Proposed Corporate Performance Management System for XYZ City Government

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Abstract — XYZ City Government has 3 Regionally-Owned Enterprises or Badan Usaha Milik Daerah (BUMD) that are managed independently to support the XYZ economic sector. In fact, one of the three BUMD management is bad, so that it makes the company go bankrupt because it produces losses. In addition, the Regional Original Revenue of XYZ City is very small when compared to other regions in West Java.

The purpose of this research is to propose a Performance Management System that can help to improve the performance of XYZ City Government. The improved performance can imply an indicator of success for the mayor's 5-year tenure and his deputy. The design of the Performance Management System was made by translating the vision and mission that was launched by the Mayor and his Deputy into a business strategy that was breakdown to each work unit (department).

This research uses the combined of Balance Scorecard and Integrated Performance Management System (IPMS) framework. This framework is used to assist organizations in achieving excellent performance seen from all aspects of the existing organization. Balance Scorecard Framework has 4 perspectives, such as Financial, Customer, Internal Process, and Learning & Growth. The IPMS framework has 5 stages, Foundation, Background Information, Design, Implementation, and Maintenance and Update. IPMS has 3 perspectives, Organizational Output, Internal Process, and Resource Availability. The results of this study propose a Performance Management System with 62 Key Performance Indicators (KPI) derived from the company's vision, mission and strategy.

Index Terms — Performance Management System, Integrated Performance Management System.

I. INTRODUCTION AND RESEARCH OBJECTIVES

In a regional government system, there are regional heads (Mayor and Deputy Mayor) who lead. Refer to a local government authority, there is a Regional Development Plan that is in line with the National Development Planning System. In addition to the vision and mission launched by the Mayor and his Deputy, there is a document of Regional Long-Term Development Plan (RPJPD) program for 20 years, and a document of Regional Medium-Term Development Plan (RPJMD) program for 5 years, and a document of Local Government Work Plan (RKPD). Considering that the term of duty for a term of mayor and his deputy mayor is 5 years, the design of the Performance Management System that will be proposed refers to the RPJMD which is valid for 5 years from 2018-2023.

In regional autonomy, the head of the region is an element of regional governance that has the responsibility to achieve

the vision, mission and goals for the welfare of the people [1]. People's welfare is achieved by carrying out development activities in accordance with the interests of the community. The implementation of regional autonomy and fiscal decentralization consists of three main missions [2], such as:

1. Improving the quality and quantity of public services and public welfare;
2. Creating efficiency and effectiveness in the management of regional resources; and
3. Empowering and creating space for the public (public) to participate in the development process.

RPJMD is:

1. Media to implement the promise of Mayor and Deputy Mayor who has been elected during the regional election
2. The instrument to measure the level of achievement of the performance of the Mayor and Deputy Mayor and Head of Regional Apparatus for five years
3. Control instruments for the Internal Supervisory Unit and Regional Development Planning Agency.

A. Problem Statement

XYZ City Government has 3 Regionally-Owned Enterprises or Badan Usaha Milik Daerah (BUMD) that are managed independently to support the XYZ economic sector. In fact, one of the three BUMD management is bad, so that it makes the company go bankrupt because it produces losses. In addition, the Regional Original Revenue of XYZ City is very small when compared to other regions in West Java.

B. Research Objective

The objective of this research is to provide the appropriate PMS and their KPIs for XYZ City Government using Balanced Scorecard and Integrated Performance Management System to support the vision and mission of elected Mayor and Deputy Mayor of XYZ City as described in RPJMD.

II. RESEARCH METHODOLOGY

The research method used in this study was qualitative, data were compressed from the results of an Forum Group Discussion attended by consultants and internal parties of XYZ City Government. In addition, to support this research, internal documents of the XYZ Government, literature studies include books, websites and journals are carried out.

III. PERFORMANCE MANAGEMENT SYSTEM

Performance Management is about to learn what the organization requires to obtain or sustain its core competitiveness, and how the organization drives the employee to accomplish the targets, goals, and objectives. In nutshell, performance is all about changing the human behaviors in organization to gain desired results [3].

There are several frameworks of Performance Management System such as The Balanced Scorecard by Kaplan and Norton (1992), and Integrated Performance Management System (IPMS) by Dermawan Wibisono (2006).

IV. BALANCED SCORECARD

Balanced Scorecard is a strategic planning and management system tool to assist a firms or organization to measure their business performance using both financial and non-financial aspect [4].

1. Financial Perspective related to the financial performance of the organization.
2. Customer Perspective, the ability of organization treats the customer by providing the goods/service with excellent quality or to be the number one of delivering the value to the customer.
3. Internal Process Perspective relates to critical internal business processes that the organization runs from upstream to downstream which has a large impact on the satisfaction of the stakeholder.
4. Learning & Growth Perspective, focused on the internal skills and capabilities that are required to support the value-creating internal processes for long-term success and continuous improvement of the organization.

Fig. 1. BSC of XYZ City Government.

Fig. 2. Strategy Map of the BSC.

V. INTEGRATED PERFORMANCE MANAGEMENT SYSTEM

Integrated Performance Management System (IPMS) was developed by Dermawan Wibisono, is one framework that can be used in measuring the performance of a company [5].

Fig. 3. IPMS Framework.

A. Stage 0: Foundation

In developing a good performance management system in an organization, there are 4 foundations as a guiding principle that must be considered (Partnership between XYZ Government's stakeholder, Empowerment of employees, Integrated Performance Improvement, and Independent Team. Besides, there are 5 good rules required to be applied such as easy to understand, long-term oriented, time-based, focus on sustainable development, and use quantitative approach.

B. Stage 1: Background Information

1. Internal Factor Analysis

Internal analysis conducted includes resources and value chain activity as a basis for the capabilities and competencies of birds in achieving competitive advantage [6]. In this research, internal factor analysis using Resource Based View. Resource-Based View (RBV) is a tool to assist an organization to create a sustainable competitive advantage by identifying a review of combination of special assets, resources (tangible and intangible), skills, capabilities. Tangible resources are physical assets, including in cash, vehicles, buildings, investments, manufacturing facilities, inventories, production equipment. There are two types of tangible resource, such as fixed and current. While the intangible resources are typically non-physical asset over the long-term and rooted deeply in organization history. Intangible assets are intellectual property that include in

knowledge, patents, copyrights, company's brand, reputation, managerial capabilities, scientific capabilities, etc.

TABLE 1: TANGIBLE RESOURCE

Financial Resource (Regional Revenues and Expenditures Budget)	Organization's ability to get loans/borrowing capacity
	Organization's ability obtain/generate funding from internal
Organizational Resource	Organization's report formalities and formalities in planning, controlling and coordinating.
Physical Resource (Facilities)	How strategic the office location and how excellent the equipment/tools
Technological Resource	Stock technology such as patents, copyrights, and trade secrets

TABLE 2: INTANGIBLE RESOURCE

Human Resource	Knowledge Skills Managerial Capability Mutual trust Collaborative Ability
Innovation Resource	Ideas Scientific Ability Capacity to Innovate
Reputation Resource	Reputation with community Brand Perception of service quality Reputation with supplier Efficient, effective, supportive, and mutual benefit interaction and relationship

TABLE 3: RBV TANGIBLE

Resource		Valuable	Rare	Costly to Imitate	Non-substitutable	Competitive Implications
Tangible Resources						
Financial Resource	Organization's ability to get loans/borrowing capacity	Yes	No	No	Yes	Competitive Parity
	Organization's ability obtain/generate funding from internal	Yes	No	No	Yes	Competitive Parity
Organizational Resource	Organization's report formalities and formalities in planning, controlling and coordinating.	Yes	No	No	Yes	Competitive Parity
Physical Resource	How strategic the office location	Yes	No	No	Yes	Competitive Parity
	How excellent the equipment/tools	Yes	No	No	No	Competitive Disadvantage
Technological Resource	Stock technology such as patents, copyrights, and trade secrets	Yes	No	Yes	Yes	Temporary Competitive Advantage

2. External Factor Analysis

PESTLE (Political, Economic, Socio-cultural, Environmental, and Legal) Analysis is a framework for describing external environmental factors used to determine current environmental conditions that will affect consumers and products offered by companies [7].

Political. Collaboration carried out by the local government with the Ministry of Social Affairs to develop human resources in integrated social welfare programs, cooperation between the regional government, the district government of XYZ, and the city of Bandung. Collaboration related to program alignment and local development in terms of providing public services, optimizing the utilization of resources owned by each region.

TABLE 4: RBV INTANGIBLE

Intangible Resource						
Human Resource	Knowledge	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Skills	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Managerial Capability	Yes	Yes	No	Yes	Temporary Competitive Advantage
	Mutual Trust	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Collaborative Ability	Yes	Yes	No	Yes	Temporary Competitive Advantage
Innovation Resource	Ideas	Yes	Yes	No	Yes	Temporary Competitive Advantage
	Scientific Ability	Yes	No	No	Yes	Competitive Parity
	Capacity to innovate	Yes	No	No	Yes	Competitive Parity
Reputation Resource	Reputation with community	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Brand	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Perception of service quality	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Reputation with supplier	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
	Efficient, effective, supportive, and mutual benefit interaction and relationship	Yes	Yes	Yes	Yes	Sustainable Competitive Advantage

Economic. Not yet optimal efforts to reduce poverty carried out by the government, APD 2013-2017 tends to rely on balancing funds (funds from the Central Government specifically allocated to fulfil regional needs, for example, taxes, general allocation funds, special allocation funds) rather than regional income.

Sociocultural. The high crime rate is caused by the occurrence of social and economic inequality which is quite far. Although the unemployment rate decreases every year, there is a workforce that is not absorbed by employment. This is due to the relatively low quality of labor. Besides, collaboration is carried out by the regional government and the local BPJS to facilitate the registered community in relation to health insurance.

Technological. Limited understanding, utilization, and use of information and communication technology in each Regional Apparatus in the Regional Government. Besides, the industry in XYZ in general still uses relatively simple technology so that the products produced cannot compete in the global market. However, the Regional Government continues to strive to develop MSMEs through the use and fulfilment of existing business facilities and infrastructure.

Environmental. The local government cooperates with educational institutions related to the environment, natural resources, etc. Collaboration with IPB in order to maintain the declining agricultural land due to a shift in function. However, waste management in XYZ is still not optimal.

Legal. In running the entire system of government, the Regional Government refers to the central government system, provincial government, and district/city government. Legislation has been amended several times, most recently by

Law Number 9 of 2015 which is the second amendment to Law Number 23 of 2014 about the Regional Government.

3. SWOT Analysis

SWOT Analysis is a tool of the overall evaluation of an organization's strengths, weaknesses, opportunities, and threats to control and monitor the external and internal circumstances [7].

Strengths

a. XYZ service sector has an advantage compared to other sectors. Service sector are the business fields that contribute the largest to Gross Regional Domestic Product.

b. The dominant ecosystem that owned by XYZ in almost every district are the healthy living space and water supply services.

c. Security in investing.

Weaknesses

a. XYZ's Original Revenue is small compared to other regions.

b. Perumda/BUMD (Regionally-Owned Enterprises) has poor internal management.

c. The construction of Pelita semi-modern market facility has not yet been completed.

d. XYZ has a large workforce and the quality of labor is still relatively low.

e. In the education sector, educators has a low quality and quantity.

f. Lack in traffic management.

g. Lack of strategic and representative street vendor (PKL) shelters locations.

h. Unequal physical development and urban infrastructure. The high level of slum.

i. Local Government, industrial businesses, and XYZ SMEs are less literate about technology, information, and communication

j. Uneven rapid growth in the regional population.

Opportunities

a. Continued improvement in economic conditions, both domestic and global becomes a consideration for the investor to invest.

b. Opportunities for the development of the tourism sector.

c. Develop a tourist object destination and creative culinary SMEs.

d. XYZ has considerable potential in the hotel sector and will have an impact on the development of the tourism sector.

e. Improving fisheries culture in the community.

Threats

a. XYZ is included in an area that has a high index of disaster-prone.

b. Declining in the agricultural land area due to the result of the shift of function to non-agricultural land.

c. The traffic jam that occurs is quite high

d. The high level of migration of district residents to XYZ City.

4. TOWS Matrix

TOWS matrix is the crucial completing tool to enhance the organization in identifying strategies systematically considering the relations between Strengths, Weakness, Opportunities, and Threats as in SWOT Analysis.

TABLE 5: TOWS MATRIX

S-O	W-O
<p>S0101 - Government expanding the business sectors in the service sector to attract the investors.</p> <p>S202 - Development of the tourism sector by utilizing useful ecosystems and healthy living space that is owned by other regions.</p> <p>S303 - Attract and convince investors to be interested in investing in SME attractions, and creative culinary considering that Sukabumi has a high level of security in investing.</p> <p>S12304 - Utilizing ecosystems and healthy living space to build hotels around tourist attractions and attract local and foreign investors to take part in investments in the development of the tourism.</p> <p>S28305 - Campaigns for government programs to consume fish to attract investors to utilize healthy living space and water supply services for fish farming investment.</p>	<p>W1012 - Increasing and developing businesses/attracting local investors for the service sector so that it can help the economy of Sukabumi's original income.</p> <p>W102345 - Increase regional revenue by managing regional wealth and source such as culture, tourism and fish resources.</p> <p>W202345 - Improving the management and the performance of Badan Usaha Milik Daerah (BUMD).</p> <p>W40234 - Educating potential workforce in Sukabumi to be able to compete in the tourism sector globally.</p> <p>W601 - Increased transportation sector such as construction of road and traffic facilities to support the regional economy of Sukabumi.</p> <p>W3701 - Construction of facilities such as the Pelita semi-modern market to accommodate street vendors to encourage large investment opportunities and support regional economies.</p> <p>W80234 - Managing slums and building urban infrastructure that can attract tourists</p> <p>W901 - Directing and educating SMEs (industrial businesses) to be aware of information, technology and communication</p>
S-T	W-T
<p>S2T2 - Maintaining agricultural land that has changed its function so that Sukabumi can still produce for food availability.</p> <p>S3T3 - Development of investment in the accommodation and transportation sector to reduce traffic jam.</p> <p>S1T4 - Expanding business sector in urban areas in service fields in accordance with high levels of migration for reasons of employment opportunities.</p>	<p>W1T2 - Expand agricultural land to contributed to original revenue of Sukabumi.</p> <p>W4T4 - Improving the quality of the workforce and improving SME training in terms of information, technology and communication so that they can compete globally.</p> <p>W5T4 - Increasing the distribution of quality teaching staff/educators and educational facilities.</p> <p>W6T3 - Improve traffic management to reduce congestion with the Smart City strategy.</p> <p>W8T24 - Carry out physical and infrastructure development that is even between city and village. Agricultural land in the village that is increasingly narrow becomes a driving factor for people to urbanize from village to city.</p> <p>W10T4 - Smoothing the regional population growth rates.</p>

C. Stage 2: Design

This stage consists of vision, mission, and strategy. After the vision, mission, and strategy under the RPJMD was declared by the head of the region, the framework of PMS is applied. There are 3 perspective in proposing the performance indicator in IPMS, i.e. Organizational Output, Internal Process, and Resource Capability.

TABLE 6: PERFORMANCE VARIABLE OF IPMS

Perspective	Aspect
Organizational Output	Financial
	Non-Financial
Internal Process	Governance
	Economy and Development
	Administration
Resource Availability	Human Resource Capability
	Technology Resource Capability
	Organizational Resource Capability

TABLE 7: CRITERIA OF GOOD VISION CHECKLIST

Criteria	Yes	No
Single sentence	✓	
Able to inspire and make employees feel comfortable to work in the organization	✓	
Written correctly, no bluffing	✓	
Easy to be understood to all employees	✓	
Focus on one or two aspects	✓	
The achievement can be measured	✓	
Developed by CEO or top-level management not committee	✓	
Validity is reviewed once a year	✓	
Realistic, explain the current organization and its own limited resources	✓	
Changeable, can be revised	✓	
Easy to be remembered	✓	

Based on the existing criteria of good vision, the vision stated in the RPJMD Document of XYZ City Government meets all of the existing criteria.

TABLE 8: CRITERIA OF GOOD MISSION CHECKLIST

Criteria	Yes	No
Clearly distinguish the organization and their competitor	✓	
Define what the organization do and don'	✓	
Identify the ability and key competences	✓	
Encourage the organization to make a better decision regarding the future opportunities	✓	
Clearly define the provided product or services	✓	
No longer than one paragraph	✓	
Easy to be understood	✓	
Written in a good sentence without any meaningless word	✓	
Focus on current condition and don't combine it with a vision statement for the future	✓	
Can be reviewed and restated if the organization environment change	✓	
Able to influence individual behavior specifically in organization	✓	
Reflect the organization competencies and refer to its strengths and weaknesses	✓	
Realistic and achievable	✓	
Flexible to respond the environment change	✓	
Refer to organization competitive advantage	✓	
Includes some logical statements value that encourage and facilitate the communication inside and outside the organization	✓	

Based on the existing criteria of good mission, the mission stated in the RPJMD Document of XYZ City Government 2018-2023 meets all of the existing criteria.

Some strategies derived from the vision and mission stated in the 2018-2023 XYZ Government RPJMD document as in Table 9.

TABLE 9. STRATEGIES

Strategies	
Strengthen religious institutions	Improving the basic services of the poor population
Increasing religious values and Pancasila	Improving infrastructure, roads, regional spatial planning, and residential area
Improving the enforcement of Regional Regulations and handling the violations	Improve supervision, preparedness, prevention of disaster and fire management
Improve access to health services	Improve the control of pollution of soil, water, air, environmental damage, waste management
Increasing public awareness of healthy living behaviors	Increase investment promotion and cooperation
Improving the quality and equity of Health HR	Improve IT-based of business licensing and investment sectors
Improving the quality and equity of Education	Improving the quality of cooperatives, MSMEs, creative economy, tourism, and culinary
Improving youth coaching and empowerment	Improve the quality of the trade sector
Improving the quality and quantity of achievement and community participation in sports	Improving quality food and protecting agricultural land
Improve the quality of life and protection of women	Improve the planning, controlling, evaluating, and supervising Regional Development
Develop policies related to family security and welfare	Improving quality, transparent, and accountable IT-based Regional Financial Management
Program optimization related to family security and welfare	Improve management of the Regional Apparatus of Sukabumi Government
Develop policies related to population growth	Improve Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP)
Compile policies related to labor	Improve the evaluation and guidance of the performance of the Regional Apparatus of Sukabumi Government
Improve the quality and productivity of the workforce	Improve the quality of public services that have Standard Operational Procedure (SOP)
Increase job opportunities	Optimizing the use of IT in the Regional Apparatus of Sukabumi Government
	Improve research, assessment, and facilities for the development of Regional Innovation

From each of those 3 perspectives, there are performance indicators that are selected and adjusted based on the

organization's vision, mission, and the strategies mentioned earlier. the indicators were obtained that were in line with each SKPD responsible. Below are various performance indicators in each perspective that describe in Table 10, 11, as follows.

The linkages of performance variables can help organizations in analyzing interconnected indicator paths or analyzing causes and sub-causes that occur by establishing main problems in terms of indicators.

Fig. 4. KPI Linkages.

D. Stage 3: Implementation

1. Current PMS

XYZ Government implements a disintegrated Performance Management System, where the performance of the existing departments does not overlap with each other to achieve good performance towards the organization's vision and mission. The current situation of the PMS shows that the culture of employees is related to the change of the organization to be formed. It was demonstrated when the XYZ Government was run with limited understanding use of IT and communication even though this organization was already well-established in its financial condition.

This organization already applies PMS with indicators. But these indicators are not subdivided into real departments in XYZ Government.

2. Reports for the New PMS

Reports that must be supported by the new Performance Management System must be defined at the beginning of the design. The report specifications must be sorted out whether top-level management, middle, or employees at the operational level [5]. Each report for each level will differ in-depth, detail, and period of time.

TABLE 10: PERFORMANCE VARIABLES

Perspective	Aspect	Part	KPI No.	Indicator	Unit	Target	Achievement	% of Achievement	Status	
Organizational Output	Financial		KPI1	growth Regional Original Revenue	%	15	10	<div></div> 66,67%	<div></div> 90,38%	
	Financial		KPI2	Rate of Economic Growth	%	6	5,54	<div></div> 92,33%		
	Financial		KPI3	Inflation Rate	%	3	2,95	<div></div> 101,67%		
	Financial		KPI4	growth Gross Domestic Regional Product	%	5	5,51	<div></div> 110,20%		
	Non-Financial		KPI5	Citizen Loyalty	Index Score	4	3,31	<div></div> 82,75%		
	Non-Financial		KPI6	Employee Loyalty	Index Score	4	3,62	<div></div> 90,50%		
	Non-Financial		KPI7	Social Welfare	Index Score	4	3,27	<div></div> 81,75%		
	Non-Financial		KPI8	Citizen Satisfaction	Index Score	4	3,52	<div></div> 88,00%		
	Non-Financial		KPI9	Employee Satisfaction	Index Score	4	3,55	<div></div> 88,75%		
	Non-Financial		KPI10	Citizen Level Poverty	%	7	7,12	<div></div> 98,29%		
	Non-Financial		KPI11	Unemployment Rate	%	8	8,48	<div></div> 94,00%		
	Non-Financial		KPI12	Finished Project on time	%	100	80	<div></div> 80,00%		
	Non-Financial		KPI13	Employee Turnover	Number	5	0	<div></div> 100%		
Internal Process	Government		Governance	KPI14	Percentage of consistency in the translation of the RPJMD and RKPD programs	%	100	100	<div></div> 100%	<div></div> 100,960%
				KPI15	Percentage of consistency in the translation of the APBD program	%	100	100	<div></div> 100%	
				KPI16	Percentage of regional policies and procedures in line with national regulations	%	100	75	<div></div> 75%	
			Law	KPI17	Percentage of harmonious regional legal products (no obstacles in enforcing regulations)	%	100	100	<div></div> 100%	
				KPI18	Level of legal case handled	%	100	88	<div></div> 88%	
			Organizational	KPI19	Percentage of Increase in Cooperation between other Regional Governments	%	80	80	<div></div> 100%	
				KPI20	Percentage of Regional Apparatus that delivers planning documents on time	%	100	80	<div></div> 80%	
				KPI21	Percentage of Regional Apparatus that meets the target of regional development programs	%	100	94,83	<div></div> 94,83%	
				KPI22	Reporting Assessment Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP)	Score	80	74,49	<div></div> 93,11%	
				KPI23	Percentage of reports on timely performance and financial results	%	100	100	<div></div> 100%	
				KPI24	Percentage of Regional Apparatus and BUMD that have business processes	%	25	0	<div></div> 0%	
				KPI25	Public Service Index (has a standard on each type of service)	Index Score	4	3,3	<div></div> 83%	
				KPI26	Timeliness of delivery of local government financial reports	Date	31-Mar	31-Mar	<div></div> 100%	
				KPI27	Percentage of increase in local tax revenue sources	%	5	15	<div></div> 300%	

TABLE 11. PERFORMANCE VARIABLES (CONT.)

Internal Process (cont.)	Economy & Development	Economic Administration	KPI28	Contribution of the trading sector to GDP	%	39,485	39,435	●	99,87%	91,61%
			KPI29	Job Opportunity Level	%	57,85	56,22	●	97,18%	
			KPI30	Percentage of young entrepreneurs has just gained capital	%	70	54	●	77%	
			KPI31	Percentage of Investor Growth	Number	600	548	●	91,33%	
			KPI32	Industrial growth	%	3	1,58	●	52,67%	
			KPI33	Increasing culinary and historical based tourism	%	40	45	●	112,50%	
		Regional Administration	KPI34	Livable Cities Index (Environmental Quality Aspects, Public Transportation Aspects, Facility Assessment Aspects, Utility Assessment Aspects)	Index Score	45	37	●	82%	91,61%
			KPI35	Environmental Quality Index (Percentage of Improved River Water Quality, Expansion of Green Open Spaces in Urban Areas (RTHKP), Percentage of Waste Management)	Index Score	42,83	42,67	●	100%	
			KPI36	Percentage of Slums	%	0,17	0,21	●	76,47%	
			KPI37	Percentage of population that has access to drinking water	%	68,77	68,17	●	99,13%	
			KPI38	Percentage of homes to sanitize	%	100	87,57	●	87,57%	
			KPI39	Percentage of road facility availability	%	100	100	●	100%	
			KPI40	Percentage of infrastructure and spatial achievement	%	90	90	●	100%	
			KPI41	Percentage of Disaster Risk Reduction	%	1,25	1	●	80%	
			KPI42	Regional Innovation Index	%	60	57	●	95%	
	Economy & Development (cont.)	Community Welfare Administration	KPI43	Religious Harmony Index (percentage of increase in mosque worshipers, percentage of increase in religious activities)	Index Score	94,98	94,68	●	99,68%	91,61%
			KPI44	Healthy Family Index (Maternal Mortality Rate, Child Mortality Rate, Management of infectious and non-communicable diseases, completeness of drug availability, percentage of health services according to the standard)	Index Score	0,207	0,177	●	85,51%	
			KPI45	Education Index (Average number of years of schooling, percentage of children not attending school, percentage of professional educators, percentage of student delinquency reduction, percentage of reading interest increase, number of cultural diversity management)	Index Score	69,81	69,8	●	99,99%	
			KPI46	Life expectancy	Index Score	72,05	72	●	99,93%	
			KPI47	Youth Development Index (won provincial and national sporting event medals, youth entrepreneurship, percentage increase in knowledge about drugs)	Index Score	9	8	●	88,89%	
			KPI48	Family Resilience Index (percentage of well-off families; percentage of homeless, elderly, disability, neglected children outside institutions receiving social rehabilitation; percentage of low-income families handled)	Index Score	67,81	67,76	●	99,93%	
			KPI49	Percentage of Food Safety	%	86	78	●	90,70%	
Internal Process (cont.)	Administration	General & Protocol	KPI50	Regional Secretariat Security Index (protocol and security services for each activity/events of the Regional Secretariat) according to Standard Operating Procedure	Index Score	4	3,66	●	91,50%	88,29%
			KPI51	Complete information and documentation for all events and ceremonies of Regional Secretariat	Index Score	4	3,46	●	86,50%	
			KPI52	The level of achievement and success of the planned work program	Index Score	4	3,48	●	87,00%	
		Equipment of Regional Secretariat	KPI53	The quality of vehicles, official office housing needs, telephone, water, etc.	Index Score	4	3,59	●	89,75%	
			KPI54	Level of fulfillment of household services for Mayor, Deputy Mayor, and the apparatus	Index Score	4	3,61	●	90,25%	
			KPI55	The level of effectiveness in the management of regional government organizations	Index Score	4	3,45	●	86,25%	
		Finance & Staffing of Regionak Secretariat	KPI56	The level of discipline of the regional secretariat apparatus	Index Score	4	3,47	●	86,75%	
			KPI57	Employee Productivity	Total Absent/day	20	5	●	75,00%	
Resource Availability	Human Resource Capability		KPI58	Skill and Competencies	Test Score	85	87	●	102,35%	84,64%
			KPI59	Training and Development	person	50	44	●	88,00%	
	Technology Resource Capability		KPI60	Technology Development Trends	Index Score	4	3,02	●	75,50%	
			KPI61	Organization Culture	Index Score	4	3,22	●	80,50%	
	Organizational Resource Capability		KPI62	Leadership	Index Score	4	3,46	●	86,50%	

TABLE 12: SUPPORTING REPORTS FOR NEW PMS

Perspective	Document Name	Person in Charge
Organizational Output	Regional Original Revenue	Economy & Development
	Rate of Economic Growth	Economy & Development
	Inflation Rate (monthly)	Economy & Development
	Gross Domestic Regional Product	Economy & Development
	Customer Satisfaction Survey Document	Government, Economy & Development
	Employee Satisfaction Survey Document	Administration
	Statistics of Citizen Level Poverty	Economy & Development
	Statistics of Unemployment Rate	Economy & Development
Internal Process	RPJMD and RKPD	Government
	APBD	Government, Economy & Development
	Local Regulation and National Regulation	Government
	Regional Legal Products (Regional Regulations, Regulations of DPRD and in the form of decisions include Decisions of Regional Heads)	Government
	Document of legal case	Government
	Work Program Mayor & Deputy	Government
	Laporan Akuntabilitas Kinerja Instansi Pemerintah (LAKIP)	Government
	BUMD Document	Government
	Financial Reports	Government, Economy & Development
	Survey Results of Community Satisfaction on Public Services	Government
	Local Tax	Government, Economy & Development
	GDP Contribution of all sectors	Economy & Development
	Investor Growth	Economy & Development
	Industrial Growth	Economy & Development
	Recapitulation Results of Livable Cities Index Measurement	Economy & Development
	Recapitulation Results of Environmental Quality Index Measurement	Economy & Development
	Recapitulation Results of Regional Innovation Measurement	Economy & Development
	Recapitulation Results of Religious Harmony Index Measurement	Economy & Development
	Recapitulation Results of Healthy Family Index Measurement	Economy & Development
	Recapitulation Results of Education Index Measurement	Economy & Development
	Recapitulation Results of Youth Development Index Measurement	Economy & Development
	Recapitulation Results of Family Resilience Index Measurement	Economy & Development
	Recapitulation Results of Environmental Quality Index Measurement	Economy & Development
	Recapitulation Results of Regional Secretary Security Index Measurement	Administration
Resource Availability	Employee Productivity Document	Administration
	Performance Appraisal	Administration
	Training Program Document	Administration
	Technology Development Document	Administration
	Culture Survey Document	Administration
	Leadership Survey Document	Administration

3. Socialization for the New PMS

Socialization to implement a new system that is designed is crucial. Often, a Performance Management System that has been designed well enough by an organization will not be successfully implemented if it is not intensively socialized. The step of socialization is very vital because there is a large gap between top-level management and operational level management in terms of knowledge, long-term mindset, skills, and decision making. Therefore, organizational socialization must be designed in various alternative ways, such as poster design, leaflets, communication electronically connected (online system) morning meetings, routine meetings, and suggestion boxes. In every socialization process, each level must have a good understanding in terms of changes in the vision, mission, strategy, and work program of the organization.

4. Analysis of Benefit to Cost Ratio

Performing Analysis of BCR is needed to determine whether the newly proposed Performance Management

System to be implemented will provide significant benefits and advantages to the organization. For example, when an organization spend costs for training and certification in a department to improve the performance of an indicator. Or the cost of adding technology tools in the department to increase employee productivity. Another example is the cost of procuring facilities that can increase employee loyalty and satisfaction.

In addition, an Analysis of BCR must also be conducted for all alternative improvement proposed to advance the performance of a work indicator. Weighting/ranking is necessary to set priorities which performance indicators will take precedence for improvement and which provide significant benefits for the organization. BCR helps decision-makers in organizations to compare various alternatives that should be preferred or rejected.

5. Required Training

Training and development are crucial that seeks continual growth and improvement for organization. It is a process of

learning provided to new and existing employees to acquire knowledge, technical skills and developing attitudes of behavior in order to increase employee's productivity. Training and development is the organization's formal effort to improve the performance and self-fulfillment of their employees through educational programs and methods.

6. Resource Allocation

Resource allocation is closely related to the person who is responsible for each predetermined performance indicator. The person in charge is responsible for measuring, evaluating, diagnosing, and making decisions to follow up on gaps or decreases in the performance that occur. The resources allocated should be independent parties in order to be able to carry out objective evaluations and diagnoses without taking sides/support for the improvement process. The process of measurement, evaluation, and diagnosis is carried out with a computerized system and integrated with other performance indicators. This was done to shorten the time and simplify the process.

7. Display

The display is used to publish a number of information and data on the results of performance measurement and evaluation to the public at an internal level, especially information that is used as a summary of the performance of individuals, teams, or a department in an organization which will eventually be used as a self-motivation and creates a supportive work environment to one another. Each individual, team, or department will know each other's position on the overall performance of the organization through the display.

Fig. 5. Spider Diagram of Organizational Output.

Fig. 6. Spider Diagram of Internal Process.

Fig. 7. Spider Diagram of Resource Availability.

8. Testing of Proposed PMS

Before implementing the newly designed Performance Management System, testing needs to be done to determine whether the proposed PMS is suitable and in accordance with the internal and external situation of the organization/not. Several stages must be done, i.e Performance Measurement, Evaluation of Measurement Result, Diagnosis of Alternative Improvement, and Follow Up.

9. Performance Measurement

Performance measurements have basically been implemented in almost all companies. However, this is often done only as a routine organizational activity without taking further action from the measurement results obtained. Measurement results provide real information, such as the gap between actual achievement and expected targets. Yet, there is no further information on why this could happen and alternative improvements that can be made. Therefore, performance measurement is the initial stage for further improvement analysis. The next step that is required is performance evaluation.

10. Evaluation of Measurement Result

Performance evaluation is a comparison between actual achievement with plans or standards that have been agreed upon in the beginning. Before performance measurements are carried out, the organization must set standards or best practices as targets or comparative studies (both internal and external).

Internal appraisal review can be done by looking at the best performance of the organization achieved, average past performance in a certain period, and others. In contrast, the external appraisal review can be done by comparing direct competitors, best practices in the same industry, and the average achievement of similar industries. Both appraisal review must be carried out together.

11. Diagnosis of Alternative Improvement

Performance diagnosis is a process that is carried out to get the cause of the deviation or performance gap that occurs between real achievement and the target set. The organization must find an exact cause that can explain the deviation of performance. Organizations can also use a qualitative approach by using accurate data that occurs in the field. Therefore, it is crucial to present a cause-effect diagram of each performance indicator used by using factor analysis, correlation analysis, Analytical Hierarchy Process, and

various other approaches. The final results of the diagnosis can be in the form of several alternative improvements that can be executed to make the performance indicators keep on the track to achieve predetermined targets.

12. Follow Up

There are two different aspects that are taken in the follow up stage, such as technical aspects and strategic aspects. Technical aspects are usually in the form of improvements that focus on the short term. While the strategic aspect is an improvement that is more directed towards decision making at the top management level for the long term, for example, the improvement aspect of improving workforce qualifications by conducting training and development of employees according to organizational needs, increasing the qualifications will lead to organizational competition with the same industry. However, recruiting human resources and conducting training will have a large impact on company costs. So, the organization needs to make trade-offs to reconsider alternatives that can be prioritized to be executed in taking strategic actions.

E. Stage 4: Maintenance and Update

The Proposed Performance Management System that is designed must be dynamic and always updated to new developments related to changes in the competitive environment, regulations, stakeholder expectations, community needs, technology development, the achievement of performance standards, and the latest methods of performance management systems.

The other things need to be maintained for sustainability, such as leadership, commitment between individuals, the involvement of stakeholders both internal and external, and others to motivate organizations to do the best [5]. Below are the important things that must remain reviewed and updated, as follows:

1. Inspirational and transformational leadership.
2. Commitments that apply to all levels of the organization.
3. Involvement of all stakeholders.
4. Communication that occurs effectively in measuring, evaluating, diagnosing, and following up the PMS.
5. Feedback from all parties needed to assess what happened.
6. Availability of resources.
7. Learning and growth that occur must always be under the technological developments.
8. Environmental scanning is carried out both internally and externally to identify opportunities and challenges.
9. A sense of purpose, all activities are undertaken must remain focused on the goal/purpose.
10. Focus on the capacity of the organization.

VI. RESULT AND RECOMMENDATION

To make sure that the proposed of new PMS can provide a best solution to XYZ City Government, it can be compared from the before and after of the implementation of PMS using 4 Principles Guidance and 5 Rules Guidance

TABLE 13: BEFORE AND AFTER IMPLEMENTING PMS USING 4 PRINCIPLES GUIDANCE

Four Principles	Before implementing IPMS	After implementing IPMS
Partnership	All levels of the organization are less aware and understand about the importance of implementing a performance management system for organizational sustainability.	Each level of the organization began to understand in some changes due to the implementation of a new system of performance management (IPMS) that will be designed so that every individual in the organization takes part in increasing organizational performance.
Empowerment	Each individual will only do the work to achieve the specified target.	By using IPMS, each individual and department will know the percentage of their contribution/impact on improving organizational performance in detail.
Integrated Performance Improvement	Don't feel involved in the organization's big achievements, just focus on each individual's target.	A sense of belonging of all individuals will emerge so that they feel bound, must take responsibility, and work together to make the performance of their organizations improve.
Independent	Employees only work based on set targets that have been predetermined because they are not given the confidence to develop the existing Performance Management System.	The new PMS system will encourage all employees from all levels of organizations to be confident and independent in developing PMS because they will have the support of management.

TABLE 14: BEFORE AND AFTER IMPLEMENTING PMS USING 5 RULES GUIDANCE

Five Rules	Before implementing IPMS	After implementing IPMS
Keep It Stupid Simple	Performance indicators have been designed by the organization but have not been adjusted and are broken down to departments/individuals who must be responsible (unclear responsibility)	Performance indicators are broken down based on departments and individuals. No overlap of task/responsibility.
Long-Term Oriented	The orientation formed in the previous PMS only focused on short-term, cannot be modified according to circumstances and needs of organization, and only focuses on the financial aspects.	New IPMS that is applied will see the organization's performance from the helicopter view / all aspects that are mutually integrated and long-term in view.
Time Based	Control over performance indicators is not time based.	IPMS will encourage organizations to conduct performance control indicators over time. Control will be carried out so that the organization can know when specific performance indicators show signs of decreasing performance or upcoming failure so that the organization will know what corrective actions must be taken next.
Focus on Sustainable Improvement	Improvements are made only for the current situation.	The new IPMS system will record the company's past performance to be used as an internal benchmarking and external benchmarking to other similar organizations.
Use Quantitative Approach	The previous PMS has used quantitative variables (KPIs) by using absolute numbers and ratios to facilitate action taking and decision making, but several indicators are still measured subjectively.	In new IPMS, combination both quantitative and qualitative targets will facilitate the follow-up improvements.

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