinan Efektivitas Penerapan Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP). *Jurnal Reviu Akuntansi dan Keuangan* Vol. 6 No. 1, April 2016 Pp 831-848

implementation of performance management in many countries. However, a study on the sustainability of performance management has not been studied widely in the literature. The literatures existing discuss only how to improve the performance management, the implementation of performance management, and the evaluation on performance management^{10,11,12,13}. Literatures existing have not discussed yet the sustainable of performance management satisfactorily based on the result of implementation and evaluation. This article positions the study onto the sustainability of performance management domain as the novelty it has in the performance management issue.

2. Literature

2.1 *The Development of Public Administration Paradigm*

The process of implementing public administration in real life always encounters new challenges along with the development occurring in the world. In public administration perspective, four paradigms are known: Old Public Administration, New Public Administration, New Public Management and New Public Services. It is undeniable that New Public Management theory replaces the previous public administration theory model. New Public Management theory, according to Hood, can answer the problem of old public administration to direct more modern public sector government and to implement management principles¹⁴. NPM has an important teaching core in order to be the philosophical foundation of a government in managing the performance of government.

2.2 *Performance Management*

Many scholars define performance management and its benefit to the performance of public sector. The word “performance” means output/outcome of activity/program that has been or will be achieved, related to budget use with measureable quantity and quality. Armstrong and Baron define performance management as a strategy and an approach in providing organizational success through improving its employees’ performance and individual and group’s capability¹⁵. Then, Hood states that performance management can positively ensure that organization can manage its objective, so that the organizational output or outcome can be achieved more easily¹⁶. Generally, the scholars argue that performance management benefits and affect the organizational performance positively. Therefore, the maturity of performance management concept should be easily implemented operationally by each of public sector governments. Performance management system attempts to ensure the easy implementation of performance management in integrated manner.

¹⁰ Ateh, M. Y., Berman, E., & Prasojo, E. (2020). Intergovernmental Strategies Advancing Performance Management Use. *Public Performance & Management Review*.

¹¹ Choi, I., & Moynihan, D. (2019). How to Foster Collaborative Performance Management? Key Factors in the US Federal Agencies. *Public Management Review*.

¹² Agasisti, T., Deborah, A., & Soncin, M. (2019). Implementing Performance Measurement Systems in Local Governments: Moving from the "How" to the "Why". *Public Performance & Management Review*

¹³ Brusca, I., & Montesinos, V. (2016). Implementing Performance Reporting in Local Government: A Cross-Countries Comparison. *Public Performance & Management Review*, 39:3, 506-534

¹⁴ Hood, C. (1995). The ‘New Public Management’ in the 1980s: Variations on a theme. *Accounting, Organisations and Society*, 20, 93–109

¹⁵ Armstrong, M., & Baron, A. 1998. *Performance management*. London: Chartered Institute of Personnel and Development.

¹⁶ Hood, C. (1995). The ‘New Public Management’ in the 1980s: Variations on a theme. *Accounting, Organisations and Society*, 20, 93–109

Operationally, Ndevu et al has suggested that the components of performance management implementation are expectation formulation, performance facilitation planning, performance supervision, and feedback giving¹⁷. The implementation of performance management in public sector organizations needs certain consideration, particularly in bringing the vision and mission of organization into reality. The leader of public sector organization's ideal is the result of imagination on the expectation to be achieved.

2.3 Decentralization in Indonesia

The form and the structure of local government in Indonesia have changed several times. It started with Law Number 1 of 1945 about Regional Autonomy Policy emphasizing on deconcentration. Then, it is followed with Law Number 22 of 1948 in which the shift occurring resulted in more decentralization with weak role and function of local leader and government organization dualism in the regions. In its development, decentralization policy has been implemented more firmly in Indonesia when its government encountered reformation. Law Number 22 of 1999 became the foundation of local government post reformation. Furthermore, Local Government Law was amended with the Law Number 12 of 2008 about the second amendment to Law Number 32 of 2004 about Local Government.

In the Law Number 12 of 2008 about the second amendment to Law Number 32 of 2004 about Local Government, Provincial Government still deals with governmental affairs including compulsory and optional affairs delegated to the region¹⁸. Compulsory affairs relate to primary service and optional ones relate to the management of superior sector¹⁹. Finally, in the Law Number 23 of 2014 about Local Government as amended with Government Regulation Substituting the Law Number 2 of 2014 about the Amendment to the Law Number 23 of 2014 about Local Government, Provincial Government takes part in the assistance task. The Government Regulation Substituting Law Number 2 of 2014 about the Amendment to the Law Number 23 of 2014 about Local Government also confirms the division of affairs between government levels, from central, provincial, to regional²⁰. The affairs handled at provincial government level relate to cross-region matters and the use of resource that can be done by provincial government. Provincial government also has urgency in Indonesian governmental hierarchy. In addition to have status as Region, Provincial Government is also an administrative area belonging to work area of Governor as the representative of Central Government and in organizing general governmental affairs. Thus, Provincial Government should obligatorily conduct building and supervision over Regency/Municipal Government.

3. Methods

This article was written using a descriptive qualitative research method. To achieve ideal condition in a qualitative research, some stages are required: defining, categorizing, theorizing, explaining, exploring and mapping all data available. Data collection approach was conducted using library study limited to the aspect of "public sector performance management". Type of data source used was secondary data collected from scientific journals with keywords: performance management, strategic management, performance accountability,

¹⁷ Ndevu, Z. J., & Muller, K. (2018). Operationalising Performance Management in Local Government: The Use of the Balance Scorecard. *SA Journal of Human Resource Management*, 1-11.

¹⁸ Didik G. Suharto. 2016. *Membangun Kemandirian Desa (Perbandingan UU No 5/1979, UU No 22/1999 & UU No 32/2004 serta Perspektif UU No 6/2014*. Yogyakarta : Pustaka Pelajar.

¹⁹ Ibid

²⁰ Ibid

news coverage of media and book in public/state administration science discipline. Triangulation used was source triangulation from several different literatures and media.

4. Results And Discussion

4.1. Sakip

The development of public accountability in Indonesia was marked with Presidential Instruction No.7 of 1999 about the Performance Accountability of Governmental Institution (*Akuntabilitas Kinerja Instansi Pemerintah*, thereafter called AKIP), later amended with Presidential Government No. 29 of 2014 about Performance Accountability System of Governmental Institution (*Sistem Akuntabilitas Kinerja Instansi Pemerintah* or SAKIP). SAKIP is a program conducted in the attempt of Bureaucratic Reform. Performance Accountability System of Governmental Institution (*Sistem Akuntabilitas Kinerja Instansi Pemerintah*, thereafter called SAKIP) is a series of systematic activities, instruments, and procedures designed for assignment and measurement, data collection, classification, abstraction, and performance reporting purposes in governmental institution, in the attempt of accountability and improving the performance of governmental institution²¹.

Presidential Regulation No. 29 of 2014 states that SAKIP is a system to help writing Report on the Performance Accountability of Governmental Institution (*Laporan Akuntabilitas Kinerja Instansi Pemerintah*, thereafter called LAKIP). Furthermore, the government publishes the Ministry of State Apparatuses Empowerment and Bureaucratic Reform's Regulation No. 12 of 2015 about the Guidelines of Evaluation on the Implementation of Governmental Institution's Performance Accountability System as the regulation of SAKIP implementation. Then, performance accountability is the manifestation of a governmental institution's obligation to be accountable for the successful/the failed implementation of Program and Activity mandated by stakeholders in the attempt of achieving the organizational mission measurably with the performance target specified through the report of governmental institution performance developed periodically²².

Indicators of Performance in SAKIP should obligatorily fulfill the following criteria: specific, measurable, attainable, time bound, and trackable. This objective of SAKIP implementation is to enable the outcome of an activity implementation, as the manifestation of governmental program, to contribute directly to the achievement of program goal specified. SAKIP is one of systems developed by government to support the achievement of good governance. The effective implementation of SAKIP indicates that the government's effort in realizing good governance has run well.

4.2. Building a Sustainable Performance Management

In building a sustainable performance management, some supporting factors are required. There are some keys to the implementation of Local Government performance in order to be compatible to the outcome achieved. The key to a successful implementation of Local Government performance, according to Agasisti, Agostino, & Soncin, is dependent on 3 factors: leadership commitment, inter-individual communication, and high curiosity, so that the actors can learn and understand performance from each other²³. Kettl, and Abramson and

²¹ Peraturan Presiden Nomor 29 Tahun 2014 tentang Sistem Akuntabilitas Kinerja Instansi Pemerintah

²² Ibid

²³ Agasisti, T., Deborah, A., & Soncin, M. 2019. Implementing Performance Measurement Systems in Local Governments: Moving from the "How" to the "Why". *Public Performance & Management Review*.

Breul see that performance management is what is managed and regulated by a leader^{24,25}. Therefore, the role of leader is central when he/she can influence his/her employee, team, and organization²⁶. The leader has authority, flexibility, and discretion to create outcome-oriented activities²⁷. However, authority and power owned by the leader are often followed by the presence of discretion that can be owned by the leader as well. The leader's discretion in making decision can be compensated with clear performance management system and accountability mechanism, thereby having impact on the high quality of policy made^{28,29}.

In 2016, Kwan & Hee and Masal & Vogel conducted a research on the role of leadership in performance management process^{30,31}. Similarly, this study found that the role of leader will create motivation and work spirit of performing within individuals. They concluded some basic points of leadership principle in public sector organization in the framework of effective performance management implementation are^{32,33}:

1. Leader will influence the use of performance information to support individual performance.
2. Leader will monitor and evaluate the performance of each individual based on the indicator of successful individual performance
3. Leader will influence individual motivation and spirit, through associating it with reward and punishment.
4. Leader's intervention with the implementation of performance management will create competitive work environment within each of individuals.
5. Leaders' influence will create job satisfaction and more innovative behavior within individuals.

In addition to the leadership role, another factor is to formulate organizational design directed in such a way that is compatible to the performance needed. In this case, Mintzberg confirms that the most important matter in formulating organization design is how to divide work chores and tasks into individual performance³⁴. Any form of organizational design should be arranged corresponding to the task and the job. Organizational design is considered as inefficient if there are too many structures not balanced with the job to be done. This condition,

²⁴ Kettl, D. F. 1997. The global revolution in public management: Driving themes, missing links. *Journal of Policy Analysis and Management*, 16(3), 446-462.

²⁵ Abramson, M. A., Breul, J. D., & Kamensky, J. M. 2006. *Six trends transforming government*. Washington, DC: IBM Center for the Business of Government.

²⁶ Tseng, S. T., & Levy, P. E. 2018. A multilevel leadership process framework of performance management. *Human Resource Management Review*.

²⁷ Ammons, D. B., & Roenigk, D. J. 2015. Performance Management in Local Government: Is Practice Influenced by Doctrine? *Public Performance & Management Review*, 38:3, 514-541.

²⁸ Ateh, M. Y., Berman, E., & Prasojo, E. 2020. Intergovernmental Strategies Advancing Performance Management Use. *Public Performance & Management Review*

²⁹ Hooghe, L., & Marks, G. 2003. Unraveling the central state, but how? Types of multi-level governance. *American Political Science Review*, 97(2), 233- 243

³⁰ Kwan, L. Y., & Hee, C. D. 2016. A Study on the leadership style and the organizational performance in Korea and USA. *International Journal of Business and Management*, Vol. 11, No. 7, 42-58.

³¹ Masal, D., & Vogel, R. 2016. Leadership, Use of Performance Information, and Job Satisfaction: Evidence From Police Services. *International Public Management Journal* 19:2, 208-234

³² Ibid

³³ Ibid

³⁴ Mintzberg, H. 1993. *Structure in Fives: Designing Effective Organizations*. United States of America: A Simon & Schuster Company.

according to Mintzberg, is defined as an organization incompatible to situation and condition³⁵. In addition, internal system existing in the organization should support the achievement of objective as well, by organizing the impactful activities. To strengthen internal side, this side should be organized in the term of government performance management mechanism, particularly between leader and stakeholders below him/her^{36,37}.

Operationally, Ndevu et al suggest the components of performance management implementation, including: formulating expectation, planning performance facilitation, supervising performance, and providing feedback³⁸. Furthermore, the implementation of performance management system operationally is also suggested completely by Behn, Kloot and Martin, and Moynihan and Pandey in which there are 7 (seven) steps to implement performance management system^{39,40,41};

1. Setting up the objective or the measure of performance through negotiation or model,
2. Using incentive to achieve objective through reward and sanction,
3. Collecting information on performance to facilitate the development of strategic plan,
4. Providing evidence that performance information is used as the basis of policy formulation,
5. Comparing current performance and previous performance as the basis or the parameter of organizational success.
6. Publishing performance target and outcome for each of positions in the organization

In addition, Deschamps & Mattijs suggests that the successful implementation of performance in public sector organization is dependent on the effective condition of performance management; the organization's wish to keep learning (*learning organizations*), the determination of performance measure, the innovating ability, and the presence of valid information and data of performance⁴².

The experience with performance management implementation in Indonesia through the Ministry of State Apparatus Empowerment and Bureaucratic Reform keeps improving the performance management in both central and regional levels, one of which is to use Performance Accountability System of Governmental Institution (*Sistem Akuntabilitas Kinerja Instansi Pemerintah* or SAKIP), based on Presidential Regulation Number 29 of 2014 about Performance Accountability System of Governmental Institution. SAKIP is considered as capable of creating an effective performance management if each of Local Governments organizes SAKIP as elaborated in 5 (five) components: performance planning; performance measurement; performance reporting; internal performance evaluation; and performance

³⁵ Ibid

³⁶ Meier, K. J., & O'Toole, L. J. 2006. *Bureaucracy in A Democratic State: A Governance Perspective*. Bureaucracy in A Democratic State: A Governance Perspective: The Johns Hopkins University Press

³⁷ Gormley, W. T., & Balla, S. J. 2008. *Bureaucracy and Democracy: Accountability and Performance*, 2nd ed. Washington, DC: CQ Press.

³⁸ Ndevu, Z. J., & Muller, K. 2018. Operationalising Performance Management in Local Government: The Use of the Balance Scorecard. *SA Journal of Human Resource Management*, 1-11.

³⁹ Behn, R. D. 2003. Why Measure Performance? Different Purposes Require Different Measures. *Public administration review*, 63(5), 586-606.

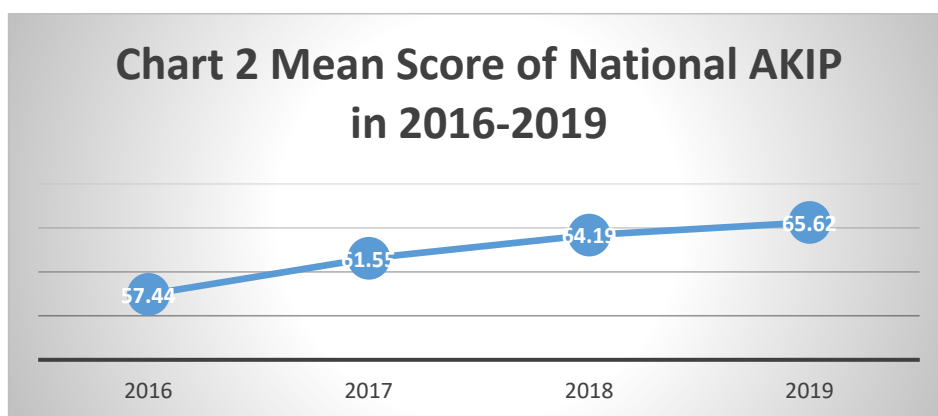
⁴⁰ Kloot, L., & Martin, J. 2000. Strategic Performance Management: A Balanced Approach to Performance Management Issues in Local Government. *Management Accounting Research* 11(2), 231-51.

⁴¹ Moynihan, D. P., & Pandey, S. K. 2010. The big question for performance management: why do managers use performance information? *Journal of Public Administration Research and Theory*, 20(4), 849-866.

⁴² Deschamps, C., & Mattijs, J. 2018. How Organizational Learning Is Supported by Performance Management Systems: Evidence from a Longitudinal Case Study. *Public Performance & Management Review*

outcome. In the presence of SAKIP, each of Local Provincial Government will be able to assess how effective the implementation of performance management is existing in a regional government organization because SAKIP can examine the quality of performance management implementation⁴³. The objective of SAKIP is to build better performance culture in governmental institution. Ministry of State Apparatus Empowerment and Bureaucratic Reform as the leading sector or the one responsible for the implementation of performance management in Indonesia has full authority of creating an effective performance management in 34 provinces and 508 regencies/municipals.

It can be said that the implementation of SAKIP in regional government organization/institution has run well, considering the data and trend increasing score of AKIP evaluation. It can be seen from mean AKIP score nationally. Chart 2 represents the increase of score from 2016 to 2019. The increase occurring is not too significant yet, but this improvement needs to be appreciated because it occurs consistently from year to year. In 2016, the mean score of AKIP nationally is 57.44, and it increases to 65.62 in 2019. The trend SAKIP assessment in Indonesia in the period of 2017-2019 can be seen in the Chart 2 below⁴⁴.



Then, in the change process, following the change process successfully implemented, the next task to do is to maintain the change, or in other words to maintain the sustainable of performance management. Roh suggests that performance management can run well if it is supported with three dimensions: *value-added*, *operational*, and *institutional*⁴⁵. *Value-added* relates to the leadership condition in public institution⁴⁶. *Institutional* dimension discusses more legal documentation becoming the legal foundation of performance management implementation⁴⁷. Finally, operational dimension emphasizes on operational technique of performance management implementation just like the procedures taken and other operational matters⁴⁸. Firstly, institutional dimension can be defined as an attempt of internalizing rule of law or regulation into the concept of performance management system. It means that the concept of performance management should have legal foundation. Public sector organization accommodating a variety of interests is, of course, very vulnerable to various deviations in

⁴³ Jurnal, T., & Siti-Nabiha, A. K. 2015. Performance Management System for Local Government: The Indonesian Experience. *Global Business Review*, 16(3), 351-363.

⁴⁴ Kemenpanrb. 2020. Kebijakan Sistem Akuntabilita Kinerja Instansi Pemerintah (SAKIP) 2020 (Dokumen Internal). Deputi Akuntabilitas, Pengawasan, dan Reformasi Birokrasi.

⁴⁵ Roh, J. (2018). Improving the Government Performance Management System in South Korea. *Asian Education and Development Studies*, Vol 7 Issue: 3, 266-278.

⁴⁶ Ibid

⁴⁷ Ibid

⁴⁸ Ibid

administrative framework. Performance management system contributes to administrative domain, thereby needing legal foundation to ensure that each of governmental department/agency implement the performance management comprehensively. Secondly, operational dimension is translated into procedure of performance regulation in each of public sector governmental department or agency. Government is required to be able to design program and activity corresponding to the operational framework supporting the achievement of government's objective. In this case, Park provides the guidance in organizing the operational framework of government: 1) the organization of objective; 2) the management of program based on objective; 3) performance evaluation based on objective; 4) result of performance evaluation based on feedback⁴⁹. The organization of objective is the management process in which the government's ideal is formulated and translated specifically. This process needs collaborative performance between departments. In collaborative process, many programs and activities are formulated to achieve the objective. Each of departments is accountable for implementing the program and activities according to its administrative authority area. The result of program and activity will be evaluated periodically in the context of keeping the program and activity consistent with the rule (on the track) in achieving the objective. Finally, evaluation process has implication to the feedback provided by the public to the government as the function of balanced government performance implementation.

Thirdly, the last dimension of performance management process is value orientation. This process ensures that the program and the activity are implemented effectively, efficiently, and accountably. In this process, an assessment is also conducted on any programs and activities that can have impact on the public, in relation to the fulfillment of need and the solution to public problem. The government's value-added orientation is reflected on how far the resource is used, how much the fund is spent, and the accountability to the public so that the government performs according to the principles of performance management. The three-dimension approach suggested by Roh needs more in-depth interpretation. The institutional dimension developed based on legal framework governs 2 (two) aspects: law-based performance management system and organizational development based on performance (performance-based organization)⁵⁰.

5. Conclusion

Essentially, the performance management process should be able to create effectiveness and efficiency in the organization. Characteristic and orientation of public sector are, of course, different from those of private organization, thus emphasis and good interpretation on performance are needed. Key component and element of performance management implementation can derive from administrative, institutional, and value scopes. Thus, previous studies aforementioned have provided theoretical guidance to the practitioners of public sector organization in developing their performance. In relation to management system, social, economic, political, and internal and external environment conditions indeed affect the implementation of performance management. An effective implementation of performance management should be interpreted as a process implemented where improvement needs to be made continuously. The position of SAKIP predicate achievement should be taken into account in Indonesian government, particularly provincial government. The attempt should be taken

⁴⁹ Park, J. H. (2000). Improvement in the operation of management by objectives. Seoul (In Korean): Ministry of Government Administration and Home Affairs.

⁵⁰ Mintzberg, H. (1993). Structure in Fives: Designing Effective Organizations. United States of America: A Simon & Schuster Company.

continuously to improve performance output and the predicate of evaluation result should be improved continuously, so that the government is not easily satisfied with the performance achieved. It is important to provide a sustainable performance management in the attempt of realizing good governance and sustainable development amid social, economical, political, and globalization situations and uncertain development of science and technology.

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