PERFORMANCE-BASED CIVIL SERVANT MANAGEMENT: CHALLENGES AND DIRECTIONS FOR NATIONAL TRANSFORMATION

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ABSTRACT

This paper aims to analyze the challenges and directions of transformation in the implementation of performance-based civil servant management in Indonesia. Using a descriptive-qualitative approach based on literature review and national policy documents, this article highlights the implementation of the Government Agency Performance Accountability System (SAKIP), merit system, and the enforcement of Ministry of Administrative and Bureaucratic Reform Regulation No. 8/2021. The study finds that major obstacles include digital divide, a bureaucratic culture not yet result-oriented, and disparities in capacity across regions. Transforming civil servant management requires an integrated approach through merit systems, bureaucratic digitalization, and strengthening civil servant competencies. This article recommends accelerating reform strategies by enhancing performance incentives, data-driven governance, and involving regional governments in the design of national talent management.

Keywords: *Civil Servants, Performance Management, Bureaucratic Reform, SAKIP, Meritocracy.*

ABSTRAK

Tulisan ini bertujuan untuk menganalisis tantangan dan arah transformasi dalam penerapan manajemen pegawai negeri sipil berbasis kinerja di Indonesia. Dengan menggunakan pendekatan deskriptif-kualitatif berdasarkan kajian pustaka dan dokumen kebijakan nasional, artikel ini menyoroti penerapan Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP), sistem merit, dan penegakan Peraturan Menteri Pendayagunaan Aparatur Negara dan Reformasi Birokrasi No. 8/2021. Kajian ini menemukan bahwa kendala utama meliputi kesenjangan digital, budaya birokrasi yang belum berorientasi pada hasil, dan disparitas kapasitas antar daerah. Transformasi manajemen pegawai negeri sipil memerlukan pendekatan terpadu melalui sistem merit, digitalisasi birokrasi, dan penguatan kompetensi pegawai negeri sipil. Artikel ini merekomendasikan percepatan strategi reformasi dengan meningkatkan insentif kinerja, tata kelola berbasis data, dan melibatkan pemerintah daerah dalam perancangan manajemen talenta nasional.

Kata Kunci: Pegawai Negeri Sipil, Manajemen Kinerja, Reformasi Birokrasi, SAKIP, Meritokrasi.

INTRODUCTION

Civil servant management in Indonesia has undergone significant dynamics since the enactment of Law No. 5 of 2014 concerning Civil Servants and its revision under Law No. 20 of 2023. These changes mark a paradigm shift toward a performance-based and meritocratic management system aligned with good governance principles. A key pillar of this transformation is the implementation of the Government Agency Performance Accountability System (SAKIP) and a structured, measurable performance management system (Ministry of Administrative and Bureaucratic Reform [KemenPAN-RB], 2023).

However, structural, cultural, and technological challenges continue to hinder the achievement of an ideal civil servant performance management system. National evaluations of SAKIP reveal that most regional governments remain at a "B" rating or below, indicating suboptimal integration of planning, budgeting, and performance reporting (National Institute of Public Administration [LAN RI], 2023). Regulation No. 8/2021 issued by KemenPAN-RB directs a shift from annual performance evaluations toward continuous, result-oriented performance dialogues. Yet, implementation remains uneven across government agencies, especially at the regional level.

Additionally, the greatest challenges stem from the urgent need to digitize civil servant management systems, cultivate an adaptive performance culture, and ensure human resource and institutional capacity at the local level. Infrastructure and human resource disparities between regions widen the gap between reform targets and implementation realities (State Civil Service Agency [BKN], 2024).

This study is essential to provide a comprehensive overview of the current condition of civil servant performance management, identify obstacles faced, and propose inclusive and sustainable policy directions and transformation strategies.

LITERATURE REVIEW

Performance management in the public sector has been extensively studied as a crucial mechanism for improving government effectiveness and accountability (Kettunen & Kallio, 2020). The civil servant management framework in many countries is increasingly shifting towards performance-based models to align individual and institutional goals with broader governance objectives (Pollitt & Bouckaert, 2017). Central to this shift is the adoption of merit systems, which emphasize recruitment, promotion, and reward based on competencies and achievements rather than seniority or patronage (OECD, 2022).

Performance Management and Public Sector Reform

Performance management systems in the public sector typically involve planning, monitoring, and evaluating organizational and individual performance, guided by clearly defined objectives and measurable indicators (Bouckaert et al., 2010). The Government Agency Performance Accountability System (SAKIP) in Indonesia represents a localized adaptation of such models, aiming to institutionalize accountability and result-oriented management across government agencies (KemenPAN-RB, 2023). Previous studies

(Sari & Maulidya, 2021; Wibowo, 2019) indicate that while SAKIP has improved transparency, challenges remain in consistent implementation, especially at regional levels.

Merit System in Civil Servant Management

Meritocracy is recognized globally as a best practice in civil servant management, fostering professionalism and reducing corruption (Kim, 2021). Indonesia's civil service reform, underpinned by Law No. 5/2014 and its subsequent amendments, institutionalizes merit principles to replace patronage-based appointments (Dwiyanto, 2020). However, empirical evidence suggests that bureaucratic inertia, local political influences, and insufficient capacity often undermine merit-based practices (Suharyo, 2022). Comparative studies from OECD countries demonstrate that successful merit systems require transparent recruitment processes, continuous competency development, and robust performance appraisal mechanisms (OECD, 2022).

Digitalization as a Catalyst for Reform

Digital transformation plays a pivotal role in modernizing civil service management, enabling data-driven decision making and improving service delivery (Mergel, 2019). In Indonesia, the digitalization of performance management through platforms such as e-Kinerja has the potential to reduce manual bureaucracy and facilitate real-time monitoring (BKN, 2024). Nonetheless, the digital divide remains a significant barrier, particularly in remote and underdeveloped regions, which hampers equitable access and usage of digital systems (Hasibuan & Purwanto, 2023).

Challenges in Bureaucratic Culture and Capacity

Changing entrenched bureaucratic cultures towards a performance-oriented mindset is a formidable challenge (Van der Wal et al., 2018). Public sector employees often face pressures to maintain the status quo, resist accountability measures, or engage in compliance-oriented behaviors rather than result-driven performance (Sari et al., 2020). Capacity building initiatives, including training and leadership development, are critical to overcoming these cultural obstacles (Dwiyanto, 2020). Regional disparities in institutional capacity further complicate reform efforts, requiring tailored strategies that consider local contexts (LAN RI, 2023).

International Perspectives and Lessons

International experiences provide valuable lessons for Indonesia's civil service transformation. Countries like Singapore, South Korea, and New Zealand have successfully integrated meritocratic principles with digital governance tools to achieve high-performing public sectors (Kim & Lee, 2021; OECD, 2022). These cases highlight the importance of political commitment, transparent governance, and continuous innovation as drivers of sustainable reform.

RESEARCH METHODS

This study employs a qualitative research approach using a literature review method to comprehensively analyze the challenges and transformation directions in performance-based management of Indonesia's civil servants (ASN). The qualitative-descriptive design is appropriate

for exploring complex governance issues and synthesizing insights from various secondary data sources.

Data Sources

Data were collected from a variety of secondary sources, including:

1. National policy documents and regulations related to ASN management, such as Law No. 5/2014 and Law No. 20/2023, as well as Ministerial Regulation PermenPAN-RB No. 8/2021.
2. Official reports and evaluations from key government institutions, including the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB), National Institute of Public Administration (LAN RI), and the State Personnel Agency (BKN).
3. Recent academic journal articles, books, and international publications from 2019 to 2024 that discuss performance management, merit systems, digital transformation, and bureaucratic reform both within Indonesia and internationally.

Data Collection and Analysis

The data collection process involved systematic identification, retrieval, and review of relevant documents and literature using thematic keywords such as "performance management," "ASN merit system," "SAKIP," "bureaucratic reform," and "digitalization in public sector." The documents were critically examined to extract information related to the implementation status, challenges, and strategic directions of performance-based ASN management.

Thematic analysis was conducted through coding and categorization of data into core themes aligned with the research objectives, namely:
1. Current state of ASN performance management
2. Implementation challenges of performance systems
3. Role and impact of digitalization in ASN management
4. Strategic directions for national transformation

This approach allowed for the identification of patterns, gaps, and best practices, facilitating a comprehensive understanding of the phenomena under study.

Limitations

As this study relies solely on secondary data and document analysis, it is subject to limitations such as potential bias in the original sources and the lack of primary data triangulation through interviews or surveys. However, the use of diverse and credible sources mitigates these limitations to a significant extent.

RESULTS AND DISCUSSION

4.1 Current State of Civil Servant Management

The current landscape of civil servant management in Indonesia is shaped by a comprehensive institutional framework underpinned by national legislation and policy directives aimed at enhancing accountability and performance. The enactment of Law No. 5 of 2014 and its amendment through Law No. 20 of 2023 reflect a paradigm shift toward merit-based human resource management within the

public sector. These laws emphasize the principles of transparency, fairness, and competency in all aspects of ASN management, aligning with broader good governance objectives.

At the operational level, the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB) spearheads the implementation of performance management systems, notably through the Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP). SAKIP serves as the principal mechanism for integrating strategic planning, budgeting, and performance reporting in government agencies, aiming to create a results-oriented culture.

Despite these institutional advancements, the distribution of performance ratings among government agencies reveals an uneven implementation of the system. According to the latest evaluation reports by LAN RI (2023), a significant proportion of local governments continue to rank at level "B" or below, indicating suboptimal integration and execution of performance-based management. This rating disparity highlights persistent challenges in harmonizing policy with practice across Indonesia's diverse administrative regions.

Contributing factors to this situation include disparities in human resource capacity, technological infrastructure, and institutional readiness at the regional level. While some metropolitan and provincial agencies demonstrate high compliance and innovative practices, many rural and remote areas lag behind due to limited resources and slower digital adoption.

Moreover, the transformation toward a meritocratic ASN system is progressing unevenly, with cultural and bureaucratic inertia still prevalent. Many government units retain traditional administrative mindsets that prioritize procedural compliance over outcome-based evaluation, which constrains the full realization of performance management goals.

In summary, the current state of civil servant management in Indonesia is characterized by robust legal and policy frameworks accompanied by a structured performance management system. However, the gap between policy design and implementation effectiveness remains a critical challenge, necessitating targeted strategies to support underperforming regions and promote a pervasive culture of accountability and meritocracy throughout the civil service.

4.2 Challenges in Implementing Performance Systems

Implementing performance-based management systems within Indonesia's civil service faces multifaceted challenges that can be broadly categorized into structural, cultural, and technical barriers.

Structural Barriers

One of the most significant structural challenges lies in the uneven capacity and resources across government institutions, particularly between central and regional agencies. Disparities in budget allocations, human resource competencies, and institutional readiness hinder consistent application of performance management frameworks like SAKIP. Many local governments struggle with insufficient

staffing and limited expertise in performance measurement and reporting, which undermines data accuracy and accountability.

Moreover, coordination between different levels of government remains suboptimal, with overlapping roles and unclear mandates complicating the implementation of merit-based policies. This fragmentation leads to inconsistencies in performance standards and evaluation criteria, diminishing the overall effectiveness of the system.

Cultural Barriers

Cultural inertia within bureaucratic institutions poses another significant obstacle. Traditional hierarchical norms and risk-averse attitudes often result in resistance to change, especially toward systems that emphasize transparency and result-oriented accountability. The persistence of a "compliance culture" over a "performance culture" means that many civil servants prioritize procedural fulfillment rather than achieving measurable outcomes.

Furthermore, entrenched patronage networks and favoritism continue to challenge meritocratic principles, impeding fair and objective assessment of individual performance. This cultural context reduces motivation for high performance and innovation among ASN personnel.

Technical Barriers

On the technical front, the digital transformation necessary for modern performance management has been unevenly realized. While some government units have advanced in adopting integrated e-performance systems, many others face challenges due to inadequate IT infrastructure, limited digital literacy, and lack of interoperability among existing information systems.

The absence of a unified data platform for ASN performance hinders real-time monitoring and evidence-based decision-making. Data fragmentation and manual reporting processes increase the risk of errors and reduce the reliability of performance evaluations.

Figure 1. Summary of Challenges in Implementing Performance-Based ASN Management

Challenge Type	Key Issues	Impact on Performance Management
Structural	Uneven resource allocation, lack of coordination	Inconsistent application of performance systems
Cultural	Resistance to change, compliance culture, favoritism	Low motivation, poor accountability
Technical	Inadequate IT infrastructure, limited digital skills	Data fragmentation, unreliable performance monitoring

Note: This table summarizes the key categories of challenges that hinder the effective implementation of performance systems in ASN management.

4.3 Digitalization and Data Integration in Civil Servant Management

Digital transformation has become a cornerstone in the effort to enhance accountability, transparency, and operational efficiency in civil servant management in Indonesia. The adoption of integrated digital platforms facilitates better data management, streamlined workflows, and more objective performance evaluations, which are essential for realizing the meritocratic principles embedded in current ASN policies.

Enhancing Accountability through Digitalization

The implementation of e-performance systems, such as the e-Kinerja platform

managed by the Badan Kepegawaian Negara (BKN), has modernized how civil servant performance is tracked and evaluated. Digital tools enable real-time monitoring, reducing delays and discrepancies commonly found in manual reporting. This transparency fosters a culture of accountability by making performance data accessible to supervisors, decision-makers, and oversight bodies.

Moreover, digitalization supports a data-driven approach to human resource decisions, including recruitment, promotion, and training. The availability of comprehensive performance records minimizes subjectivity and bias, thereby strengthening the merit system.

Improving Efficiency with Data Integration

Data integration across various government agencies eliminates redundancies and promotes coherence in managing civil servant information. Centralized databases enable synchronized updates of personnel records, performance results, and training histories, which are critical for strategic talent management.

The linkage between performance management systems and budgeting tools allows for more precise allocation of resources based on measurable outcomes. Consequently, government agencies can better align their human resource investments with organizational goals.

Challenges and Opportunities

Despite progress, digital transformation in ASN management is uneven. Variations in digital infrastructure and skill levels among regions hamper full adoption. Ensuring data security and privacy also remains a critical concern that requires ongoing attention.

Nonetheless, the integration of Artificial Intelligence (AI) and data analytics holds promising potential to further optimize civil servant management by predicting talent needs, identifying performance gaps, and personalizing development programs.

Figure 2. Pyramid Diagram of Digitalization Benefits in ASN Management

Note: This pyramid illustrates how digitalization supports the foundational pillars of ASN management, from addressing challenges to achieving an accountable and efficient merit-based system.

4.4 National Transformation Strategies

Accelerating national reform in civil servant management demands a comprehensive, inclusive, and phased approach. The complexity of Indonesia's administrative landscape—with its decentralized governance, diverse regional capacities, and entrenched bureaucratic culture—requires transformation strategies that are both top-down and bottom-up. Three primary pillars are identified as critical levers of change: strengthening meritocracy, cultivating a performance-oriented culture, and enhancing the capacity of local governments.

A. Strengthening Meritocracy

Merit-based systems must be firmly institutionalized at all levels of government. This includes enforcing transparent recruitment processes, applying objective performance evaluations, and linking rewards and promotions to measurable results.

Key strategies include:
1. Full enforcement of merit system indexes in recruitment, rotation, and promotion (as regulated by LAN and KASN).
2. Expanding the use of competency-based assessments.
3. Establishing independent oversight bodies to ensure compliance.

B. Fostering a Performance Culture

A high-performing bureaucracy must be rooted in cultural change. This involves shifting mindsets from task-oriented behavior to results-oriented delivery.

Key interventions include:
1. Institutionalizing continuous performance dialogues between supervisors and employees (as per PermenPAN-RB No. 8/2021).
2. Incorporating Key Performance Indicators (KPIs) into daily operations.
3. Providing performance-based incentives and disincentives.

C. Enhancing Local Government Capacity

The disparity in regional capacities remains a major constraint. Addressing this requires targeted investments in human resources, infrastructure, and institutional support.

Recommended actions:
1. Providing training and technical assistance to subnational governments in adopting digital management tools.
2. Implementing minimum service standards in HRM practices.
3. Fostering inter-regional cooperation to share best practices.

D. Cross-Cutting Strategies

To support the three pillars, cross-cutting enablers must be activated:
1. Digital Transformation: Upgrading and integrating HRMIS (Human Resource Management Information System) across regions.
2. Policy Alignment: Harmonizing national and local regulations on ASN management.
3. Monitoring and Evaluation (M&E): Developing dashboards for real-time tracking of reform indicators.

CONCLUSION

The reform of civil servant management in Indonesia—centered on performance-based principles—represents a strategic departure from traditional bureaucratic practices toward a more accountable, efficient, and adaptive governance model. Regulatory instruments such as PermenPAN-RB No. 8/2021, the implementation of the Merit System Index,

and the expansion of Human Resource Management Information Systems (HRMIS) illustrate a clear institutional commitment to transformation.

However, findings from this study indicate that the implementation landscape remains fraught with challenges. Structural fragmentation between central and local governments, resistance to cultural change, limited technical capacity, and inadequate digital infrastructure continue to undermine reform effectiveness. These obstacles necessitate comprehensive and coordinated interventions.

Recommendations for accelerating civil service reform are as follows:

1. Institutionalize Meritocracy at All Levels
   Strengthen legal and procedural safeguards to ensure recruitment, promotion, and performance appraisal are merit-based, with continuous oversight from independent regulatory bodies such as KASN and BKN.
2. Invest in Digital Infrastructure and Integration
   Ensure interoperability between national and regional HRM platforms, with an emphasis on data quality, transparency, and real-time performance monitoring through integrated dashboards.
3. Embed Performance Culture Across Bureaucracy
   Promote behavioral transformation by incentivizing high performance, enabling adaptive leadership, and embedding continuous feedback mechanisms in managerial practices.
4. Strengthen Local Government Capacities
   Provide dedicated support to regional administrations through tailored capacity-building programs, decentralized budget allocations for HR development, and peer-learning networks to disseminate best practices.
5. Enhance Monitoring, Evaluation, and Learning (MEL) Systems
   Establish robust MEL frameworks that enable evidence-based decision-making and adaptive policy adjustments in real-time.

In conclusion, while Indonesia has made significant strides in designing the architecture for performance-based civil service management, the success of these reforms ultimately hinges on political will, institutional coherence, and a shared commitment to professionalizing the public sector. A collaborative, multi-stakeholder, and data-informed approach remains essential for the realization of a high-performing civil service in line with national development goals and global public administration standards

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