

5. Increasing clean and healthy behavior in the household level.
6. Fulfill medical workforce in the lagging, remote, border and outer area.
7. Implementing non-infectious disease control program.
8. Implementing minimum service standard at the district/city.

The strategy further turned into performance variables that will be elaborated in the integrated performance management system framework. In the integrated performance management system framework, each performance variable is designed according to the perspective that presented in Table 7. Furthermore, the linkage between performance variables in each perspective will be illustrated in Figure 3., the benchmarking will be described in Table 8. and Table 9.

Table 7. Ministry of Health Performance Variable

| KPI No. | Perspective | Aspect | Performance Indicator | Unit | Target | Actual | Performance (%) |
|---------|-----------------------|--|--|---------------------|--------|--------|-----------------|
| KPI 1 | Organizational Output | Non-Financial | Percentage of maternity mother who helped by trained health personnel | % | 90 | 90.89 | 100.99 |
| KPI 2 | Organizational Output | Non-Financial | The percentage of coverage of the first neonatal visit | % | 90 | 96.72 | 107.5 |
| KPI 3 | Organizational Output | Non-Financial | The percentage of babies body weighed | % | 85 | 80.6 | 94.8 |
| KPI 4 | Organizational Output | Non-Financial | The percentage of new cases of TB that cured | % | 88 | 89.5 | 101.7 |
| KPI 5 | Organizational Output | Non-Financial | The number of health care facilities (hospitals and clinics) that meet standard infrastructure, and health equipment | Health care number | 594 | 1300 | 218.8 |
| KPI 6 | Organizational Output | Non-Financial | The percentage of the population has health coverage | % | 80.1 | 81.28 | 101.47 |
| KPI 7 | Organizational Output | Non-Financial | The percentage of households that implement PHBS | % | 70 | 56.6 | 84.71 |
| KPI 8 | Organizational Output | Non-Financial | Percentage of the provinces have no smoking area regulations | % | 100 | 100 | 100 |
| KPI 9 | Organizational Output | Non-Financial | Percentage of district/cities that have minimum health budgets 10 percent from the APBD in the achievement of SPM | % | 100 | 48.87 | 48.87 |
| KPI 10 | Organizational Output | Non-Financial | Number of deaths during a certain period | Number | 0 | 0 | 0 |
| KPI 11 | Organizational Output | Non-Financial | Position of the league table | Position | 0 | 0 | 0 |
| KPI 12 | Internal Process | Innovation | Number of products/intervention models/prototypes/standard/formula the results of research and development in health | Number | 54 | 61 | 112.96 |
| KPI 13 | Internal Process | Operation process | The number of cities that have world class standards hospitals | City | 5 | 11 | 220 |
| KPI 14 | Internal Process | Operation process | Percentage of health facilities which have appropriate human resources standards | % | 80 | 85 | 106.88 |
| KPI 15 | Internal Process | Operation process | The number of pos kesehatan desa (Poskesdes) operates | Number of Poskesdes | 58500 | 55517 | 94.9 |
| KPI 16 | Internal Process | Operation process | The number of health care workforce harnessed and given incentives in DTPK | Number | 7020 | 7491 | 106.7 |
| KPI 17 | Internal Process | Operation process | Percentage of medicines and vaccines availability | % | 100 | 100.51 | 100.51 |
| KPI 18 | Internal Process | Operation process | Total amount of energy consumed from all sources in operation process | Number | 0 | 0 | 0 |
| KPI 19 | Internal Process | Operation process | Average time to respond suggestions and feedback | Day | 0 | 0 | 0 |
| KPI 20 | Internal Process | Operation process | Government satisfaction survey | % | 0 | 0 | 0 |
| KPI 21 | Resources Capability | Human resource | Number of the inspection/audit of safety program hazards of enforced compared to plan per year | Number | 0 | 0 | 0 |
| KPI 22 | Resources Capability | Technology and infrastructure resource | Percentage of personnel administration managed through the system of staffing services | % | 70 | 84.45 | 115 |
| KPI 23 | Resources Capability | Technology and infrastructure resource | Procurement percentage of using e-procurement | % | 90 | 89 | 98.9 |
| KPI 24 | Resources Capability | Organizational resource | Percentage of provincial and district/city that has a health data bank | % | 76 | 79.79 | 105 |
| KPI 25 | Resources Capability | Organizational resource | Percentage of work units that have implement accountable administration | % | 100 | 100 | 100 |

● To be Decided in the Meeting/New KPI (source: Wibisono, 2011) ● Not Met the Target (89% Below) ● Met the Target (90-100%) ● Exceeded Target (>100%)

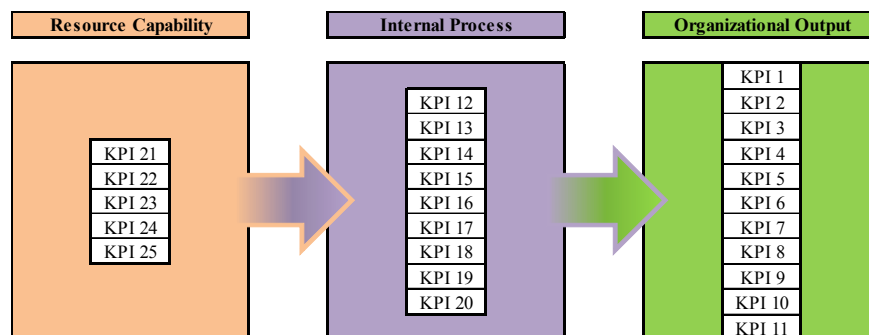


Figure 3. Ministry of Health Performance Variable Linkage

Table 8. Ministry of Health Strategic Objective Benchmark With U.S. Department of Health and Human Services

| United States of America | Indonesia |
|--|---|
| Trade and Investment: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs | Increasing Export Growth of Non-Oil and Gas Commodity Price stabilization of the staple product Price disparity decrease between province |
| Innovation: Foster a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness | Export Market Diversification Export product diversification Image improvement of the export product |
| Environment: Ensure communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment | n/a |
| Data: Improve government, business, and community decisions and knowledge by transforming Department data capabilities and supporting a data-enabled economy | Increasing role and ability of the diplomacy in international trade Domestic trade licensing simplification Simplification of licensing foreign trade |
| Operational Excellence: Deliver better services, solutions, and outcomes that benefit the American people | Increase in the output of the trade sector Infrastructures development of trade distribution |

Table 9. Ministry of Health Performance Variable Benchmark With U.S. Department of Health and Human Services

| United States of America | Indonesia | United States of America | Indonesia |
|---|--|--|---|
| Ensure access to quality, culturally competent care, including long-term services and supports, for vulnerable populations | The number of pos kesehatan desa (Poskesdes) operates | Enhance access to and use of data to improve HHS programs and support improvements in the health and well-being of the American people | Percentage of provincial and district/city that has a health data bank |
| Improve health care and population health through the meaningful use of health information technology | n/a | | Percentage of district/cities that have minimum health budgets 10 percent from the APBD in the achievement of SPM |
| Accelerate the process of scientific discovery to improve health | n/a | Invest in the HHS workforce to help meet America's health and human service needs | Percentage of health facilities which have appropriate human resources standards |
| Foster and apply innovative solutions to health, public health, and human services challenges | Number of products/intervention models/prototypes/standard/formula the results of research and development in health | | The number of health care workforce harnessed and given incentives in DTPK |
| Advance the regulatory sciences to enhance food safety, improve medical product development, and support tobacco regulation | Percentage of the provinces have no smoking are regulations | | Percentage of personnel administration managed through the system |
| Increase our understanding of what works in public health and human services practice | n/a | Improve HHS environmental, energy, and economic performance to promote sustainability | Percentage of work units that have implement accountable administration |
| Improve laboratory, surveillance, and epidemiology capacity | n/a | n/a | Procurement percentage of using e-procurement |

Stage 3: Implementation

1. Current Performance Management System

Ministry of Health is implementing disintegrated performance management system, this situation lead to a inter-Ministerial conflict, and friction between Ministerial-subordinate level such as the general secretariat, directorate, general inspectorate, echelon, the supporting units and the entity under the Ministerial level. Moreover, the Ministries in Indonesia is simply adopt a performance management system without adapting the performance management system, besides, the key success of the performance management system implementation based on the sense of belonging to the system, work culture changes, and the design of the integrated performance management system. The integrated performance management system will be adopted because the conceptual framework is needed by the ministries contextually. To adopt integrated performance management system framework Ministry of Health should adopt the current performance management system that has been imposed to be able to produce a significant improvement.

2. The report should be supported by the Performance Management System

The report be supported by the new Performance Management System is defined at the beginning of the design. Specifications of the report is sorted by the purposes; minister, echelon, or tasks forces. Each level has a different regarding the depth, detail, and the time period of report. The report supported by a new performance management system is designed that it can be communicated immediately and connected in terms of both performance information and decision-making aspects. The report should be supported by the new performance management system will be illustrated in Table 10.

Table 10. Ministry Report Handling

| No. | Document | Organization Unit | Delivery Period | Document Period | Distribution | Carbon Copy | Explanation |
|-----|-----------------------------------|-------------------|--|-----------------|--|--------------------------------------|--|
| 1 | Key Performance Indicator | Ministry | Before Ministry's Strategic Plan Preparation | 5 Years | KemenPAN-RB | Inspectorate and Secretariat General | In the event of significant changes in the internal and external environment in the current year, the Ministry KPIs, Ec unit I / II, may be revised. |
| | | Echelon I | Before Ec I Strategic Plan Preparation | 5 Years | Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon II | Before Ec II Strategic Plan Preparation | 5 Years | Echelon I | Inspectorate and Secretariat General | |
| 2 | Strategic Plan | Ministry | 4- 5 months after president election | 5 Years | BAPPENAS, KemenPAN-RB | Inspectorate and Secretariat General | In the event of significant changes in the internal and external environment in the current year, the Ministry and Ec unit I / II strategic plan may be revised. |
| | | Echelon I | 5 months after minister election | 5 Years | Minister/undersecretary | Inspectorate and Secretariat General | |
| 3 | Performance Plan | Ministry | On July week IV year before | Annually | BAPPENAS Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon I | On July week II year before | Annually | BAPPENAS | Inspectorate and Secretariat General | |
| 4 | Performance Contract | Ministry | March week II | Annually | KemenPAN-RB Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon I | February week III current year | Annually | Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon II | February week I current year | Annually | Echelon I | Inspectorate and Secretariat General | |
| 5 | Performance Accountability Report | Ministry | 15 March next year | Annually | KemenPAN-RB Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon I | 30 March next year | Annually | Minister/undersecretary | Inspectorate and Secretariat General | |
| | | Echelon II | 31 March next year | Annually | Echelon I | Inspectorate and Secretariat General | |
| 6 | Monthly Report | Echelon I | Next Month | Monthly | Minister/undersecretary | Inspectorate and Secretariat General | |

3. Performance Management System Socialization

The performance management system designed for the Ministry will be useless if not socialized intensively. Socialization is vital because there is a gap between the minister with subordinates in terms of knowledge and thoughts about the duty. In this socialization process, the understanding of subordinates is always being checked regularly by their leader/coordinator, considering possibility of vision, mission, strategies, and work program change.

Table 11. Performance Management System Socialization Plan

| Organization Unit | Person in Charge | Media | Duration |
|-------------------|--|--|----------------------------|
| Ministry | KemenPAN-RB, Minister/undersecretary, Consultant | Online system, meeting, telegraph | Every month in 1 year |
| Echelon I | Minister/undersecretary, Consultant | Online system, meeting, telegraph | Every 2 weeks in 1 year |
| Echelon II | Echelon I, Consultant | Online system, meeting, telegraph, poster, leaflet | Every 2 weeks in 1 year |
| Work Unit | Minister, Echelon I/II, Consultant | Online system, meeting, telegraph, poster, leaflet, workshop, seminar. | Every week in 1 year |

4. Analysis of Benefit to Cost Ratio

Analysis of benefit to cost ratio is required to determine whether the application of integrated performance management system will provide significant benefit to the Ministry. The Ministry of Health has a "B" category according to Ministry of State Apparatus Exertion and Bureaucracy Reform (www.menpan.go.id). The "B" category means that the 5 ministry has a 61-70 score index which has a good accountability, but need an improvement in the performance management system (inability to define performance, inability to develop performance indicator, inconsistencies between planning and budgeting). As an assumption, the implementation of integrated performance management system will costs Rp. 20,000,000,000.00 (infrastructure, software development, consultant, expert, seminar, workshop, socialization, document adjustment, etc.) on each ministry and integrated performance management system can gain up to 25% the performance of the Ministry. The score index for each ministry after the implementation will reach 81.25 (the median score index for current performance multiplied by performance escalation percentage) which is reach "A" category. The "A" category means that the Ministry has a satisfying performance and very accountable, so the ministry has a benefit/gain in performance trillions of rupiah annually and can achieve its vision in 2025 without need to making improvement on the system anymore. Analysis of benefit to cost ratio should be done to a poor performance in a variable on each ministry, it is necessary to determine which performance variable will be improved so it can provide significant benefits for every Ministry.

5. Training

Performance management system is a new understanding for Ministry of Health; therefore it is necessary to conduct training in the implementation of performance management systems in accordance with the needs of the Ministry. Training can be either a general understanding of the integrated performance management system or the tools that can be utilized in the implementation of performance management systems. The selection of training providers is very important in this case, because not all the training providers having competence in designing and implementation process of integrated performance management system.

6. The resource allocation within the context of integrated performance management system is the responsible party for variable measurement, evaluation, diagnosis, and decision maker to the problem occurred. Resource allocation is important because there should be an independent party to obtain the objective-results from the evaluation and diagnosis to get relevant repair process. Process of measurement, evaluation, and diagnosis would be better if it is supported by a computerized system to avoid time and budget wasted, because the performance management system is only a tool to help the decision making.

Table 12. Ministerial Level Resource Allocation

| Organization Unit | Measurement | Key Performance Indicator |
|-------------------|---------------------|--------------------------------------|
| Ministry | Strategic Objective | Objective Performance Indicator |
| Echelon I | Program | Program Performance Indicator |
| Echelon II | Action | Action Performance Indicator |
| Work Unit/Ec III | List of Action | List of Action Performance Indicator |

7. Display

Publishing performance data to the stakeholders will help the Ministry to be able to determine the each performance position of and will increase competition. With the publication of the data is expected the cooperation and positive competition both between ministries and between stakeholders. Ministry’s performance data must be published to the stakeholders in a form that is easily understood, attractive, and can be measured, because of that, quantitative data should be presented to reflect the performance of the ministry. Presenting data using graphic displays can be used to communicate the performance data of each Ministry, meanwhile, to facilitate stakeholders to understand and compare the performance with a more attractive, spider-web diagrams can be used in the presentation of the data as will illustrated in Figure 4.

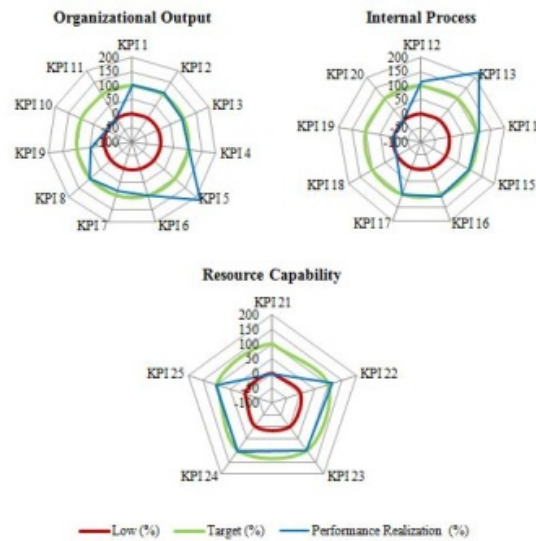


Figure 4. Ministry of Health Display

Each performance indicator has a different meaning, depend on the Ministry angle of view, as an example, negative value doesn’t mean that the achievement is bad, but it is represents the reversibility achievement of the performance indicators, the zero value does not represent a bad achievement because it is a new performance indicator, although, the performance indicator value that exceeds the target doesn’t always reflecting a good performance, because it could be happen due to low targeting or lack of designing performance indicators. However, by displaying the entire performance of the ministry, it is expected that competition for the better is happen, improving spirit to produce an excellence performance and encourage cooperation in building synergy between Ministries.

8. Process Modification

In the implementation of integrated performance management system, the Ministry can perform modification process to the performance management system that has been applied previously. Modification process is recommended in order to facilitate the implementation of integrated performance management system without the need to design the performance management system of the Ministry from the beginning. The modification process can be done at any step; it is from the measurement, evaluation, diagnosis and follow-up.

9. Performance Measurement

Performance measurement is the starting point in Ministry’s performance management and the analysis can be made from the results. Performance measurement result illustrates the difference between performance realization with the target but does not provide the guidance to the gap occurred and solution to the gap.

10. Performance Evaluation

Performance evaluation is performance assessment compared with the plan or standard agreement. At the performance evaluation, the performance standard should be established as a standard for the benchmarking, that can be done internal or externally. Internal benchmarking can be done by considering best performance achieved by the Ministry, the past performance average in certain period, the performance of other department, the technical standards, and last year performance. Meanwhile, external benchmarking can be done by comparing with neighboring countries Ministry, Ministry in developed countries and the Ministries that have best practice in dealing with public policy. The most important thing in benchmarking on evaluation purpose is the standard taken have to be realistic and challenging, because if there is no incentive for improvement, the people in the Ministry would not improve their performance.

11. Performance Diagnosis

Performance diagnosis defined as the process of obtaining the causes of the deviation of the performance and find way to achieve the targeted performance. Performance diagnosis is not obtained by aligning the possibilities and qualitative explanations without supported by accurate data because the assumption often does not representing the whole possibility. Therefore, it is important to have a root-cause diagram for every variable so the possibilities can be derived scientifically by using factor analysis, correlation analysis, analytical hierarchy process, as well as other approaches. If the assumptions that are based on qualitative explanation are correct, the causal analysis will scientifically reinforce the opinion so it can be applied to the same case in the next period.

12. Follow-Up

There are two different aspects of the corrective action, technical and strategic aspects. Technical aspects carried out for the short term, for example, correction of the specific performance variables if a problem occurs at the work unit. Strategic aspects aimed at the ministerial level and long-term, for example, if the activity and performance indicators at the echelon II can not run, then the echelon I performance will be hampered, so the follow-up is required at the Ministerial level.

Stage 4: Maintenance and Update

Performance Management System that is designed have to be dynamic and have always kept up to date relating to the competitive environment changes, regulation, stakeholder demand, community needs, technology development, performance standards attainment and the latest methods of performance management system.

Wibisono (2012) stated that in addition to keeping-up designed performance management system, leadership, commitment, and stakeholders involvement should be maintained, which is basically to keep the spirit to always being excellence. Below are some things that should be kept in order to be excellence and updated:

1. Inspiring and transformational leadership.
2. Commitment from entire organization.
3. Stakeholder involvement.
4. Communicate measurement, evaluation, diagnosis, and follow-up process.
5. Feedback from all stakeholders to evaluate what has been implemented.
6. Resources availability.
7. Learning and growth occur must be adapted to technological development.
8. Continuous scanning the internal and external environment to identify opportunities and challenges.
9. The implementation should focus to the goal.
10. Focus on organization capacity to support the process can be efficient and effective.

V. RESULT AND RECOMMENDATION

Based on the analysis describe, the best performance management system to be implemented in the Ministry of Health is integrated performance management system. To make sure that the proposed performance management system can provide solution to the problem, can be compared the performance management system differences before and after the implementation of integrated performance management system framework using 4 guiding principles and 5 rules. The comparison between 2 frameworks will be illustrated in Table 13 and 14.

Table 13. Guiding Principle Comparison

| | Before IPMS | After IPMS |
|------------------------------------|---|---|
| Partnership | Absence of partnership among stakeholders, where performance variables of the Ministry is set according the framework used. | Emerge the partnership because IPMS deliver the same and integrated framework. |
| Empowerment | Performance target oriented. | System oriented that will encourage stakeholders to improve performance |
| Integrated Performance Improvement | Integration of performance measurement through SAKIP. | Variable linkage (intra- and extra Ministry), benchmarking, and the linkages between ministerial duties, vision, mission, strategy and performance variables. |
| Independent | Centralize performance measurement. | Stakeholders involvement in arranging performance indicator (decentralize). |

Table 14. Rules Comparison

| | Before IPMS | After IPMS |
|-------------------------|--|--|
| Easy to Understand | Have not used standardized and simple performance management system. | Using a framework to facilitate each party know its responsibility and make them easy in understanding the concept of IPMS. |
| Long-Term Oriented | Framework used only based on the interests of each Ministry and if there is a leader change, the framework will also change. | The system is build based on the vision, mission and integration based on the stakeholders' interests, so it can be used for a long term period. |
| Time Based | Performance measurement is done inconsistently, depending on the Ministry situation. | Standard and integrated system make it easier to control and making a continuous improvement |
| Sustainable Improvement | Do not use feedback that can be used for making continuous improvement. | Using performance variables linkage and benchmark that can foster continuous improvement. |
| Quantitative Approach | Using quantitative approach. | Using quantitative approach. |

In order to achieve positive change that desired by the Ministry, there should be a structured implementation plan so the new performance management system can work precisely, on time and on budget. The integrated performance management system implementation plan according to stage 3 in the framework will follow the scheme in Figure 5.

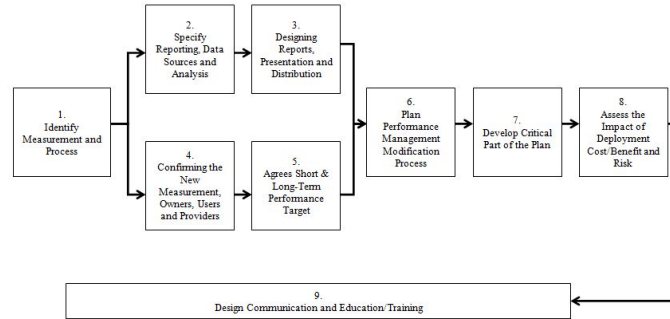


Figure 5. Implementation Plan Scheme

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BIOGRAPHY

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Dermawan Wibisono is a professor in School of Business and Management ITB specialties in corporate performance management, received his bachelor of Industrial Engineering from ITB in 1989. He earned Master of Engineering from Royal Melbourne Institute of Technology, Australia in 1999. His Doctoral degree is in performance management from University of Bradford, the United Kingdom in 2003.