

## Improving Government's Performance Management by Using the Balanced Scorecard on Stakeholders Perspectives

Suyuti Marzuki<sup>1</sup>, Bambang Shergi Laksmono<sup>2</sup>, Athor Subroto<sup>3</sup>

University of Indonesia<sup>1,2,3</sup>

Jl. Margonda Raya, Pondok Cina, Kecamatan Beji, Kota Depok, Jawa Barat  
Correspondence Email: suyutimarzuki@gmail.com

### ABSTRACT

On the occasion of the Government Bureaucracy Reform implementation, especially the 7th program, Performance Accountability Strengthening, ministries and institutions (K/L) of the government continue to work to build a better performance management system. Recently, in the democratization and globalization era, the measurement of organization performance is an urgent task for a good government. Thus, a modern performance management is needed to provide transparency on performance accountability through a government performance management system mandated in the governance reform. Performance management is the process of developing shared understanding of (1) what will be achieved, (2) how to achieve the performance, and (3) what approach to improve performance achievement. Performance Accountability of Government Institution System (SAKIP) is a reform model to realize the good governance from the issuance of the MPR Decree XI/1998 and Law No. 28/1999 concerning clean and free of corruption state through the principles of good state administration (Law No. 28/1999), one of which is accountability. The Balanced Scorecard (BSC) with four perspectives is a highly effective method of measuring and managing performance to enhance accountability (the seventh principle) through the integration of government planning and budgeting systems, at the central, provincial and municipal levels. In addition, BSC is integrated between internal levels of government organizations from the vision of the government organization's mission as well as Strategic Objectives (SS) and the Key Performance Indicators (IKU). Furthermore, BSC with the cascade and alignment methods can be used as a tool to improve the organizational structure and functions. This study focuses on the measurement of accountability and improving the performance of government organizations in achieving the social impacts of development outcomes. The statistical test results of the significance outcomes of the MMAF (Ministry of Marine Affairs and Fisheries) based on the maximum standard of the accountability value as defined by the Ministry of Administrative and Bureaucratic Reform, is an average of above 0.5 (95%), while the achievement of organizational performance with the BSC stakeholders perspective is 132.51% (2015), 118.3% (2016), and 99.05% (2017).

**Keywords:** Accountability, Balanced Scorecard, Bureaucratic Reform, Outcome, Performance Measurement

### INTRODUCTION

The legal basis for the implementation of performance measurement and management, as a form of the implementation of government accountability, is based on the Presidential Regulation of the Republic of Indonesia Number 29 of 2014 concerning the

performance accountability system of government agencies. Article 1 states that the SAKIP is a systematic series of activities, tools and procedures designed for the purpose of determining and measuring, data collecting, classifying, summarizing, and reporting performance on government agencies, on the basis of accountability and improvement of the performance of government agencies.

The details are described in the Regulation of Ministry of Administrative and Bureaucratic Reform - Number 53 of 2014 concerning Technical Guidelines for Performance Agreements, Performance Reporting and Procedures for Reviewing Government Agency Performance Reports. Likewise for the regional government regulated in the Government Regulation Number 6 of 2008 concerning Evaluation Guidelines for the implementation of Local Government and Performance Implementation Evaluation, Chapter I general provisions, Article 1 states that the area, hereinafter abbreviated as EKPPD, is a process of systematic data collection and analysis of performance regional government by 'using a performance measurement system'.

Since the last decade, the government has tried to implement results-oriented budgeting through a performance-based approach, with an emphasis on the results of the government budgetary expenditure. This assessment process results in a new belief that public sector accountability should focus more on how the government do efforts to manage the outcome performance rather than on the expenditure of activities or output expenditures when performance-based budgeting has been carried out. This is in accordance with what in the Public Sector Governance and Accountability Series book, that in the last decade, governments have tried to build a results-oriented (or performance-based) budgeting approach. The emphasis on results or performance in the budget process reflects a new belief that public sector accountability must focus on what the government do with money they spend, not on how to control financial expenditures (Partridge & Hott, 1970).

SAKIP is essential as a real measure of quality of a government organization in the implementation of government programs. AKIP is a unit of government performance accountability system, an integration of planning, systems and performance reporting systems to comply with the implementation of a financial accountability system. Each organization has to record and report on the use of state finances and their suitability with accountable provisions (Santoso, 2008; Ciptani, 2004; Arja Sadjiarto, 2000).

Organization performance as a part of accountability includes a performance management system for employees in the organization. However, frequently the performance appraisal process remains influenced by subjective judgments when the employees have slightly different capabilities (Setiyowati, 2013). In addition, data and information systems (Data and Information Capital) as one of the basic components of the LG (Learn and Growth) perspective requires an increase in performance (Arofah, Sholig, & Nisafani, 2012).

LAKIP is a Government Institutional Performance Accountability Report, the final product of SAKIP, describing the performance of government institutions in implementing programs and activities APBN (the national budget)/APBD (the local government budget) financings. They need to be fully capable of determining the performance quantitatively produced on the level outcome, reported as an index, values, percentage, ratio, etc. Its benefits will be the basis for both evaluating for one-

year budget, and forecasting the upcoming performance. Thus, SAKIP is obviously a measurement system of the degree to which their vision and mission, of both mid-term (5 years development) and the long-term budgeting (25 years development) are achieved.

The government, in carrying out accountability programs, requires an indicator for the success. The concepts of organizational performance measurement (key performance indicators) have developed in line with the spirit of change to improve the performance. It is a management-oriented pattern, with specific orientation from inputs to outcomes, benefits and impact of activities (outputs, outcomes and benefits). Thus, the success of an organization does not dwell in a plenitude of programs and fund and resource availabilities (Rangkuti, 2011).

The results-oriented principle is one of the ten principles of reinventing government, as Kong (2005), argued that public organizations are be able to develop a results-oriented paradigm; financing outcomes is not only funding input. The table below shows the value of development outcome impacts to the community, in accordance with the basic perspective of the BSC government.

**Table 1: The Balanced Scorecard Perspective of Corporate and Government**

No	BSC's Corporate	No	BSC's Government
1	Financial: Profit Orientation	1	Stakeholder: Public Orientation (Non-Profit)
2	Costumer Perspective	2	Costumer Perspective
3	Internal Process Perspective	3	Internal Process Perspective
4	Learn and Growth Perspective	4	Learn and Growth Perspective

### **Purposes of Research**

This study aims to explain the differences between the Government Institution Accountability System (SAKIP) of organizations before and after using the Balanced Scorecard to measure and manage performance, as well as to explain the BSC application in improving accountability with the balanced scorecard, based on stakeholder perspective.

### **Benefits of Research**

This study provides both a measurement model and a performance management based on the BSC with stakeholder perspective. It can be properly utilized by the central and regional governments to improve their accountability by implementing integrated planning systems comprising strategic, program, and budgeting planning, as well as performance management of government agencies integrated with the principle of causality between Strategic Objectives (SS) in the Strategy Map.

## **RESEARCH METHOD**

This study uses a quantitative descriptive method aided with IBM SPSS Statistics to determine the relationship between Strategic Objectives (SS) into each perspective in the government Balanced Scorecard (BSC) Strategy Map with a social perspective.

**Data Source**

The source of data within this research consist of two sources, including:

- 1) SAKIP data obtained from the Ministry of Marine Affairs and Fisheries/KKP (2008-2014),
- 2) The performance data achieved from the Online BSC Application System (performance management of Ministry of Marine Affairs and Fisheries/KKP)

**Data Analysis**

**SAKIP Data (Accountability System of Government Agencies)**

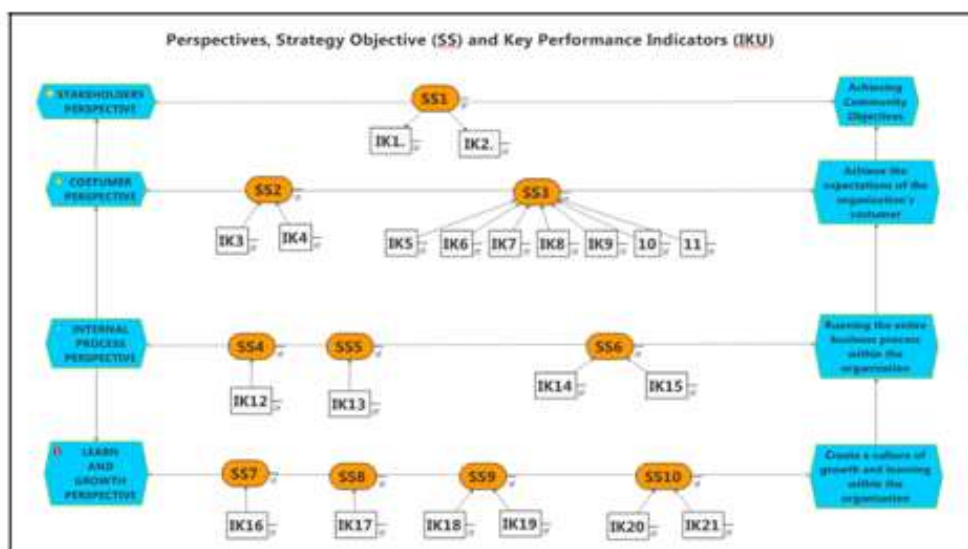
SAKIP assessment data before the implementation of BSC (2008-2012) and after performance measurement and management application based on BSC (2013-present) will be compared. The quantitative descriptive approach is by comparing SAKIP values with the highest SAKIP value category standard set by the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB) as follows:

- 1) Maximum Value of Performance Planning: 30%
- 2) Maximum Value of Performance Measurement: 25%
- 3) Maximum Value of Performance Reporting: 15%
- 4) Maximum Value of Performance Evaluation: 10%
- 5) Maximum Value of Performance Achievement: 20%

**Performance Data**

This study's quantitative data is a set of strategic objective and key performance indicator (IKU) distributions as variables and analytical units. Prior to data analysis, coding was done in the data distribution of IKU since not all data was numeric. According to Silalahi (2015, pp. 506), coding is the act of researchers changing non-numeric data (words) into a numeric form for statistical analysis, or translating from non-numeric data into numeric data. The data were then processed with SPSS by following cascade hierarchy on this government BSC Strategy Map as follows.

**Figure 1: Distribution of Strategic Objectives (SS) and Key Performance Indicators (IKU) on the Balanced Scorecard Strategy Map**



## RESULTS AND DISCUSSION

The Ministry of Administrative and Bureaucratic Reform annually evaluates SAKIP for ministries and institutions (K/L). The evaluation is carried out on 82 ministries and institutions. Up until 2016, there were only three central agencies getting an A. They were the Ministry of Finance, the Audit Board of Indonesia (BPK), and the Ministry of Marine Affairs and Fisheries (KKP). KKP has even earned SAKIP A since 2013. The results of the 2016 evaluation, there were two government agencies with the BB predicate; they were Yogyakarta Special Province Government (DIY), and Central Java Provincial Government. In addition, 11 provincial governments earned B, 14 regions got CC, and other seven government agencies got C. No districts/cities had received BB. There were 22 regencies/municipalities with B, 22 regencies/cities earned CC, and other 15 got C.

Philosophical measurement and performance management is a tangible manifestation of the responsibility of the corporate and government organization for the efficient use of the budget (stakeholder perspective) that is run by the government. From this understanding, the effectiveness in planning systems is a real measure of the level of accountability for the organization. The increase of MMAF KKP accountability measure that continues to increase slowly before using the BSC (2008-2012) and become higher accountability after using BSC (2013 until now), it can be described in the results of this study as follows:

### **The Correlation between SAKIP Value and Budgeting Based on Performance**

According to ministerial regulation of Administrative and Bureaucratic Reform, Number 53/2014 as mentioned above, the accountability value of MMAF has slowly grown within 5 years until 2012. The acquisition of MMAF accountability values are as below:

- 1) 45.7 in 2008 (SAKIP C);
- 2) 50.27 in 2009 (SAKIP CC);
- 3) 53.04 in 2010 (SAKIP CC);
- 4) 65.52 in 2011 (SAKIP B);
- 5) 69.95 in 2012 (SAKIP B);
- 6) 75.54 in 2013 (SAKIP A);
- 7) 77.68 in 2014 (SAKIP A)

The ministerial regulation, concerning technical guidance on performance agreements, government performance reporting and review procedures, defined that category D (very low) is promoted to the government agencies with unreliable the system and order of performance management application. It indicates a considerable need for fundamental improvements, particularly in the completeness of document fulfilment. Category C (low) means the implementation of performance management remains unreliable, despite minor and fundamental improvements to the completeness of document fulfilment. The provisions are activity-oriented, not to satisfy the community by the results.

Category CC (middle) is promoted to those fulfilling most of the basic prerequisites. It implies most of the performance management documents have been fulfilled and internal evaluations have been implemented. The implementation of a performance management system has produced performance information. It has not fully described the results expected by the community since it is measured with the number of

activities. For some agencies, data on performance achievements have not been fully reliable due to the absence of a data collection system.

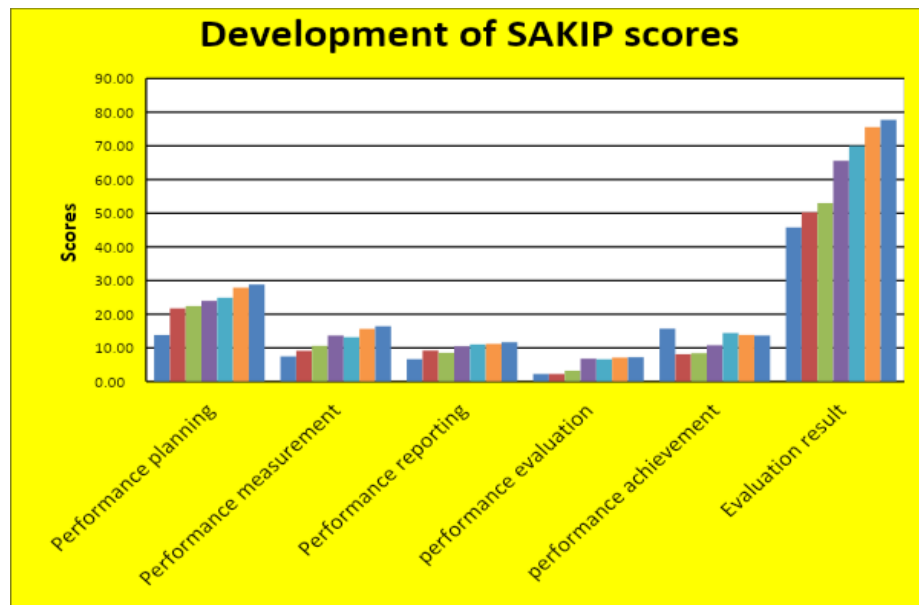
Category B (good) demonstrates a reliable performance management system. All document aspects have been fulfilled and the quality of performance indicators has been results-oriented. The planning is aligned with the implementation and report. Monitoring performance achievement uses information technology. Performance reports reveal complete performance analysis and evaluation usable for planning improvements. The internal evaluation provides useful recommendations for further improvements. In addition, high-level government leaders show direct involvement in the performance management process.

Category BB (excellent) suggests good commitments of the leadership and all components in implementing results-oriented performance management. It is implied by the use of performance measures and targets as an assessment of success/failure, and awards/penalties. At this level, government agencies focus on achieving performance, thus the performance achievement is periodically and directly monitored by the leaders of government agencies. Category A (satisfactory) and AA (very satisfactory) imply government agencies' high performance, concern, and responsibility in responding to stakeholder expectations. Furthermore, they are innovative and remain at the forefront of making changes in a better direction.

Additionally, the performance management at the KKP has been carried out in various other countries in the management of performance-based budgets. For example, South Africa's progress in performance-based budgeting has represented best practice in developing countries, with the issuance of the public financial management law in South Africa in 1999 measuring financial performance aligning with government objectives (National Treasury 2002). It was to make changes to the structure of the budget document (budget structuring) accountable, developed gradually over 5 years until 2003. Similar practices have also been applied in Singapore altered the input/output-oriented public budgeting system to a result-orientated system, by introducing results-oriented accountability to public organizations through changes in budgeting regulations both in the budgeting process and role, and implementation of performance measurement (Partridge & Hott, 1970).

These are in accordance with Performance Based Budgeting (PBK) system that has been developed in Indonesia in the scope of planning and budgeting since 2005 with reference to Law Number 17 of 2003 concerning State Finance and Law Number 25 of 2004 concerning the National Development Planning System. Following up on the implementation of these laws and regulations, the Government has stipulated Government Regulation Number 21 of 2004 which confirms that the Work Plan and Budget (RKA) is prepared with three approaches, including: (1) unified budget; (2) medium term expenditure framework; and (3) performance-based budgeting.

**Table 2: The Condition of SAKIP Values of KKP before using Balanced Scorecard**



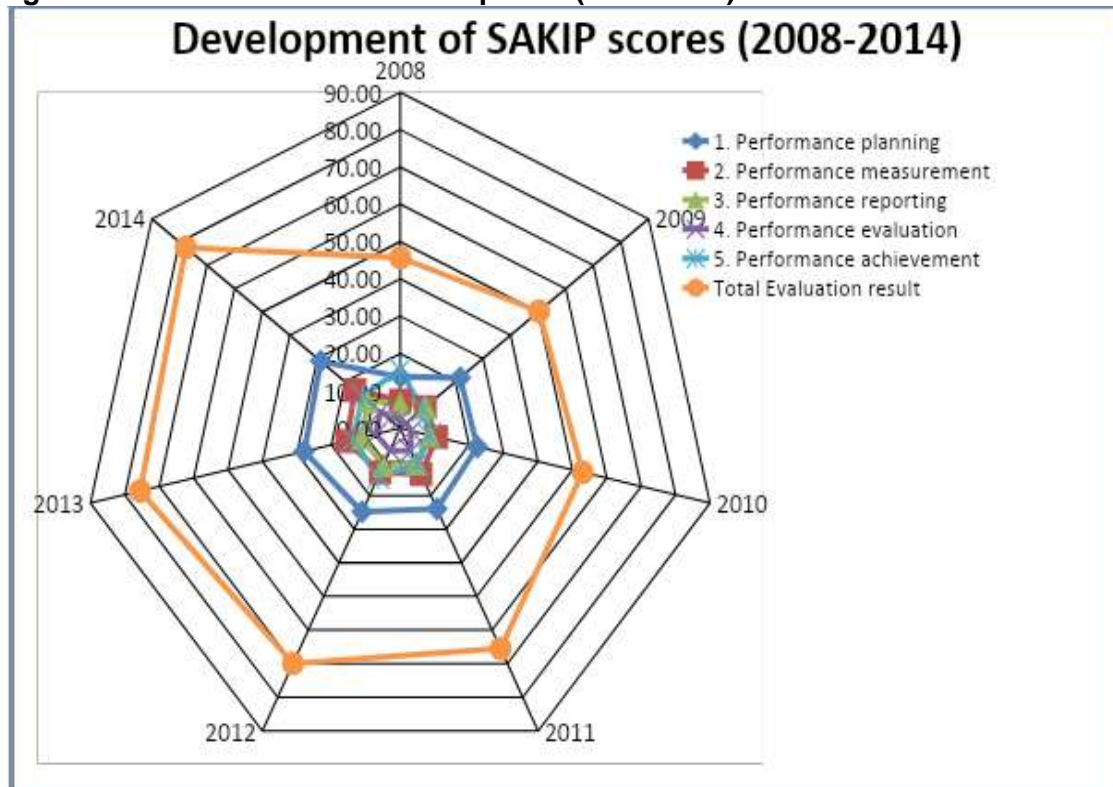
The graph above illustrates that from 2008 to 2012, the value of SAKIP continued to increase even though it had not achieved SAKIP A. This was the result of the fact that KKP has carried out budgeting structuring since 2005 by Performance-Based Budgeting (PBK). The classic problem was the implementation of the budget leaves the achievement of impact performance (Outcome). Further, the budget was traditionally managed with sufficient satisfaction of 100 percent realization. In other words, it counts out the progress impact on the community.

The main characteristic of PBK is taking into account the relationship between funding (input), and expected results (outcomes). It provides information about the effectiveness and efficiency of activities. For now, the main feature has not been reflected in existing planning and budgeting documents due to:

1. Resource envelope has not been used as a basis for the preparation of the National Mid-Term Development Plan (RPJMN) and Strategic Plans of K/L.
2. Programs and activities cannot be used as tools to measure the level of effectiveness in achieving development goals and efficiency of spending;
3. Programs and activities cannot be used as a tool to measure the accountability of a work unit;
4. There are still a number of basic questions regarding the relevance of planning and budgeting documents at the operational level. For example, how to conduct an assessment of program linkages with national development targets; linkages between activities and programs; the association of the expenditure with the outputs.

Performance-Based Budgeting (PBB) is the first step of BSC application, for it strongly emphasizes the alignment of the planning and the budgeting system based on input-process output with the logic model principle (Figure 3.2) at all levels of government agencies. The KKP's SAKIP value development above are observable on the radar chart below.

Figure 2: KKP SAKIP Value Development (2008-2014)



It shows the development of the total SAKIP values of KKP from 2008 to 2014. It portrays the alignment to the development of SAKIP values per assessment category by the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB). Compared with the KKP's performance report in 2016 stating that in 2012, KKP failed to earn SAKIP A. The implementation of BSC-based Performance Management (2013) were as follows:

1. Budget Control means the addition and deduction of the budget is not based on the performance of the KKP but rather on the availability of the budget. When the budget is available, an activity will get an additional budget, and vice versa;
2. Focusing on functions in the organization to achieve the outputs;
3. Ignoring performance measurements and performance measurements carried out separately;
4. Having a single functional information;
5. Final achievement is CC since the value of SAKIP has not increased

**Government Accountability as a Form of Bureaucratic Reform**

Improvements to the planning and budgeting system are considered important based on facts in the central and regional government, as KKP's SAKIP above. The condition of the planning system is still out of sync with the budgeting system and government performance management system in realizing national strategic targets and development targets. To answer the problems, the accountability of financial performance specifically and government performance in general, have been mandated in eight areas of change in the Bureaucracy Reformation Roadmap, especially in the third area of change, the accountability of the government. Some of

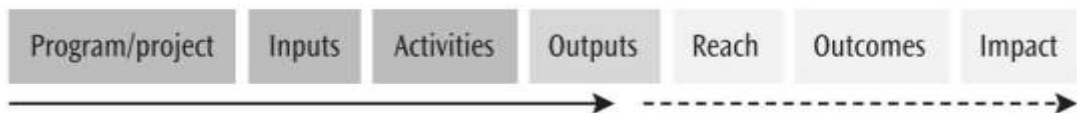


the steps taken by the KKP to achieve SAKIP predicate, in improving the accountability of government agencies, are:

1. Identifying performance to achieve in accordance with the role, and function, or the reason for the existence of government agencies;
2. Establishing measurable indicators of performance success and relevant to the performance;
3. Planning the performance targets from input-process-output-outcomes;
4. Aligning programs and activities with performance;
5. Aligning budget allocations with programs and activities;
6. Working on activities in accordance with work plans and budgets based on measurable target indicators;
7. Reporting the performance achievements in accordance with prior planning and implementation.
8. Conducting the performance evaluations to provide to improve performance.

Those are in line with Andrews in Partridge & Hott (1970) examining questions on new experiences in budgeting reform around the world, in particular taking a critical view on the adoption of reforms in budgeting arrangements, as one of the "better practices" in developing countries especially in the South African National Government. The following figure shows the process flow of the program (Andrews, 1970).

**Figure 3: Results Chain, Program Relations, Activities in the Output-Outcome Process**



(Source: Public Sector Governance and Accountability Series)

**The Correlation between KKP’s SAKIP Values per Echelon I and Maximum SAKIP Standard of KemenPAN-RB**

The results of the linear anova statistical correlation test (control variable) between the SAKIP standards of the Ministry of Administrative and Bureaucratic Reform, (Performance Planning, Performance Measurement, Performance Reporting, Performance Evaluation, and Performance Achievements) are shown in the table below.

**Correlations**

Control Variables			ITJE N	PDSPK P	PB	PRL	PT
Menpan_RB	ITJEN	Correlation	1.000	-.505	-.161	.042	.486
		Significance (2-tailed)	.	.495	.839	.958	.514
		df	0	2	2	2	2
PDSPKP		Correlation	-.505	1.000	.596	.720	.440

	Significance (2-tailed)	.495	.	.404	.280	.560
	df	2	0	2	2	2
PB	Correlation	-.161	.596	1.000	.907	.108
	Significance (2-tailed)	.839	.404	.	.093	.892
	df	2	2	0	2	2
PRL	Correlation	.042	.720	.907	1.000	.516
	Significance (2-tailed)	.958	.280	.093	.	.484
	df	2	2	2	0	2
PT	Correlation	.486	.440	.108	.516	1.000
	Significance (2-tailed)	.514	.560	.892	.484	.
	df	2	2	2	2	0
BPSDM	Correlation	.728	.084	.545	.706	.606
	Significance (2-tailed)	.272	.916	.455	.294	.394
	df	2	2	2	2	2
BALITBANG	Correlation	.409	.517	.717	.921	.734
	Significance (2-tailed)	.591	.483	.283	.079	.266
	df	2	2	2	2	2
PSDKP	Correlation	.643	.270	.572	.790	.736
	Significance (2-tailed)	.357	.730	.428	.210	.264
	df	2	2	2	2	2
BKIPM	Correlation	.604	.383	.355	.694	.937
	Significance (2-tailed)	.396	.617	.645	.306	.063
	df	2	2	2	2	2

SETJEN	Correlation	-.138	.916	.719	.909	.659
	Significance (2-tailed)	.862	.084	.281	.091	.341
	df	2	2	2	2	2
Internal_KK P	Correlation	.115	.753	.795	.976	.684
	Significance (2-tailed)	.885	.247	.205	.024	.316
	df	2	2	2	2	2

The results of the internal SAKIP assessment in 2015 are presented in the tables (Table IV.2) and graphs below:

**Figure 4: The Significance of SAKIP Values Per Echelon I in KKP with Maximum Value of KemenPAN-RB**



Furthermore, the table of correlation test below shows the overall internal assessment of Echelon I in KKP with maximum standard of SAKIP value of KemenPAN-RB, are shown in the table as follows:

**Table 3: The Correlation between SAKIP Values with KemenPAN-RB standards and Internal SAKIP Assessment of KKP in 2015 (after using BSC)**

Control Variables		Correlations	
			Internal_KKP
Menpan_RB	ITJEN	Correlation	.115
		Significance (2-tailed)	.885
		Df	2
	PDSPKP	Correlation	.753
		Significance (2-tailed)	.247
		Df	2
	PB	Correlation	.795
		Significance (2-tailed)	.205
		Df	2
	PRL	Correlation	.976
		Significance (2-tailed)	.024
		Df	2
	PT	Correlation	.684
		Significance (2-tailed)	.316
		Df	2
	BPSDM	Correlation	.718
		Significance (2-tailed)	.282
		Df	2
BALITBANG	Correlation	.951	
	Significance (2-tailed)	.049	
	Df	2	
PSDKP	Correlation	.829	
	Significance (2-tailed)	.171	
	Df	2	

BKIPM	Correlation	.808
	Significance (2-tailed)	.192
	Df	2
SETJEN	Correlation	.951
	Significance (2-tailed)	.049
	Df	2
Internal_KKP	Correlation	1.000
	Significance (2-tailed)	.
	Df	0

The results of partial correlation test between the value of SAKIP per echelon I and the SAKIP standards set by the Ministry of Administrative and Bureaucratic Reform, show aligned distribution. In other words, the distribution of SAKIP values in the scope of the KKP approached the maximum standard value set by the Ministry of Administrative and Bureaucratic Reform. The value distribution per each echelon I work unit is explained as follows:

#### The Distribution of SAKIP Value per Echelon I in the Scope of KKP

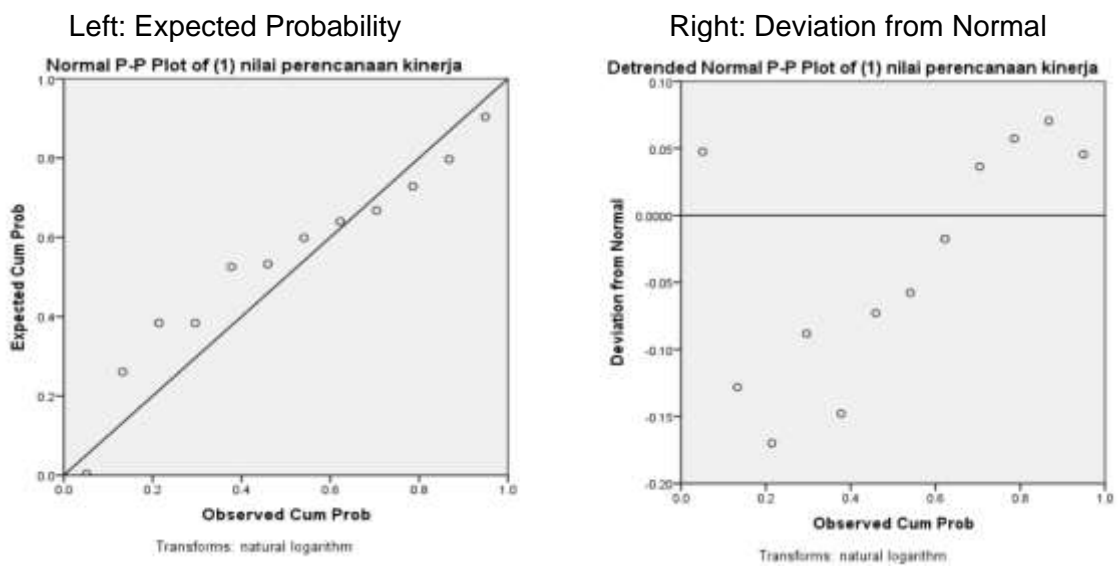
The distribution of SAKIP value is based on the following table (Table 3.1), with PP plot analysis of the probability graph plot to determine the variable distribution of SAKIP Per Echelon I values corresponding to the variable set by KemenPAN-RB (Table 3.1). The distribution of data is examined by PP plot with lognormal, as follows.

**Table 3.1: The Comparison of Internal SAKIP Assessment Results of KKP with the highest SAKIP Standard of KemenPAN-RB 2015**

Work Unit	Performance Planning (%)	Performance Measurement (%)	Performance Report (%)	Performance Eavaluation (%)	Performance Achievement (%)	Evaluation Values 2015	Predicate
Menpan_RB	30	25	15	10	20	100	
ITJEN	29.15	20.94	13.27	7.08	18.63	89.06	A
PDSPKP	28.72	24.73	13.53	8.63	12.97	88.58	A
PB	28.94	22.81	11.71	8.33	16.62	88.41	A
Internal_KKP	28.52	21.13	13.14	9.25	14.47	86.52	A
PRL	28.85	21.88	11.79	7.81	15.35	85.68	A
PT	28.08	20.67	14.16	6.56	15.35	84.84	A
BPSDM	28.08	19.02	12.42	8.5	16.13	84.14	A
BALITBANG	27.68	19.73	12.63	8.6	14.83	83.49	A
PSDKP	28.5	17.5	13	8.94	14.52	82.46	A
BKIPM	25.42	19.24	13.35	8.5	15.42	81.94	A

The descriptive results of the data distribution test with the PP plot with lognormal of the 5 (five) components of the SAKIP assessment indicate that the result of SAKIP internal assessment of KKP is significantly distributed to the maximum standard value by KemenPAN-RB. These can be seen in the following figures:

**Figure 3.4.1: The Distribution of SAKIP Values on Performance Planning Aspect**



**Figure 3.4.2: The Distribution of SAKIP Values on Performance Measurement Aspect**

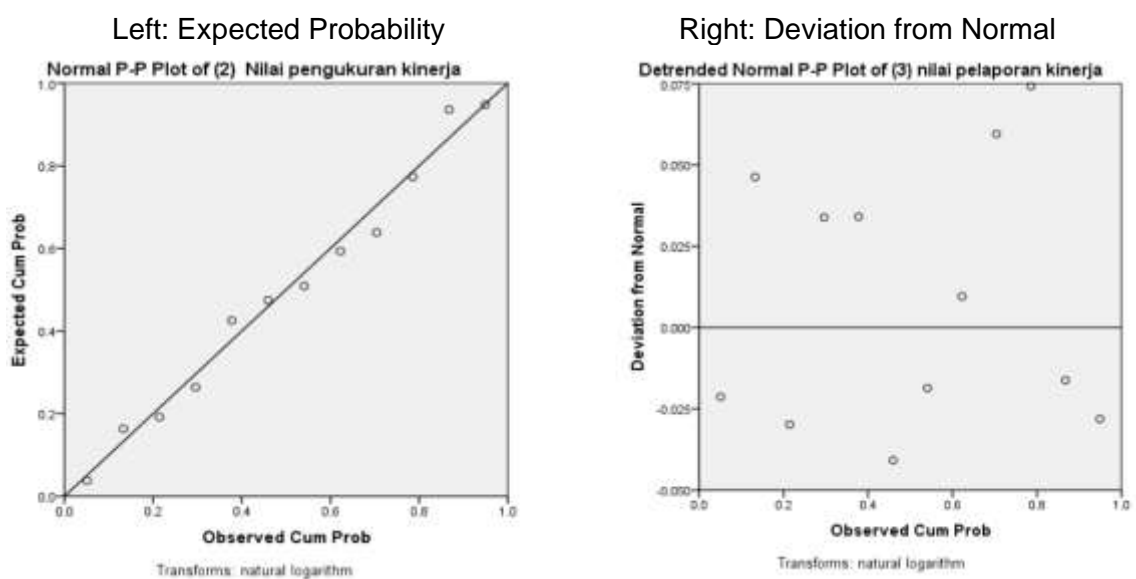


Figure 3.4.3: The Distribution of SAKIP Values on Performance Reporting Aspect

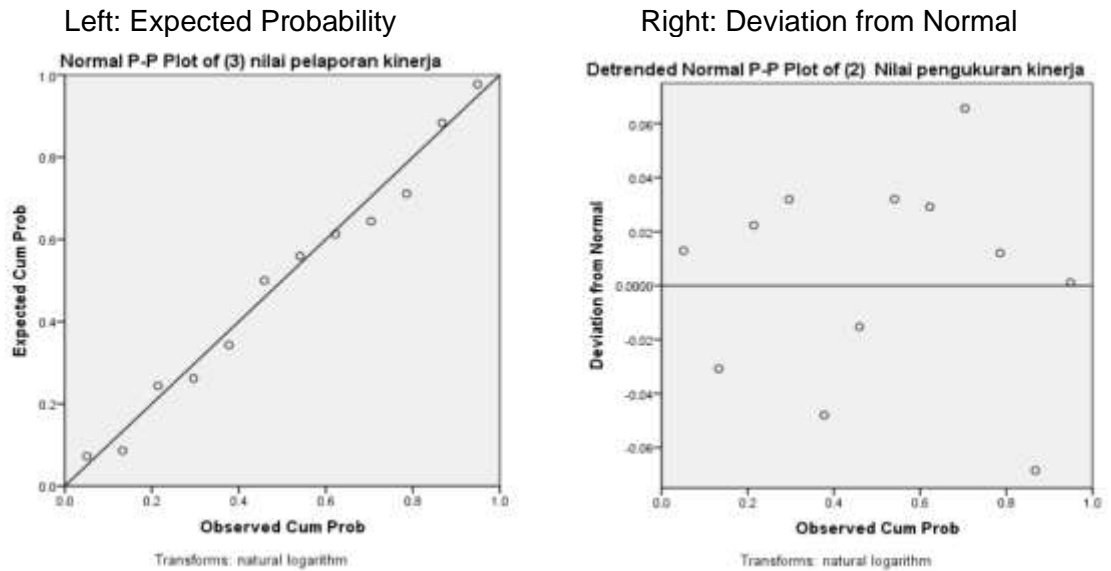
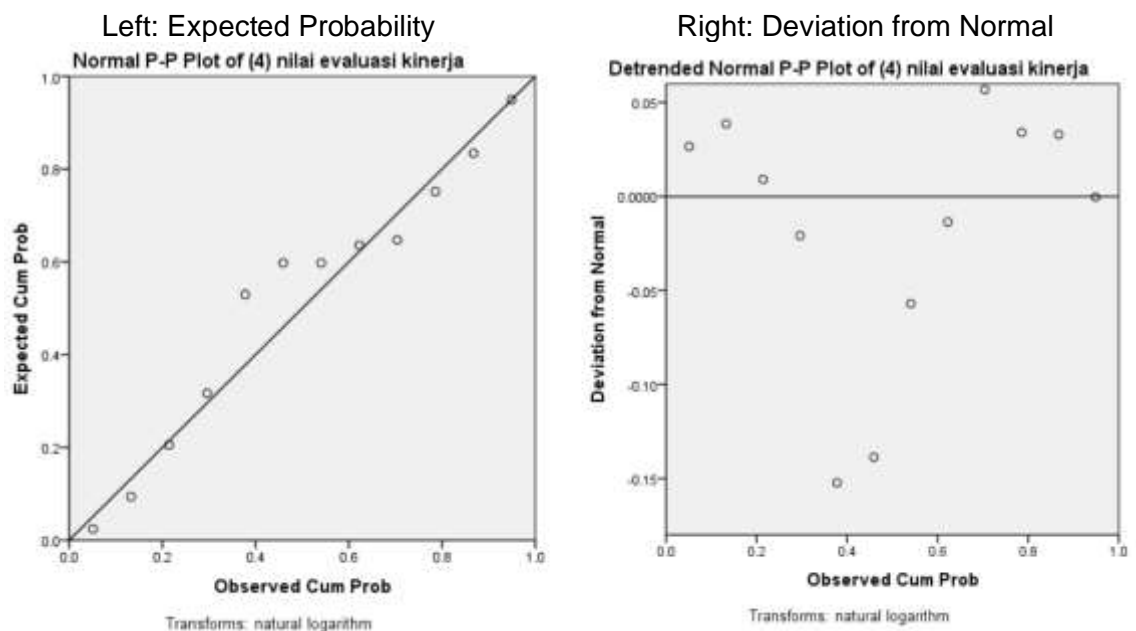
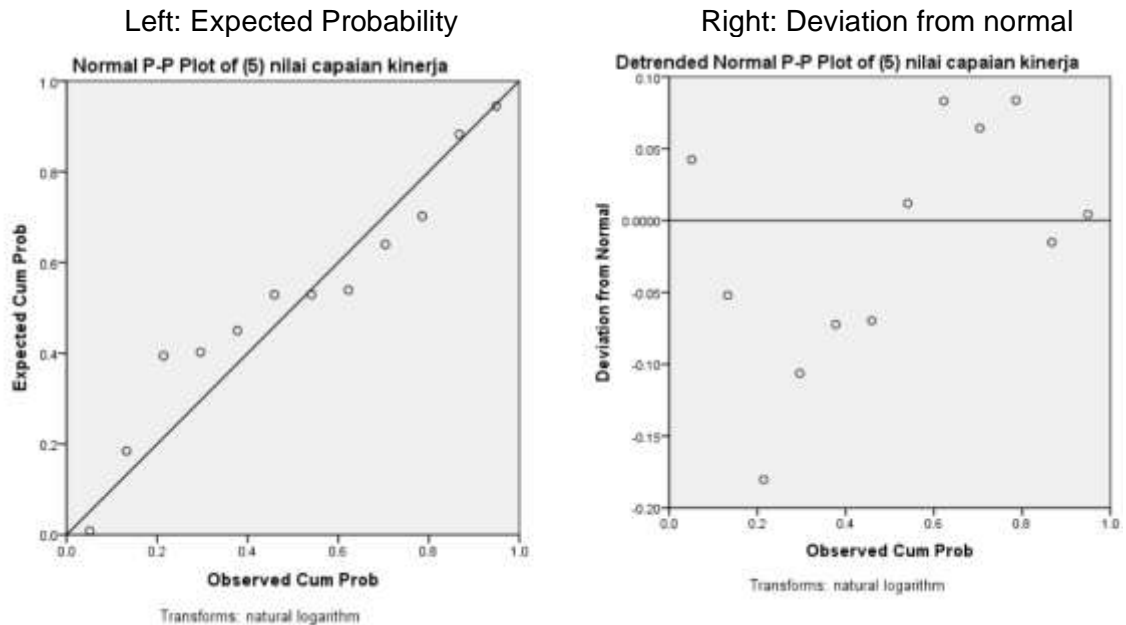


Figure 3.4.4: The Distribution of SAKIP Values on Performance Evaluation Aspect



**Figure 3.4.5: The Distribution of SAKIP Values on Performance Achievement Aspect**



### Planning and Achieving Social Targets

The achievement of targets and goal of social programs in the KKP are represented in its whole perspective of the community (perspective stakeholders) in the government's BSC. This is the highest perspective in the government's BSC. It implies that development is carried out by the government for the purpose of human welfare and prosperity (Chossudovsky, 2003). Woolcock & Narayan (2000) explained the importance of this perspective in a communitarian view, equating social capital with local level organizations, including associations, organizations/clubs, and civic groups. This most easily measured view is the number and density of these groups in a particular community. It also implies that social capital is essentially important and always brings a positive effect on people's welfare. This has made an important contribution to poverty analysis by emphasizing the centrality of social ties in helping poor people to manage risk and vulnerability. Even Narayan & Cassidy (2001), notes that poor people are always the abandoned group. Ife (2006) highlighted the importance of the community perspective as a key element in community development and human rights.

Communitarian perspectives implicitly assume that communities are homogeneous entities that automatically incorporate and benefit all members of society. This perspective is in dealing with caste inequality, ethnic exclusion, and gender discrimination which often maintained and become pressures in society. Concludes that this becomes an aspect of economic and social development in such a way that development planning produces long-term and mid-term development plans in overcoming poverty (Woolcock & Narayan, 2000).

Furthermore, the National Development Planning System (SPPN) document defines "community" as an individual, a group of people, including customary law communities or legal entities that have an interest in activities and development outcomes, as the



person in charge, the actor, beneficiary and risk taker. This is in line with the stakeholder perspective, the culmination of a non-profit organization or government. The strategic target (SS) in this perspective is equivalent to the level of the organization's vision and mission, in which SS is the final process in the chain process (logic model process). In addition, logic models are evaluation tools in the assessment and clarification of community expectations and priorities within the organization in achieving performance targets (Wholey, 1996. p. 148).

The following is a figure of a community perspective (Consumer perspective) in the public BSC sector in Niven's (2008) view.

**Figure 5: The Balanced Scorecard Perspective for the Public and Non-profit Sectors**



(Source: Niven, 2008. p.53)

Based on the results of the performance management dashboard of KKP, the percentage of achievement of the social perspective (Stakeholder Perspective) is presented in a summary of performance achievements in this perspective, in the table below.

**Table 4. The Comparison of Stakeholder Perspectives Results in 2015, 2016 and 2017**

TAHUN 2015		Values		
Row Labels	Sum of target	Sum of pencapaian	Capaian	
KEMENTERIAN KELAUTAN DAN PERIKANAN	4235913.19	5541810.643	130.83	
<b>1_ Stakeholders</b>	<b>4000213</b>	<b>5300709.96</b>	<b>132.51</b>	
SS1	4000213	5300709.96	132.51	
IK1	104	104.63	100.61	
IK2	102	101.36	99.37	
IK3	2000000	2400497	120.02	
IK4	2000000	2900000	145.00	
IK5	7	6.97	99.57	
TAHUN 2016		Values		
Row Labels	Sum of target	Sum of pencapaian	Capaian	
KEMENTERIAN KELAUTAN DAN PERIKANAN	838.4	1088.9	129.88	
<b>1_ Stakeholders</b>	<b>50</b>	<b>59.15</b>	<b>118.30</b>	
SS1	50	59.15	118.30	
IK1	42	54	128.57	
IK2	8	5.15	64.38	
TAHUN 2017		Values		
Row Labels	Sum of target	Sum of pencapaian	Capaian	
KEMENTERIAN KELAUTAN DAN PERIKANAN	1921.09	1642.78	85.51	
<b>1_ Stakeholders</b>	<b>65.04</b>	<b>64.42</b>	<b>99.05</b>	
SS1	65.04	64.42	99.05	
IK1	54.04	54	99.93	
IK2	8	6.75	84.38	
IK4	3	3.67	122.33	

## CONCLUSIONS

The results of the discussion above lead the following conclusions.

1. The accountability value of SAKIP of KKP in the five SAKIP assessment categories with the maximum assessment standard of KemenPAN-RB, shows a significant increase (Table 2) with the application of BSC-based performance measurement and management to stakeholder perspectives.
2. The overall internal assessment of Echelon I of KKP to the maximum SAKIP standard of KemenPAN-RB has an average significance above 0.5 (95%). It concludes that the internal SAKIP assessment of KKP using BSC has a significant impact on the assessment of SAKIP by the KemenPAN-RB in the five categories, including Performance Planning, Performance Measurement, Performance Reporting, Performance Evaluation and Performance Achievement.
3. Realization of the performance achievement of KKP with the BSC application system in the stakeholder perspective, reach achievement value by 132.51% (2015), 118.3% (2016), and 99.05% (2017).
4. The Performance-Based Budgeting System (PBK) of the Indonesian Ministry of Marine Affairs and Fisheries (KKP) runs well after the implementation of the Balanced Scorecard with a stakeholder's perspective, as well as the Government Institutional Accountability System (SAKIP) A in 2013.

The application of the BSC is closely related to government programs, especially in the performance-based planning and budgeting system (PBK). Measuring and managing performance by applying the Balanced Scorecard method has brought a real impact (strong correlation) on increasing accountability of government agencies. Reforming organizational performance management is hard since it is closely related to efforts to change the perspective of the implementation of output-based government programs into outcomes, by measuring and managing performance in an integrated, structured and measurable manner (Performance Measurement and Management). These need high commitment at every level of the organization, from the highest leadership to the

level of individual employees. Thus, the importance of starting the implementation of performance management begins with the Balanced Scorecard methodology of stakeholder perspectives on government organizations, especially technical ministries (K/L) which relate directly to the community and the implementation and achievement of high accountability for social development.

## REFERENCES

- Arja Sadjarto. (2000). Akuntabilitas dan pengukuran kinerja pemerintahan. *Jurnal Akuntansi Dan Keuangan*, 2(2), 138-150. Retrieved from <https://doi.org/10.9744/jak.2.2.pp.138-150>
- Arofah, N., Sholig, & Nisafani, A. S. (2012). Penyusunan IT Balanced Scorecard untuk pengukuran kinerja Divisi IT di PT. Pertamina UPMS V Surabaya. *Jurnal Teknik POMITS*, 1(2).
- Chossudovsky, M. (2003). The globalization of poverty and the new world order, 376. Retrieved from [http://www.amazon.com/The-Globalization-Poverty-World-Order/dp/0973714700/ref=pd\\_sim\\_b\\_2?ie=UTF8&refRID=0GTEMC31C7ARQV8GDEBR](http://www.amazon.com/The-Globalization-Poverty-World-Order/dp/0973714700/ref=pd_sim_b_2?ie=UTF8&refRID=0GTEMC31C7ARQV8GDEBR)
- Ciptani, M. K. (2004). Balanced Scorecard sebagai pengukuran kinerja masa depan: suatu pengantar. *Jurnal Akuntansi dan Keuangan*, 2, 21–35. Retrieved from <https://doi.org/10.9744/jak.2.1.pp.21-35>
- Ife, J. (2006). Human rights and community work: Complementary theories and practices. *International Social Work*, 49(3), 297–308. Retrieved from <https://doi.org/10.1177/0020872806063403>
- Kong, D. (2005). Performance-based budgeting: The U.S. experience. *Public Organization Review*, 5(2), 91–107. <https://doi.org/10.1007/s11115-005-1782-6>
- Narayan, D., & Cassidy, M. F. (2001). A Dimensional Approach to Measuring Social Capital: Development and Validation of a Social Capital Inventory. *Current Sociology*, 49(2), 59–102. <https://doi.org/10.1177/0011392101049002006>
- Niven, P. R. (2008). Balanced Scorecard step by step for government and nonprofit agencies. *Environmental Science & Technology (Vol. 29)*. Retrieved from <https://doi.org/10.1021/es00008a700>
- Partridge, M. J., & Hott, N. C. (1970). Fiscal management: Public sector governance and accountability series. *Physical Therapy (Vol. 50)*. World Bank. Retrieved from [https://doi.org/10.1007/978-981-10-2389-7\\_6](https://doi.org/10.1007/978-981-10-2389-7_6)
- Rangkuti, F. (2011). *SWOT Balanced Scorecard*. PT Gramedia Pusaka Utama.
- Santoso, U. (2008). Pengaruh penerapan akuntansi sektor publik terhadap akuntabilitas kinerja instansi pemerintah dalam mencegah fraud. *Administrasi Bisnis*, 4(1), 14–33
- Setiyowati, S. (2013). Analisa evaluasi kinerja pegawai untuk promosi jabatan menggunakan Model Hybrid GAP Analysis-AHP. *Seminar Nasional Aplikasi Teknologi Informasi (SNATI)*, 22–30. Retrieved from <http://journal.uir.ac.id/index.php/Snati/article/view/3016>
- Silalahi, U. (2015). *Metode penelitian sosial kuantitatif*. (N. F. Atif, Ed.). Bandung: PT Refika Aditama.
- Wholey, J. S. (1996). Formative and summative evaluation: Related issues in performance measurement. *Evaluation Practice*, 17(2), 145–149. Retrieved from <https://doi.org/10.1177/109821409601700206>
- Woolcock, M., & Narayan, D. (2000). Social capital: Implications for development theory, research, and policy. *The World Bank Research Observer*, 15(2), 225–249. Retrieved from <https://doi.org/10.1093/wbro/15.2.225>