Exploring The Performance Management System for Corporate Community Development: A Proposed Framework

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Abstract

Purpose: The focus of this paper to propose an institutional logic- and stakeholder salience-based framework regarding PMS use in a CCD project and to discuss how the system can be used to integrate diverse and occasionally competing stakeholders' interests

Design/methodology/approach: A literature-based analysis was performed and used to develop the theoretical framework.

Findings: Community engagement is employed through stakeholder-established communication forums to achieve community goals. The PMS was proposed to be used to discuss stakeholders' objective and alignment their various interests. This alignment would ensure that the CCD project will obtain the support of the various stakeholders, thus achieves the projects' goals.

Practical implications: The framework developed in this paper could be used to guide the corporate community development projects to become a form of collaboration between various stakeholders. Additionally, this framework proposes the use of PMS to integrate the interests of stakeholders in the formulation and implementation of the CCD project

Originality/value: It propose a framework that uses PMS for CCD projects for mining companies

Keywords: Performance Management System, Corporate Community Development, Mining Industry, Institutional Logic, Stakeholder Salience

Introduction

Mitchell and Styan (2019) stated that mining sector conflict was caused by the lack of stakeholders' involvement in mining operation decision-making. The various parties might have competing interests, which could lead to social conflicts. Mining companies encounter community resistance and rejection when the community distrusts them. Community distrust

can lead to conflict between the community and the mining company, such as mining road closure by the community, which would disrupt mining production and result in commercial losses. Obtaining community support for company operations is in the best interest of the mining company. One of the ways to minimise such conflict is to engage with the community and gain their participation and involvement in   CCD projects. Furthermore, mining license issuance in Indonesia is predicated on mining companies undertaking CCD projects intended to improve community welfare.

The mining companies that undertaken CCD projects should consider the interests and requirements of the various stakeholder groups. Among the CCD project stakeholders in Indonesia are the central and local governments and the local communities. The government focus is on community empowerment and development, whereas the community focus is to achieve higher standards of living. Given that CCD project stakeholders might have different and conflicting interests, a system is needed to manage performance and reconcile interests of the various stakeholders is needed Additionally, achieving CCD project objectives requires a performance management system (PMS). PMS is a holistic, balanced, and dynamic system to assist decision-making through a series of performance measurement activities (Taticchi et al., 2010).. Thus, the focus of this paper to propose an institutional logic- and stakeholder salience-based framework regarding PMS use in a CCD project and to discuss how the system can be used to integrate diverse and occasionally competing stakeholders' interests.

The Indonesian Mining Industry

The 1945 Constitution of the Republic of Indonesia (UUD'45) is Indonesia's fundamental and supreme law. The UUD'45 regulates the Indonesian mining sector in Article 33 point (3). Chapter XIV National Economy and Social Welfare Article 33 point (2) of the 1945 Constitution states, "Important sectors of production for the country and affect the life of the people are under the powers of the state". Article 33 point (3) states "land and water as well as the natural resources therein are under the powers of the state and shall be used for the welfare of the people". The two articles contain two main ideas. First, production sectors that affect considerable numbers of people are subject to state authority. Thus, the central government represents the state, which has the right to grant permits in the form of mining licenses to businesses that fit the criteria. For example, as a government contractor in a Coal Contract of Work (CCoW) or Perjanjian Karya Pengusahaan Pertambangan Batubara (PKP2B). Second, the state controls the country's natural resources to benefit the people, who are the beneficiaries of natural resource exploitation.

Mining operations laws are issued by the Ministry of Energy and Mineral Resources (MEMR). The Ministry of Environments and Forestry (MSF) issues the regulations governing the environmental impact of mining operations. While, the Ministry of Social Affairs (MSA) issues laws on how mining companies manage the societal effect due to mining operations. The Ministry of Energy and Mineral Resources further expanded the law regulating the benefit of natural resource exploitation for the local population through its Ministerial Regulation No. 41/2016 regarding Community Development and Empowerment (CDE) for the Coal and Mining Business. Specifically, the expansion involves Chapter II of the CDE Blueprint, namely Pengembangan dan Pemberdayaan Masyarakat Blueprint (PPM Blueprint). A company first obtains a mining permit from the central government in the form of a PKP2B license; when other minerals are mined, the license is referred to as a Contract of Work (CoW). Therefore, the mining company is an operator of mines owned by the central government or state. Since the issues of Mining Law in 2007, state or central governments no longer issue production licenses. Rather, regional or district governments grant production licenses. This change was

also reflected in the license name, which was converted from CCoW or CoW to Mining Business License (Izin Usaha Pertambangan - IUP).

Province-level regulation states that the governor formulates a CDE Blueprint, where its preparation involves the regent or major of the mining locality. The rules state that institutional development for the community supports CDE. Such an article states that the economic development of the community surrounding the mine denotes the increase of real income or community employment based on the gross regional domestic product before executing mining activities.

The law indicates that the CDE must formulate a Master Plan based on the CDE Blueprint that covers the duration of the mining lifecycle until post-mining closure. In addition, the master plan targets social mapping, such as economic independence and community institutions that support economic autonomy in an economic activity based on agriculture, plantation, farming, and entrepreneurship professions, and a competent community workforce. Lastly, the mining company should fund the CDE. The detailed report contains CDE master plan programmes, annual CDE programmes, and implementation and financing. Mining companies that do not comply with or violate the CDE programme implementation terms are subject to administrative sanctions, which range from written warnings to mining license revocation.

Literature Review
The PMS

Ferreira and Otley (2009) developed a 12-question PMS framework that emphasises various dimensions of managerial activity in the organisation. The questions outline the organisational vision and mission, key success factors, organisational structure, strategies and plans, key performance measures, target settings, performance evaluation, rewards system, information flows, systems, and rewards. Subsequently, the framework assesses the PMS uses, how the PMS changes, the strength and the coherent link between the PMS component and the manner in which it is used. The framework also focuses on the attainment of the organisational strategy.

Armstrong (2006) defined the PMS as a systematic process to improve organisational performance by developing individual and team performance. Achieving organisational goals involves understanding and managing performance within an agreed framework of planned goals, standards, and requirements. The process implementation establishes a shared understanding of plans, management, and development. Overall, PMS aims to align individual and organisational objectives and ensure that individuals uphold the organisational core values. Furthermore, Armstrong (2006) identified the following PMS elements: alignment of multiple objectives among sub-organisations, al individuals' awareness of their targets, expected standards and how they contribute to overall organisational success, systematic approach to organisational performance that aligns individual accountabilities to targets and activities, and managerial process and behaviours.

As a planned process, the essential PMS components are agreement, measurement, feedback, positive reinforcement, and communication. Agreement and conversation are communication-based and are essential to align and integrate diverse stakeholder interests. Communication includes the values of mutual respect and transparent decision-making. The objectives should be agreed upon through open dialogue in partnership. Thus, referring to Ferreira et al. (2009) and Armstrong (2006), the PMS in this paper will consider the factors of shared vision of purpose and aims, mutual respect on agreement, communication, and dialogue.

The CCD Project Stakeholders

The local communities in Indonesian mining sites comprise indigenous people. Traditionally, hunters and farmers occupied and used the land long before mining operations began. Other than the indigenous inhabitants, migrants to the region tended to be merchants and mine workers. Before mining companies set up their business in the area, indigenous communities could fulfil their daily needs by hunting and farming on their land. Such communities were self-sufficient and economically independent. The presence of a mining company in the area decreased their hunting grounds and farming land, which reduced their ability to maintain the same livelihood level. Thus, the indigenous people were compelled to pursue other works to sustain their lives. This livelihood change is the reason underpinning the collaboration of government bodies, mining companies, and communities to create programmes and training that assist the indigenous people in learning other skills to sustain their lives.

As per Indonesian Ministerial Regulation No. 41/2016 Article (3) point (1.3), the economic development of the communities surrounding mining sites continues throughout the mining life cycle based on the real income level of local community employment following the gross domestic product (GDP). Thus, government regulations aim at people to gain real income and jobs. Indigenous communities might not necessarily have incomes or jobs stated in the GDP and might consider it satisfactory. Such situations require a clear answer to whether the community's view and understanding of wealth and empowerment differs from that of the mining company or the government. Some members of the community might not have been different view of what constitutes wealth and empowerment, and they might not understand what the government deems as real income and jobs. Thus, whether the government and mining companies view the indigenous communities as neighbours with equal rights is undetermined. Furthermore, whether there are regulations governing indigenous rights and self-determination for their resources is also unclear.

Peru, Bolivia, and Australia implement the Social License to Operate (SLO), a company–community agreement in mining sites. According to Mercer-Mapstone et al. (2017), a social license to operate can be defined as a continuing and adaptable level of stakeholders' acceptance at various levels, which can be revoked at any time during the course of a project if perceptions change. Possibly, some communities in specific countries require an SLO agreement between the mining company and the community as they possess sufficient bargaining power to 'compel' the company into making such an agreement. However, in Indonesia, there is no requirement for mining companies to have SLO agreement before they begin mining operations. Thus, it appears that the law deems that the community possesses less bargaining power and cannot negotiate with the company as equals. This situation might be due to the difference between SLO-implementing communities and the those at Indonesian mining sites, who tend to accept any programme the mining company and government implement.

The parties involved in CCD projects are individuals from the company, government, and community. Samaras (2010) described a stakeholder category typology and a stakeholders' salience map. The attributes of power, legitimacy, and urgency determine the proposition of salience. A less salient stakeholder lacks the ability to influence others, while higher salience will dominate the other types of stakeholder salience based on a simple combination of the aforementioned attributes. Wood et al. (2018) further expanded stakeholder identification tasks and ascertained stakeholder salience.

Mining Companies and CCD Projects

A mining company should emphasis its responsibility towards the community, where the CCD project initiated by the company as an example of a community programme. The PMS framework assesses and measures the stakeholders' involvement in CCD projects and follows and guides their interests. The framework is a constituents' disclosure tool, a trust, and a responsibility at both the higher management and lower operational level. Nevertheless, does community development strategic planning originate from the higher management level or emerge at the operational level?

PMS can be used to measures a specific CCD project initiated and funded by a mining company. It can also be used to align the various stakeholders' interests. The project owners are the all the stakeholders involved, while the project executors are their representatives. From the authority's perspective, the executor should be responsible to the CCD project owners. However, each stakeholder possesses different levels of authority and responsibility. Thus, those stakeholders with higher salience would have more authority over the CCD projects. It is anticipated that they have greater access to the resources and more control of the CCD project determinations, implementation and outcome. Nonetheless, the government and the mining company must grant their approval and support for the project.

Generally, a project is restricted by duration, which means that it is temporary and ad hoc, with a final objective of termination when the goal is achieved. However, the CCD project is not temporary, as it is frequently conducted beside the mining company operations. Furthermore, the community can maintain the project even when the mining company has ceased operations.

Project for the Community

The management literature contains several definitions of projects. The Indonesian Project Management Institute (*PMBOK/PMI*, 2017) states that a project is a short-term task to produce a unique product, service, or result. Bowen on Linzalone et al. (2015) noted that a project has clear start and end dates and a specific resource allocation. A project comprises a distinct collection of activities to achieve a particular outcome. Finally, a programme is defined as the collective management of related projects to obtain a level of benefits and degree of control that would not be feasible if managed individually (*PMBOK/PMI*, 2017).

Output, outcomes, and effects differentiate the projects (Linzalone et al., 2015). Outcomes and impacts are measurable consequences of the output over time in the project or stakeholders' context. Simultaneously, the outcome affects the short-term (up to three years) or medium-term (4–6 years). Contrastingly, the term 'effects' refers to the fundamental changes (desired or unintended) in an organisation, culture, environment, or system resulting from a project.

Project evaluation involves assessing and analysing activity success. Evaluation involves formulating judgments about effects and development and includes comparing the actual result to the consensus expected results. Several studies by Linzalone et al. (2015) stated that there is no best evaluation approach for all situations. The appropriate evaluation approach differs according to factors that include alignment with fundamental values, the evaluation intention, critical stakeholders' characteristics, and available resources.

The CCD project aims to empower the community and begins with community service (charity) and community development (projects), followed by empowerment (Sianipar et al., 2013). Local stakeholders' roles as active actors in the project are crucial to influence these stages of community empowerment. A local community becomes more independent and self-

sufficient as it develops. A community that has achieved the community development stage may invite an external party to assist and be involved in its growth.

Lehtinen et al. (2020) examined how internal stakeholders organised external stakeholder engagement in an inter-organisation project. External stakeholders with different interests and objectives can collaborate on one project through a contract letter or engagement. A shared project goal can be established in a specific period but can encounter disagreement due to differences in priority. The management for stakeholder approach (Freeman et al., 2008) accompanies a traditional strategic approach. A striking difference between these two approaches is their relationship with value creation. Management for stakeholders is a holistic approach where an organisation should create value for all stakeholders. Contrastingly, the traditional approach only concerns value creation that solely benefits the organisation, where even other stakeholders can be sacrificed.

The project owner is central to managing the relationship between the organisation's parties and the external parties, such as the authorities and communities (El-Sawalhi et al., 2015). According to the project owner's understanding, does the company or the community own the CCD project? When perceived as a project, CCD centres the community as the real stakeholder given that it requires planning, implementing, monitoring, reviewing, and returning to the planning by and from the community representative. Furthermore, the CCD project is entirely for community benefit. Does this mean that the government is not the project owner? This question can be expanded to enable deeper understanding. For example, is the company funding the project to benefit itself? The answer is yes, as the company will indirectly gain a better image and encounter fewer protests and demonstrations from the community.

Are all stakeholders involved in the strategic planning implementation of the CCD project? For example, stakeholders might possess varied perspectives or only the perspectives of the mining company or the government, in which they have an overall view of the project. Alternatively, should planning take place bottom–up from the community, be implemented by the CCD project, and acknowledged, or even better, approved by the company and the government? The worst-case scenario would be a CCD project that no longer involves long-term strategic planning. In this scenario, all stakeholders only wait and approve the activities because it makes the community happy and keeps community members busy.

Furthermore, the community and the private sector agree on some projects without central government involvement. Nevertheless, the stakeholders should understand that the government is the institution that stipulates the law and regulations.

Community development projects can support and provide for various community needs. For example, PPP (public-private partnership) involves specific tasks to fund social welfare development and are provided for an elderly society. Community empowerment can be one of the main concerns in the mining society. Mining companies must leave a permanent positive inheritance for communities to sustain life beyond mine closure (Zvarivadza, 2018). Various empowerment projects involve education and SME business apprenticeship.

The Underlying Theory

Institutional Logic

Institutional logic is defined by Thornton & Ocasio (1999, page 804) as the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space,

and provide meaning to their social reality. Thus, in logic, cultural symbols, motivations, drive, assumptions, value, and trust underlie a person's actions in daily life as an individual or in a group (Thornton & Ocasio, 1999).

Thornton et al. (1999) described the following institutional orders that shape organisational action: the family, religion, state, market, profession, and corporation. Institutional order is a type of logic that shapes and affects a group or organisation that is different from others; in other words, it is an inter-institutional system (Thornton, et. al., 2012). The type of logic will provide the formal and informal rules of action, interaction, and interpretation that guide and limit the organisation's decision in achieving its objectives. This distinct institutional order will affect different behaviour on how each organisation will interact with each other.

Thornton, et. al. (2012) stated that each institutional order could be described as follows: family logic has the characteristic of the family as a firm in the root metaphor, unconditional loyalty, patriarchal domination, norms as a household membership, family politics in the informal control mechanism. The family logic is opposing the market logic. The market logic has transaction as a root metaphor, shareholder activism, faceless identity, focus on increasing the profit, and market capitalism-base. Religion logic has features such sacredness in society, priesthood charisma authority, and worship of calling.

State logic characteristics include redistribution mechanism in root metaphor, demographic participation, bureaucratic domination, social-economic class, norms as citizenship membership, the main strategy to increase community good, backroom politics as the informal control mechanism, and welfare capitalism economic system. Moreover, the state logic can be elaborated more in bureaucratic order when its identity is territorial-operational based, such as the relationship of the head office and branch in firm based; or state government and province government as its local government.

Profession logic has a relation to the market, corporation and the state. Its characteristics as relational networking and personal expertise as its legitimacy and relate to the professional association. It focuses on personal identity, norms as associational membership, personal reputation, and personal capitalism as its economic system. As its root metaphor, corporation logic has characteristics as hierarchical, and the firm's market position is the legitimacy. Its authority comes from top management, bureaucratic roles as its source of identity, norms in firm employment, primary strategy to increase the firm's size, internal control mechanism forms its organisation culture, and managerial capitalism is its economic system.

Thornton, et. al. (2012) elaborate on community logic when it has characteristics more open than family logic but has loyalty as the religion. And in addition, due to its attachments, it has been a member of society. The root of a relationship can come from its history, culture, and another depth-life experience background. Community leadership style does not come from power and intimidating relationship but more on motivating voluntary interest.

Each organisation can feature several institutional orders simultaneously, referred to as multiple logics. For example, a company may have corporate and market-type organisational orders (corporation as its character is hierarchical with particular organisational culture and bureaucratic managerial management). Nonetheless, a company is also categorised as featuring market order due to its transactional characteristics, profit orientation, and market capitalisation, where the decisive triumph. Both central and local governments feature a state institutional order and bureaucratic logic. State logic is involved, given that central government-issued regulations are based on the highest law. Bureaucratic logic refers to the hierarchical regulatory implementation level.

Stakeholder Theory

Freeman (1984) defined a stakeholder as any group or individual who can affect or is affected by achieving the organisational objectives. While focusing on the stakeholder approach, the popular classification is stakeholder salience. It is defined as the extent to which managers give priority and attention to competing stakeholder claims (Mitchell et al., 1997, page 869). The salience depends on stakeholder attributes of power, legitimacy, and urgency.

Friedman & Miles, (2006) further explore those three aspects that stakeholders will consider to have the power to negotiate, legitimacy in relationship within organisation and inter-organisations, and urgency in fulfilling the requirements. In other words, we can elaborate those aspects with respect to the individuals or groups considered stakeholders, while the different stakeholder classes can be distinguished by (1) the power to influence other stakeholders, (2) the legitimacy of their relationship with others, and (3) the urgency of their claim that others should fulfill.

A stakeholder can bear one attribute, namely latent stakeholders. Whereas for the dormant stakeholder is identified as groups and individuals with the power to influence others but lack legitimacy and urgency. Discretionary stakeholder, on the other hand, possessess the legitimacy yet lack of power and urgency attributes. While, demanding stakeholders are those who only have urgency, but lack of power and legitimacy.

Apart from the above classification, there is the expectant stakeholder term which is labelled to groups or individuals that possess more two attributes. Dominant stakeholder has power and legitimacy. And, the dangerous stakeholder possessess power and urgency. While dependent stakeholder has legitimacy and urgency attributes. The two attributes may well be balanced, but it is also possible that one attribute can grow dominant than the other.

Furthermore, a stakeholder, groups and individuals may possess three attributes, namely definitive stakeholder. As dynamic as expectant stakeholders with two attributes, the three attributes, state in a particular situation, can be dominating over one another rather than staying in a balanced state.

The non-stakeholder category describes the party that does not possess one or more attributes mentioned above. For example, it might be that the groups, individuals, or party is irrelevant to the other stakeholders in a particular context.

Mainardes et al. (2012) further argue that the characteristics of the stakeholder in a category are not static. Instead, the stakeholder is dynamic as it can relatively alter when directly or indirectly influenced. His study, adapted from an earlier study by Mitchell et al. (1997), regarding stakeholder salience typology, described how stakeholder classifications are categorised based on one or more attributes of power, legitimacy, and urgency. As shown in Table 1.

Table 1: Stakeholder Type and Classification

Stakeholder type	Classification options	Attribute(s)
Latent stakeholders (in possession of only one attribute)	1. Dormant stakeholder 2. Discretionary stakeholder 3. Demanding stakeholder	Power Legitimacy Urgency
Expectant stakeholders (in possession of two attributes)	1. Dominant stakeholder 2. Dangerous stakeholder 3. Dependent stakeholder	Power, Legitimacy Power, Urgency Urgency, Legitimacy
Definitive stakeholders (in possession of three attributes)		Power, Legitimacy, Urgency
Non-stakeholder		

Adapted from Mitchell et al. (1997) and Wagner Mainardes et al. (2012)

Proposed Framework

CCD project in the mining company in Indonesia, is a way to accommodate the alignment and collaboration of the stakeholders' various interests. As the proposed framework shows in figure 1, each stakeholder involved in the extractive mining sector has diverse norms, values, drives and interests and have different attributes of salience. The mining company is interested in securing the operation and creating a more profitable economic condition for themself and supporting the community in achieving their financial sustainability for the post-mining stage. Therefore, it is anticipated that the mining company will have both market and corporate logic. The mining company has two salience attributes, power and legitimacy, namely, dominant stakeholder. Therefore, the mining company, which has more resources to be accessed, can initiate and claim the performance of the project. In this context, they can cooperate with almost all parties, including the government and the community.

Mining companies typically obtain licenses from the central government as government contractors. Nevertheless, the Indonesian government allows district heads to issue mining permits. However, the rules are implemented based on the central government mining law. The mining company reports the implementation of the mining plan to the central government, which owns the de facto natural resources in the country.

Thus, the other stakeholders in the CCD projects are state and local governments. They award the mining license to the company and direct them to obey the rules and regulation. In the example, the CDE blueprint comes from the state government (MEMR), implemented by the province to impose the company to support the community in achieving their objectives. Therefore, the government's interest is to enforce the company to follow the regulations pertaining to the CDE requirements. This is to ensure the improvement in the community living standards and engaged in a formal profession and have higher real income. It is anticipated that the state government will has state logic, while local governments will have both state and bureaucracy logics. When the MEMR issues a decree, implementation will be delegated to the operational level. They are the governor, regent, district, and sub-district or village. In the mining industry, the government has all three attributes: power, legitimacy, and urgency. They are seen as definitive stakeholders, possibly having more say than the company and the community.

The community is interested in achieving their livelihood and their definition of welfare, which is more self-sustained condition, instead of abundance. It is anticipated that the community will has family and or community logic. A community has family logic when there are more indigenous people and local tribes than migrants. In comparison, the other society has a community logic when there is heterogenous demographic content of indigenous and migrants in almost balance numbers. The mining operation will invite more migrants for workers and traders. In the mining sector, the community has one attribute, i.e., urgency. However, their legitimacy is recognised by the CDE Blueprint established by the governor and the MEMR. Therefore, the company should support the community within its role. But, the community does not possess the authority to pressure the company to fulfil their requests or interests. Nonetheless, the community may recognise their power due to the advice of an external party, for example, an environmental non-governmental organisation (NGO). The community and external parties might collectively persuade the company to accept their demands in such conditions. Thus, the community located within the mining area is categorised as demanding stakeholders. While community in the outside area of the mining radius will be categorised as a non-stakeholder as they are community members but indirectly affected by the mining operation.

A problematic situation might arise when the employee of the government and also company employees are also community members. In their office, they are a member of the government and company employees. But outside the office, they and their family are members of the community. This situation could make it difficult for them to decide on their individual life objective. Thus, a community member can include the indigenous society, tribes, and migrants consisting of company workers and traders and also employees of the government.

The various stakeholders' interests, expressed by the diverse norms, values, drives and authority saliences, communicate in the multi-stakeholder forum regular meeting, namely musrenbang (an official and regular planning and development deliberation or a multi-stakeholder planning and development forum). The meeting will ensure that voices and interests of the stakeholders are considered. Consequently, the planning and deliberation meeting of the various stakeholders, i.e., the government, company, and community representatives (specifically indigenous communities), could be used to integrate and align these differing interests. Stakeholders will conduct the dialogue to achieve the agreed result to be implemented for community benefit. Therefore, the CCD project is the way for the stakeholders to reach the community's interests and objectives. Even the community have to agree on which projects should be prioritised for implementation. In the multi-stakeholder forum, some stakeholders, based on their authority and salience, have more to say. Hence, the agreed result is not decided as they shared the joint decision but consequently of the power above. But, unfortunately, not all regions and territories are conducting such a meeting. Therefore, this proposed framework suggests that the multi-stakeholder forum, such the musrenbang, must be undertaken regularly.

Thus, PMS can be used as a tool to analyse the alignment and collaboration of stakeholders' various interests. First, it should be determine whether each stakeholder is involved in the various stages of the CCD projects comprising its strategic planning, project implementation, determination of the projects' success and process measurement, determination of objectives, key success factors and outcomes, monitoring the process and the objectives, and reviewing and reporting of the projects achievement (Ferreira & Otley, 2009). The government has the CDE or PPM blueprint to be imposed on the mining company. And the company will translate the blueprint into a five-year master plan, then has to be detailed into annual financial projections and budgetary reports to the government, namely (MEMR) and district mining

service. But how about the community? However, these targets are for the whole company CCD projects which will then be discussed and obtain the agreement of the various stakeholders for each specific projects. Thus, the utilisation of the PMS system, specifically in determination of the projects objectives, success factors, monitoring reporting during the multistakeholder forums could enable better alignment of the requirements of the various stakeholders.
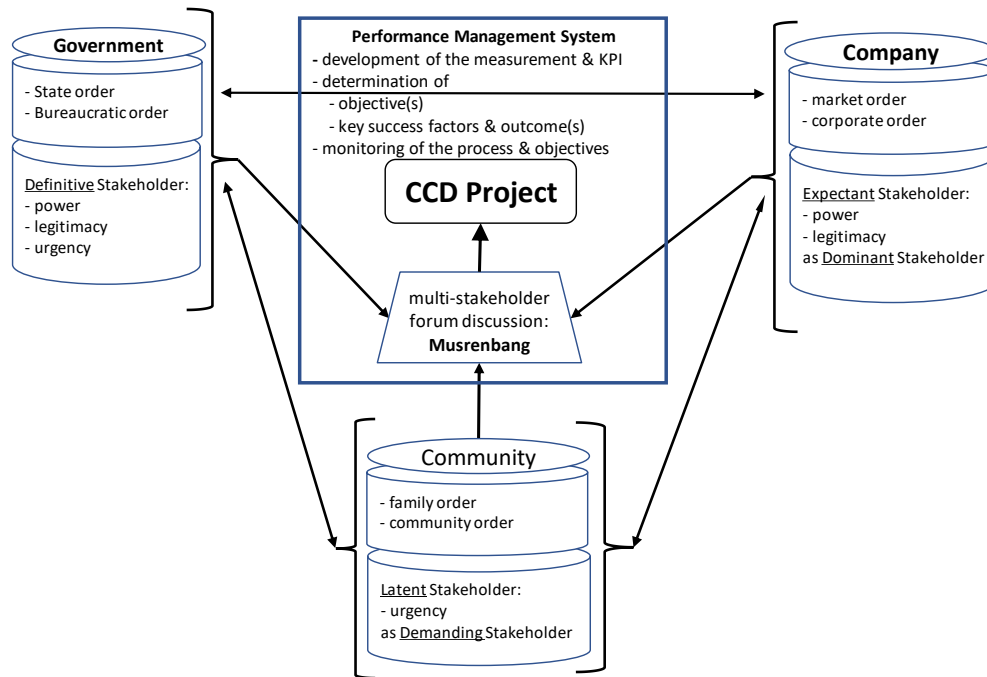

Figure 1: Proposed Theoretical Framework
Integrating the various interests of stakeholders and executing by CCD Project
(adapted from Thornton et al. (2012), Wagner Mainardes et al. (2012), and Armstrong (2006))

Conclusion

The CCD project was established and sponsored by the mining company. It is executed by stakeholder representatives and is responsible for harmonising the various interests. The proposed framework indicated that diverse stakeholder engagement to be occur in the Musrenbang, a MEMR CDE Blueprint derivative and PMS system to be used to integrate the stakeholders' interest. As such, this framework contributes to the theoretical implications as follows: a) it contributes to the field by providing a novel perspective on how PMS can be used in CCD projects to integrate different stakeholders' objectives; and b) it elaborates on the stakeholder norms, beliefs, and motivations, and the factors influencing their determination. Thus, the framework was developed based on insights from the institutional logic and stakeholder theory-salience. For mining companies, it is argued that the multi-stakeholders' forum should be conducted regularly and PMS system should be utilised to ensure projects objectives are attained, thus leading to the empowerment of the community.

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