“Does the implementation of a formal performance management system improve employee performance? Perspectives from Indonesian civil servants.”

This thesis is presented by Halim Nuswantoro (773590) to the Melbourne School of Government in partial fulfilment of the requirements for the degree of Master of Public Administration, Faculty of Arts, The University of Melbourne.

Supervisor: Janine O’Flynn
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THESIS DECLARATION

STUDENT

I hereby declare that this thesis comprises my own original work and does not exceed 10,000 words.

(Student’s signature)

SUPERVISOR

I hereby declare that I have approved this thesis for submission.

(Supervisor’s signature)
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Abstract

Recently, a new individual performance management system (PPKP) was introduced within the Indonesian civil service system. The purpose was to stimulate employees’ performance which was expected to have a great impact to improve the quality of Indonesian public service. As such, the primary aim of this thesis is to examine whether the implementation of the individual performance management system may improve employees’ performance by analysing perceptions of Indonesian civil servants towards the ideal view and actual experience in PPKP.

This thesis is an exploratory study which combines a review of the literature on performance management frameworks, including relevant empirical evidence across countries and Indonesian context, with the primary data of Indonesian civil servants’ perspectives from the survey. The survey uses the Australia Awards Scholarship awardees civil servants as the sample of the population. The findings focus on four specific themes: goal-setting, feedbacks, motivational instruments and leadership as they have been shown to be fundamental to performance management system practice both in global and Indonesian context.

This thesis contributes to the performance management literature, particularly in the Indonesian context. It also provides understanding of the implementation of the new individual performance management system and how it compares to previous approaches, drawing on the actual experience of civil servants. Our findings show a significant gap between the ideal view of performance management and actual experiences of the respondents. Our findings also confirm the importance of the four highlighted themes within the performance management system. This thesis highlights insights and ideas from respondents and points to a number of areas that the government and may want to focus on to improve performance management practice.
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CHAPTER ONE: INTRODUCTION

I.1. Introduction

The issue of performance management (PM) has long been an important topic both in public and in private sectors with the aim of seeking methods and instruments that can improve the performance of individuals, organisations, and programs (Talbot, 2007, 2010). However, it has been argued that government areas be much more complex and multidimensional in nature; therefore, measuring and managing performance is more challenging than in private sector (Mintzberg, 1996). Because there is a strong argument that managing individual performance can greatly affect the organisational performance, a focus on individual performance management has been key to public sector reform in many countries (Klitgaard and Light, 2005; Blackman, et.al., 2012; De Waal, et.al., 2015).

The Indonesian civil service has undertaken substantial reform in recent years to modernise individual performance management (IPM) as a part of a larger bureaucratic reform. After nearly forty years of using “the list of work assessment” (DP3)\(^1\), the Indonesian government introduced the individual achievement measurement system (PPKP) through The Government Regulation No.46/2011 (PP46/2011) followed by The Regulation of the Head of National Civil Service Agency No. 1/ 2013 (PerkaBKN1/2013). The reform responded to the perception that the previous approach did not yield precise and accurate information about civil servant’s performance. In contrast to the DP3, the PPKP emphasises alignment between organisation’s strategic objectives with the individual performance goals and matching them with a systematic merit-based employee development and career path system (PP46/2011, article 1, 2, and 4).

Existing studies of PM in Indonesia have shown that some ministries lacked management support and faced employee resistance, including the lack of understanding and performance dialogue between supervisors and employee (Meliyanti, 2015). Other agencies already had more sophisticated approaches and have been reluctant to move to the

\(^1\) Government Regulation No.10/ 1979 (Indonesia); Head of the National Civils Service Agency Circulated Letter No.02/SE/1980 (Indonesia)
system (Budiarso, 2014). In more successful agencies some important characteristics have been identified: the importance of feedback, remuneration instruments and leadership (Budiarso, 2014). There is considerable variance in the adoption of the new system, but there is increasing pressure on agencies to converge on the new approach as part of the larger program of bureaucratic reform.

While there has been considerable discussion of the performance management system (PMS) in Indonesia, there is limited information on how individual employees have experienced them, perceptions of their effectiveness, and their impact on individual performance. The purpose of this study is to explore these issues and, in particular, to explore four important PMS themes: goal-setting, feedback, rewards mechanisms, and leadership.

1.2. Research Problem and Research Questions

The aim of this thesis is to examine whether the implementation of the new individual PMS (IPMS) may improve employees' performance by analysing perceptions of Indonesian civil servants towards the implementation of PPKP. The primary research question of this thesis is: Do formal PMSs improve employee performance in public sector organisation? Six sub-questions underpinned this exploration.

1) Do civil servants value PMSs?
2) Does the PMS provide for consistent and periodic discussions between supervisors and employees?
3) Does the PMS align the employees’ performance goals with the organisation’s strategic goals to provide clarity for employees to perform?
4) Does the PMS provide positive and constructive feedback for use in improving the employees' performance?
5) Does the PMS provide an objective reward and punishment mechanism to stimulate the employees' performance?
6) Is the implementation of PMS efficient and effective?

These questions were examined through an in-depth analysis of data from a survey of Indonesian civil servants and then compared to existing empirical studies across countries and Indonesian context.
I.3. Significance of the study

This research is significant in three ways:

1) There is limited empirical research exploring Indonesian PM. This study provides a valuable contribution to our understanding of PM and IPMS in this context.

2) PPKP is relatively new, and there have been few studies to date. Findings from this study will help us to understand the implementation of new IPMS and how it compares to previous approaches.

3) Results from this study will further add to our knowledge on how civil servants experience IPMSs.

I.4. Thesis structure

To address the research questions and to develop our understanding PM in Indonesia the thesis is structured as follows. Chapter two delineates the IPM framework along with existing empirical studies. In particular, this chapter will explore the role of four major elements, i.e. goal-setting, motivation, feedback and leadership.

Chapter three sketches the story of PM practice in Indonesia civil service system. It covers the challenges and lesson learned from existing studies in the implementation of PM in Indonesian. Chapter four sets out the research design and methods and includes information on the survey and respondents.

The findings of this research are elaborated in chapter five. Chapter six provides detailed discussions of the findings, placing them in the context of the existing theoretical and empirical knowledge. Chapter seven sets out the conclusion and includes a discussion on the research questions emerged, key findings, limitations, and suggestions for future research.
II.1. Introduction

PM can serve various managerial purposes (Behn, 2003). In particular, a focus on IPM has been an integrated part of total PMS in many government agencies because the effectiveness of managing individual performance may positively impact the organisational performance (Klitgaard and Light, 2005; Blackman., et.al., 2012; De Waal, et.al., 2015). With many studies exploring individual performance, some of the primary objectives have been to prevent underperformance and to achieve high-performance (Klitgaard and Light, 2005; Klerman, 2005; de Bruijn, 2007; Van Dooren., et.al., 2010; Blackman., et.al., 2012; Armstrong, 2014, West and Blackman, 2015). A fundamental assumption of these studies is that managing individual performance well can drive improved organisational performance; the focus of this study is on IPM.

II.2. Performance and Performance Management Framework

Van Dooren., et.al. (2010) conceptualises performance as the quality of the performed actions and its impact. Meanwhile, Shields (2007, 20) emphasises three sequential areas which shape performance: inputs (employee competencies); throughput (processes to develop input); and output (transformed input via throughput, understood as the attempted
results) (Shields, 2007). O’Flynn (2015) in her basic performance thesis (see figure 2.1) seeks to map the assumed relationships between different parts of the performance story, including the adjustment process which links the performance appraisal result with the performance goals. It also maps the relationship between the reward and sanction mechanism which can motivate improved performance. Incorporating these concepts, this thesis underlines two important issues fundamental to managing performance: what and how to perform? And, how to improve performance?

PM is defined as ‘continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation’ (Aguinis, 2005, 2). Meanwhile, Shield (2007, 22) argues that ‘PM is regarded as a continuous, future-orientated and participative system; as an ongoing cycle of criteria setting, monitoring, informal feedback from supervisors and peers, formal multi-source assessment, diagnosis and review, action-planning and developmental resourcing. In particular, DeNisi, and Pritchard (2006, 255) concludes that ‘PM is a broad set of activities aimed at improving employee performance.’ In that regard, not only does PM cover the fundamental issues of performance, but more importantly, to achieve sustainable results, PM should be considered as a systematic process, which requires follow up to make it useful. Hence, Armstrong (2014) argues that PM should be integrated with the human resources management; therefore, it can be a powerful instrument to drive the culture change and achieve organisation’s strategic goals.

II.3. Fundamental principles in Performance Management

Given the conceptualization of performance and PM, understanding the key principles fundamental to PM’s effectiveness is paramount. This thesis is interested in four interrelated elements fundamental to PM: goal-setting, motivation, feedback, and leadership. They have also been important issues to the success and failure of PM implementation in Indonesian public sector
1) Goal-setting

The goal setting process is considered fundamental to PM because it can provide clarity for the employees in understanding what they have to do, not to do, or do differently (Latham and Arshoff, 2012). Locke and Latham (1990), the pioneer of goal-setting theory, argue that clear and challenging goals stimulate employees’ better performance. Goal-setting is the first process in the O’Flynn’s basic performance thesis (figure2.1) which determine how actors adjust their efforts and strategies to perform and meet their goals (O’Flynn, 2015; Latham and Arshoff, 2012).

Hughes (2003) suggests that strategy provides organisation’s direction which should be articulated into clear goals coherent with the routine activities. Further, having a clear organisation’s mission (which are often complex in public sector) can motivate people and can often increase employees’ performance (Caillier, 2014). Higher performance can help to build public trust towards government (Bouckaert and Halligan, 2008).

Many existing studies confirm that the challenge of goal-setting often emerges at the implementation of PM. For example, a Canadian study of federal and provincial departments found staff had a great difficulty in aligning the departments’ goals towards individual meaningful operational objectives, they didn't have ownership of the systems, they cared little for the overall vision, and saw PM as a bureaucratic exercise (Goh., et.al., 2014). In an Australian study of the federal public service, it was found that goal clarity to be one of the major issues for public servants (Blackman et. al. 2013). Another study of the federal public servants showed that articulating the goals into more quantity focus rather than quality focus upon the work outputs as one of the challenges in the implementation of PM (Taylor, 2015).

As such, goal-setting principle may emphasise three influential points: the coherency between the organisation’s strategic objectives and individual goals, determining appropriate activities or parameters to articulate the goals, and setting up the right targets of those parameters which may cover the balance between the quality and the quantity focus of the measurement.
2) Motivation

Verweire and Van Den Berghe (2004) noted that managing performance encompasses building commitment and motivation to achieve objectives. O’Flynn (2015) also highlights that motivation is important in improving performance. An essential foundation for these arguments is Vroom’s (1964) expectancy theory, which highlights three elements, expectancy, instrumentality and valence, and links them to individual’s motivation. Expectancy highlights that individual expect that what he/she performs aligns with what he/she accomplishes (Vroom, 1964). This factor may be driven by the individual’s control over what to achieve; therefore, ensuring individual competence fits with the performance goals is important (Kermally, 2005).

Instrumentality emphasises individual interest to perform with the expectation of rewards. So, if the performance measurement component can identify and differentiate the high achiever and underperformance clearly, it may be a primary driver of the instrumentality factor. Moreover, the transparency of reward and sanction process may have a greater effect of increasing the employee motivation (Shields, 2007). A study of cash rewards in US government agencies found that there may be a wide variety of motivational instruments, other than just monetary rewards, such as the provision of career path, secure tenure, promotion system, training and development program (Asch, 2005).

Lastly, valence underlines that beyond the instrumentality factor, personal goals may also drive employees’ motivation to perform (Pritchard and Sanders, 1973). Mento, Locke and Klein (1992) argue that achieving challenging goals instil a greater sense of pride, self-respect and therefore enhance the employee’s career prospect. In particular, career prospect may link the goal-setting and expectancy theory in PM, which often inherently linked to the human resource management at the organisational level. Therefore, Armstrong (2014) believes that goals setting process in PM should align the organisation’s strategic objectives with the individual interest.

Existing studies show there are many challenges related to the motivational instruments. It includes alignment of metrics, motivations and
rewards (Yang and Torneo, 2015), a lack of coherence between PM and rewards (McAdam., et al., 2005), and the poor link between performance and extrinsic rewards (Taylor, 2015). Given that, managing motivations is inevitably connected with the goal setting principle; therefore, it is important to align the strategic objectives, individual goals and the follow-up upon the performance information, to ensure the actor meets the goal and motivate them to perform better systematically.

3) Feedback

DeNisi and Kluger (1996; 1998) define feedback as a process of communicating the employee’s performance information. Feedback ensures employees understand what is expected of them, how they can improve and what their contributions to the organisation are. Favero et al. (2014) explored New York City schools and found that feedback is major elements to improve performance, along with setting challenging goals, stimulating employee trust and participation. Another study on municipal agency highlights that feedback and goal setting as the most influential factors to increase employees’ productivity (Olivero, et al., 1997). These findings may suggest that an IPM should not remain merely as a checklist process; instead, it should stress the importance of engagement with the employee. Therefore, Armstrong (2014) argues that a devoted time to engage with the employee and give them feedback underpins effective PM.

Nonetheless, there is considerable evidence which shows difficulties around the implementation of feedback in PM. Blackman, et al., (2012; 2014) examined the Australian commonwealth government state of the service reports in 2009 – 2011 and found that only around fifty percent of employees consider feedback may help them improve their performance. Brown., et al. (2016), who studied practising line managers, suggest that delivering feedback, especially negative feedback, is a complicated process which requires different “best fit” tactics to apply to the diverse range of employees. Therefore, feedback creates significant subjectivity and inconsistency within the system and highly depending on the capacity and the characters of the managers. Evidently, Kruger and Dunning (1999) highlight that managers may have a tendency to inflate their team’s
actual performance in qualitative information, therefore this particular bias adds to the feedback process’ complexity.

Many studies have shown that feedback is critical in PMS. In the US education sector, Hamilton (2005) found continuous feedback, including communicating the adjustment of performance goals and measurement technique are important areas for effective PMS. Similarly, Blackman, et.al. (2013) finds feedback process, including discussing the future career and identifying developmental needs as some of the most important views from their research participants. In Ghana, Ohomeng, et.al. (2015), highlights that the lack of performance dialogue triggered by lack of leadership encourage the “tick box” PMS. Given that, it is important to note that the feedback is fundamental to ensure the coherency of each process in PMS, including the goal-setting and follow-up process related to the motivational instruments, which eventually significantly rely on the leadership characteristic of the managers and supervisors of the employees.

4) Leadership

Greenberg & Baron (1997) define leadership as the course by which a person tries to influence other people to achieve the shared objectives. Leadership is important to themes above because effective leadership enhances the engagement process in developing goals, providing constructive feedback and motivating the employees to perform. Many studies show that leadership is critical to PM’s implementation. In his UK study, McAdam, et. al. (2005) found that lack of effective leadership has triggered a fear that PM will be an annual “tick and flick” formality. Similarly, in Ghana, Ohomeng, et.al. (2015) found the lack of effective leadership in the implementation of PM could not inspire the employee to participate in PMS actively. In Korea, Yang and Torneo (2015) found that cultural nuance has sharpened the concept of seniority, instead of leadership, which impeded an effective PM.

Changes to PMSs are often introduced as a part of reform agenda. Such changes seek to introduce new values such as merit-based system and ensure integration with human resource management strategies. As such, there may be a risk of resistance to change during the implementation of
PMS; therefore, the role of leadership is crucial to bridge the gap. Oreg, et.al. (2011) and Buick, et. al. (2015) suggest that effective leadership can be fundamental in articulating the reason for the change, its meaning for the employee and developing a support system for the employee to enhance their capabilities aligned with the organisation’s strategic direction. Given this situation, this thesis suggest that the transformational leadership will be important when seeking to use PM to drive reform because it may enhance supervisors’ capacity to act with vision aligned with organisation’s objective, to inspire and lead employee by example so that stronger PM engagement may happen and lead into an effective PM.

Transformational leadership (Burns, 1978) emphasises collaboration between leaders and followers to achieve a greater level of motivation and morale which enable them to perform beyond exceptional (Flynn, 2015). Further, Bass (1985) suggest that transformational leaders gain trust and loyalty from their followers because they can offer an inspiring vision to achieve which give them identity and pride. This idea fits well with the goal-setting process in PM where ideally the supervisors and employees engage in a discussion to develop and negotiate the goals to achieve together. It also fits well with the importance of valence in the expectancy theory because transformational leaders can inspire the employees in setting challenging goals that instil their pride to stimulate their performance.

Many studies show that transformational leadership positively influence performance. In Taiwan, Li and Hung (2009) found that transformational leadership enhances employees’ higher levels of task performance. Meanwhile, Moynihan, et.al. (2012) who studied city managers, highlights transformational leaders are capable of providing goals clarity and convincing the employees to participate in PM activities actively. Given that, transformational leadership should underpin each process of PM which may boost the themes above: goal-setting, motivation and feedback.

In summary, these four issues are interconnected elements fundamental to PM. The goal-setting process provides a baseline for the actors to perform, while motivation elements may enhance the actors to achieve goals or perform beyond goals. Feedback process spreads across the
story of O’Flynn’s basic performance thesis (figure 2.1), to align the understanding of PMS between supervisors and employees. It also triggers necessary engagement to seek the balance between the agency’s strategic objectives and individual interest in achieving better performance sustainably. Lastly, transformational leadership is critical to inspire and drive the actors to participate in the PMS. Transformational leaders articulate organisation’s strategic goals, effectively communicate feedback and maintain employees’ motivation through positive engagement, which may result in improved performance.
CHAPTER THREE: PERFORMANCE MANAGEMENT SYSTEM IN INDONESIA: FROM DP3 TO PPKP

III.1. Introduction

In Indonesia, it has been argued that civil servants were used as a political tool to serve the interest of Soeharto’s political alliance during his thirty-two years of presidential regime; hence, Indonesian bureaucracy had been corrupt and public service quality has been neglected (Hartini, 2009; Budiarjo, 2008; Hamad, 2004). Internally, the practice of collusion and favouritism within the civil service career path system has played an important role; therefore, many people who stay within the civil service system may have a tendency to do what the boss want to advance their career (Farisi, 2017; DetikNews, 2008, 2009). The main causes of those issues can be the absence of ideal performance measurement instrument which triggers unclear standard of performance concept within the civil service system. As such, PM has been one of the important focuses of Indonesian reform agenda.

It took more than ten years since merit-based PM was to be introduced into the civil service career path system in 1999\(^2\), when the new IPMS (PPKP) was eventually introduced through The Government Regulation No.46/2011 (PP 46/2011) followed by The Regulation of the Head of National Civil Service Agency No. 1/ 2013 (PerKaBKN 1/2013). One of the primary factors of that delay was the lack of institutional commitment, which was also seen as the main reason for the slow pace of bureaucratic reform in Indonesia (Nurhasni, 2015). Political intervention is argued to be other factor impeding IPMS’s development in Indonesia (Hadiati, 2010)

III.2. The list of work activities assessment (DP3) versus PPKP

PPKP was developed to replace the DP3 approach. DP3 was seen to be inadequate because it has never been relevant to address the actual employees’ performance, let alone using its performance information as the input to rewards, sanctions and develop the employees. In undertaking an analysis of DP3, based on the existing PM literature, it is possible to point to three problematic areas. In the design of PPKP, these were

\(^2\) The Government Regulation No.43/ 1999 (Article 20 and the explanatory notes) mandated that merit-based PM was to be introduced into the civil service career path system.
intended to be addressed. Table 3.1 explains the comparison between the implementation of DP3 and PPKP on three selected themes.

Many studies discovered that those lists of DP3’s deficiencies had established a strong perspective that DP3 as merely compliance exercise; hence DP3 has never been seen as useful tools to improve employees’ performance, let alone the organisation’s (Koroh, 2017; Priyono, 2013; Kuspriyomurdono, 2012).

**Table 3.1 DP3 vs PPKP in selected themes**

<table>
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<th>Performance Measure (Goal – Setting)</th>
<th>DP3</th>
<th>PPKP</th>
<th>Sources</th>
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| • Measured by **100% behaviour criteria** (loyalty, performance achievement, responsibility, obedience, honesty, cooperation, initiatives and leadership) | Measured by • **60% actual performance** (align the performance goals with the organisation's strategic planning and annual activity planning) • **40% behaviour criteria** (service-oriented level, integrity, commitment, discipline, cooperation, and leadership) | PP46/2011

<table>
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<th>Feedback process</th>
<th>DP3</th>
<th>PPKP</th>
<th>Sources</th>
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| • Annual ratings report are submitted by the end of the year, with **minimum performance dialogue**. | **Participative element** underpins the implementation of PPKP, encouraging an active engagement of performance dialogue between supervisors and employees. (Article 3. PP46/2011) | PP46/2011
Koroh, 2017; Meliyanti, 2015; Priyono, 2013; Kuspriyomurdono, 2012 |

<table>
<thead>
<tr>
<th>Link with motivational instruments</th>
<th>DP3</th>
<th>PPKP</th>
<th>Sources</th>
</tr>
</thead>
</table>
| • There is **no clear link** between DP3 and human resource management system. • Many promotion and demotion are based on favouritism. | • **A fair performance measurement and merit-based career path system** underpin PPKP. (Article 2 & 24. PP46/2011) • **Civil Service Act No.5 2014 aligns** between civil service management system and employees performance with (Article 4) | Civil Service Act 5/2014
PP46/2011
Koroh, 2017; Meliyanti, 2015; Priyono, 2013; Kuspriyomurdono, 2012 |

As such, if there is a significant gap between the implementation of PPKP and its ideal design, similar “tick and flick” phenomenon may arise. This situation is a reflection a perverse incentive of a compliance-based approach in implementing PM which stimulates a short-term focus in completing the administrative requirement of PMS but in the long term, the
employees do not have the grasp of the real meaning of it (West and Blackman, 2015; Blackman, et. al., 2015, 2017)

III.3. Early implementations of PPKP

PPKP has been in active motion since 2014, and existing studies point to challenges and lessons. Meliyanti (2015), who explored Ministry of National Education (MoNE), concluded that MoNE top leaders lack comprehension of PM concept; hence it led to the blind commitment of PPKP implementation. Further, it prevented an effective engagement between supervisors and employee, particularly in developing performance goals and communicating performance result (Meliyanti, 2015). Another study, Koroh (2017) identified the issue of gaming, triggered by a culture of increasing employee grades. It was a common practice during the DP3 era. It encouraged employees to identify easily achievable performance goals and target which are conveniently endorsed by the supervisor. She also identifies that there is a lack of motivation in implementing PPKP in the case that the employee does not have any potential benefits to get any development program (often the employee who near their civil service tenure) (Koroh, 2017). A potential impact of this compliance culture is that PPKP might end up as nothing but an administrative burden.

Some studies point out more positive experiences; For example, Budiarso (2014) showed that a strong leadership commitment drives the change of PMS in Ministry of Finance (MoF). Another example, in DKI Jakarta local government, a drastic improvement regarding the discipline of the PPKP implementation may be driven by its highly spirited reformist governor, Ahok. In particular, both top leaders in MoF and DKI Jakarta also introduced a significant remuneration package and a radical merit-based promotion/ demotion system (Kemenkeu, n.d, 2011, 2012, Ariyanti, 2014; Riyandi, 2013; Pratama, 2016). Such findings reflect the importance of the transformational leadership approach, which not only inspires but also introduces the instrument to motivate employees as a part of their visionary thinking (Burns, 1976; Bass, 1985). These studies show that the combination of strong leadership, with the establishment of a clear incentives and development framework, have been critical to driving the successful implementation of PPKP.
Eventually, PPKP can be seen as much sophisticated PM tool compared to DP3, regarding performance measurement approach, feedback process encouragement and the link with the civil service career path system. Nonetheless, the long-rooted “tick and flick” culture of DP3 practice may become the greatest challenge in implementing PPKP, if there is a significant gap between the ideal design and its practice. One of the most critical factors to anticipate that issue is encouraging transformational leadership skills and traits towards the top leaders which may bring significant influence both to the system and to the employees.
CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY

IV.1. Research Design

There has been considerable discussion of the PMSs in Indonesia, including identifying a range of challenges and setting out the recent changes. However, there is limited information on how employees experience these changes, including perceptions of effectiveness, and their impact on individual performance. This research adopts an exploratory approach to examine those issues because there is limited information regarding the subject of the research, with the main purpose to develop more precise and deeper questions for future research (Neuman, 2014).

Based on the previous discussion of key aspects of the PM and the major issues identified in the implementation of PM in Indonesian context, this exploratory study articulates a number of key research questions. The overarching question is: “Do formal PMSs improve employee performance in public sector organisation?” The main question is explored with six sub-questions:

1) Do civil servants value formal PMSs?
2) Does the PMS align the employees’ performance goals with the organisation’s strategic goals to provide clarity for employees to perform?
3) Does the PMS provide for consistent and periodic discussions between supervisors and employees?
4) Does the PMS provide positive and constructive feedback for use in improving the employees’ performance?
5) Does the PMS provide an objective reward and punishment mechanism to stimulate the employees’ performance?
6) Is the implementation of formal PMSs efficient and effective?

There are common ways to undertake exploratory study: i.e. reviewing the literature, surveying relevant stakeholders and undertaking a case study (Steinberg, 2004). This thesis combines the first two approaches. The literature review focused on delineating PM fundamental elements and reviewing different countries’ experiences in implementing PMS. The
survey allows for the collection of primary data to gain insights and ideas related to PMS for civil service, particularly in the Indonesian context.

**IV.2. Methodology: the survey**

Surveys can be powerful instruments in social science research. However, its quality is mainly determined by its design and its representative samples or the response rate of the population census (Abbott, et.al., 2013). This thesis uses key parts of an established survey: the state of the service survey from Australia to ensure the survey design's quality. It is undertaken annually by the Australian Public Service Commission, and the items in that survey have been used over many years to gauge perceptions in the APS and used as the basis for a range of interventions to improve the PMSs (Australian Public Service Commission, 2014; Blackman., et.al, 2013). We adapted the survey and posted it online using Limesurvey.

This research uses a sample of the Australia Awards Scholarship (AAS) awardees and alumni that allow us to invite Indonesians from a range of backgrounds, but sharing the similar experience of working as a civil servant in an Indonesian organisation. We expect to see differences emerge in the experience of PM approaches across organisations. As the purpose of the research is exploratory, and to identify insights and important issues, we do not expect to be making generalisations about the experiences of the entire Indonesian civil service, but rather to identify key issues for further examination.

Our initial aim was to invite nearly two thousand Indonesian active civil servants AAS awardees from 2010 until present. We approached AAS offices in Australia and Indonesia, to reach the targeted students and alumni. However, this assistance was not forthcoming from the Indonesian office, so ranges of other recruitment strategies were adopted. First, the

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3 Australian Public Service Commission undertakes annual employee census and present the result to the parliament to understand the employees trends in terms of capacity and participation across Australia Public Service. This survey is voluntary and any data presented will always be deidentified. It covers more than fifteen areas of interest, one of them is performance management. The survey form can be accessed through: [http://apsc2-web01.squiz.net/__data/assets/pdf_file/0009/43488/Print-the-2015-APS-Employee-Census-Read-only-version.pdf](http://apsc2-web01.squiz.net/__data/assets/pdf_file/0009/43488/Print-the-2015-APS-Employee-Census-Read-only-version.pdf)

4 Limesurvey is a survey platform provided by the University of Melbourne, which also cover the survey digital data storage within the University data server managed by the University Research Platform Services.

5 AAS Indonesia is a tertiary scholarship for Indonesian to study in Australia which has been undertaken for more than sixty years. It is the longest partnership program between Australia and Indonesia to enhance the Indonesia’s development through the contribution of AAS Indonesia Alumni, who are expected to have internationally qualified professionals both in public and private sectors. AAS Indonesia is expected to strengthened the Australia and Indonesia partnership to achieve greater prosperity, safety and democracy in Indonesia, which should benefit both countries.
Australia office helped to reach the targeted respondents who are currently active students by sending the survey through emails to around six hundred eligible awardees. Secondly, we invited people via the AAS students and alumni group, mainly through Facebook, which provided access to less than two hundred eligible respondents. Lastly, the researcher’s professional network’s helped to reach around fifty AAS alumni.

As a result, around eight hundred AAS awardees were invited to complete the survey. Three hundred twenty-two people accessed the survey, but only one hundred sixty-one of the responses were valid as they completed all the mandatory questions. Therefore, the response rate for this survey is more than forty-five percent. This response rate is relatively high compared to the average thirty percent of the response rate of online surveys (Saldivar, M. G., 2012; Nulty, 2008; the University of Texas., n.d.). As such, we argue that primary data that have been gathered from the survey are sufficient to undertake this exploratory study.

**IV.3. The structure of the survey**

There were four parts to the survey. The first section of questions explored demographic characteristics of the respondents. The second section included several questions that explored the ideal view of the respondents regarding the concept of PM. These questions mainly aim to address the baseline perspectives of our respondents in how they think about ideal PMSs. These would then be used to compare employees’ experience and identify any gaps between ideal state and experience. The third section had several questions that addressed our respondents’ experience in which they have been involved in PMS process as a part of their routine as the Indonesian civil servants. We expect diverse answers for these questions as the respondents have diverse demographic backgrounds and work in very different types of organisations. The final section asked to elaborate their insights and ideas in two open-ended questions. The first question explores the respondent’s insight and ideas regarding one realistic, practical and implementable change related to the implementation of PMS within their agency. The other question poses a

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6 The questions in the second section and third of section of this survey partially adopted the questions on the performance management chapter of the Australian Public Service annual employee census
general comment regarding the implementation of PM within respondents’ agency. As such, these questions highlight many important issues from the perspective of the respondents regarding an effective implementation of PM in the Indonesian context.

IV.4. The profile of our respondents

The profile of the respondents for the gender demographic factors is similar to the profile of the Indonesian civil service. Based on Indonesian Statistical Board (2015a), the ratio between the male and female of the Indonesian civil servants is 51.3% to 48.6%. Most of our respondents are also male (52%) with a narrow gap with a female (46%), and the rest (2%) prefers not to answer. As this survey uses AAS awardees as the sample, the minimum level of education of our participants will be at least a bachelor degree. However, it represents the growing number of Indonesian civil servants (Figure 4.1) with a bachelor degree or above (Indonesian Statistical Board, 2015b). As such, the bachelor degree sets the border between the clerical position and managerial position which may influence the decision-making system within their organisation.

Table 4.1 respondents’ composition based on gender, age and level of government of workplace

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Central Govt.</th>
<th>Local Govt.</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>40 – 49</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>30 – 39</td>
<td>45</td>
<td>10</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>29 and below</td>
<td>9</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>58</td>
<td>16</td>
<td>74</td>
</tr>
<tr>
<td>Male</td>
<td>40 – 49</td>
<td>7</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>30 – 39</td>
<td>61</td>
<td>8</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>29 and below</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>73</td>
<td>11</td>
<td>84</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>40 – 49</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>30 – 39</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>29 and below</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Grand Total</td>
<td>132</td>
<td>29</td>
<td>161</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author
Most of our respondents have five to ten years of experience as civil servants (52%), some have more than ten years of experience (41%), and only a few have less than five years of experience (7%). Our respondents also show the diverse level of position, ranging from the operational staffs and low-rank managers (60%), middle managers (37.8%) and the top managers (2.2%). This proportion reflects the pyramid scheme of the position where the top leaders are usually around two percent of the total
population. Those two demographic factors may reflect comprehensive understanding and diverse perspective regarding the concept and the implementation of PM in Indonesia. This thesis also expects comprehensive and innovative insights from open-ended questions given those two demographic factors.

As previously discussed, this thesis is an exploratory study which seeks to understand whether PMSs improve employee performance in public sector organisation. The design of the survey and the profile of the respondents add significant depth to the exploratory analysis regarding quantitative information on a range of central themes, as well as qualitative information on insights and ideas regarding the implementation of PMS in Indonesia. As such, not only that this thesis adds significance to the existing studies related to PMSs, but also providing sufficient reference of ideas for PMS’s effective implementation in Indonesia.
CHAPTER FIVE: FINDINGS

V.1. General findings

Most of the respondents confirm sets of values that reflect the ideal concepts of PM, however many of them believe that there is a gap in the implementation level. Figure 5.1 shows the composition of respondents’ answer between the ideal view of PM and actual experiences. On average, the number of respondents who answer “strongly agree” and “agree” in ideal view questions are 45% and 9% much higher than the actual experiences. On the other hand, the average answers of “strongly disagree” and “disagree” in the actual experiences are 9% and 24% higher than the ideal view.

Figure 5.1 The composition of respondents’ answer between ideal view and actual experiences in selected themes

Source: Author
Table 5.1 The list of questions of the survey and respondents’ answer based on their ideal view and actual experiences

<table>
<thead>
<tr>
<th>Q No.</th>
<th>Questions</th>
<th>Specific themes</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Performance management system does not only function to measure performance but also to systematically improve the individual performance</td>
<td>X X X X</td>
<td>1%</td>
<td>5%</td>
<td>4%</td>
<td>49%</td>
<td>41%</td>
</tr>
<tr>
<td>Q2</td>
<td>Performance management system should accurately measure performance by covering both the employee’s performance goals and behaviour at work</td>
<td>X</td>
<td>1%</td>
<td>3%</td>
<td>6%</td>
<td>47%</td>
<td>44%</td>
</tr>
<tr>
<td>Q3</td>
<td>The individual performance goals should be aligned to the organization’s vision and mission</td>
<td>X</td>
<td>0%</td>
<td>1%</td>
<td>3%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>Q4</td>
<td>The individual performance goals should be communicated between agency and the individual employee</td>
<td>X X</td>
<td>0%</td>
<td>1%</td>
<td>6%</td>
<td>42%</td>
<td>50%</td>
</tr>
<tr>
<td>Q5</td>
<td>Periodic evaluation should happen in performance management system</td>
<td>X</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>Q6</td>
<td>Performance management system should ensure a useful positive and constructive feedback</td>
<td>X X</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Q7</td>
<td>Performance management system should ensure tangible follow up to improve the civil servants performance</td>
<td>X</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>Q8</td>
<td>Performance management system should be practical and not administratively burdening</td>
<td>X</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>30%</td>
<td>68%</td>
</tr>
<tr>
<td>Q9</td>
<td>To what extent do you agree that your most recent FORMAL individual performance feedback will help you improve performance-</td>
<td>X</td>
<td>5%</td>
<td>26%</td>
<td>26%</td>
<td>36%</td>
<td>7%</td>
</tr>
<tr>
<td>Q10</td>
<td>To what extent do you agree that your most recent INFORMAL individual performance feedback will help you improve performance-</td>
<td>X</td>
<td>5%</td>
<td>18%</td>
<td>23%</td>
<td>41%</td>
<td>14%</td>
</tr>
<tr>
<td>Q11</td>
<td>My overall experience of performance management in my agency has been useful for my development</td>
<td>X X X X</td>
<td>5%</td>
<td>28%</td>
<td>25%</td>
<td>38%</td>
<td>4%</td>
</tr>
<tr>
<td>Q12</td>
<td>My supervisor provides me with clear and consistent performance expectations</td>
<td>X X</td>
<td>6%</td>
<td>27%</td>
<td>30%</td>
<td>32%</td>
<td>5%</td>
</tr>
<tr>
<td>Q13</td>
<td>My performance goals help me understand my contribution to my institution’s performance</td>
<td>X X</td>
<td>2%</td>
<td>16%</td>
<td>18%</td>
<td>54%</td>
<td>10%</td>
</tr>
<tr>
<td>Q14</td>
<td>My supervisor provides me with a clear understanding of how my performance is assessed and measured</td>
<td>X X</td>
<td>12%</td>
<td>25%</td>
<td>27%</td>
<td>32%</td>
<td>4%</td>
</tr>
<tr>
<td>Q15</td>
<td>My supervisor openly demonstrates commitment to performance management</td>
<td>X X</td>
<td>10%</td>
<td>22%</td>
<td>27%</td>
<td>32%</td>
<td>8%</td>
</tr>
<tr>
<td>Q16</td>
<td>The periodic performance discussion are conducted consistently which help me understand what is required of me and how this can be achieved</td>
<td>X</td>
<td>8%</td>
<td>30%</td>
<td>27%</td>
<td>29%</td>
<td>6%</td>
</tr>
<tr>
<td>Q17</td>
<td>My performance agreement provides me with meaningful and relevant information that enables me to perform my role</td>
<td>X</td>
<td>6%</td>
<td>24%</td>
<td>22%</td>
<td>42%</td>
<td>6%</td>
</tr>
<tr>
<td>Q18</td>
<td>Performance management system in my agency provides relevant training to improve my performance</td>
<td>X X</td>
<td>12%</td>
<td>22%</td>
<td>23%</td>
<td>35%</td>
<td>7%</td>
</tr>
<tr>
<td>Q19</td>
<td>Performance management system in my agency provides appropriate remuneration upon exceeded performance</td>
<td>X X</td>
<td>19%</td>
<td>26%</td>
<td>21%</td>
<td>25%</td>
<td>8%</td>
</tr>
<tr>
<td>Q20</td>
<td>Performance management system in my agency does not burden me with a lot of paperwork</td>
<td>X X</td>
<td>19%</td>
<td>34%</td>
<td>24%</td>
<td>18%</td>
<td>4%</td>
</tr>
<tr>
<td>Q21</td>
<td>The individual work outcomes listed on my performance agreement are a clear reflection of what my role involves on a day-to-day basis</td>
<td>X</td>
<td>6%</td>
<td>22%</td>
<td>32%</td>
<td>35%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Author
Interestingly, there are 26% more respondents who answer “Neither Agree nor Disagree” on the ideal view than those at the actual experiences. It indicates central tendency bias in which respondents avoid using extreme responses categories (Nicholls, 2010; Pradeep, 2010). It may happen because the respondents may be unsure about the implementation of PM compared to the ideal view. Overall, our findings suggest that there is a considerable gap between the ideal view and the actual experiences of the PM.

Further, Table 5.1 shows the respondents’ different perspectives on the ideal view of PM and their actual experiences through focused questions that map onto the four distinct themes: goal setting (GS), feedback (F), motivation (M) and leadership (L). Questions 1-8 focus on idealised perspectives of how PMSs should work, and Questions 19-21 focus on respondents’ experience. It allows us to identify areas where there are gaps between the ideal and actual experience of PM.

In particular question 1 (Q1) and 11 (Q11) address the link between the PM and its role to develop employees and improve their performance in conceptual and practical level. There are 49% and 41% respondents’ who agree and strongly agree in ideal view question (Q1), but it reduced into only 38% and 4% in the actual experience question (Q11). In contrast, the number of respondents who disagree and strongly disagree on Q11 increased by 400% than those who answer these options on Q1. Further, our findings found that 35% of the respondents who strongly agree, and 27% who disagree, upon the statement in Q1, had shifted into a disagreement with the statement in Q11. Table 5.2 shows the gap between respondents’ behaviour in answering Q1 and Q11. It is clear that there is a gap between what the respondents think that PM should be useful to improve their performance with the reality that they experience in PM.

Because Q1 and Q11 address the key research questions, further cross-tabulation analysis results in two interesting results. Firstly, the cross-tabulation analysis of genders and the level of government where the respondents work, as shown in Table 5.3. Both in central and local government, there is a significant gap between ideal view and actual experiences. Many females shifted answers from strongly agree and
agree, ended up in neither agree nor disagree option which saw a rise of 29% compared to the male which only grew by 16%. On the other hand, male respondents who answer disagree in Q11 has increased by six times than that of Q1. Meanwhile, the female respondents who answer disagree on the Q11 saw only three times increase compared to that of Q1. As such, many of the male respondents at the central government signalises no hesitancy in taking 180 degrees of extreme answer between Q1 and Q11, while the females are slightly unlikely.

In contrast, in the local government, female respondents show less central tendency bias because females who answered strongly disagree on Q11 is thirteen times much higher than those who answer Q1, while no male respondents chose strongly disagree option in both Q1 and Q11. This result is interesting because both genders behave differently in two different environments. It is an area where future research could focus on exploring the relationship between the gender and the government’s level elements, in implementing the PMS.

The other interesting finding emerges when we explore the elements of tenure and position. Table 5.4. shows the response of Q1 and Q11 framed into the cross-tabulation element of tenure and positions. The main contributors to the gap of those two questions are the lower managers and staffs, in each class of tenure. Interestingly, the tenure element does not contribute to the change of mindset created by the position factors, yet respondents with 5 to 10 years of tenure contribute to nearly sixty percent of the open-ended responses, making this particular group as the most active and articulate group in expressing their ideas. This another area is where researchers may wish to focus attention in the future.

These findings provide initial answers to the primary research question and show there is room for improvement in implementing the PM concept and that doing so may help to improve the employee’s performance in the Indonesian context. Nevertheless, the most important thing is to understand the critical areas that may be influential in reducing the gap between ideal view and actual experiences.
Table 5.2. The respondents’ differing answers on Q1 and Q11 (ideal view vs actual experiences)

<table>
<thead>
<tr>
<th>Q1. Ideal Perspectives</th>
<th>Performance management system does not only function to measure performance but also to systematically improve the individual performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Managers</td>
<td>40.99% Strongly Agree 9% Agree 38% Neither Agree nor Disagree 18% Disagree 30% Strongly Disagree 5%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>49.07% Strongly Agree 0% Agree 46% Neither Agree nor Disagree 28% Disagree 23% Strongly Disagree 4%</td>
</tr>
<tr>
<td>Lower Manager</td>
<td>45.35% Strongly Agree 0% Agree 36% Neither Agree nor Disagree 57% Disagree 43% Strongly Disagree 0%</td>
</tr>
<tr>
<td>Staff</td>
<td>4.97% Strongly Agree 0% Agree 0% Neither Agree nor Disagree 0% Disagree 100% Strongly Disagree 100%</td>
</tr>
</tbody>
</table>

Source: Author

Table 5.3. The Cross-tabulation analysis, level of government and gender factors on Q1 and Q11 (ideal view vs actual experiences)

<table>
<thead>
<tr>
<th>Q11 Actual Experiences</th>
<th>My overall experience of performance management in my agency has been useful for my development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Govt.</td>
<td>Strongly Disagree 7% Disagree 46% Neither Agree nor Disagree 41% Agree 0% Strongly Agree 0%</td>
</tr>
<tr>
<td>Local Govt.</td>
<td>Strongly Disagree 6% Disagree 50% Neither Agree nor Disagree 50% Agree 0% Strongly Agree 38%</td>
</tr>
<tr>
<td>Female</td>
<td>2% 7% 5% 46% 41% 0% 0% 6% 75% 19%</td>
</tr>
<tr>
<td>Male</td>
<td>0% 4% 1% 44% 50% 0% 0% 9% 64% 27%</td>
</tr>
<tr>
<td>Prefer no</td>
<td>0% 100% 0% 0% 0% 0% 50% 0% 50% 0%</td>
</tr>
</tbody>
</table>

Source: Author

Table 5.4. The Cross-tabulation analysis, tenure and level of positions factors on Q1 and Q11 (ideal view vs actual experiences)

<table>
<thead>
<tr>
<th>Less than 5 years</th>
<th>5 to less than 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Managers</td>
<td>0% 0% 0% 0% 0% 0%</td>
<td>0% 0% 0% 0% 0% 0%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>0% 0% 0% 0% 0% 0%</td>
<td>0% 0% 0% 0% 0% 0%</td>
</tr>
<tr>
<td>Lower Manager</td>
<td>0% 0% 0% 0% 0% 0%</td>
<td>0% 0% 0% 0% 0% 0%</td>
</tr>
<tr>
<td>Staff</td>
<td>0% 0% 0% 0% 0% 0%</td>
<td>0% 0% 0% 0% 0% 0%</td>
</tr>
<tr>
<td>Q11</td>
<td>0% 0% 0% 0% 0% 0%</td>
<td>0% 0% 0% 0% 0% 0%</td>
</tr>
</tbody>
</table>

Source: Author
In particular, this thesis further explores three primary issues, i.e. goal-setting and leadership factors, feedback, and motivation instruments. One of the primary reasons to explore these three issues is because it is critical to the PM in the theoretical framework. Prior studies have also shown these to be some of the key elements in the implementation of PM based on the empirical studies across the world and in the Indonesian context.

Lastly, the findings of these questions, along with the open-ended opinions from the respondents drive us to explore further these three critical issues. In particular, we have also categorised the open-ended responses (Figure 5.2), and those three issues are some of the most concerned issues (there are two open-ended questions: asking respondents’ insight to make a realistic, practical and implementable change, and further comments regarding the implementation of PM. There are 107, and 76 respondents answer two consecutive open-ended questions. See Appendix A for the full list of categories and sample response).

**Figure 5.2 The most interesting point of discussion in the open-ended responses**

[The image shows a bar chart with the percentage of selected issues covered in the open-ended responses. The issues are listed as follows: Administrative burden, Goal-setting, Remuneration and sanction, Feedback, Leadership, Human Resource Management, Online/ Electronic based PMS, Nepotism/ Gaming/ Negative Culture, Training & learning development, Uniquenesses in each agencies, Legal framework, Socialisation instrument, SKP is still it’s in early implementation.]

*Source: Author*
V.2. Goals-setting & leadership factors

In Table 5.1, there are three items (Q2, Q3 and Q4) that address idealised perspectives on goal-setting and leadership issues and four items (Q12, Q13, Q17, Q21) ask about actual experiences of the respondents. The average number of respondents who choose to agree and strongly agree in three questions of PM ideal view are 46% and 48%. These responses confirm important ideas about goal setting that are set out in the literature review (e.g. alignment and dialogue). Several open-ended responses also show that there is a strong awareness of the importance of goal-setting in PM.

“PMS should have clear key performance indicators (KPI) which should be related to the agency/unit target performance. This agency/unit KPIs [may be] breakdown into individual target performance”.

Male, General Staff, Central Government

This statement aligns with the conceptual framework of goal-setting which was also articulated in Q4, which emphasises alignment between the employee performance and organisations' vision and mission.

In contrast, the items which address the respondents' actual experience related to goal-setting and leadership issues (Q12, Q13, Q17, Q21) saw a significant decrease in “strongly agree” responses from 48% in ideal view into 7% in actual experiences, in average. These include similar trend on the specific questions addressing the role of leadership in goal setting (Q12, Q13). It shows that many of the respondents cannot see the role of their supervisor in helping them to clarify their performance goals.

“I found that in some cases, a supervisor is too busy with his/her performance, so he/she forget with his/her staff.”

Male, Echelon V, Central Government

“…my agency kept the unqualified people as leaders just because those people are somebody’s relations or families…”

Female, Echelon IV, Central Government

These findings suggest that many supervisors have not developed their leadership skills or there is still a practice of nepotism which may impede
the development of effective leadership. Consequently, these supervisors may not have the sufficient capability to assist their employees in developing their performance goals, let alone lead and inspire their employee to improve performance. If this situation persists, it may constrain the effective implementation of PMS in Indonesia civil service.

The other question which highlights the important link between the individual work outcomes with the role of the employee on a day-to-day basis (Q21), delineates 35% of agreeing, but at the same time, 22% and 6% of respondents disagree and strongly disagree. It is also strengthened by many open-ended questions which address this issue:

“…sometimes employees are performing tasks under direct order of their supervisor, but it is not what the employee is being measured in terms of performance.”

*Male, General Staff, Central Government*

This actual experience contradicts the mandate of the article 10, PP46/2011, which emphasises that additional tasks given by the supervisors should be covered as a part of the performance within PM. Other response states

“Employee should be engaged to discuss their performance goals during the formulation, monitoring and evaluation process.”

*Male, General Staff, Central Government*

These findings show the challenge of obtaining alignment between individual and organisations goals. This may be due to supervisor’s lack of understanding or ignorance towards the substance of why PPKP exists in the first place.

The findings also signal that leadership and engagement process are perceived as essential ingredients to achieving an effective goal-setting process. As such, there may be an urgency to encourage transformational leadership within the PMS practice (Burn, 1978; Bass, 1985), so that these supervisors ensure alignment between the organisation’s strategy, mission and individuals routine activities (Caillier, 2014; Bouckaert and Halligan, 2008; Hughes, 2003, 2008) through devoted engagement (Armstrong, 2014).
Finally, there is a clear gap between ideal view and practice of PM in the area goal-setting and leadership. Nonetheless, because PPKP as the PM manifesto is newly introduced, the need for strong leadership to drive the change of culture may be fundamental. Indeed, the role of supervisors which have a comprehensive understanding of the PM concept and strong leadership, reflected by their commitment to developing clear and challenging goals for their employee, may accelerate the implementation of PMS in Indonesian.

V.3. Feedback activities

The issue of feedback has been one of the most important focus in our survey as the literature shows that feedback is an enabler that may tie the organisation’s aspiration with the individual interest in each the process of PM (DeNisi and Kluger, 1996; 1998). As such, there are two questions (Q5 & Q6) that address the ideal state of feedback within PM; four questions (Q 9 & 10) gauge whether the feedback process happens and its effectiveness, and another three questions (Q14, 15, &16) focus on specific aspects of feedback. Respondents also thought this issue was important because almost thirty percent of the open-ended responses was addressing this topic.

Most of the respondents agree that PMSs should make use of positive and constructive feedback (Q6) and that this should be done on a periodical basis (Q5), as nearly 100% respondents chose either agree or strongly agree with these two statements. Indeed, this shows that respondents consider feedback an important component for an effective PM. However, only 49% respondents stated that they have ever received formal feedback, and just 29% declare that informal feedback has been a part of PM process in their agency in the last 12 months.

Further, there are only 36% and 7% respondents who agree and strongly agree that formal management will help them to improve performance. On the other hand, 41% and 14% respondents agree and strongly agree that informal feedback has been useful for them. These findings suggest that respondents view informal feedback as more effective approach to improve their performance than the formal one. It may also suggest that both formal and informal feedback process rarely happens in the practice
of PM, and even if it happens, many of the respondents’ experiences indicate that it may not help them significantly to improve performance.

Further investigation of the questions related to respondents’ experiences in a specific issue of feedback process (Q14& 16) finds that, in average, 31% and 5% of respondents agree and strongly agree. At the same time, there are 27% and 10% of respondents who chose to disagree and strongly disagree to those two questions. Q14 links the feedback process with the role of supervisors, reminding us of the leadership elements in the previous section which needs improving. The other item (Q16) questions the consistency of periodic feedback process in helping the employees to improve performance. Linking back these findings with what Armstrong (2014) has highlighted on a theoretical framework, we are worried that without feedback, the PM have lost its substance and just become “tick-box” process at the implementation level.

Analysis of the open-ended responses shows an early indication that the practice of PPKP has made little difference on practices from the DP3 era. When we ask the respondents to state one realistic, practical and implementable change to the current implementation of PPKP, many of them emphasise the need for more engaged dialogue, communication, discussion between supervisor and employees on a regular basis. For example,

“I have experienced illogical feedbacks although they were very pleasant feedbacks. There were almost no practical assessments or real supervisions from the supervisors. Thus, the feedbacks have become all-good reports for employees.”

Male, Echelon IV, Local Government

This comment may suggest that, when feedback does happen, the next question would be how objective this feedback is so that it can be useful to direct the employee to improve their performance. The problem that supervisors may inflate their team’s performance was raised as the subjectivity bias during performance appraisal by Kruger and Dunning (1999), and it is a matter of culture. With rooted-culture negative subjectivity heritage from the long practice of DP3, enforcing the supervisors to perform objective feedback within PM practice, can be a
long shot. As such, our findings suggest future discussion upon the mechanism to improve the change of culture in performing objective feedback can be fundamental to improve employee performance within the PM process.

V.4. Motivation

The last major issue that this thesis highlights is motivation, referring to the importance of expectancy theory within the concept of PM. This theme is situated as the last fundamental element to PM, as it covers broad areas of issues. Indeed, this thesis acknowledges that the goal-setting, leadership and feedback are core issues to motivate the employee to perform. However, the motivation instruments that this thesis attempt to explore is related to the administrative issue and the follow-up instruments: development training, and reward and punishment mechanism.

Most of the respondents believe that PM should be practical (Q8), and there should be a tangible follow-up in place to improve their performance (Q7); more than 97% agree and strongly agree with these two statements. A barrier to this, however, is a sense of administrative burden attached to the PM approach. There are only 18% and 7% of respondents who agree and strongly agree that the practice of PM in their agency has not been administratively burdening (Q20), yet at the same time 19% and 34% of respondents strongly disagree and disagree with that statement. This finding shows the widest gap between the ideal view and actual experiences. Many respondents think that PPKP has been very rigid and bureaucratic. This became apparent in the analysis of the open-ended questions where nearly 30% of responses pointed to administrative burden and ways to overcome this. For example,

“Providing an electronic system that is user-friendly and can be checked on a daily basis using push notifications. It should also be supported by high speed and reliable internet connection.”

Female, General Staff, Central Government

This comment suggests that one of the respondents’ aspiration is the existence of an online, streamlined PMS so that they can contribute actively in providing an accurate and timely performance information.
Worst, some respondents criticise the PMS as being a distraction to actual performance.

"Reduce the paperwork and the administrative stuff. It is too much".

Male, General Staff, Central Government

“The report of daily activities should be removed, because it put a burden on the employees since they have tonnes of works to finish every day, it is time-consuming to make a daily activities report.”

Female, General Staff, Central Government

These findings may reflect various issues. Firstly, that the administrative process within the PPKP is rigid and bureaucratic; hence it creates perverse incentives to reduce efforts on core business because of burdening PPKP paperwork. Secondly, the respondents may feel that PPKP is much overwhelming compared to the “tick and flick” practice of DP3. It may also suggest that the supervisors do not see PM as a crucial part of their job, simply because it is a compliance exercise. Evidently, many employees wrote their DP3 grades, and have them approved by their supervisors, indicating that DP3 was not operating as was intended (Meliyanti, 2015; Priyono, 2013). Given that, just as with the DP3, the “tick and flick” practice may also be occurring in PPKP practice.

In examining the issue of follow-up instrument that motivates employees’ improved performance, many respondents suggest that the remuneration issue (Q19) may be more important for them than the issue of training and development program (Q18), because there are 45% respondents who strongly disagree or disagreewith the statement in Q19, while less than 35% strongly disagree or disagree with the statement in Q18. It may suggest that there are more problematic issues in remuneration, or it could be that remuneration is considered as a more influential factor to motivate employees to perform.

"The PMS should provide real rewards and punishment; thus it can truly motivate the civil servants.”

Female, General Staff, Central Government

It may well be spurious to say that remuneration alone will stimulate performance, some of the respondents may think that it is a major factor to
motivate them to perform, which highlights as one of crucial elements in Vroom (1964) expectancy theory. Further, many respondents also voiced that performance information generated in PPKP are rarely used in remuneration, promotion and demotion mechanism, instead of classic attendance factor, or worst, the favouritism and nepotism.

Findings regarding motivation instruments highlight two major problems perceived by respondents in PPKP’s practice. First, many respondents view the practice of PPKP is administratively burdening, which may be contributed by the deep-rooted culture of DP3 “tick and flick” practice and the supervisor’s ignorance which consider PPKP as merely compliance exercise. It also links to their experience which perceived the current rewards and sanction mechanism had rarely been matching with the performance information generated from PPKP. Therefore, the greatest challenge may be answering: “why would employees do additional burdening PM activities, if they doubt this instrument will benefit their career?” In the long term, if this situation persists, employees may no longer value PPKP as an effective system which aligns the organisation’s strategic goals with their individual’s interests. As such, supervisors with transformational leadership skills can be significant to communicate and bridge this differing issues.
CHAPTER SIX: DISCUSSION

As a part of a larger bureaucratic reform in Indonesia, PPKP was introduced to install a merit-based framework that can systematically measure employees’ performance along with the clear career path civil service system\(^7\). Further, PPKP emphasises on the alignment between the employees’ performance goals with the agency’s strategic objectives\(^8\). These mandates highlight that PMS should be useful for both the organisation and the employee. In addition, aligning PPKP with the Indonesian civil service act\(^9\) highlights that PMS should align with human resource management system. It envisioned to encourage Indonesian civil servants to perform and gradually depart from the traditional practice of nepotism to build their career.

Align with those ideas; our research finds that goal-setting and motivational instruments are the key points of discussion for the majority of the respondents. Further, our study also finds that these two fundamental elements can only work best with supervisors who can direct and communicate the organisation’s strategic objectives and develop goals relevant with the capacity of the employees to achieve optimum results. Our results reinforce findings from other studies which have highlighted the importance issues in goal setting, such as the need for alignment between department’s strategic objectives and individual goals (Goh., et.al., 2014) and further aligning it with the rewards and punishments instruments, to be much useful for both organisations and the employees (Yang and Torneo, 2015). In addition to balance quality and quantity focus in setting up individual goals which have been reiterated by Taylor (2015).

Meanwhile, align with PM rhetoric and practical evidence, we also find that feedback is a crucial element in PMS. As shown in Figure 6.1., feedback is important to communicate and maintain a clear direction for employees to perform and keep them motivated through a continuous engagement. In that regard, Blackman, et.al. (2017) found that employees who have positive experiences with PM had fostered ongoing performance dialogue and feedback as a part of their habitual work practices. Similarly, Favero

\(^{7}\) This purpose is specifically addressed on the article 1 and 2 of PP46/2011  
\(^{8}\) This mandate is specifically addressed on the article 4 of PP46/2011  
\(^{9}\) The Indonesian Civil Service Act, No.5/2014 regulates the civil service management framework, including the reform on the career path system and the use of performance information
(2014) finds that feedback plays a crucial role in stimulating employees to improve performance, in New York City’s school system. Therefore, as PM is a systematic on-going process of evaluating and adjusting performance, continuous feedback is an essential booster to goal-setting and motivational instruments.

Figure 6.1. The model for individual performance management system in Indonesian context

However, our findings found a range of barriers to adopting effective PMS, and this concurs with a range of existing studies. This included the rooted-perspectives of DP3 practice, favouritism and nepotism practice. The respondents view the motivational instruments as the key issue which has the most significant gap in the PM practice. This finding confirms similar problems from the empirical studies across countries. Taylor (2015), Yang and Torneo (2015) and Mc.Adam., et.al. (2005) had highlighted that the “stick and carrot” are one of the major impediments to PM implementation in Australia, Korea and UK public sectors. In that regard, positioning PM as something valuable for the employees may be a starting point to stimulate them to perform.

Nonetheless, defining value can be very subjective, and thus simply enforcing a value that PM is important for them, might only end up in a
compliance-based practice, which may subsequently lead to PPKP being lost its substance. If that is the case, PPKP which has been expected as an important breakthrough to manage and improve the performance of Indonesian civil service effectively might end up without any difference with that of DP3. These findings coincide with evidence from Ghana (Ohomeng, et.al., 2015), Canada (Goh., et.al., 2014) and UK public sector (McAdam., et. al., 2005). As such this fear of “tick and flick” could easily happen in the implementation of PM, regardless the level of development of the country, or the capacity of its civil service.

Despite the significant gap in the practice of PMS in Indonesia, nearly 100% respondents agree and strongly disagree to all questions related to the ideal view of PM in the survey. It shows that almost all respondents share the same opinion of characteristics of an ideal PMS. Because many of the challenges in PM practice are much affected by the character of the employees and supervisors, which could be these respondents, the willingness to achieve that same dream of having ideal PMS can be a starting point to move forward and closing the gap between the ideal view and the practice of PM. Therefore, this thesis suggests, the role of transformational leaders can be fundamental to inspire these employees and fellow supervisors who may also share the same dream of having ideal PMS, to start participating actively in the PMS practice.

Eventually, while goal-setting framework can be theorised, and motivational instruments can be developed by positioning the PM within sets of ideal human resource development mechanism, yet, its implementation can be very much affected by the power of leadership and effective feedback process between the supervisors and employees. Hence, fostering the sense of leadership and building a foundation to stimulate an open and continuous performance dialogue may be the endless efforts that the agencies, and the government should try to instil relentlessly.
CHAPTER SEVEN: CONCLUSION

This thesis has been rigorously developed by combining a literature review, empirical studies and administering a survey to understand the first-hand perspective from Indonesian civil servants regarding their ideal view and actual experience of PMS. There are some limitations to this approach. For example, it is acknowledged that because all the respondents of this survey are or have been pursuing an education in Australia, their views may not represent the general opinions of Indonesian civil servants. Due to many constraints, this study also only prioritised goal-setting and leadership; feedback; and motivation, as they are critical themes in PMS practice in Indonesia and across the world based on existing studies. Therefore, there are other themes that may be important, but which have not been explored.

The findings suggest that more than thirty percent of Indonesian civil servants group in this research did not see that the implementation of PMS has sufficiently improved their performance. Hence, it answers the main question of this research. The findings of this study also managed to answer the six sub-questions underpinning this exploration.

1) There is weak evidence that civil servants value PMS in Indonesia. The administrative burden and remuneration issue identified in this study contribute significantly to this situation. There is also evidence that the practice of favouritism and nepotism in giving promotion may exacerbate the disconnect between PMS and human resource management system; thus further reducing the value placed on PMS.

2) There is evidence that periodic discussions may happen in some agencies in a more positive way. However, there is also evidence in many agencies that feedback process between supervisors and employees never happens at all. It may suggest that some supervisors consider PMS as a compliance exercise rather than as a way to improve performance..

3) Many findings indicate that the process of aligning employees’ performance goals with organisation’s strategic goals may not systematically happen. There is also evidence which shows that the performance goals are also disconnected with the motivation
instruments. The lack of leadership skills along with a lack of comprehension of PMS substance have been found as major impediment to this process.

4) There is significant evidence that shows the formal feedback are ineffective in improving employee performance compared to the informal one. Some of the comments from respondents suggest that the practice of giving constructive feedback has confirmed the rooted culture practice of DP3 and significant supervisors bias. This indicates that the negative past culture can be a significant element that impede an ideal feedback process; therefore, transformational leadership is necessary.

5) Linking PMS with an objective reward and punishment mechanism to stimulate the employees’ performance has been the most important themes for the majority of the respondents. The findings highlight the greatest gap between ideal view and practice of PMS has been found in this issue.

6) Overall, there is much room for improvement to achieve an effective and efficient PMS implementation in Indonesia. But the result of the survey shows that nearly all respondents support the ideal view of PMS and can see that, implemented effectively, it can improve individual performance.

The critical gaps in goal-setting and leadership, feedback and motivational instrument issues are the major findings of this research. These are key areas that the government may want to look at in refining the implementation of PPKP. Indeed, this finding also confirms the importance of these elements within the discussion of PM framework. On the other hand, it may also show that these elements are among the most common pitfalls in implementing PM in public sector based on empirical studies across the world. However, this thesis suggests that an effective system will depend on the character of the employees and supervisors, the culture and the environment of the organisations, and many other flexible factors.

In conclusion, these findings reflect the findings of empirical studies across countries, that the answer to the fundamental question of this thesis, whether or not a PM improve performance is: it all depends. It may depend on the government agencies’ commitment to sustain and support
this reform effort, the willingness of supervisors to engage the employees, the awareness of employees to get on board with the system and the public as the separate entities that will provide scrutiny upon the civil servants' performance with PMS as the foundation. Above all, it is reasonable to say that those subjective and dynamic elements would need momentum to start moving, and today the Indonesian civil servants have the momentum of reform. The question is whether all those stakeholders ready to collaborate and make use of the PPKP, as the effective and efficient PM framework, to improve the employee’s performance, which may eventually improve the quality of the public service delivery in Indonesia.
## Appendix A. Categories of issues and sample of statements of the open-ended questions

<table>
<thead>
<tr>
<th>Rank</th>
<th>Categories of issues</th>
<th>Σ responses in open-ended questions 1</th>
<th>Σ responses in open-ended questions 2</th>
<th>Total responses</th>
<th>% Total responses</th>
<th>Samples of statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Administrative burden</td>
<td>20</td>
<td>31</td>
<td>51</td>
<td>28%</td>
<td>Reduce the paperwork and the administrative stuff. It is too much.</td>
</tr>
<tr>
<td>2</td>
<td>Goal-setting</td>
<td>24</td>
<td>17</td>
<td>41</td>
<td>23%</td>
<td>The target or individual KPI should be more challenging to motivate employees to improve their performance not only related to things that employees do in their daily activity at the office, but more on things that employees could do to support the organisation vision and mission.</td>
</tr>
<tr>
<td>3</td>
<td>Remuneration and sanction</td>
<td>23</td>
<td>15</td>
<td>38</td>
<td>21%</td>
<td>The performance management system should provide real rewards and punishment; thus it can truly motivate the civil servants.</td>
</tr>
<tr>
<td>4</td>
<td>Feedback</td>
<td>22</td>
<td>11</td>
<td>33</td>
<td>18%</td>
<td>make informal discussion between the leader and staffs to discuss the possibility to improve the performance.</td>
</tr>
<tr>
<td>6</td>
<td>Leadership</td>
<td>12</td>
<td>12</td>
<td>24</td>
<td>13%</td>
<td>I found that in some cases, a supervisor is too busy with his/her performance, so he/she forget with his/her staff.</td>
</tr>
<tr>
<td>5</td>
<td>Human Resource Management</td>
<td>13</td>
<td>10</td>
<td>23</td>
<td>13%</td>
<td>Human resources department of our ministry has multiple core responsibilities, but performance evaluation was left behind.</td>
</tr>
<tr>
<td>8</td>
<td>Online/ Electronic based PMS</td>
<td>16</td>
<td>2</td>
<td>18</td>
<td>10%</td>
<td>Providing electronic system that is user friendly and can be checked on daily basis using push notifications. It is should be also supported by high speed and reliable internet connection.</td>
</tr>
<tr>
<td>9</td>
<td>Nepotism/ Gaming/ Negative Culture</td>
<td>5</td>
<td>8</td>
<td>13</td>
<td>7%</td>
<td>the culture of Indonesian people who avoid conflicts, makes any tools for performance measurement are meaningless. I had a subordinate who violated discipline regulation, was promoted this year since my supervisor tried to sustain harmony&quot; in the office.&quot;</td>
</tr>
<tr>
<td>10</td>
<td>Training &amp; learning development program</td>
<td>8</td>
<td>3</td>
<td>11</td>
<td>6%</td>
<td>training and development [should be done] based on performance management’s result, not by desire.</td>
</tr>
<tr>
<td>11</td>
<td>Legal framework</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>4%</td>
<td>Performance management regulation and guidelines should be clear and comprehensive. Every public servant only uses all specific jobs that stated in the handbook. If some activities are not either included or too general in the book, people tend to find a similar event.</td>
</tr>
<tr>
<td>12</td>
<td>Uniquenesses in each agencies/ positions</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>4%</td>
<td>The item of performance cannot be generalised! Every agency has the different type of works. Therefore, the system supposed to accommodate those diversions.</td>
</tr>
<tr>
<td>14</td>
<td>SKP is still it's in early implementation</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>2%</td>
<td>The institution is still performing a newly developed measurement, and often, there's only short time before the due date is coming.</td>
</tr>
<tr>
<td>13</td>
<td>Socialisation instrument</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>2%</td>
<td>There is very limited way explaining the system, for instance, face to face by the central bureau of human resources. The other tools, such as the training or PDF or video, never exist to assist the running of the system itself.</td>
</tr>
</tbody>
</table>

### Notes:
- One statement may cover one or more categories of issues
- There are 103 responses in open-ended questions 1 (If you could make ONE REALISTIC, PRACTICAL AND IMPLEMENTABLE CHANGE related to the implementation of performance management system in your agency, what would it be?)
- There are 76 responses in open-ended questions 2 (Do you have any further comment regarding the implementation of performance management system in your agency?)
Appendix B. Ethics approval letter

8 Mar 2017

Prof Janine O’Flynn
Social and Political Sciences
The University of Melbourne

Dear Prof O’Flynn

I am pleased to advise that the Faculty of Arts Human Ethics Advisory Group (HEAG) has approved the following Minimal Risk Project.

Project title: Does the implementation of formal performance management system improve employee performance? Perspectives from Indonesian civil servants

Researchers: Prof J O’Flynn, H Nuswantoro

Ethics ID: 1748709

The Project has been approved for the period: 08-Mar-2017 to 31-Dec-2017.

It is your responsibility to ensure that all people associated with the Project are made aware of what has actually been approved.

Research projects are normally approved to 31 December of the year of approval. Projects may be renewed yearly for up to a total of five years upon receipt of a satisfactory annual report. If a project is to continue beyond five years a new application will normally need to be submitted.

Please note that the following conditions apply to your approval. Failure to abide by these conditions may result in suspension or discontinuation of approval and/or disciplinary action.

(a) Limit of Approval: Approval is limited strictly to the research as submitted in your Project application.

(b) Amendments to Project: Any subsequent variations or modifications you wish to make to the Project must be notified formally to the Human Ethics Advisory Group for further consideration and approval before the revised Project can commence. If the Human Ethics Advisory Group considers that the proposed amendments are significant, you may be required to submit a new application for approval of the revised Project.

(c) Incidents or adverse effects: Researchers must report immediately to the Advisory Group and the relevant Sub-Committee anything which might affect the ethical acceptability of the protocol including adverse effects on participants or unforeseen events that might affect continued ethical acceptability of the Project. Failure to do so may result in suspension or cancellation of approval.

(d) Monitoring: All projects are subject to monitoring at any time by the Human Research Ethics Committee.

(e) Annual Report: Please be aware that the Human Research Ethics Committee requires that researchers submit an annual report on each of their projects at the end of the year, or at the conclusion of a project if it continues for less than this time. Failure to submit an annual report will mean that ethics approval will lapse.

(f) Auditing: All projects may be subject to audit by members of the Sub-Committee.

Please quote the ethics ID and the name of the Project in any future correspondence.

On behalf of the Ethics Committee I wish you well in your research.

Yours sincerely

[Signature]

AV/Prof Belinda Hewitt
Chair Faculty of Arts HEAG Human Ethics Advisory Group

Faculty of Arts
The University of Melbourne, Parkville Victoria 3010 Australia
T: +61 3 8344 7001 E: arts.research@unimelb.edu.au
W: www.arts.unimelb.edu.au

THE UNIVERSITY OF MELBOURNE
School of Government, Faculty of Arts

Research Project:

Does the implementation of formal performance management system improve employee performance? Perspectives from Indonesian civil servants

Prof. Janine O’Flynn (Responsible Researcher)
Phone: +61 3 9035 9526 | Email: joflynn@unimelb.edu.au
Halim Nuswantoro (Master of Public Administration student)
Phone: +61 410232866 | Email: hnuswantoro@student.unimelb.edu.au

PLAIN LANGUAGE STATEMENT

Introduction

Thank you for your interest in participating in this research project. The following few pages will provide you with further information about the project, so that you can decide if you would like to take part in this research.

Please take the time to read this information carefully. You may ask questions about anything you don’t understand or want to know more about by contacting the researchers of this project (contacts are provided above). Your participation is voluntary. If you don’t wish to take part, you don’t have to. If you begin participating, you can also stop at any time.

What is this research about?

This research attempts to answer the primary question, which is: “Do formal performance management systems improve employee performance in public sector organisation?”. In addition, this research will also try to provide the answers for another six subsidiary questions, as follows:

1. Do civil servants value formal performance management systems?
2. Do formal performance management systems provide for consistent and periodic discussions between supervisors and employees?
3. Do formal performance management systems provide positive and constructive feedback?
4. Is the implementation of formal performance management systems efficient and effective?
5. Do formal performance management systems provide effective feedback for use in learning and development mechanisms?
6. Do formal performance management systems influence employee behaviours or attitudes?

This research project is exploratory and will address the research questions through gathering data on the perceptions of Indonesian civil servants who have experience of the performance management systems. The main type of data collected will be perceptions of formal performance management systems, and basic descriptive information which will be deidentified.

In particular, this research focuses on exploring the perspectives and experiences of Indonesian civil servants who currently are, or who have recently been, studying in Australia and their views on the implementation of performance management system in their workplace and whether this has improved their individual performance as a civil servant.

**What will I be asked to do?**

Should you agree to participate, you will be asked about your opinions and experiences related to the implementation of performance management system in your agency by completing a questionnaire with the following structure:

a. Section 1 – General Information about you
b. Section 2 – General impression of the idea of performance management system
c. Section 3 – General impression of the implementation of performance management system in your agency
d. Section 4 – Specific impression of the implementation of performance management system in your agency

This survey should take no more than 15 minutes to complete, depending on whether you choose to comment at the end of the survey.

**What are the possible benefits?**

Your participation in this survey will contribute to an evaluation of whether the current performance management system improves the performance of civil servant in Indonesia. Indeed, your participation will also provide significant insights in developing and improving the performance management system for the Indonesian civil servants.

**What are the possible risks?**

Although this research will only use the aggregated data, and any comments or answers in the open-ended questions will be de-identified so that the identification of any individual is made impossible, all online surveys pose some risk to participation.

In that regard, this research will not be requesting names of participants in responding to the survey. We will request basic descriptive information at the start of the survey to help us analyse the data, however, the scale
of agencies in Indonesia provides some protection against identification, as does the target group which is almost 2000 awardees.

The researchers ensure that all agreed information that has been consented by the participants in the consent page, will be implemented to ensure and maintain the confidentiality of the participants’ data. All data and information from the completed survey will be securely stored for five years by the researchers and they will be destroyed after that period.

Do I have to take part?

No. Participation is completely voluntary. You are able to withdraw (quit) at any time prior to submitting the survey. Completed surveys which has been returned will be considered as an agreement and permission to use any information from that survey for the purpose of this research. Given the anonymity and confidentiality measures are being used, it is not possible to do data matching, therefore you should be aware that withdrawing your participation after submitting the survey is not possible.

Will I hear about the results of this project?

The result of this research will be included in a minor thesis to be submitted to the University of Melbourne. The researcher may contribute to public debate, or provide input into reforms in Indonesia.

What will happen to information about me?

All data and information from the completed survey will be securely stored for five years by the researchers, and it will eventually be destroyed after that period. This research will only use the aggregated data, and any comments or answers in the open-ended questions will be de-identified so that the identification of any individual is made impossible.

Where can I get further information?

If you would like more information about the project, please contact the researchers; Professor Janine O’Flynn: joflynn@unimelb.edu.au, or Halim Nuswantoro: hnuwantoro@student.unimelb.edu.au.

Who can I contact if I have any concerns about the project?

This research project has been approved by the Human Research Ethics Committee of the University of Melbourne. If you have any concerns or complaints about the conduct of this research project, which you do not wish to discuss with the research team, you should contact the Manager, Human Research Ethics, Office for Research Ethics and Integrity, University of Melbourne, VIC 3010. Tel: +61 3 8344 2073 or Email: HumanEthics-complaints@unimelb.edu.au. All complaints will be treated confidentially. In any correspondence please provide the name of the research team or the name or ethics ID number of the research project.
School of Government, Faculty of Arts

Research Project:

Does the implementation of formal performance management system improve employee performance? Perspectives from Indonesian civil servants

Prof. Janine O’Flynn (Responsible Researcher)
Phone: +61 3 9035 9526 | Email: joflynn@unimelb.edu.au
Halim Nuswantoro (Master of Public Administration student)
Phone: +61 410232866 | Email: hnuswantoro@student.unimelb.edu.au

CONSENT PAGE

By completing this survey,

1. I consent to participate in this project, the details of which have been explained to me, and I have been provided with a written plain language statement to keep.

2. I understand that the purpose of this research is to investigate whether the implementation of the formal individual performance management system in the government agencies has a significant impact in improving the performance of the civil servants.

3. I understand that my participation in this project is for research purposes only.

4. I acknowledge that the possible effects of participating in this research project have been explained to my satisfaction.

5. In this project I will be required to express my opinion by fulfilling a questionnaire with the following structure:
   a. Section 1 – General Information about you
   b. Section 2 – General impression of the idea of performance management system
   c. Section 3 – General impression of the implementation of performance management system in your agency
   d. Section 4 – Specific impression of the implementation of performance management system in your agency

6. I understand that my participation is voluntary and that I am free to withdraw from this project at any time without explanation or prejudice prior to submitting the survey. Given the anonymity and confidentiality measures are being used, it is not possible to do data matching, therefore I am aware that withdrawing my participation after submitting the survey is not possible.
7. I understand that the data from this research will be stored at the University of Melbourne and will be destroyed after 5 years.

8. I understand that as a participant of an online survey there will always be a chance that I will be identifiable. In that regard, I have been informed that the confidentiality of the information I provide will be safeguarded subject to any legal requirements; my data will be password protected and accessible only by the named researchers.

9. I understand that by completing this survey, I approve and grant an implied consent to the named researchers to use the data from this survey for research purposes only.
REFERENCES


Chung-Kai, Li., & Chia-Hung, Hung. (2009). The influence of transformational leadership on workplace relationships and job


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The Government Regulation No.46/2011. (Indonesia)
The Government Regulation No.43/ 1999. (Indonesia)
The Government Regulation No. 10/ 1979. (Indonesia)
The Circulated Letter of the Head of National Civil Service Agency No. 02/SE/1980. (Indonesia)
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The Regulation of the Head of National Civil Service Agency No. 1/ 2013 (Indonesia)


Author/s: Nuswantoro, Halim

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