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Enhancing Public Sector Performance: A Knowledge-Based Approach through Performance Prism Integration

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Abstract

Performance management in ministerial organizations is crucial for bureaucratic reform as mandated by PermenPANRB No. 89 of 2021. Current implementation challenges include lack of correlation between performance indicators, poor alignment with stakeholder requirements, and preference for administrative over impact-oriented assessment. This study proposes integrating Knowledge Base Performance Management System (KBPMS) with Performance Prism for ministerial organizations. KBPMS offers strategy-driven management with organized indicator establishment using Analytical Hierarchy Process, while Performance Prism provides a holistic perspective incorporating stakeholder satisfaction and contributions. Using descriptive exploratory methodology with qualitative approaches (observation, interviews, FGDs), research conducted at the National Directorate of Digital Infrastructure (NDID) within the Ministry of Communication and Digital revealed a performance system focused on administrative indicators but lacking strategic and stakeholder alignment. The study recommends merging these approaches through the Integrated Stakeholder & Knowledge-Based Performance Framework (ISKPF), combining strategic and operational views to enhance performance management efficacy. This integration can better align indicators with stakeholder needs, enable contribution-based evaluation, and promote continuous improvement. Implementation through incremental pilot projects is recommended before wider deployment to evaluate efficacy in the ministerial context.

Keywords: Performance Management, KBPMS, Performance Prism, Public Sector, Bureaucratic Reform, ISKPF

1. Introduction

Performance management in ministerial organizations is an important factor in facilitating the bureaucratic reform initiated by the Indonesian government under PermenPANRB No. 89 of 2021. A challenge in performance management is integrating stakeholder interests and their contributions with the organization's objective (A. D. Neely et al., 2002). Initial observations performed in a government organization indicate that the establishment of performance indicators mostly evaluates outcomes without linking with inputs and processes. The reliance on budget absorption levels renders the assessment of the ministry organization's performance useless.

Knowledge Base Performance Management System (KBPMS) is designed to help public sector entities, including ministerial organizations, in formulating performance management systems by utilizing vision and mission to establish applicable performance indicators that fit the organizational context (Wibisono, 2023). The KBPMS performance framework has been developed with stakeholder interests incorporated (Wibisono, 2023). The Performance Prism offers a comprehensive structure for interpreting the link between businesses and stakeholders (A. Neely et al., 2001). Performance Prism illustrates the relationship between satisfying Stakeholder Interests and their influence on organizational success (A. D. Neely et al., 2002).

The performance management system under the present ministerial organization is primarily administrative and ceremonial, prioritizing the completion of reporting requirements over the enhancement of public services. The metrics employed primarily quantify internal outputs, such as the quantity of programs or reports generated, without evaluating their societal impact. The absence of ongoing evaluation leads to measurement outcomes being infrequently utilized to enhance methods (Modell, 2004). This gap indicates the need for a more adjustable methodology, as the combination of these two performance management frameworks is expected to produce a more adaptable performance management system applicable to public sector entities, particularly ministerial organizations in Indonesia. This study investigates the integration of KBPMS and Performance Prism to develop a performance management system that emphasizes the interconnection of vision, mission, strategy, efficiency, and organizational accountability.

2. Literature Review

2.1 Public Sector Organization

Public sector organizations are given responsibility for managing goals and responsibilities in the public interest, which may or may not related to finances (Mardiasmo, 2002). There are two types of public sector organizations: the first type includes entities that, in addition to serving the community, purpose to achieve financial profit; the other types comprise organizations that exclusively concentrate on delivering services to the community (Nasrudin, 2019). To support the President in organizing government, the Ministry organization is a public sector entity that is responsible for delivering services to the community in particular areas. These services are supposed to help the President of organization (PermenPANRB, 2021). The quality of the services that are provided by each ministry is an effective measure of the performance of each ministerial organization (Wibisono, 2023). The organization that is responsible for the ministry has to be able to satisfy the interests of its stakeholders in order to carry out its functions (Kasale et al., 2019). The following figure provides a list of stakeholders that are associated with the ministry organization:

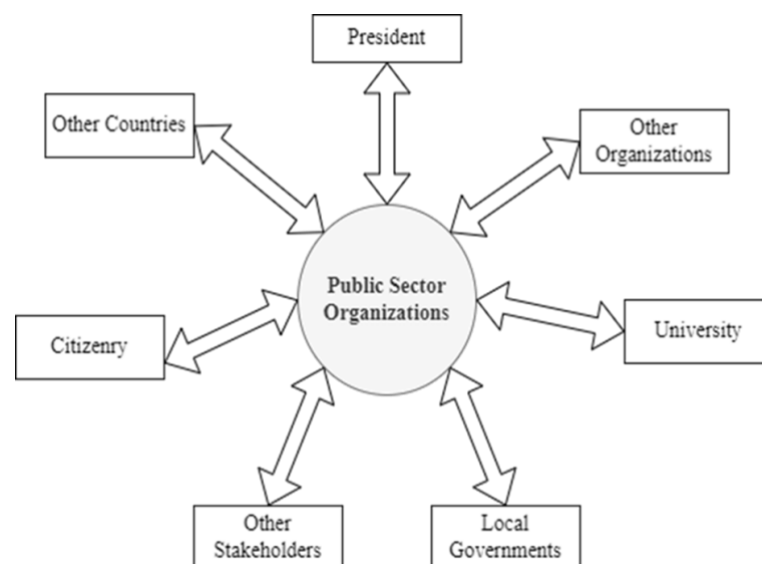


Figure 1: Stakeholders in Ministry Organizations

Source: *Mengelola Kinerja Kementerian: Panduan Praktis dan Akademis [Service Performance Management: A Practical and Academic Guide]* (Wibisono, 2023)

Performance management in the ministerial organization is a strategic process that desires to ensure that every area within the ministerial organization can contribute to national development goals. The reason is as it has been discussed that the ministerial organization's primary objective is to deliver services to the community (*UU Nomor 61 Tahun 2024*, 2024). The National Medium-Term Long-Term Development Plan (RPJMN) provides the primary reference for all ministerial organizations and government institutions. This plan is utilized in the process of planning organizational targets and goals that are carried out in ministerial organizations (*PP No 17 Tahun 2017*, 2017). In accordance with the RPJMN document, every ministerial organization is responsible for developing a Strategic Plan (RENSTRA) and a Work Plan (RENJA), both of which serve as operational guidelines for the purpose of accomplishing performance criteria (PermenPANRB, 2014). It is necessary to involve a wide range of stakeholders in the preparation of this performance planning document, including the following:

- 1) President and Vice President (*UU Nomor 61 Tahun 2024*, 2024)
- 2) National Development Planning Agency/BAPPENAS (*PP No 17 Tahun 2017*, 2017)
- 3) Ministry of Finance (*PP No 17 Tahun 2017*, 2017)
- 4) Indonesian Representative Council/DPR (*UU Nomor 27 Tahun 2009*, 2009)
- 5) Local Government/PEMDA (*PP Nomor 18 Tahun 2016*, 2016)
- 6) Financial Audit Agency (*UU Nomor 15 Tahun 2004*, 2004)

The collaboration of every interested party will be essential to the achievement of success in the establishment of successful work programs that have an influence on society. This will be the case in order to generate effective performance planning (Sedarmayanti, 2009). One of the challenges that ministerial organizations face when it comes to managing performance management is figuring out how to maintain a balance between administrative performance measurements and performance measurements that may have an effect on stakeholders (Pulakos & O'Leary, 2011). Several ministries concentrate on just achieving administrative indicators, such as report counts or compliance indices with regulations, without assessing the correlation between their performance indicators and the effectiveness of public service delivery (Wibisono, 2023). Lack of ability to recognize stakeholder involvement in performance indicators leads to a disconnect between the indicators and stakeholder needs (Felício et al., 2021). Performance management systems in the public sector are also often too bureaucratic and limiting, making it difficult to respond to changes in the strategic environment (Pulakos & O'Leary, 2011). A more flexible and stakeholder-based approach, such as the integration of KBPMS and Performance Prism, can be a solution to building a performance management system that is more effective and accountable. As a result, ministerial organizations face difficulties in integrating stakeholder feedback into the performance evaluation process, which hinders continuous improvement in public services. To address this challenge, integrate KBPMS and Performance Prism.

2.2 Performance Prism

Numerous performance management frameworks have been developed today. The Balanced Scorecard (BSC) is a widely utilized performance management framework; nonetheless, its implementation in public sector companies necessitates adaptation, given that its original purpose was financially oriented (Akbar, 2018). One performance management framework that involves stakeholders is the Performance Prism, developed by Andy Neely (Wibisono, 2016). The performance prism encourages alignment between stakeholder contributions and interests concerning the organization's strategy, competencies, and business processes (A. D. Neely et al., 2002). Public sector entities, such as ministerial organizations, exhibit intricate relationships among stakeholders, making the performance prism method a viable solution for controlling performance in these organizations (A. Neely et al., 2001).

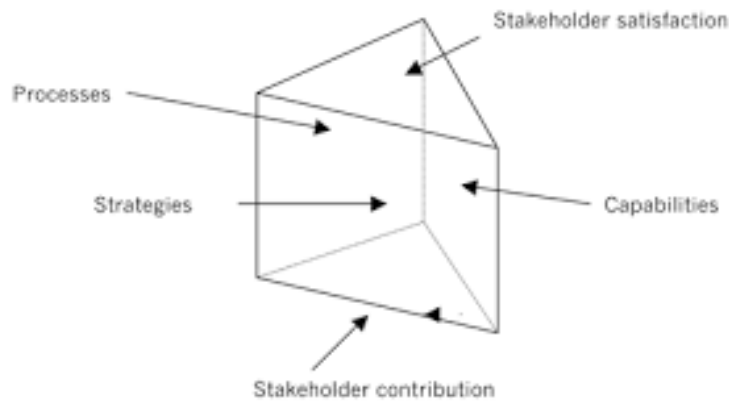


Figure 2: Performance Prism Framework

Source: *Performance Prism in Practice* (A. Neely et al., 2001)

The Performance Prism emphasizes the relationship between the organization and its stakeholders through five primary perspectives: Stakeholder Satisfaction, Stakeholder Contribution, Strategy, Process, and Capabilities, as stated in the Performance Prism framework (A. D. Neely et al., 2002). The performance prism effectively establishes the requirements and contributions of each stakeholder, enabling the company to formulate an appropriate strategy, implement efficient operational processes, and build the necessary capabilities to support these activities (A. Neely et al., 2001). By using this strategy, a ministry can develop a performance management system that addresses the requirements of stakeholders, including government, society, and employees, while ensuring that internal plans, procedures, and capabilities are synchronized to attain these objectives.

The Performance Prism starts performance analysis by identifying key stakeholders and understanding their needs and contributions, aligning with the characteristics of a ministry organization that involves multiple stakeholders to achieve its goals (Rahabistara et al., 2011). The performance prism approach emphasizes the interdependent relationship between stakeholders and the organization, which is important to the success of the developed work program (A. D. Neely et al., 2002). The performance prism framework highlights the necessity of stakeholder consideration and stresses the alignment among departments within the organization. This alignment is essential for coordinating and developing organizational capabilities that support strategies, ultimately leading to enhanced organizational effectiveness (A. Neely et al., 2001).

Previous explanations have indicated that the primary components of this performance prism approach consist of five (five) views that are interconnected with one another. There is a close connection between the perspectives of stakeholder satisfaction, stakeholder contribution, strategy, process, and capability. All these perspectives are interconnected. Support for the process that is supposed to put the plan into action is provided by the capability viewpoint. The process must ensure the strategy meets stakeholder requirements. A comprehensive comprehension of the requirements (satisfaction) and contributions made by stakeholders is the foundation upon which strategy is built (A. D. Neely et al., 2002). The performance prism will really be very effective when applied to organizations in the public sector once this concept is implemented. Public sector organizations must serve diverse stakeholders with varying needs.

Table 1: The Role of Each Element in Performance Prism in Ministry Organizations

Element of Performance Prism	Need of Ministry Organization	Implementation in Organization
Stakeholder Satisfaction	The primary focus must be the needs of stakeholders, including the community, government, employees, and partners.	<ul style="list-style-type: none"> • Find out stakeholder expectations • Identify KPIs that represent stakeholder requirements • Conduct a satisfaction survey

Element of Performance Prism	Need of Ministry Organization	Implementation in Organization
Stakeholder Contribution	The effectiveness of a ministerial organization relies on the backing and involvement of stakeholders.	<ul style="list-style-type: none"> • Encourage stakeholder engagement in performance management. • Establish platforms for stakeholder engagement • Identify KPIs that assess the extent of stakeholder contribution.
Strategy	The ministry's organizational plan must focus on anticipated outcomes and align with stakeholder requirements.	<ul style="list-style-type: none"> • Ensure that strategies are formulated based on outcomes. • Aligning vision and mission with organizational strategy
Processes	To implement the strategy, it is essential to define the processes associated with each component of the ministry's organization.	<ul style="list-style-type: none"> • Enhance the organization's fundamental processes • Minimize bureaucratic processes and adopt digital technology to enhance public services.
Capabilities	Ministerial organizations require comprehensive competencies in human resources, technology, and organizational culture to meet performance objectives.	<ul style="list-style-type: none"> • Enhance competence • Establish a performance management information system for the purpose of performance monitoring. • Build a flexible and inventive organizational culture

In its implementation, the performance prism will face challenges in the integration aspect of the five perspectives, this is because the complexity of each perspective will require commitment from top management and the availability of human resources needed to support the implementation process of this approach (Mardiono et al., 2011), so that the performance prism will experience challenges in determining a relevant and measurable performance indicator and accommodating stakeholder (Kennerley & Neely, 2003). According to Feliciano's study, "Adoption of Management Control Systems and Performance in Public Sector Organizations," the success of this approach will also be contingent on the managerial staff's capabilities in both the implementation of this framework and the provision of ongoing training in order to be able to adapt to developments in the information technology sector (Felício et al., 2021). When it comes to gathering performance, indicators based on urgency and strategic relevance, KBPMS utilizes an analytical hierarchy method (Wibisono, 2023). This is where KBPMS might be a useful supplement to Performance Prism.

2.3 Knowledge Base Performance Management System (KBPMS)

Dermawan Wibisono's book, **Managing Ministry Performance: Practical and Academic Guide**, presents a performance management approach. This approach offers the capability of adapting performance indicators in line with the strategic objectives of the company. KBPMS is considered a solution designed to answer the challenges of traditional performance management systems, which are often less adaptable to the needs of organizations, including public sector organizations (Wibisono, 2023). The KBPMS framework is specifically designed to suit the characteristics of organizations in Indonesia or developing (Wibisono, 2016). This is the reason why KBPMS is considered a solution.

This performance management framework was established to support ministerial organizations in enhancing the effectiveness of performance management. It is based on the fundamental principles of an integrated, relevant, and measurable data-driven performance management system. This performance framework comprises three principles.

- 1) Collaboration and empowerment

Performance management involves collaboration among all organizational components, including management, leaders, and employees, to foster a sense of ownership within the organization.

2) Integrated Performance Improvement

All components within the organization must be integrated to create synergy among them, ensuring a comprehensive focus rather than concentrating on a single indicator.

3) Independence

Performance management should be conducted with maximal objectivity to ensure that a team operates independently and free from conflicts of interest, thereby enhancing the effectiveness of performance management.

The KBPMS performance framework is comprised of four viewpoints, all of which are interconnected and are shown in Table 2.

Table 2: Applying KBPMS for Ministry Organizational Performance Management

Perspective of KBPMS	Description
Organization Output	This perspective highlights the significance of outputs generated by ministerial organizations, specifically in the context of public policies and services that benefit society, environment, and the government overall. Indicators assess public satisfaction with ministry services, policy effectiveness, and regulatory impacts.
Internal Proses	This perspective emphasizes the potential for ministerial organizations to enhance effectiveness and efficiency in their internal work processes. Indicators in this context encompass organizational innovation, operational effectiveness, the establishment of a public organizational image, and the sustainability of services.
Resource Capability	This perspective emphasizes the significance of managing human resources, technology, and infrastructure in facilitating achieving of the ministry's strategic objectives. Indicators involve human resource capacity, digital technology adoption, and organizational resource management.
Monetary Support	This perspective emphasizes the effectiveness and efficiency of implementing the ministry's budget. The ministry organization, as a non-profit public institution, must manage its budget efficiently to meet established performance targets.

Source: Mengelola Kinerja Kementerian: Panduan Praktis dan Akademis [Service Performance Management: A Practical and Academic Guide] (Wibisono, 2023)

The KBPMS framework comprises three stages for managing organizational performance. Starting with an analysis of the organizational environment, both internal and external, to gather fundamental information regarding political dynamics within the ministry organization, as well as stakeholder expectations and other relevant factors. Performance planning involves the formulation of performance indicators and measurement systems that align with the strategic objectives of the ministry organization. These indicators must be quantitatively measurable. Additionally, continuous evaluation and improvement are necessary to ensure that the adopted strategy remains relevant to environmental changes (Wibisono, 2023).

One of the strengths of the KBPMS performance framework is the Analytical Hierarchy Process (AHP)-based approach that serves as a tool for defining the priority of performance indicators. This is done in order to guarantee that the indicators that are implemented by the organization are relevant. The AHP-based method gives organizations the ability to evaluate and choose indicators that are appropriate for their strategic goals in the most effective manner. The method in question is a hierarchical analysis that is carried out in a methodical manner. Within this method, performance criteria and sub-criteria are selected, weighted, and compared to one another (Wibisono, 2023).

The KBPMS performance framework has a number of benefits that could make it useful for application inside ministerial organizations in Indonesia; nonetheless, the adoption of this framework is not without its limits. The

fact that it places an inordinate amount of emphasis on internal organization while ignoring the relationship with stakeholders is one of its limitations.

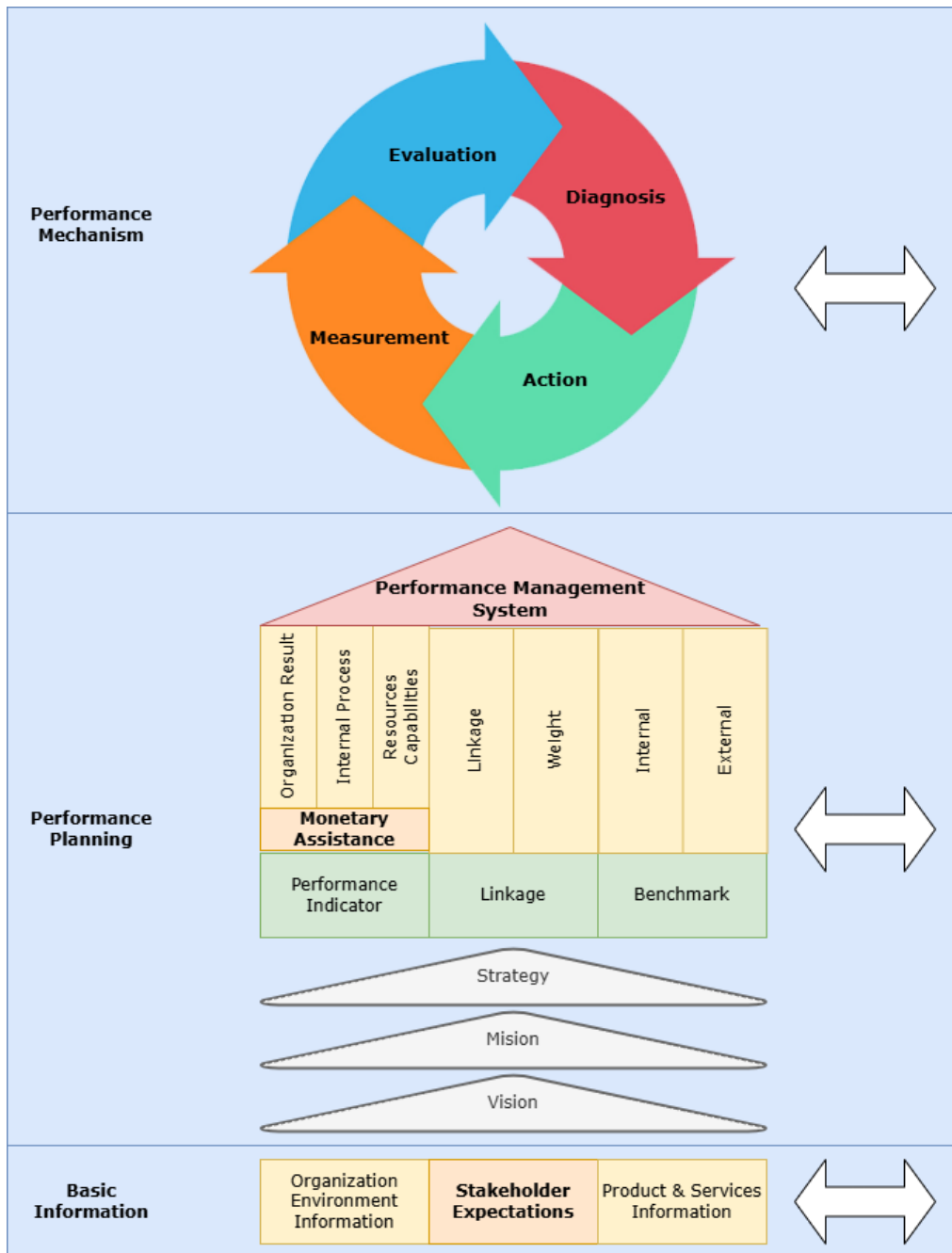


Figure SEQ Figure * ARABIC 3: Conceptual Framework of KBPMS

Source: *Mengelola Kinerja Kementerian: Panduan Praktis dan Akademis [Service Performance Management: A Practical and Academic Guide] (Wibisono, 2023)*

The performance prism can enhance the stakeholder linkage elements that are inadequately addressed in KBPMS. While KBPMS is intended to aid ministries in developing performance management systems grounded in internal strategies and effectiveness, it remains limited in its ability to incorporate stakeholder satisfaction and contribution as primary factors in performance evaluation (Wibisono, 2023). The performance prism, encompassing five perspectives, ensures that the indicators generated by KBPMS are aligned not only with internal achievements but also with stakeholder expectations and their contributions to the organization. The integration of KBPMS and Performance Prism results in a balanced performance management system. KBPMS provides measurable and relevant performance indicators, while Performance Prism ensures that performance strategies and evaluations

align with the needs of ministry stakeholders. The integration of KBPMS with the performance prism offers a solution for developing a performance management system.

3. Methodology

This study applies exploratory descriptive methods and qualitative design, as outlined by Creswell, to analyze the integration of KBPMS and Prism within the context of the ministry organization. This approach facilitates a comprehensive exploration of the performance management phenomenon, which has not been previously examined (Creswell & Clark, 2014). This approach offers flexibility in identifying and elucidating the relationships among various components of the performance management system. Saunders et al. propose that applying an exploratory approach is suitable for analyzing the existing conditions within a ministerial organization, thereby enabling a foundational comprehension of performance management in these contexts (Saunders et al., 2012). This study examines the potential integration of two performance management frameworks, KBPMS and Performance Prism, which provide unique perspectives that may enhance each other. An exploratory approach will provide a comprehensive analysis of the performance management components within a ministerial organization and the possible integration of the two performance frameworks (Denzin & Lincoln, 2018).

3.1 Data Collection

This study will make use of two different types of primary data. To begin to get the primary data, observations and interviews or focus group discussions (FGD) were conducted with performance management managers working for a ministerial organization in Indonesia. Furthermore, the analysis of regulatory documents, including PermenPANRB no. 89 of 2018, PermenPANRB no. 53 of 2014, and current performance planning documents utilized as references in ministerial organizations (RPJMN, RENSTRA, RENJA), will serve as the second primary information source. This study will use literature reviews on KBPMS and performance prisms from reputable journals as secondary data sources.

During the development of this research, the ministerial organization that served as the subject of the study was the Ministry of Communication and Digital (Komdigi). The selection of the Komdigi organization was based on the strategic role of Komdigi in Indonesia to accelerate digital transformation (Kementerian Komunikasi dan Digital, 2024). Komdigi is expected to contribute to the growth of the national economy as a result of its role in the development of digital infrastructure and the increase in the utilization of digital connectivity in order to achieve economic growth of 8% (Kementerian Komunikasi dan Digital, 2024). For this reason, efficient performance management at Komdigi is crucial to implementing the government's strategic initiatives and impact the people of Indonesia.

An institution that is being explored in further detail for the purpose of integrating KBPMS and Performance Prism is the Directorate General of Digital Infrastructure (NDID), which is one of the entities. NDID was selected because of its strategic role within the Komdigi organization. NDID plays a strategic role in the development of digital infrastructure, the development of digital connectivity infrastructure, the development of 5G networks, and the preparation of smart city roadmaps. As a result, it is a directorate general responsible for playing a strategic role within Komdigi (Kementerian Komunikasi dan Digital, 2025).

The data collection process carried out through semi-structured interviews designed for collecting information regarding factors that impact performance management at Komdigi, specifically NDID. The focus was on evaluating the effectiveness of the current performance management system, its alignment with organizational strategy, and identifying opportunities for enhancing the performance management system. The participants included around 9 individuals, comprising both external and internal members. External consultants are those engaged in performance management, academics, or performance management roles from organizations outside of Komdigi. Internal actors are those who are directly engaged in the management of performance within the Komdigi organization, particularly in relation to NDID.

All collected information will be validated through focus group discussions (FGD). Focus group discussions will improve the interview process and facilitate dialogue among stakeholders (Shabina et al., 2024). FGD identifies common challenges, highlights variations, and promotes consensus on critical performance management strategies.

3.2 Conceptual Framework

In formulating a strategy that integrates KBPMS and the performance prism, concentrate on the five perspectives of the performance prism (A. D. Neely et al., 2002), together with the principles of KBPMS, specifically partnership, empowerment, continuous improvement, and independence (Wibisono, 2023). The objective is to evaluate the compatibility between the perspectives of these two performance frameworks to identify relevant performance indicators for application in ministerial organizations in Indonesia. In addition to understanding the integration of pertinent performance indicators, Dermawan, in his book, advocates for a priority analysis of these indicators aligned with organizational strategy (Wibisono, 2023). This priority analysis employs the Analytical Hierarchy Process method, which involves weighing each indicator through the collaboration of stakeholders and experts in performance management (Saaty, 1987). The following table shows the alignment among approaches to analysis.

Table 3: Alignment Between Methods of Analysis

Method of Analysis	Objective
Objective Alignment (KBPMS)	Establish a clear vision, mission, and organizational strategy.
Stakeholder Analysis (Performance Prism)	Examining the correlation between ministerial organizations and stakeholders
Analytical Hierarchy Process	Define priority of performance indicators
Thematic Analysis	Classifying interview outcomes into key themes for the examination of framework integration

Exploring the potential relationship between the two performance frameworks will provide the initial understanding required to develop a new theory (Creswell & Clark, 2014). Sage Publications, Thousand Oaks, CA. The complexity of performance management in ministerial organizations involves flexibility to adapt to changes or new findings during the research process, enabling researchers to effectively capture the intricacies inherent in public sector performance management (Denzin & Lincoln, 2018). The proposed conceptual framework model for integrating KBPMS and Performance Prism is illustrated in the following figure:

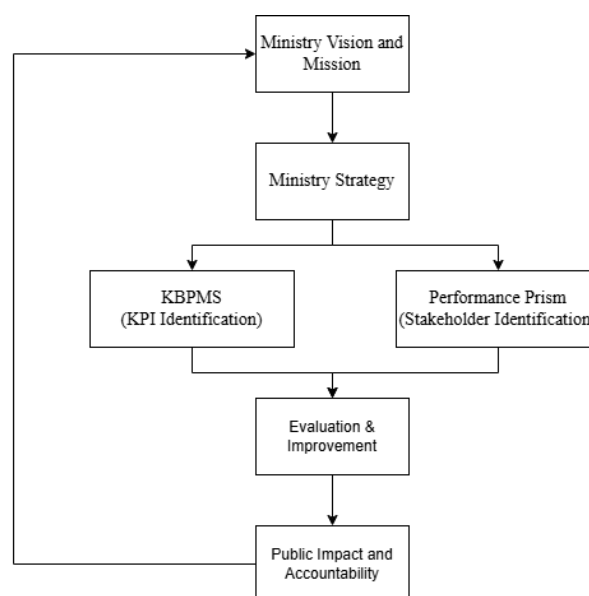


Figure SEQ Figure * ARABIC 4: Conceptual Framework KBPMS & Performance Prism

The integration of the KBPMS framework and Performance Prism in the ministry organization begins with the identification of the ministry's vision and mission. The formulation of the ministry's vision and mission should reliably align with the president's vision and mission, as the greatest authority of the government. A well-defined vision and mission will be used as the primary foundation for developing the Ministry's strategy, aligning its goals and objectives within a specified timeframe (Wibisono, 2023). The ministry's strategy describes a framework for realizing its vision and mission. Within the context of performance management, this strategy then identifies the chosen performance indicators. The appropriate strategy will serve as a framework for identifying and managing performance metrics, ensuring that all organizational operations align with the ministry's objectives.

KBPMS is a framework for knowledge-based performance management, designed to identify suitable KPIs and facilitate continuous performance improvement. KBPMS is instrumental in the comprehensive identification of key performance indicators. Conversely, Performance Prism serves as a performance management framework driven by stakeholder interests. This framework enhances KBPMS by incorporating the viewpoints of all key stakeholders in performance management, rather than solely concentrating on internal perspectives. The KBPMS-Performance Prism integration framework emphasizes that performance evaluation encompasses not only internal metrics but also stakeholder feedback. Stakeholder input is a critical component of the evaluation and improvement phase.

The expected result of integrating KBPMS and Performance Prism is an improvement of positive effects for the public and a reinforcement of accountability within the ministry organization. The integration of KBPMS, which enhances internal efficiency and effectiveness, with Performance Prism, which aligns ministry actions with stakeholder expectations, will yield outcome-oriented performance that garners public trust. The ministry has shifted its focus from internal bureaucracy to delivering tangible value for the public.

3.3 Findings

3.3.1 Ministry Organization

The National Directorate of Digital Infrastructure (NDID) is an entity responsible for the development of digital infrastructure, encompassing telecommunications networks and internet accessibility (Peraturan Presiden, 2024). Observations conducted at NDID indicate that performance planning within the organization aligns with the National Medium-Term Development Plan (RPJMN). In accordance with the RPJMN, each ministry organization formulates a strategic plan (RENSTRA) and a work plan (RENJA) (PermenPANRB, 2014).

Every National Directorate shall formulate a hierarchical performance contract starting with the Directorate (Level 2), continuing to the National Directorate (Level 1), and concluding at the ministerial level (Level 0). The performance contract includes performance indicators that must be met annually by the position. The analysis of performance documents at the Ministry of Communication and Information via NDID indicates that the assessment and allocation of performance require enhancement. The findings from the observation process and informal discussions are as follows:

- 1) Employees within the Ministry of Communication and Information organization lack comprehension of performance management, which is predicated on an understanding of the organization's purpose and vision, which are then translated into objectives and indicators of organizational success (Wibisono, 2023).
- 2) The distribution of current indicators has not demonstrated that subordinate indications provide greater detail than their superior counterparts (Kaplan & Norton, 2008).
- 3) No framework was identified for managing performance in the Komdigi organization, resulting in the measurement of only final outcomes rather than the process. A framework would facilitate the ongoing improvement process

besides previous findings, a situation analysis is conducted to better understand the complex structure of stakeholder relationships (Barbrook-Johnson & Penn, 2022). This representation will assist in the capture of perceptions within a context, specifically for the Komdigi, providing a comprehensive overview of the entire

environment, including one of the general directorates, its organizations, and stakeholders, encompassing both central and local government, as well as other institutions (Burge, 2010).

Figure 5 shows that the ministry faces significant challenges in performance management due to a lack of a defined framework and weak alignment between the organization's vision, goal, and strategy. Performance Prism provides a solution by prioritizing the mapping of stakeholder satisfaction and contributions, so increasing the comprehensiveness of the performance system. Additionally, KBPMS will identify knowledge-based performance indicators, ensuring the correlation between indicators for performance effectiveness. Furthermore, internal obstacles, like insufficient employee understanding of the performance system, impede optimal implementation; thus, training and capacity building are essential to enhance awareness of the performance management system. The ministry must cooperate with stakeholders, including local governments, academia, and industry partners, to enhance the performance system. By integrating KBPMS and Performance Prism, the ministry can enhance transparency and the efficacy of public operations within its performance management system.

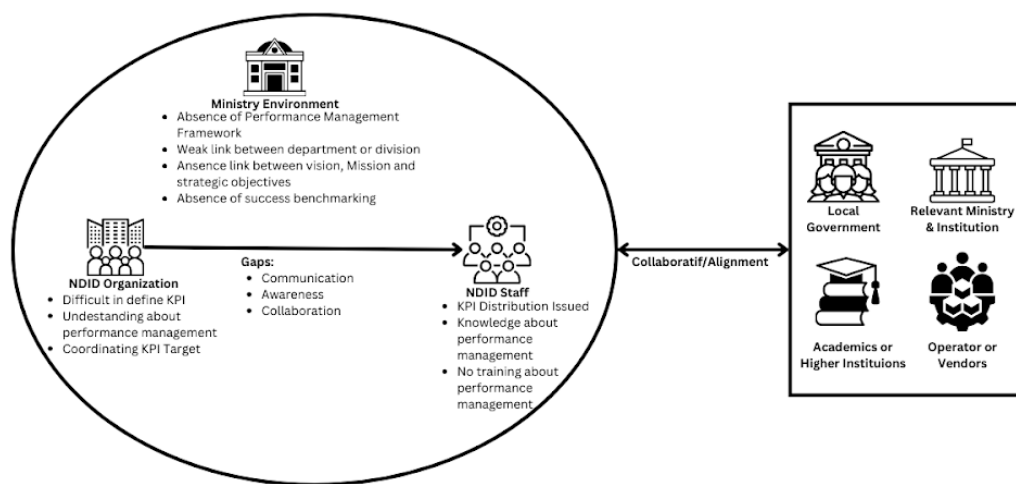


Figure SEQ Figure * ARABIC 5: Rich Picture of Komdigi Organizations

Overall, a comparison between the current settings and the optimal conditions for performance management, as presented in Table 2, indicates that improvements are necessary in the management of the performance management system within the Komdigi organization. The challenges in managing performance within the Komdigi organization begin with employees' comprehension of performance management through informal training, which is essential for achieving effectiveness. Furthermore, communication and coordination among individuals, divisions, and departments within a single ministry organization require enhancement to ensure that the distribution and determination of KPIs and their derivatives at each level are clear and indicative of a continuous performance management process.

Table 4: Comparison Between Existing and Ideal Condition

Performance Management Element	Existing Condition	Ideal Condition
Framework	Currently Komdigi does not use any framework for managing organizational performance.	Performance framework is needed because it can improve service quality (Moullin, 2017).
Vision and Mission Statement	Komdigi does not determine the vision and mission of the organization but follows the vision and mission of the president.	Determining the organization's vision and mission helps align the organization's national and operational goals (Joshi et al., 2003).
KPI Determination	The distribution of KPIs lacks a systematic approach, with one KPI Leader assigned without	The Leader's KPI is distributed to the subordinate level and thereafter redistributed to the next level, taking into account the role and contribution of

Performance Management Element	Existing Condition	Ideal Condition
	established criteria for deciding the weight of each KPI.	each tier to the KPI of the level above (Arlina et al., 2019).

3.3.1 Performance Management System

The key component of good performance management in public sector organizations is the management of stakeholder interests and the assurance of service efficacy (Pulakos & O'Leary, 2011). The management of performance in public sector organizations, especially ministries, has issues due to low resources and corruption in developing nations (Mimba et al., 2013). The performance management system in Indonesia is significantly shaped by organizational commitment, internal regulations, workplace culture, and the quality of human resources (Noordiatmoko & Anggriawan, 2023).

Public sector organizations, including ministerial organizations, commonly apply the Balanced Scorecard (BSC). However, the implementation of the BSC often emphasizes administrative indicators that reflect internal activities, such as the number of reports completed or compliance levels, while neglecting the broader community impact. This issue is further compounded by a limited understanding of performance management and the strategic objectives of BSC implementation, which should prioritize enhancing the quality of public services (Wibisono, 2023). Moreover, numerous ministerial organizations adopt the BSC without tailoring it to their specific vision, mission, and needs, resulting in the use of indicators that are predominantly more applicable to private sector organizations (Northcott & Ma'amora Taulapapa, 2012). Performance measurement is often conducted merely to fulfill administrative obligations rather than serving as a decision-making instrument for ongoing enhancement (Modell, 2004).

The regulation of PermenPANRB frequently emphasizes the establishment of quantitative key performance indicators (IKU) while neglecting a thorough examination of their relevance to organizational objectives, leading to a disconnect between the internal ministry and public expectations. The shortcomings in the implementation of performance management within public sector organizations indicate the necessity for an approach that aligns more closely with the unique characteristics of these entities. This approach should also incorporate non-financial indicators and engage stakeholders in the design of a performance management system tailored for public sector organizations.

4. Result

4.1 Framework Performance Management

Performance management involves the processes of measurement, management, and improvement designed for achieving efficient objectives (Helmold & Samara, 2019). Performance Measurement Systems serve as objective instruments for guiding, regulating, and enhancing accountability within organizations (Hood, 1991). Literature research and observations within a ministry organization indicate the necessity of a stakeholder-oriented performance management approach. The Performance Prism paradigm involves stakeholder satisfaction and contribution, offering a more pertinent assessment of organizational (A. Neely et al., 2001), yet, its implementation encounters significant complexities. One of the challenges is aligning the diverse dimensions of stakeholder satisfaction, stakeholder contribution, strategy, process, and capability within a single bureaucratic framework, making the establishment of performance indicators a primary challenge (Kennerley & Neely, 2003).

The Knowledge Based Performance Management System (KBPMS) is an approach designed to delivering performance management solutions tailored to the complex and bureaucratic nature of ministerial organizations in Indonesia. KBPMS emphasizes not only results and output but also processes, organizational capacities, and stakeholder satisfaction, making it applicable to ministerial organizations with varied task requirements (Wibisono, 2023). KBPMS is compatible with existing performance management frameworks, such as the performance prism utilized by ministerial organizations. This compatibility arises from KBPMS's focus on

addressing local organizational needs in Indonesia while simultaneously enhancing the performance prism framework by aligning strategies with stakeholder requirements and bolstering organizational capabilities through advancements in human resources and technology.

4.2 KBPMS and Performance Prism Integration

As was mentioned before, the KBPMS and Performance Prism frameworks each have their own set of benefits to provide. The capability of KBPMS to systematically establish performance indicators and the priorities of each performance indicator is one of its most distinguished features. On the other hand, performance prism can be utilized to recognize important stakeholders and gain an understanding of the contributions made by members of these stakeholders. The association between KBPMS and Performance Prism is illustrated in the table that has the following form:

Table 5: Integration KBPMS and Performance Prism Element

Performance Prism Elements	KBPMS Elements	The Integration
Stakeholders Satisfaction	Partnership and Empowerment	Identifying and understanding stakeholder needs within the ministry and linking them to performance indicators.
Stakeholder Contribution	Independence	Analyze stakeholder contributions to the organization and how the organization can leverage those contributions independently.
Strategy	Integrated Performance Management	Aligning ministry strategies with national vision, mission and priorities through the KBPMS approach.
Process	Integrated Performance Improvement	Identify the organization's core processes to determine appropriate performance indicators.
Capabilities	Capabilities & Technology	Improve organizational capabilities, both human resources and technology infrastructure, to support performance management.

Based on the data presented in the table, it is clear that the KBPMS principle has the potential to enhance the application of Performance Prism in the educational sector. As an illustration, the Stakeholder Satisfaction principle found in the Performance Prism can be linked with the Partnership and Empowerment concept found in the KBPMS. This combination is intended to guarantee that the expectations of the stakeholders are not only recognized but also taken into account while the ministry organization is planning its performance. There are a number of procedures that need to be carried out in order to successfully implement the integration of these two frameworks into the organization of the ministry. These mechanisms are as follows:

1) Identify alignment of organizational and stakeholder goals

Every ministry organization must consistently align with the government's targets and objectives. After that, the ministry organization should define its vision and mission in accordance with these targets and objectives, while also identifying relevant stakeholders associated with the ministry organization. By recognizing this, performance indicators can be established based on the duties and responsibilities of each ministry organization.

2) Establish Balanced performance indicators

Performance indicators should accurately represent stakeholder expectations while being prioritized in alignment with the organization's goals and strategies.

3) Implementation and Continuous Improvement

Assess all performance indicators through data collection methods and quantify stakeholder contributions and satisfaction regarding the implemented policies. The potential stages of implementation are outlined as follows:

Stage 1: Identify tasks and responsibilities, ensuring alignment with stakeholder needs.

Stage 2: Identify suitable indicators that align with organizational strategy and stakeholder satisfaction, and prioritize these performance indicators using the Analytic Hierarchy Process (AHP).

Stage 3: Implement a pilot project within a limited segment of the organization.

Stage 4: Assess the outcomes of the pilot project and implement ongoing enhancements.

For instance, in the context of Komdigi, if an organization aims to enhance the efficiency of digital services, an indicator may be established based on operational efficiency, while simultaneously assessing its influence on user satisfaction with these services.

5. Conclusion

Performance management in ministerial organizations necessitates an approach that encompasses not just the attainment of internal metrics but also the engagement of stakeholders throughout the entire process. This study has examined the potential amalgamation of KBPMS and Performance Prism to develop a performance management system that is more adaptable and sensitive to the requirements of public sector enterprises. The analysis results indicate that Performance Prism offers a robust framework for identifying and comprehending the relationship between organizations and stakeholders, whereas KBPMS presents a hierarchical analysis approach that aids ministerial organizations in identifying more pertinent and strategic performance indicators.

The integrated framework of the performance prism and KBPMS constitutes a performance management system that prioritizes internal management efficacy while simultaneously addressing stakeholder interests. The amalgamation of the two frameworks is referred to as the Integrated Stakeholder & Knowledge Based Performance Framework (ISKPF). This framework's model integrates the perspectives of the two frameworks, as detailed in the subsequent table:

Table 6: Perspective ISKPF Framework

ISKPF Perspective	Definition	Description
Stakeholder Satisfaction and Contribution	Integration between Stakeholder Satisfaction & Contribution Perspective on Performance Prism Framework and Organizational Output on KBPMS	This perspective is a starting point regarding the target of how the ministry can meet the needs of its stakeholders.
Strategy & Internal Process	Integration between the Strategy perspective in the performance prism framework and Internal Processes in KBPMS	This perspective will show the alignment between the strategy of the ministry and the operational processes within the organization.
Resource Capability	Integration between the Capabilities perspective in the performance prism framework and resource capabilities in KBPMS	This perspective will show the capabilities of existing resources to support internal strategies and processes.
Monetary Assistance	Integration between capabilities in the performance prism framework and financial support in KBPMS	This perspective shows how financial support will affect the resource capabilities of the organization.

By integrating these two frameworks, the ministry's performance management can be enhanced by ensuring that the performance indicators account for both internal organizational efficiency and stakeholder expectations and contributions. This integration facilitates more systematic performance management through the Analytical Hierarchy Process (AHP) to prioritize indicators, with a continuous improvement evaluation method. Visualization of ISKPF is shown in the following figure.

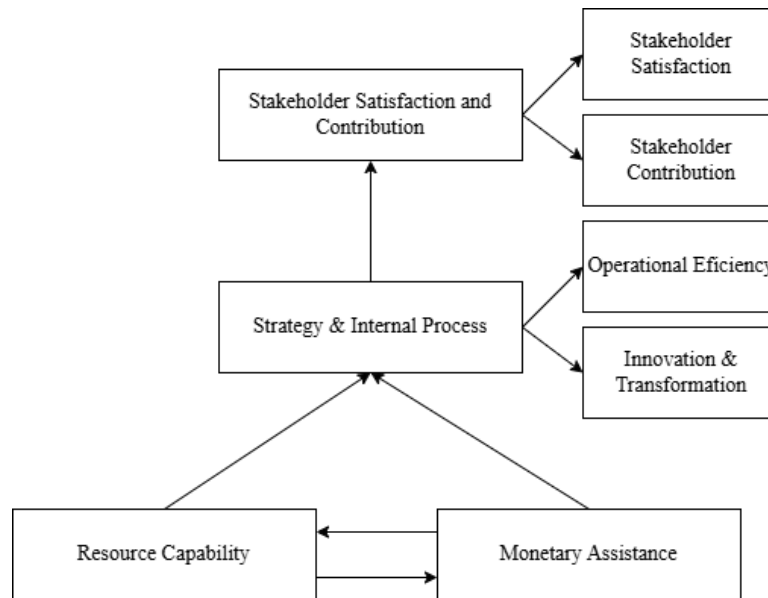


Figure 6: Conceptual Model ISKPF Framework

The ministry must navigate multiple strategic phases to execute this merger. The ministry has to first determine the connection between organizational objectives and stakeholder interests through the stakeholder analysis methodology from Performance Prism. The ministry must develop balanced performance measures that integrate internal components of KBPMS with stakeholder satisfaction and contributions from Performance Prism. Third, a perpetual implementation and assessment process is conducted to guarantee that the approved framework can adjust to alterations in the strategic environment and governmental legislation. The final strategic phase that can enhance the preceding three stages involves the advancement of human resources and information technology systems, which can facilitate firms in managing their performance management systems more efficiently and effectively.

This work has enhanced scholarly discourse on performance management in the public sector; nonetheless, numerous limitations must be acknowledged. This study is confined to a single ministry organization, specifically the National Directorate of Infrastructure Digital (NDID); hence, additional research is required to assess the applicability of this integration approach in other ministries or institutions with distinct features. Moreover, obstacles in executing this integration, including constrained human resources, managerial commitment, and technology preparedness, require additional focus in forthcoming study.

Given the escalating complexities surrounding accountability and effectiveness in the public sector, an integrated methodology utilizing Performance Prism and KBPMS may serve as a more pertinent alternative for achieving the ministry's strategic objectives aligned with stakeholder interests. Consequently, the primary suggestion of this study is the gradual implementation of this integration model, commencing with a pilot project in select work units prior to broader application within the ministry context.

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