

THE EFFECTIVENESS OF PERFORMANCE MANAGEMENT FOR LOCAL GOVERNMENT: A BIBLIOMETRIC STUDY

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Abstract

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Performance management is an approach used to measure, manage, and improve an organization's or work unit's performance (Armstrong, 2017). In local government, performance management is essential in achieving government goals, providing quality services to the community, and managing resources efficiently. This research aims to explore the relationship between performance in local government and public satisfaction, which is influenced by several determinants. The method used in this study uses a bibliometric approach with network analysis techniques that can describe the relationship of keywords to the main focus of the research. The systematic review approach is also used to analyze data from the findings of network analysis visualization using data from scientific articles published over the past ten years. The result is that this bibliometric analysis can show a network of factors that affect performance management in local governments. The characteristics obtained include public satisfaction, trust, decision authority, administrative reform, and good governance. Good performance management in local government can provide adequate services to the community to achieve public trust.

Keywords: Performance Management, Local Government, Good Governance

Authors' individual contribution: Conceptualization — B.S.; Methodology — M.S. and S.W.; Software — E.C. and N.W.; Validation — B.S. and S.W.; Formal Analysis — B.S., M.S., and S.W.; Resources — B.S. and M.S.; Data Curation — N.W. and E.C.; Writing — Original Draft — B.S., M.S., S.W., E.C., and N.W.; Writing — Review & Editing — B.S., M.S., and S.W.; Visualization — E.C. and N.W.; Supervision — B.S.; Project Administration — E.C. and N.W.

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1. INTRODUCTION

After over two decades of development, public sector management reform and performance evaluation are widely practiced worldwide. According to recent studies (Boyne, 2003; Pollitt & Bouckaert, 2004), public sector interest in quality and performance management is still growing. A highly focused attention to internal organizational

management and evaluation outcomes, when combined with incentive schemes, can assist in guaranteeing that public sector organizations aim for maximum efficiency. The urge to appease the public is the cause of this. It also pushes initiatives to reform the bureaucracy and inspires leaders in local government to carry out their responsibilities to the most excellent standards.

Measuring performance is one of the main issues facing governments nowadays, particularly Indonesian local governments. A crucial component of the entire performance management process is performance measurement. Which performance measurement issue is the most evident? However, there is limited understanding of the specific managerial factors that influence performance measurement outcomes, particularly in the context of Indonesian local governments. This study aims to fill this gap by examining the connection between managerial performance and citizen satisfaction in local government contexts.

The administration must learn more about what constitutes performance. In municipal government and public administration agencies, performance management is critical. Since bureaucrats use discretion in providing government services, management is a crucial component of organizational performance. The importance of management as a determinant of organizational performance is being highlighted by a growing body of research, including that on managerial quality and human resource management (Meier & O'Toole, 2002). Administrative structures, tools, and management ideals and strategies are the three primary categories of public management constructs, according to Forbes et al. (2006). Procedures for performance management in public sector settings have significant political ramifications. Bureaucrats are motivated to please politicians and citizens, while politicians aim to further their interests. Conversely, citizens wear two hats: voters and clients (Vigoda, 2000). The public anticipates that performance management will result in enhanced governance — better government that works harder for stakeholders.

In a similar vein, performance management has emerged as a major federal and local administration focus since the 1990s. This study adopts a theoretical framework that integrates new public management (NPM) principles with performance measurement and citizen satisfaction theories. According to the NPM concept, enhanced planning, the formulation of quantifiable goals and targets, and the assessment of accomplishments are now crucial components of government transformation. According to Briscoe and Claus (2008), contains the grand vision of using performance management tools as a vehicle for quality management that will lead to more democratic and efficient governance.

One may anticipate a consensus that performance management systems are typically successful, given how commonplace they have grown in public enterprises, ranging from social services to law enforcement. Instead, there are claims that the values of the performance system are flawed (Radin, 2006), poorly implemented (Frederickson & Frederickson, 2006; Radin, 1998), or exploited for political purposes (Lavertu & Moynihan, 2012). There is also proof that the values do not significantly enhance public performance (Gerrish, 2014; Heckman et al., 1997; Hvidman & Andersen, 2014; Rosenfeld et al., 2005) and that they encourage actions that improve measured performance at the expense of actual performance (Courty & Marschke, 2004; Heinrich & Marschke, 2010).

Improving overall performance in the public sector requires improved managerial performance (Meier & O'Toole, 2002). Numerous scholars have examined the connection between citizen

satisfaction and organizational performance (Kelly, 2003; Stipak, 1979; Armstrong, 2022). Considerable research on the elements that influence citizen satisfaction mainly concentrates on person characteristics, jurisdiction, service infrastructure, complaints, and the pace at which services are provided, ignoring management factors. For instance, Ministerial Regulation No. 14 of 2017 concerning Guidelines for Preparing Community Satisfaction Surveys is an instrument developed and currently used in Indonesia to measure community satisfaction. Managerial performance must still be considered one of the nine components quantifying public satisfaction.

The Indonesian government has evaluated local government performance in recent years by giving awards to each area that can achieve management performance evaluation standards through the appropriate ministries. The Minister of Administrative Reform and Bureaucratic Reform reminded everyone present at the Public Services and Bureaucratic Reform award ceremony in December 2022 that dedication is needed to advance the bureaucracy's quality to a global standard, beginning with leadership and extending through all levels of the organization. This is consistent with President Joko Widodo's request that government agency bureaucracy be made simpler, more impactful, and less like a stack of papers to facilitate a faster, more nimble bureaucracy. Both claims demonstrate how crucial managerial effectiveness is to implementing government initiatives that positively affect society.

The emphasis at the forefront of the performance movement has switched from measuring performance to using performance data to influence decisions and improve service delivery as more local governments become adept at gathering and reporting performance measurements. The movement's leaders now prioritize performance management above performance measurement while governments continue to hone their metrics.

Over the past few decades, efforts have been made continuously to develop more reliable and accurate performance indicators for the public sector. Despite the majority of studies to date relying on comparisons of "best" practices, the outlook for objectively, consistently, and measurably measuring government performance is still favorable (Bingham & Felbinger, 2002). Nonetheless, public perceptions of bureaucratic efficacy remain critical among the several public sector performance evaluation categories (Andrews et al., 2005).

The importance of local government performance management in promoting community satisfaction is growing in an era of growing complexity and fast change. A key component of successful local government, community satisfaction is also the cornerstone of sound governance and a robust democracy. A thorough and ongoing set of initiatives leads to community satisfaction. It entails meticulous strategy planning, precise performance evaluation, engaged community involvement, elevated transparency, and inventive public service delivery. By using this strategy, local governments may make sure that their resources are spent effectively and that the needs and expectations of the community are met when providing public services.

Effective performance management by local governments facilitates their ability to address

various issues and difficulties in a dynamic environment. It makes adjusting to shifting community demands, technological advancements, and demographic changes possible. Furthermore, the link between local governments and their constituents is strengthened through performance management that prioritizes community satisfaction. It enhances involvement in democratic processes, fosters a climate of trust, and gives individuals a sense of agency and voice. However, problems need to be solved. Effective performance management by local governments necessitates a firm commitment, resources, and assistance. The necessary cultural and practice adjustments can be complicated to put into effect. The process of managing local government performance about community satisfaction is ongoing. Local governments should try to increase output, draw lessons from the past, and provide superior public services. Local governments may significantly impact the development of their region and the lives of the people they serve if they keep up these efforts.

This study aims to evaluate performance management's efficacy in municipal government. This report performs bibliometric and network analysis to visualize the patterns in performance management research on citizen satisfaction.

The rest of the paper is structured as follows. Section 2 provides the theoretical background relevant to performance management and citizen satisfaction. Section 3 details the methodology employed in this research, including the bibliometric and network analysis techniques used to gather and analyze data. Section 4 presents the results and discussion, highlighting significant findings and their implications for public sector management. Finally, Section 5 concludes the paper and offers recommendations for future research.

2. THEORETICAL BACKGROUND

2.1. Performance management

According to Armstrong (2017), performance management is a methodical procedure that enhances group or individual performance to increase organizational performance. Adjusting organizational goals with individual goals aligned with the organization's overarching vision can be based on performance management. Performance management advances the organization's overarching objectives by tying each employee's and manager's work to the overarching objectives of their work unit (Nursam, 2017). Setting individual and team goals aligned with the organization's strategic objectives, organizing performance to meet goals, monitoring and assessing progress, and enhancing people's knowledge, skills, and talents are all part of the continuous performance management process. According to Briscoe and Claus (2008), a business can use performance management to define goals, establish standards, assign and evaluate work, give performance feedback, identify areas needing training and development, and offer rewards.

Based on Beer et al. (2019), there are at least three main processes in performance management from the study results, including:

- *Planning and setting the goals and measurement process.* In this phase, a strategic plan will be created, objectives will be determined, precise measuring indicators will be constructed,

and the foundation for the monitoring process will be established. In order to ascertain the elements that will contribute to success, managers now identify and examine the relationship between the job description of the individual and the organization's goals, objectives, and strategic plan.

- *Monitoring.* This stage entails reviewing ongoing projects and procedures. Correcting and addressing problems with data gathering and identifying any adjustments that could be necessary for the next iteration of the work plan are also included in this step. As a result, this stage offers guidance and performance data, which can support learning, critical understanding, and feedback.

- *Performance review and lessons learned.* This stage involves assessing performance, providing feedback, and identifying the lessons that were taken away from performance assessments.

2.2. Performance management in local government

Local governments and public administration organizations place a premium on performance management (Madureira et al., 2021). Serving the community's needs is intimately tied to public institutions (community servants). Assume public administration incorporates performance management. Then, the focus should be on developing efficient performance management to satisfy the demands of society and establish the ideal state of affairs. Critical political ramifications flow from the performance management process in the public sector (Supriyono, 2016). Politicians work to further their interests, but bureaucrats are forced to do what it takes to appease the public and politicians. The general public expects performance management to result in better governance (Lapiente & Van de Walle, 2020), that is, in a better government that puts in more effort on behalf of its constituents.

These circumstances made performance management a significant concern for local and national governments during the 1990s. According to Moynihan and Kroll (2016), central and local governments need help in performance management, which is more about data gathering and display than actual usage. This is pertinent to local government systems prioritizing gathering and disseminating baseline data above leveraging performance metrics to impact service delivery. Despite their limitations, local governments must be able to carry out the policies that the center requires without thoroughly understanding the purpose and nature of each performance management task (Supriyono, 2016). As a result, performance management in local government is restricted to administrative or procedural facets.

Measuring the effectiveness of local governments is one of their significant challenges. Performance measurement shows how much of an influence the performance management method has had on the community. Cole and Parston (2006) stress that comprehension of the phases and levels of performance attainment is a prerequisite for effective performance measurement. Performance measurement determines how well performance management may be evaluated based on input, output, and outcome (Danar, 2024). All resources used in a specific process to generate outputs are called inputs. The measurement of resources used to create an output is known as input measurement.

Programs and activities are two possible formats for the process. Economic elements in the cost of developing outputs are the same as the input process (Kariyoto, 2017; Zhang & Dilanchiev, 2022).

The output procedure is as follows. The outcome is what a process produces. According to Kariyoto (2017), output measurement has to contain the following features: 1) targeted toward the actual performance field, which is the output that demonstrates the anticipated performance; 2) accurate, meaning it does not just reflect educated guesses; 3) timely and objective, meaning it cannot be influenced. The output-oriented control system will likely fail if the measurement output lacks any of the four qualities above. The influence of a program or activity conducted in the community is then included in the outcome process. Because output merely measures achievements without accounting for the influence on society, the outcome has a higher worth than output. On the other hand, the result evaluates the effectiveness and influence of the production. Stated differently, outcomes are the actual results of a program or action instead of what was anticipated.

3. METHODS

To interpret the data, this study employs a qualitative methodology, network analysis, and bibliometric approaches. Knowledge regarding the impact of a specific study topic, the influence of a research group or institution, and the scientific impact of a publication or academic outcome can all be developed through the use of bibliometric analysis (Gomez-Jauregu et al., 2014; Juliani & de Oliveira, 2016). As a tool for data source screening, this study uses Publish or Perish version 8, which can be acquired from the official developer website, Harzing.com (<https://harzing.com/>). We also use the University of Leiden's VOSviewer program, version 1.6.9, to visualize the research data. VOSviewer additionally aids in extracting significant phrases from scientific publications for usage as a collection of visually enhanced networks.

Using the Publish or Perish program version 8, articles tagged with "Performance Management" and "Local Government" were obtained from the Google Scholar database for the research data. The last ten years, from 2013 to 2023, were the only years covered by the publications. A total of 220 articles were found in the search results. We limited the inclusion of the first filtering stage to the criteria found in published scientific literature. Thus, this study does not include publications, including books, book chapters, opinions, reports, conferences, news pieces, and catalogs. We were left with 184 articles after filtering the results. Second, we did not include references in HTML, statement, or citation formats that were not in the (.pdf) format. This prevents empty files from being unable to be opened. We only include files that can be opened because deepening the references will necessitate reading the entire article. The outcomes of this filtering produced as many as 93 articles. Then, we included only those articles that addressed the Indonesian local government in the final filtering process; the remaining articles were included in the exclude criterion. We currently have 35 pertinent articles that are prepared for in-depth analysis.

After that, VOSviewer software was used to establish the project, and 35 pertinent articles were exported from Publish or Perish in (.ris) format.

Keyword settings were then changed to support and align with this research. Additionally, to validate the visualization results of previous studies, we went through all pertinent publications based on the research objectives one by one during the analytic process. Currently, the results and discussion section's primary analysis were based on the ten most pertinent publications we could find.

Other potential methodologies that could be employed in this research include quantitative survey methods, which would allow for the collection of primary data directly from stakeholders involved in performance management in local governments. Additionally, case study approaches could provide a deeper understanding of specific instances of performance management success or failure within Indonesian local governments. Furthermore, mixed methods research combining qualitative and quantitative techniques could offer a comprehensive view of the subject by integrating numerical data with in-depth interviews.

4. RESULTS AND DISCUSSION

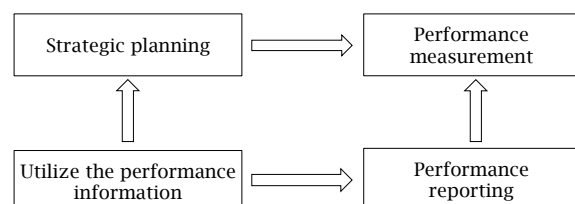
4.1. Results

4.1.1. Development performance management for local government literature

The basis for measuring performance in local government is the potential benefit to three groups: elected politicians, administrators of local government, and residents (Ammons, 1995). According to Melkers and Willoughby (2002), performance assessment is crucial in local government budgetary processes and management and communication tools. The local government should carefully choose suitable standards and pertinent performance indicators to reap the system's benefits (Ammons, 1995). Developing a framework for managing organizational performance requires addressing five concerns, which Otley (1999) addresses in his performance management framework.

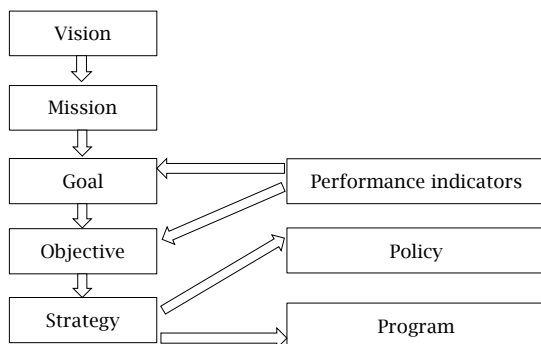
In order to expedite the attainment of public welfare, decentralization enabled local governments to administer their organizations by the principles of autonomy. The province and district/city local governments are legally the two types of local governments under the federal government. The central government grants subprovincial administrations additional extraordinary powers. In addition to serving as a central government representative, the province also functions as a coordinating agency for multiple districts and cities. The crucial public services are carried out by the districts and cities, which also answer directly to the people who live there.

Figure 1. The cycle of the governmental performance accountability system



Creating a performance plan entails translating strategic planning's performance goals and initiatives. It will be carried out by yearly initiatives that include programs, activities, targets, indicators, and objectives. The performance plan will define every performance indicator for the goals and tasks. Performance planning's budget preparation and policy design demonstrate the institution's dedication to reaching its yearly goal. The evaluation of the success or failure of each activity's implementation is based on performance measurement. A methodical evaluation of performance indicators, such as activity indicators of inputs, outputs, outcomes, benefits, and impacts, leads to the measurement. The goal of using performance data is to enhance performance continuously.

Figure 2. Performance management

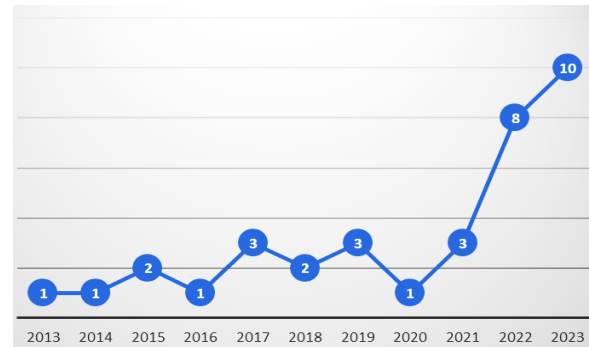


4.1.2. Most cited document

The first step in spotting trends in the growth of performance management publications is to examine how much research has been published between 2013 and 2023 on performance management in

the context of local government or about community satisfaction. Specifically, the information is displayed as publishing trends manually filtered from the results of 35 publications that address performance management in local government. Figure 3 displays the publication trend graph.

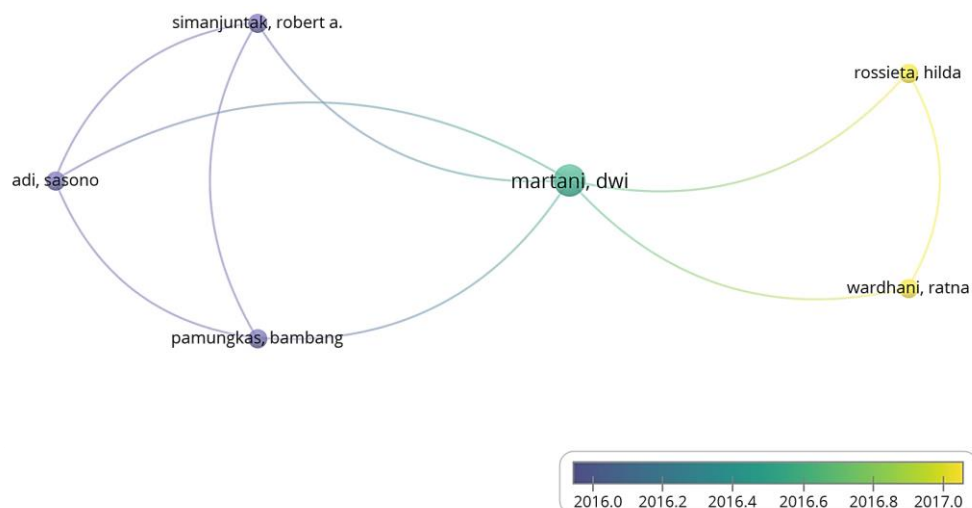
Figure 3. Trends in the development of the topic "performance management" in regional government



Additionally, the most published papers and papers published in conjunction with the most often cited journal sources by other researchers are displayed in this area. VOSviewer software was used to process the visual data for this study. This phase aims to examine the connections among the articles that were located. The researcher then determines the current conceptual structure using a clutch bibliography.

Based on Figure 4, there is a relationship between documents that have an attachment because they quote each other between one article and another. The most cited author data is also attached in Table 1 below.

Figure 4. Visualization of relationships between articles



Source: Authors' elaboration using VOSviewer, 2023.

Table. 1. Most cited document

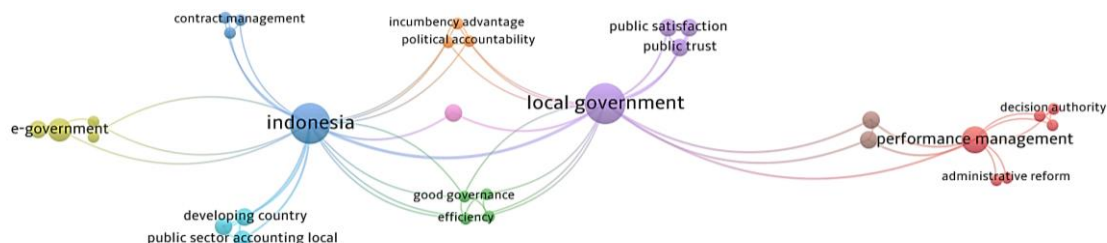
Author (year)	Title	Journal	Citations
Akbar et al. (2015)	Implementing performance measurement systems: Indonesian local government under pressure	<i>Qualitative Research in Accounting & Management</i>	109
Jurnali and Siti-Nabiha (2015)	Performance management system for local government: The Indonesian experience	<i>Global Business Review</i>	79
Wardhani et al. (2017)	Good governance and the impact of government spending on the performance of local government in Indonesia	<i>International Journal of Public Sector Performance Management</i>	75
Lanin and Hermanto (2017)	The effect of service quality toward public satisfaction and public trust on local government in Indonesia	<i>International Journal of Social Economics</i>	63
Sutopo et al. (2017)	E-government, audit opinion, and performance of local government administration in Indonesia	<i>Australasian Accounting, Business and Finance Journal</i>	63
Tjahjadi et al. (2019)	Does intellectual capital matter in performance management organizational performance relationships? Experience of higher education institutions in Indonesia	<i>Journal of Intellectual Capital</i>	60
Adi et al. (2016)	The relationship between balanced scorecard perspectives and government organization performance measurement	<i>Cogent Business & Management</i>	45
Hadian (2017)	The relationship organizational culture and organizational commitment on public service quality; Perspective local government in Bandung, Indonesia	<i>International Review of Management and Marketing</i>	44
Astrini (2015)	Local government performance measurement: Developing Indicators Based on IWA 4: 2009	<i>Public Organization Review</i>	29
Nani and Ali (2020)	Determinants of effective e-procurement system: Empirical evidence from Indonesian local governments	<i>Jurnal Dinamika Akuntansi dan Bisnis</i>	2

Source: Authors' elaboration, 2023.

According to Table 1, the study by Akbar et al. (2015) emerged as the most influential article. Government agencies' attempts to satisfy the demand for accountability have relied heavily on performance measurement (Harrison et al., 2012; Polidano, 2001). Public institutions should improve operational efficiency and effectiveness through governmental performance assessment initiatives, strengthen decision-making, and recognize a more

significant degree of accountability for attaining results (Cavalluzzo & Ittner, 2004). This is further supported by the numerous citations — up to 109 quotes from other researchers — in this work. The article that looks at the local government performance management system, the Indonesian experience in 2017, is the second most quoted quote in addition to this one.

Figure 5. Visualization of keyword networks on the topic



Source: Authors' elaboration using VOSviewer, 2023.

4.1.3. Mapping keywords about performance management in local government

Figure 5 illustrates how the research analysis using VOSviewer software resulted in a network connecting keywords. The analysis identified three main keywords: local performance management.

Indonesia, in addition to the government. This suggests that in Indonesia, local governance and performance management are intertwined. In the administration of local governments, the interaction between performance management and local government is vital. Performance management is a tool for measuring, controlling, and improving an organization's or work unit's performance (Moynihan & Kroll, 2016). Performance management is crucial to local government's ability to meet objectives, serve the community with high-quality services, and effectively manage resources (Akbar et al., 2015; Gerrish, 2016).

Administrative reform and decision authority are directly related to the term performance management. As in Ammons and Roenigk (2015) and Im and Lee (2012), local governments use

performance management techniques commensurate with their level of decision-making authority. Ammons and Roenigk (2015) revealed that local governments can carry out performance management, including assessment, goal clarity achieved by strategic planning, decentralization of decision-making authority, executive participation in performance monitoring, and incentives or sanctions depending on performance.

Several other buzzwords, like political accountability, incumbency advantage, public satisfaction, public trust, good governance, and efficiency, are closely associated with the local government. This demonstrates that, despite having an extensive network and containing the primary keywords, numerous other elements impact local government in addition to performance management. Since the primary focus of the research is on the connection between public happiness and local government performance management, a thorough discussion of the keyword Indonesia is necessary. This is being done because, as of right now, there is still much to learn about the strategic theme of public satisfaction. Numerous studies have

demonstrated that effective government performance management results in general satisfaction (Hadiyati, 2014; Heikkilä & Isett, 2007; Jurnal & Siti-Nabiha, 2015; Lanin & Hermanto, 2019).

4.2. Discussion

The disparities in performance management system (PMS) implementation policies and practices have also been demonstrated in the article by Jurnal and Siti-Nabiha (2015). The central government should control ministry coordination, offer a monitoring and supervision mechanism, and enhance local staff to raise the caliber of PMS implementation. Nonetheless, since the PMS may assist them in creating a continuous improvement system, local governments should try to implement it. The ability of performance measures to promote constructive behavioral change is crucial (Steinberg, 2009). A more thorough capacity-building strategy that addresses the individual, organizational, and systemic levels is required in light of the limiting constraint.

Lanin and Hermanto (2019) demonstrate how important it is for internal and external management to boost citizens' satisfaction and confidence in local government. The more local governments use effective performance management, the happier the community will be (Im & Lee, 2012). This suggests that performance management and citizen satisfaction are positively correlated in municipal government. Figure 5 provides additional supporting data, indicating that public satisfaction, local government, and performance management are all still included in the same area, which is indicated by little color differences (red and purple).

Public satisfaction is crucial when evaluating the effectiveness of local government and public services. The degree to which local governments can successfully meet the needs and aspirations of their inhabitants is reflected in public satisfaction. It significantly affects the degree of legitimacy and trust that the community has in the local government and the relationship between the government and the community. Community satisfaction is achieved through effective performance management (Hadiyati, 2014). The process of measuring, managing, and enhancing organizational performance to meet goals and deliver high-quality services to the community is known as performance management in local government.

Public service improvement can be achieved by utilizing performance management results, including public input. In order to satisfy the requirements and expectations of the public, organizations might adapt in response to their feedback. People's trust in public institutions and government agencies can rise when they perceive that these entities are responsive to their demands and operating effectively. Enhancing the caliber of services offered to the community is one of performance management's goals (Hadian, 2017). Key performance indicators (KPIs) are used in performance management to measure an organization's performance. The measurement results can provide an overview of the organization's progress toward its stated goals. Organizations can find areas that require improvement to raise community satisfaction by tracking and evaluating performance.

Meanwhile, adding internal politics as a variable is a development to improve the existing

model. Supriyono (2016) demonstrated the importance of political considerations in the public sector's performance management system. In the performance management process, the interest gap is a predictor as politicians try to further their agendas. Bureaucrats are motivated by the need to appease the public and politicians simultaneously. The public, however, anticipates that performance management will strengthen governance and, in reality, create a better government that puts in more effort on behalf of stakeholders (Lewis et al., 2020; Wiryanto, 2020). Politics significantly shape government and organizational policies. Leaders and decision-makers participate in political processes that affect performance management objectives and policies' substance. Decision-making authority that can affect the demands that must be met and the policies' contents is essential when making strategic decisions (Ammons & Roenigk, 2015; Basri & Siti-Nabiha, 2014).

Performance management also closely relates to decision authority regarding organizational performance decisions. According to Ammons and Roenigk (2015), one aspect of performance management that the government can undertake is performance measurement. Local governments with a strong performance management reputation are more likely to gather a wide range of measurements, encompassing output measures and metrics related to quality, efficiency, and outcomes (Astrini, 2015). Planning strategically demonstrates how well the organization sees its goals. Compared to other local governments, those with a reputation for excellence in performance management reported a marginally higher percentage of employees involved in strategic planning. The difference did not, however, become statistically significant. Tjahjadi et al. (2019) stated that local governments reported reaping more significant benefits from performance management than anticipated and that nearly half of respectable executives connected their programs to strategic objectives. About executive participation in performance monitoring and decentralized decision-making authority. In the performance management section, most cities and districts granted departmental executives' extensive latitude; nevertheless, field supervisors received a tiny delegation of responsibility. Excellent reported performance is correlated with executives' regular monitoring of performance data. It is rare. The performance management process's utilization of rewards and penalties in Indonesia has begun to be done frequently; the aim is to motivate staff to increase their performance.

In performance management, accountability is crucial to achieving public satisfaction (Akbar et al., 2015). This is accomplished by the Ministry of Administrative and Bureaucratic Reform's SAKIP (Government Agency Performance Accountability System) deployment, enabling effective governance. A transparent, effective, and accountable government must be established through performance management and public accountability. Performance management offers instruments and structures for assessing, overseeing, and enhancing performance, whereas public accountability guarantees that public sector entities and governments carry out their responsibilities honorably and answer to the populations they cater to (Adi et al., 2016; Afiah & Azwari, 2015; Basri & Siti-Nabiha, 2014). Measuring an organization's or work unit's performance helps determine how healthy goals and objectives have been met. This

process is known as performance management. The public, as well as other stakeholders, are then informed of this information. The first step in establishing public accountability is performance reporting. Therefore, using public resources and making highly transparent decisions is necessary for effective performance management (Nani & Ali, 2020). Performance evaluation is also necessary for performance management as a step in the performance improvement process. An essential component of performance management is evaluation, which highlights accomplishments, issues, and areas needing development (Afiah & Azwari, 2015). This evaluation often involves an independent examination or audit, which is essential in enforcing public accountability.

Administrative change then has the potential to impact the link between public satisfaction and managerial performance. But since a region's bureaucracy is well-managed, this needs to be backed up (Im & Lee, 2012). Since the 1960s, when there has been a reasonably intensive hierarchy involving interactions between superiors and subordinates, management reform has become the norm. Local governments can continuously modify their internal management without hesitation by utilizing operational policies from both overseas and within by retaining a hierarchical organizational form. Therefore, the competency level of local governments is mostly determined by aspects related to human resource management (Im & Lee, 2012). In order to effectively implement performance management in other regions, managers must involve employees in making meaningful changes that will improve the organization. This involves integrating evaluation study findings in a way that keeps the organization adaptable to its surroundings. This has to do with how they explain to the general public their performance accountability system. According to Sutopo et al. (2017), in order to meet expectations, local governments must keep raising the caliber of their financial reports and, specifically, increase adherence to the Indonesian Government Accounting Standard (IGAS), the sufficiency of financial statement disclosures, compliance with legal requirements, and the efficiency of internal control.

5. CONCLUSION

In order to attain public satisfaction in local government, performance management is a crucial tactic, as discussed in the preceding section. The analysis's findings revealed that effective performance management, particularly at the regional level, can increase public satisfaction. It makes sense since the local government is

the entity closest to the community. At this stage, the central government is consulted before implementing the decentralization principle. The public satisfaction index and local government performance management have quite a complicated network regarding relationship analysis. However, because of the research constraints, the primary topic of discussion is local government performance management, which is related to several other criteria, including decision authority, administrative reform, public trust, public satisfaction, and good governance.

Public satisfaction is a performance evaluation metric used in performance management to satisfy community needs during the performance period. Even though there are still issues, if the general public is satisfied, the local government's performance management program has primarily met the community's needs. The community has benefited from the performance management that has been implemented. Acquiring public trust will be a step further after the community is satisfied. Administrative change and decision authority are two further influencing factors. Strategic planning, the decentralization of decision-making authority, executive participation in performance monitoring, and performance-based rewards or penalties are good performance management in decision authority. In terms of administrative reform, a step toward good governance can be taken by highlighting the accountability of local government performance to the community through good performance management.

However, Indonesia's primary keyword has not yet been covered in detail because of the authors' constraints in investigating performance management in local governments. Future studies on this topic should focus on central government performance management, as our research indicates that it has more variables than local governments. Because performance management at the federal level differs from that of local governments, this must be done. To attain public satisfaction, a robust performance management framework will enable the community to receive sufficient services.

This paper is important for future research as it establishes a foundation for understanding how performance management impacts public satisfaction in local governance. Future studies should explore this topic further, particularly regarding central government performance management, which may involve different variables and dynamics. Limitations of this research include the focus on local governments, which may overlook insights from federal performance management. Additionally, the scope of performance management in Indonesia has not been exhaustively covered.

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