

# Strategy Map Design for Indonesian Ministry of Investment & Downstream Industry 2025-2029

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## ABSTRACT

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*The formulation of the National Development Plan (RPJMN) for 2025–2029 and accompanying nomenclature changes marked the start of strategic transformation at the Ministry of Investment and Downstream Industry/Indonesia Investment Coordinating Board (BKPM). Efforts to expand downstreaming were pursued to support an 8% economic growth target over five years. However, surveys evaluating partnership implementation and business-actor feedback indicated that expectations for the partnership process had not been met, hindering MSME inclusion in downstream supply chains. This study aimed to design strategic alignment at BKPM using a strategy-map approach based on RPJMN 2025–2029. It adopted interviews, regulatory and RENSTRA analysis, performance reports, and internal government data. The findings revealed new downstreaming-related strategic objectives, for which indicators were formulated in line with investment and downstreaming theories and visualized in a causal strategy map. This coherence among indicators contributed to achieving strategic objectives and is expected to improve future policy implementation.*

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SARI PATI

Perumusan Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2025–2029 dan perubahan nomenklatur menandai awal transformasi strategis di Kementerian Investasi dan Hilirisasi/BKPM. Upaya memperluas hilirisasi dijalankan untuk mendukung target pertumbuhan ekonomi 8% dalam lima tahun. Namun, survei implementasi kemitraan dan masukan pelaku usaha menunjukkan ekspektasi terhadap proses kemitraan belum terpenuhi, sehingga menghambat keterlibatan UMKM dalam rantai pasok hilirisasi. Penelitian ini bertujuan merancang penyelarasan strategis di BKPM menggunakan pendekatan peta strategi berbasis RPJMN 2025–2029. Metode yang digunakan meliputi wawancara, analisis regulasi dan RENSTRA, penelaahan laporan kinerja, serta data internal pemerintah. Temuan mengungkap sasaran strategis baru terkait hilirisasi; indikator untuk tiap sasaran dan program diformulasikan sesuai teori investasi dan hilirisasi, lalu divisualisasikan dalam peta strategi kausal. Koherensi antar indikator ini berkontribusi pada pencapaian sasaran strategis dan diharapkan meningkatkan efektivitas kebijakan di masa mendatang.

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## INTRODUCTION

In 2024, Presidential Regulation No. 139 renamed the Ministry of Investment/BKPM as the Ministry of Investment and Downstream Industry/BKPM to prioritize downstream activities. This change supports Indonesia's National Medium-Term Development Plan (RPJMN) 2025–2029. Downstream expansion is expected to generate local employment and boost economic growth by integrating MSMEs into downstream supply chains. With a national growth target of 8 percent over five years, successful downstreaming will be crucial for stimulating the industrial sector, empowering MSMEs, and increasing domestic value addition. An increase in investment is expected to bolster Indonesia's economic growth. According to the GDP identity  $Y = C + I + G + (X - M)$ , where  $C$  denotes consumption,  $I$  denotes investment,  $G$  denotes government spending, and  $(X - M)$  denotes net exports (Azwar, 2016), higher investment through downstream expansion not only drives industrial-sector growth but also enhances Indonesia's competitiveness in global markets.

However, nomenclature changes and expanded downstreaming functions will yield limited benefit without comprehensive strategic alignment. The Ministry of Investment and Downstream Industry/BKPM continues to face fundamental challenges in evaluating service quality and addressing business feedback. Current assessments reveal that partnership processes have fallen short of business expectations. If these gaps persist, the 8 percent growth target will be jeopardized, and efforts to integrate MSMEs into downstream supply chains will suffer. In sum, these challenges threaten not only individual program outcomes but the Ministry's broader strategic objectives.

Strategic alignment ensures that an organization's strategies and activities

consistently support its overarching goals, thereby enhancing performance, efficiency, revenue, and competitive advantage (Ghonim et al., 2022; Ayoup et al., 2016; Boudreau et al., 2023). This alignment can be operationalized through the Balanced Scorecard, which translates high-level strategy into specific operational measures and initiatives visualized in a strategy map (Kaplan & Norton, 2004; Kaplan, 2009; Ayoup et al., 2016; Yuliansyah & Jermias, 2018). A strategy map depicts the causal logic among strategic objectives across four perspectives—financial (stakeholder), customer, internal process, and learning and growth—thereby helping executives communicate and execute strategy more effectively (Kaplan, 2004; Lueg, 2015). By applying this approach, the Ministry of Investment and Downstream Industry/BKPM can strengthen its effectiveness, coordination, and cross-unit collaboration. In doing so, it can ensure that its strategic objectives align with the President's vision and mission, fulfilling its mandate to support national development priorities.

Several arguments underscore the importance of a strategy map in a government agency. First, it helps achieve the 8 percent growth target by ensuring that every program, activity, and initiative undertaken by the Ministry of Investment and Downstream Industry/BKPM directly supports its core objectives. Second, the strategy map provides a foundation for continuous improvement: by making the causal links among objectives explicit, it helps planners anticipate and minimize unintended negative effects on other units. Third, the map fosters synergy across the four key management functions—finance, marketing, operations, and human resources—by clarifying how each function contributes to shared goals. This integrated view enhances overall organizational effectiveness.

This study aims to design the strategic alignment of the Ministry of Investment and Downstream Industry/BKPM by developing a strategy map based on RPJMN 2025–2029. The resulting framework will help ministries and other government bodies craft initiatives

that directly support the President and Vice President's vision and mission. Moreover, it will benefit both large enterprises and MSMEs by clarifying how policies and programs interconnect, and it will serve as a benchmark for future academic research on strategic alignment in the public sector.

In current practice, most ministries develop their strategy maps through a series of informal and formal meetings among deputy heads or departments, followed by collective approval—without any standardized procedures. Furthermore, no academic study has yet examined this process, even though many ministries and government agencies still lack a formal strategy map. By addressing this gap, the present research offers an alternative, standardized approach for government institutions to create, document, and implement strategy maps systematically.

## METHODS

This research adopted a qualitative, case-study approach to explore strategic alignment within its real-life context, thereby enabling a comprehensive, in-depth examination of the Ministry of Investment and Downstream Industry/BKPM (Creswell & Poth, 2016). By focusing on this single, intrinsic case—selected for its recent nomenclature change and expanded downstream mandate—the study captured complex organizational dynamics that quantitative methods alone could not reveal.

Data were drawn from both primary and secondary sources (Sekaran & Bougie, 2016). Primary data comprised semi-structured interviews with the Director of Business Empowerment and other senior officials to elucidate internal perspectives on strategic objectives and service-quality gaps. Observations of deputy-level strategy-map workshops and

document-review sessions provided additional firsthand insights. Secondary data included official documents—Presidential Regulation No. 139/2024; RPJMN 2025–2029; RENSTRA 2015–2019 and 2020–2024; internal performance and partnership-governance reports—and statutes retrieved from the BPK Regulation Database and Bappenas websites.

The study proceeded through five stages:

1. Document Analysis: Directed content analysis (Hsieh & Shannon, 2005) extracted strategic objectives, downstream goals, and service-quality metrics from primary documents. Text was coded into categories—vision/mission alignment, operational gaps, and stakeholder analysis & feedback—to establish the strategic context.
2. Process Mapping: Non-participant observation of informal and formal deputy meetings documented the de facto strategy-map workflow. Business Process Model and Notation (BPMN) was used to visualize decision points, information flows, and approval steps (Dumas et al., 2018).
3. Protocol Design: Synthesizing content and process findings, a step-by-step strategy-map protocol was formulated in pseudocode, defining inputs (strategic objectives), transformation steps (causal-link workshops across four Balanced Scorecard perspectives), and outputs (approved map with indicators).
4. Stakeholder Validation: Semi-structured interviews with senior BKPM officials assessed the draft protocol's clarity and feasibility. Interview transcripts underwent thematic analysis (Braun & Clarke, 2006) to identify refinements. The feedback was collected to finalize the procedure.

Triangulation across interviews, observations, and document analysis enhanced credibility. Member-checking ensured accuracy of interview data, while established analytical frameworks (Creswell & Poth, 2016; Sekaran & Bougie, 2016) underpinned methodological validity. This integrated design balances scientific rigor with practical relevance, yielding a standardized strategy-map procedure ready for wider application.

According to BKPM Regulation No. 6 of 2021, the Ministry of Investment and Downstream Industry/BKPM is led by the Minister and supported by the Vice Minister. Although the ministry comprises 33 organizational units in total, most serve as implementing bodies and were not engaged in this study. The two units playing the most critical roles are the Deputy for Investment Planning and the Deputy for Strategic Downstreaming. These deputies provided the primary inputs for the planning process and the strategy map developed in this research.

## RESULTS AND DISCUSSION

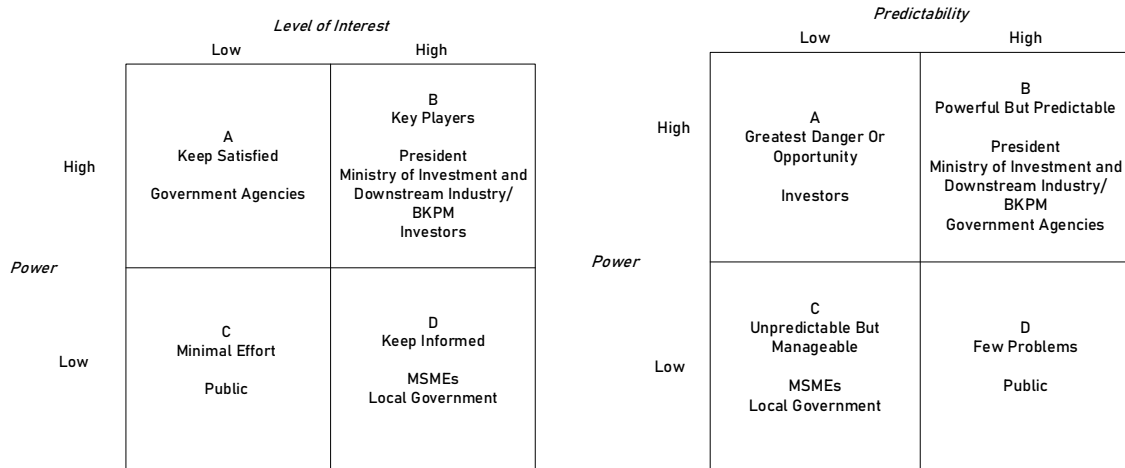
According to Presidential Regulation No. 185 of 2024, the Ministry of Investment and Downstream Industry/BKPM is responsible for six main areas: (1) formulating and proposing investment policies; (2) coordinating investment-related policies and services; (3) developing investment sectors; (4) overseeing investment implementation; (5) coordinating, drafting, and executing strategic downstream-investment policies; and (6) managing risk-based business licensing via an integrated electronic system. These six responsibilities serve as the basis for defining the Ministry's organizational objectives, which must align with higher-level mandates e.g. statutory law & the RPJMN 2025–2029.

The Ministry of Investment and Downstream Industry/BKPM contributes directly to three of the eight Presidential missions for 2024–2029: (1) expanding quality employment, fostering entrepreneurship, developing creative industries, and advancing infrastructure; (2) promoting downstreaming and industrialization to increase domestic value added; and (3) strengthening political, legal, and bureaucratic reforms, including anti-corruption and anti-drug measures. In light of its mandate and these missions, four strategic directions emerge for

BKPM: (1) formulating and implementing national investment policies; (2) enhancing MSME capacity and quality; (3) designing and executing downstream-industry policies; and (4) upgrading the integrated Online Single Submission licensing system.

The analysis indicates that the President's directive for BKPM remains firmly centered on achieving investment realization—a priority reflected in each existing deputy ministry. The recent nomenclature change, however, underscores an added emphasis on downstreaming as a strategic objective. It is therefore expected that, alongside sustaining its investment focus, the Ministry of Investment and Downstream Industry/BKPM will broaden its impact and strengthen its internal capacities to support both investment and downstream-industry goals.

The Ministry of Investment and Downstream Industry/BKPM's downstreaming initiatives will affect a range of stakeholders. Project- and policy-related decisions shape stakeholders' expectations and responses. By identifying each stakeholder's interests and influence, BKPM can design and implement investment and downstream policies more effectively, thereby advancing the President's vision and mission. To map stakeholders effectively, Newcombe (2003) recommends assessing three dimensions: power (their ability to influence outcomes), predictability (the ease of anticipating their behavior), and interest (the degree to which they care about those outcomes). These dimensions are commonly displayed in power–interest and power–predictability matrices. Figure 1 presents both matrices for the key stakeholders of the Ministry of Investment and Downstream Industry/BKPM.



**Figure 1.** Power/Interest and Power/Predictability Matrices

This stakeholder mapping implies three key action areas for the Ministry of Investment and Downstream Industry/BKPM:

a. **Integrate Environmental and Social Considerations in Feasibility Studies.**

Every investment feasibility study must incorporate Environmental Impact Assessments (EIA) as mandated by central and regional authorities, with particular attention to social and community dimensions. A thorough EIA reduces uncertainty risks for all investors—especially foreign firms unfamiliar with local business environments.

b. **Institutionalize Regular Stakeholder Dialogues and Enhance System Capacity.** Periodic group discussions with stakeholders have proven effective in refining policies to meet their needs. As investment targets rise, the Ministry must scale its information systems to manage higher project volumes and improve coordination and harmonization between national and regional levels.

c. **Develop a Detailed, Indicator-Driven Strategy Map for Risk Management.** Beyond satisfying stakeholders who demand continuous engagement, the

Ministry must also provide transparent, regular information to those with moderate interest—and robust assurances to high-risk actors, notably investors. A strategy map that clearly defines indicators and their interconnections will strengthen organizational risk management and better support the achievement of strategic objectives.

Interviews with senior officials at the Ministry of Investment and Downstream Industry/BKPM were conducted to define its strategic objectives for 2025–2029. These discussions confirmed that downstreaming is the Ministry’s top priority over the next five years, with the aim of driving Indonesia’s economic growth to an 8 percent annual target. To achieve this, the Ministry will develop both intermediate and downstream industries to add value to key commodities. At the same time, expanding downstream activities will open new opportunities for MSMEs to join these value chains and scale up their businesses. Such downstream-led growth is also expected to generate a multiplier effect across the broader economy. Below is the coding table used to develop strategic objectives (each code represents an excerpt from the interviews, grouped by theme).

**Table 1.** Coding Excerpt and Its Theme

No.	Coding Excerpt	Theme
1	For example, mapping investment opportunities over the next five years. The RPJMN targets are translated into the RENSTRA, then cascaded to each Deputy.	Strategic Objectives
2	This refers to general planning in the RUPM— the broad investment plan.	Planning
3	They plan investment for the next five years.	Planning
4	Once they map the potential investment opportunities, the Promotion unit will publicize them.	Promotion
5	After promotion generates interest, the licensing process is facilitated by the Deputy for Services via OSS.	Service
6	To support this service, the IT Deputy (OSS system) is involved.	Information Technology
7	Once licensing is granted, the next stage is oversight—any issues get handled by the Monitoring Deputy.	Monitoring & Control
8	After planning (RUPM and RENSTRA), there is now a Downstreaming Deputy.	Downstreaming
9	The Downstreaming Deputy's mandate is similar to Planning but focused on downstream-industry sectors.	Downstreaming
10	Planning covers general investment; Downstreaming covers only downstream industries.	Scope
11	They might, for example, map investment opportunities in the basic-chemicals industry.	Downstreaming
12	Both the Planning and Downstream Deputies can issue policy recommendations.	Scope
13	Certain policies must be advanced to ensure that businesses entering a sector receive proper support (handled by PIPM).	Investment Climate Development
14	For IT, after licensing is granted, quarterly monitoring (LKPM) is conducted by the Monitoring Deputy—and results are publicized.	Implementation Control
15	Each unit's tasks support the RPJPN objectives as they are cascaded to each Deputy.	Long-Term Planning
16	We call the annual plan RENJA, which follows the five-year RENSTRA.	Annual Planning
17	RENSTRA covers five years; RENJA covers one year.	Annual Planning
18	The roadmap is broken down by project and sector profiles (e.g. mineral, plantation, maritime).	Roadmap
19	Those profiles are published on the Regional Investment Potential (PIR) website.	Promotion
20	RENSTRA is implemented by the Planning, Downstreaming, and Promotion Deputies.	RENSTRA Implementation
21	After promotion, the PIPM Deputy may issue regulatory recommendations to ease doing business.	Investment Climate Development
22	Promotion runs in parallel: as Planning and Downstreaming map opportunities (PPI), they are uploaded to PIR.	Promotion
23	PIPM can issue policy or regulatory recommendations to encourage investment.	Investment Climate Development
24	After promotion, interested investors are referred to the Investment Services Deputy.	Service
25	After licensing, the Monitoring Deputy oversees implementation.	Monitoring & Control
26	Next is the international cooperation framework, where MOUs are drafted.	Cooperation
27	SESTAMA (management support) underpins all these activities.	Management Support
28	The Minister's top priority is downstreaming—moving toward value chains.	Priority
29	The future focus is on adding value from upstream to downstream.	Downstreaming
30	Now that raw-material exports are banned, the question is how to add value domestically.	Downstreaming
31	Previously there was no intermediate industry; going forward, we will develop both upstream and downstream domestically.	Downstreaming
32	Our economic growth target is 8% under the new administration.	Growth Target
33	One support lever is downstreaming—how to increase domestic value added.	Downstreaming
34	How? By attracting foreign investment.	Investors
35	That focus even drove the ministry's renaming to Investment and Downstream Industry.	Nomenclature
36	The government is urging Indonesian banks to prioritize these projects.	Implementation Support
37	Second, to ensure upstream-to-downstream chains, MSMEs must be integrated.	MSME Inclusion
38	Because 99% of businesses in Indonesia are MSMEs.	MSME
39	To reach 8% growth, MSMEs must "move up" in the value chain.	MSME
40	For example, MSMEs can supply raw materials to larger industries.	MSME
41	Thus, priorities are both adding domestic value and integrating MSMEs into upstream-to-downstream chains.	Downstreaming



42	Looking at GDP components—consumption, investment, exports minus imports—investment drives growth.	Growth Components
43	Investment brings jobs and taxes, creating a multiplier effect.	Multiplier Effect

According to Ministerial Regulation No. 10 of 2023 on the Preparation of Strategic Plans for Ministries/Agencies (2025–2029), strategic objectives must be derived from RPJMN 2025–2029 in alignment with each agency’s mandate and the President’s vision and mission. An analysis of the President and Vice President’s 2024–2029 vision and mission, the RPJPN 2025–2045, and RPJMN 2025–2029 suggests the following potential strategic objectives for the Ministry of Investment and Downstream Industry/BKPM:

1. Ensure synergy among all development actors in achieving national goals.
2. Foster economic growth, industrial development, innovation, infrastructure, and partnerships to meet the Sustainable Development Goals.
3. Promote mineral downstreaming while reducing environmentally harmful extraction.
4. Create economic value-added by increasing the contributions of MSMEs, cooperatives, rural, and urban enterprises.
5. Strengthen capacity and capabilities in digital technologies, infrastructure, and literacy, and accelerate digital transformation for public benefit.
6. Enhance economic integration, develop growth centers, and improve inter-regional market access.
7. Establish responsive, adaptive, and participatory regulations to address citizens’ legal needs.
8. Improve service quality through better governance of institutions, business processes, and regulations in strategic areas.
9. Pursue open trade policies, an innovation-friendly investment climate, and upgraded human-resource capabilities.

10. Manage and conserve natural resources effectively while developing renewable energy.
11. Develop economic sectors with high job-creation potential.
12. Achieve high economic growth, expanded employment, and rising middle-class incomes to elevate living standards.
13. Drive economic transformation through industrialization and downstreaming of priority natural-resource sectors, labor-intensive and high-tech industries, and an export orientation.
14. Strengthen domestic value chains and promote participation by small and medium-scale industries.

From this list, three objectives emerged most frequently (10–18 citations) across all reference documents and thus carry the greatest normative weight for inclusion in the proposed strategy map:

1. **Economic Transformation through Resource-Based Industrialization and Downstreaming** (objectives 3 and 13)
2. **Value-Added Growth and MSME Integration** (objectives 4 and 14)
3. **Responsive, Adaptive, and Participatory Service and Regulatory Quality** (objectives 7 and 8)

These three focal areas will serve as the strategic pillars for BKPM’s 2025–2029 strategy map.

After clarifying the President’s directives, the Ministry’s expanded investment and downstreaming scope, stakeholder mapping and needs analysis, and reviewing all relevant internal documents, it is time to depict these elements in a strategy map. But before doing so, the appropriate strategy-map concept must be established.

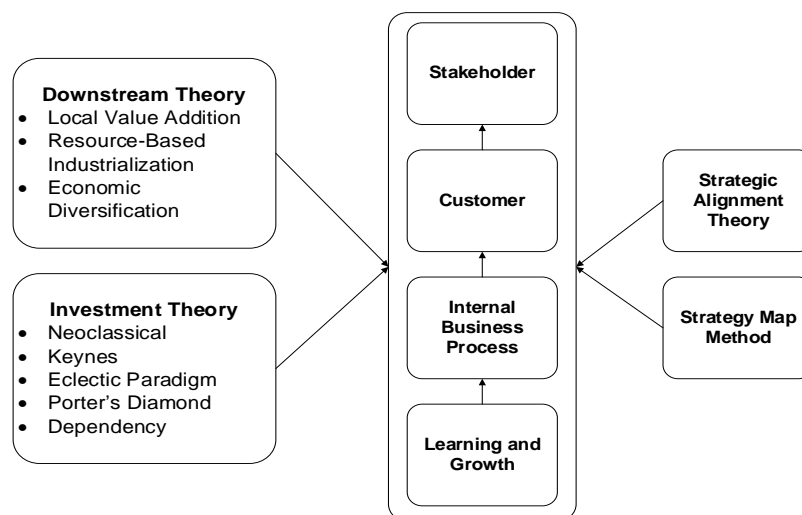
The Balanced Scorecard was originally developed for the private sector (Kaplan, 2009), where it serves as a performance-management tool to help

organizations achieve their financial and strategic goals. In the public sector, however, both internal and external performance management are equally important, since public agencies are accountable to external constituencies (Wisniewski & Ólafsson, 2004). To be effective in a public-sector context, the Balanced Scorecard must be modified to reflect an agency's unique mandate and its constituent-driven objectives (Kaplan & Norton, 1999; Wilson et al., 2004; Wisniewski & Ólafsson, 2004).

Because financial success is not the primary goal of public organizations, they cannot adopt the standard strategy-map hierarchy—where finance sits at the top—used in private firms (Kaplan, 2009). Instead, public-sector strategy maps place the customer (or stakeholder) perspective at the apex, since public agencies typically measure success by their social impact and mission fulfillment (Kaplan, 2009). Wisniewski and Ólafsson (2004) argue that in a public-sector Balanced Scorecard, the customer perspective should be one of the principal objectives, while the

financial perspective may be positioned as a supporting goal—reflecting the role of public funding—rather than the ultimate end.

Several Indonesian ministries share a common strategy-map format, organized around four perspectives: stakeholder, customer, internal business process, and learning and growth. At the Ministry of Investment and Downstream Industry/BKPM, many performance indicators remained unchanged from RPJMN 2015–2019 and 2020–2024. However, the addition of a downstreaming mandate and its accompanying nomenclature change necessitated new conceptual and theoretical foundations for indicator selection. As shown in Figure 2, two theory clusters—downstream theory and investment theory—were reviewed to generate candidate indicators. These were then screened according to data availability, cross-perspective linkage, and practical feasibility, yielding a tailored set of performance measures for BKPM's strategy map.



**Figure 2.** Conceptual Framework: Strategy Map and Underlying Theories

Subsequently, content analysis was then conducted to examine how BKPM's strategic-map concept compares with those of other government agencies. All agencies reviewed employ four Balanced Scorecard perspectives—stakeholder, customer, internal business process, and learning and growth—but BKPM's current map places strategic objectives only in the stakeholder, customer, and

learning-and-growth perspectives. Its internal-process perspective instead lists program objectives, defined as the specific outcomes that each program must deliver to realize the higher-level strategic objectives. Aligning BKPM's objectives with the full four-perspective framework ensures consistency with public-sector best practices and enhances the completeness of its strategy map.



Referring to the Regulation of the Minister of National Development Planning/Head of the National Development Planning Agency of the Republic of Indonesia No. 10 of 2023, strategic objective can be formulated by referring to the 2025-2029 RPJMN in accordance with the respective duties and functions of each Ministry/Institution while still referring to the Vision and Mission of the President (see Table 2).

This table illustrates how the Ministry of Investment and Downstream Industry/BKPM's new strategic objectives for 2025–2029 are harmonized with the President's declared vision and mission. Such alignment is mandated for all ministries and state agencies because it provides a critical foundation and clear legal framework: each strategic objective, linked by logical cause-and-effect relationships, directly corresponds to a specific desired outcome.

**Table 2.** The Relation of Vision and Mission with Strategic Objectives and Goals

<b>Vision of the President and Vice President</b>	<b>Mission of the President and Vice President</b>	<b>Goals</b>	<b>Strategic Objectives</b>
<b>"With Onward Indonesia, Advancing toward the 2045 Golden Indonesia,"</b>	Increasing quality employment opportunities, encouraging entrepreneurship, developing creative industries, and continuing infrastructure development	Increased economic integration and regional growth centers.	Increased Investment Realization (SO 1)
			Increased domestic and global economic integration (SO 2)
	Continuing downstream and industrialization to increase added values within the country	Increased economic transformation through industrialization - downstreaming of industries based on superior natural resources, skilled labor-intensive industries, technology and innovation-intensive industries, and export-oriented industries.	Increased added value, productivity and competitiveness of the processing industry (SO 3)
	Strengthening political, legal, and bureaucratic reforms and enhancing the prevention and eradication of corruption and drugs	Improved quality of services and regulations that are responsive, adaptive, and participatory.	Realization of an adaptive and serving government bureaucracy (SO 4)

Based on the table above, the Ministry of Investment and Downstream Industry/BKPM has four strategic objectives. The objective “Increased Investment Realization” is carried over from the 2015–2019 and 2020–2024 Strategic Plan or RPJMN, while the other three strategic objectives are drawn from RPJMN 2025–2029. Each strategic objective is then broken down into program objectives, which define the specific outcomes that

programs must achieve to fulfill the higher-level strategic goals. This adoption process aligns with the President's directives to continue the Ministry's existing programs while placing greater emphasis on downstreaming objectives and strengthening internal capabilities—both in systems and civil-service management.

Program objectives are linked to the problems

experienced by the Ministry of Investment and Downstream Industry/BKPM. These problems were obtained through studies conducted by the Ministry of Investment and Downstream Industry/BKPM and news related to activities within the scope of the Government Agency. Each strategic objective will be placed in the suitable Strategy Map perspectives at the Ministry of Investment and Downstream Industry/BKPM (see Figure 3).

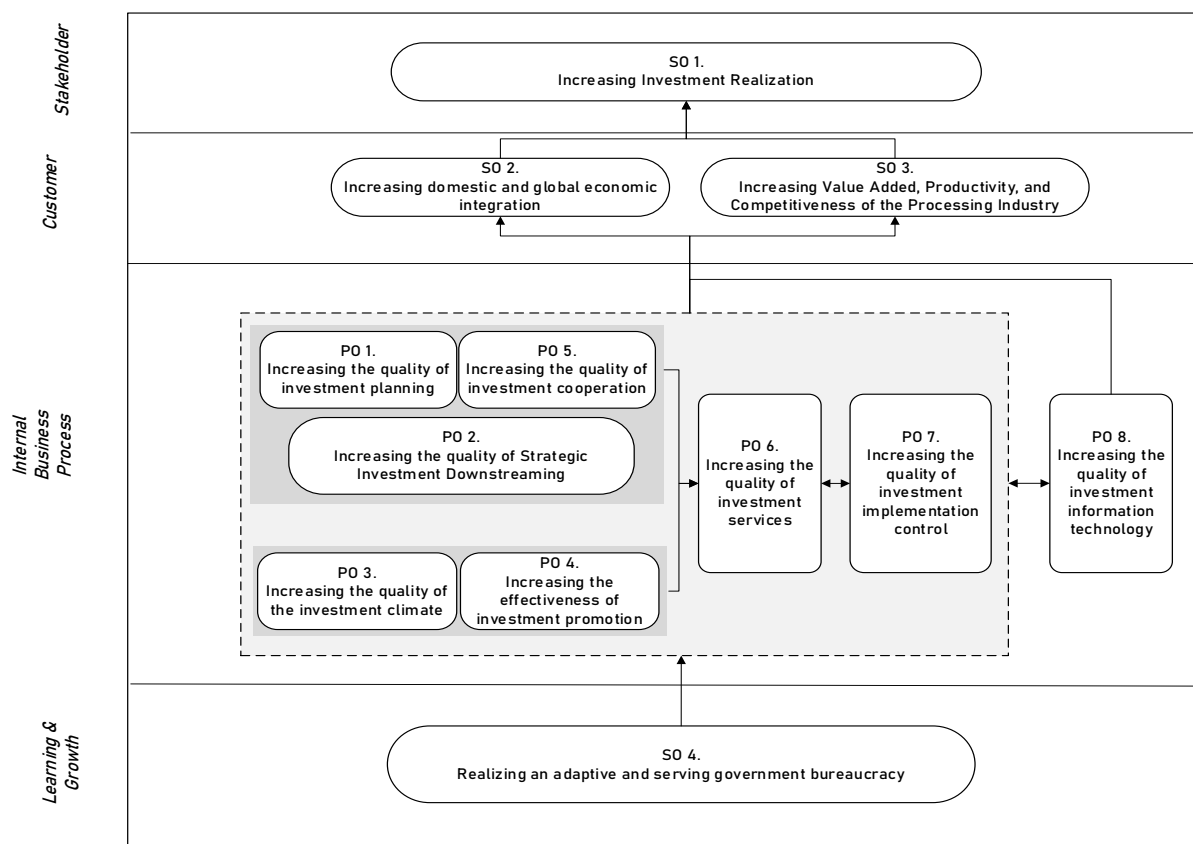
The strategic objective Increased Investment Realization is measured by four performance indicators: 1) Total investment realization value, 2) Secondary-sector investment realization value, 3) Distribution of high-quality investment (outside Java), 4) Contribution of domestic investment (PMDN), including MSMEs.

The objective Enhanced Domestic and Global Economic Integration uses three indicators: 1) Ratio

of inter-regional investment to total investment, 2) Concentration index of key sector hubs, 3) Value of goods and services exports.

The objective Higher Value-Added, Productivity, and Competitiveness of the Processing Industry is tracked by four indicators: 1) Value of industrialization project realization, 2) Value of downstreaming project realization, 3) Export value from industrialization and downstreaming projects, 4) Number of new business types created through industrialization and downstreaming projects.

Finally, the objective An Adaptive, Service-Oriented Bureaucracy has two indicators: 1) Bureaucracy Reform Score, 2) Audit opinion on financial statements (BPK opinion). All of these objectives and their indicators are depicted in the strategy map (Figure 3).



**Figure 3.** Proposed Strategy Map

Based from Figure 2, several analyses and conclusions can be drawn:

- a. In the preparation of the strategy map, it is necessary to first align the external aspects of the Ministry of Investment and Downstream Industry/BKPM with the President and the House of Representatives (DPR), as well as relevant laws such as Law No. 59 of 2024. This vertical alignment is absolutely essential and cannot be skipped, as it is normative and follows the directives that have been provided. In its implementation, vertical alignment can also alter the strategic map's plan and its realization.
- b. Horizontal external alignment also needs to be carried out with other ministries and state institutions, such as alignment with the Ministry of Administrative and Bureaucratic Reform (PANRB) regarding Civil Servant (ASN). In this case, the formulation of strategic objectives in the learning and growth perspective often refers to and considers documents from that ministry. Budget alignment with the Ministry of Finance, as well as auditing, monitoring, and reporting with the The Audit Board of the Republic of Indonesia (BPK), is also conducted, though it is not explicitly visible in the strategy map.
- c. External alignment with customers has been carried out periodically to date, but there is no standardized approach in place yet.
- d. After external alignment is completed, internal alignment is then developed, taking into account the harmonization between each Deputy.

The Strategy Map created by the Ministry of Investment and Downstream Industry/BKPM connects Strategic Objectives and Program Objectives in each perspective. At this stage, each indicator in the Strategic Objectives and Program Objectives will be linked. This framework involves establishing clear relationships between individual

performance metrics to understand how each contributes to the overall success. This approach enables more effective planning and targeted improvements.

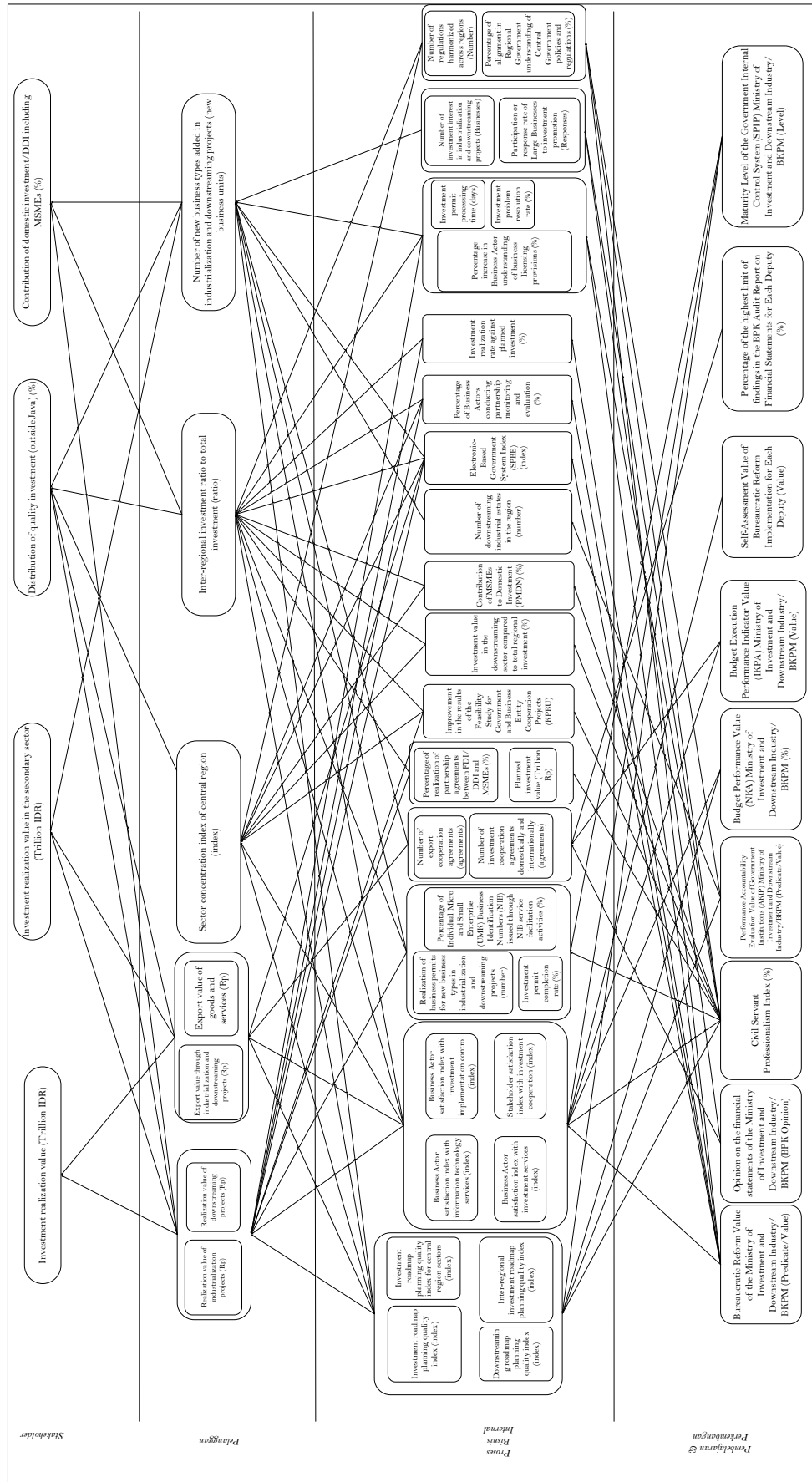
Performance Indicators are formulated based on several considerations, specifically: (1) some performance indicators do not need to be changed because their Program Objectives were already present in the previous period and are still relevant to be continued in the following period, (2) there are new performance indicators because they are derived from new Program Objectives originating from new Strategic Objectives. The formulation of new performance indicators applies theories of investment and capital investment.

The following are the detailed theories related to the proposed performance indicators:

- a. Neoclassical theory explains that investment decisions are influenced by the relationship between capital and the rate of return (Blaug, 2024; Blinder, 2008). Fiscal incentives can reduce the costs incurred for investing in Indonesia, thereby increasing its attractiveness. The proposed indicators relate to efforts to attract investor interest, increase investment plans, and realize partnership agreements between foreign direct investment (FDI)/domestic direct investment (DDI) and MSMEs.
- b. Keynesian theory explains that the government needs to directly intervene to control investment (Alexiou et al., 2016). Government control ensures a conducive investment climate. Therefore, there is a need for control and evaluation of both investment practices and the responsible institutions. The proposed indicators relate to monitoring and evaluating partnerships, satisfaction with investment service efforts, ensuring that implemented regulations and rules are aligned and understood by all stakeholders, and ensuring accountability at the ministries/agencies level.

- c. The Eclectic Paradigm explains that FDI decisions are based on the competitive advantages of investors, the benefits provided by the investment location, and control over the company (Brouthers et al., 1996). Efforts to empower MSMEs in potential regions to improve their quality are driven to achieve partnership realization. The proposed indicators relate to the equitable distribution of investment across all regions in Indonesia and the realization of investment according to investment plans.
- d. Porter's Diamond theory explains that a country's competitive advantage, which consists of infrastructure and labor availability, domestic market size, supporting industries, and high levels of competition, are factors that drive companies' interest in investing (Fainshmidt et al., 2016). The proposed indicators relate to the equitable distribution of investment across all regions in Indonesia and the increase in investment realization.
- e. Dependency Theory explains how the economy of a country (especially developing countries) is influenced by the development of other countries (developed countries) (Reinert & Kvangraven, 2023). This dependency needs to be managed, so there is a need for government efforts to make cooperation decisions that have a positive impact on both domestic and foreign stakeholders. The proposed indicators relate to the contribution of DDI to total investment.
- f. The Local Value-Added Enhancement theory explains how a country makes efforts to increase domestic contributions to the products and services produced (Amoako-Tuffour, 2015; Tyl et al., 2015). The proposed indicators relate to increasing the contribution of MSMEs in investment and efforts to realize downstreaming and industrialization.
- g. Resource-Based Industrialization theory refers to efforts made to process natural resources into finished products (Auty, 1990). The proposed indicators relate to efforts in planning and realizing downstreaming and industrialization projects.
- h. Economic Diversification theory refers to efforts to diversify economic supporting commodities. Good investment roadmap planning will support the achievement of commodity diversification (Usman & Landry, 2021). The proposed indicators relate to investment roadmap planning and investment realization.

By determining the cause-and-effect relationships between each indicator, the Ministry of Investment and Downstream Industry/BKPM can understand how the impact of achieving one indicator contributes to the achievement of related indicators (see Figure 3).



**Figure 3.** Proposed Performance Indicator Strategy Map

## MANAGERIAL IMPLICATION

In conclusion of this analysis and discussion, the following recommendations (as managerial implication) are offered as a strategic-alignment framework for the Ministry of Investment and Downstream Industry/BKPM:

**a. Enhance the Strategy Map with Performance Indicators.** Although BKPM already has a strategy map from its prior planning cycle, stakeholder feedback from FGDs indicates its effectiveness has been limited. This study's proposed Strategy-Map of Performance Indicators links not only each Strategic Objective and Program Objective across the four perspectives, but also illustrates the causal relationships among individual indicators. Such detail makes the overall strategy easier to understand, improves execution effectiveness, and supports more precise, periodic performance evaluations.

**b. Facilitate Deputy-Level Harmonization.** The indicator-Driven Strategy Map can significantly improve cross-deputy collaboration. While deputies—such as Planning and Implementation Control—have cooperated in the past, the new map explicitly shows how each indicator depends on others, guiding more coherent joint action. This harmonization is critical in light of the President's call to strengthen internal capabilities and will in turn enhance service delivery to all stakeholders.

**c. Strengthen Risk Management through Causal Links.** By exposing the cause-and-effect connections between indicators, the Performance-Indicator Strategy Map enables a more integrated risk-identification and risk-analysis process. This, in turn, allows BKPM to anticipate and mitigate operational risks before they escalate. To monitor risks more effectively, the ministry can implement Key Risk Indicators (KRIs). KRIs provide early warning signals of emerging risks so that mitigation measures can be taken before issues materialize. By using KRIs, risk management becomes both more efficient and more effective. Integrating KRIs into

the strategy map in a technically robust way will require further, in-depth research.

**d. Integrate Service-Quality Measurement.** “Satisfaction” indicators recur most frequently in both the prior and proposed strategy maps, signaling the need for a unified approach to service-quality measurement. Today, each deputy sporadically conducts its own customer survey, resulting in inconsistent data. A single, ministry-wide SERVQUAL survey instrument—tailored to each deputy's functions—would allow all business actors to assess service quality in one comprehensive exercise, yielding comparable, actionable insights. The SERVQUAL model for the Ministry of Investment and Downstream Industry/BKPM was conceptualized by linking its dimensions to the principles enshrined in Law No. 25 of 2007 on Investment. Each legal principle was first defined and its key terms extracted as variables. Those variables were then mapped to the appropriate SERVQUAL dimensions, ensuring that the service-quality framework directly reflects the statutory investment principles.

## CONCLUSION

Drawing on this study's findings, it is clear that BKPM's strategic direction for 2025–2029 remains focused on national investment policy, MSME capacity building, downstreaming implementation, and enhancing the OSS licensing system—objectives that flow naturally from the President's vision, the ministry's remits, and stakeholder needs. Translating these goals into a four-perspective strategy map ensures that every program is aligned with higher-level targets, notably increased investment realization, deeper domestic and global economic integration, greater value-added and competitiveness in processing industries, and an adaptive, service-oriented bureaucracy. Embedding performance indicators within this map—some carried forward unchanged from earlier plans, others newly derived from downstreaming and investment theories—clarifies how each metric



drives the next, fosters more effective cross-deputy collaboration, and supports an integrated risk-management framework. Finally, because “satisfaction” measures appear most frequently, a unified, SERVQUAL-based survey is recommended to deliver consistent, ministry-wide insights and close service-quality gaps in a transparent, data-driven manner.

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