CONCEPTUAL DESIGN OF PERFORMANCE MANAGEMENT FOR MINISTRY ORGANIZATION IN INDONESIA

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Abstract

The ministry is an organization that aids in the operation of the government. In Indonesia, there are 34 ministries with specific tasks, duties, and various responsibilities. According to the 2010-2024 Indonesian bureaucratic reform road map, Indonesia is currently in the final stage of achieving world-class governance. The strategy adopted by the Indonesian government is the New Public Management (NPM) strategy, which aims to enhance effectiveness, efficiency, and performance accountability. The performance accountability score (SAKIP) for Indonesian ministries is 71.30, or "BB" predicate, indicating that the performance of ministry organizations in Indonesia can still be improved to achieve worldclass governance. A preliminary investigation of several ministerial organizations in Indonesia revealed inconsistencies in the performance measurement framework used by ministries. Some ministries employ the balanced scorecard (BSC) as a performance management strategy, while others use a straightforward mind map. This condition may hinder the attainment of world-class governance standards. The objective of this paper is to examine the literature that discusses performance management in public sector organizations relevant to government organizations, particularly ministry organizations that assist the government. The aim of conducting a literature review is to derive a performance management framework that can be applied to ministry organizations in Indonesia. The present discourse will use existing frameworks used in public sector entities worldwide as a point of reference. A comprehensive literature study was conducted, combining performance management, public sector organization, and ministry organizations as the keywords, and based on the Scopus-indexed journal abstracts from 689 papers. Out of these articles, 200 were evaluated in their entirety, resulting in a total of 88 articles to be synthesized. This study has analysed some of the characteristics of ministry organizations in Indonesia and presented a performance management system consistent with those qualities. The findings also demonstrate the nonuniformity of performance measurement methods employed by various ministry organizations, as well as the inadequacy of the obtained results in addressing problems within ministry organizations. This study will contribute to the improvement of performance management in accordance with central government objectives, directing stakeholders to reevaluate their current performance management strategy. It is one of the first studies to investigate the design of performance management systems in ministerial organizations, and its findings may inform future research on ministerial performance management.

Keywords: Indonesian Ministry Organization, New Public Management, Ministry Organization, Performance Management System, Public Sector Organization.