

DESIGNING PERFORMANCE MANAGEMENT SYSTEM FOR LOCAL GOVERNMENT: A SYSTEMATIC LITERATURE REVIEW

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Abstract

The adoption of performance management systems (PMS) from the private sector in public sectors has become increasingly popular since the introduction of New Performance Management. However, implementing such systems in local government entities, especially in developing countries, presents numerous complexities and challenges. While many studies have explored the obstacles associated with performance management implementation in local government, there is a significant research gap concerning the design of performance management systems specifically tailored to this context. This paper aims to fill this research gap by proposing a design framework based on criteria for an ideal performance management system through a case study analysis of the Bantul Local Government in Indonesia. The Bantul Local Government exhibits specific characteristics, including a three-layer organizational structure, multiple roles and responsibilities, and engagement with multiple stakeholders. To accomplish this objective, a systematic literature review was conducted using the PRISMA method. Initially, a comprehensive search of the Scopus Database and the ProQuest Database yielded 708 articles, which were then screened based on abstracts and titles. Following this screening process, 206 relevant articles were identified for further examination, ultimately resulting in the selection of 63 articles for detailed analysis. The findings revealed that this study is the first to propose a design framework for PMS tailored to the challenges faced by local governments in a developing country, specifically the Bantul Local Government in Indonesia. This design framework is embedded with 14 specific criteria that are deemed most suitable for addressing these challenges.

Keywords: Performance Management System, Local Government, Public Sector, PRISMA Method.
