

---

## The Effect of Performance Measurement System Implementation on The Jambi Local Government



Muhammad Gowon<sup>1</sup>, Fortunasari Fortunasari<sup>2</sup>, Yusnaini Yusnaini<sup>3</sup>

<sup>1</sup>Fakultas Ekonomi dan Bisnis, Universitas Jambi, Indonesia,

<sup>2</sup> Fakultas Keguruan dan Ilmu Pendidikan, Universitas Jambi, Indonesia,

<sup>3</sup>Fakultas Ekonomi Universitas Sriwijaya

<sup>1</sup>gowon@unja.ac.id, <sup>2</sup>gwinakeela@gmail.com, <sup>3</sup>yusnaini@fe.unsri.ac.id

---

### ARTICLE INFO

---

### ABSTRACT

---

#### Keywords:

*Performance Measurement System, Implementation, Government Performance Accountability System*

*The purpose of this study is to examine the factors that influence the implementation of the Performance Measurement System on the organizational performance of the Regional Work Unit (RDWU). The stages of activities carried out in the design of performance measurement systems are implementation, use and accountability. The research respondents were 52 civil servants, most of whom were program staff from more than 50 RDWU Jambi. Hypothesis testing uses Structural Equation Modeling with Partial Least Square analysis (Warp PLS 6.00). The results showed that management commitment and leadership style had a significant positive effect on the use of PMS information. The Legislative Council's Oversight and Oversight Board of the Supreme Audit Board also has a significant influence on performance accountability.*

## 1. INTRODUCTION

Balabonienė and Večerskienė (2015) states that public sector organisations are currently operating in a dynamic environment and it is forcing local government organisations to continually adjust and environmental conditions change. Measurement of organisational performance has been conceived as one of the management functions, which is currently analysed as a branch of science that evolved independently. In an effort to

measure the performance of public sector organisations, it is very important to apply the appropriate performance measurement methods.

According to Jones and Pendlebury (2010), its heart is a sovereign government public sector, which in turn is controlled by politicians. At all levels of government, sovereignty has different elements in its application. The concept of trias political consisting of council legislative, judicial and executive general classification a nationality that has been widely known throughout the world. Indonesia's head of government held by the president are being monitored by the legislature authorising the measures taken, while the judicial council is a watchdog agency relationship between the executive and the legislature. Supreme Audit Board (SAB) is a state agency that has been stipulated in the Constitution of the State as the highest legislation in the Republic of Indonesia and serves as a judicial body of the country. Notwithstanding the foregoing, the chief executive can set up institutions outside the executive branch with the SAB as an institution involving the performance of the state examiner (Presiden, 2006).

The monitoring body or the highest government inspectors Audit Board, while the Financial and Development Supervisory Board (FDSA) is the internal agency within the government how the internal environment of government institutions. Likewise, an internal agency of government inspectorates that are within the scope of internal government. Monitoring and evaluation function is a major task undertaken by the investigative agency to ensure that all government work plan implemented (Leoveanu, 2016). Performance measurement is one stage in the organisation's control system so that the whole series in management control systems of government must be totally controlled by the government audit institutions.

Performance measurement system that translates into Government Performance Accountability System (Presiden, 2014), is a government regulation that has grown along with the dynamics of change and the change of government leaders in Indonesia. Regulations regarding performance accountability of government agencies began publishing the President (1999) is the first instruction on the implementation of a performance measurement system for central and local government agencies.

The theory is an important foundation to explain the existence of the concept to be observed. This study uses institutional theory DiMaggio and Powell (1983), to explain why the implementation and use of performance measurement system implemented in the

institution of government. Gimzauskiene and Kloviene (2011), Rautiainen and Jarvenpaa (2012) as well as Akbar *et al.* (2012) are some researchers who have used the theory of the institution as an excuse to explain the use of performance measurement system in the organisation. There are several other theories that have been used in describing the relationship between the theories used to measure performance. Gimzauskiene and Kloviene (2011), using contingency theory to answer questions about external environmental factors around the organisation that affects the internal environment of the organisation. While the complexity theory will answer the question how organisations react to the external environment.

The purpose of this study was to determine the effect of factors on the PMS Local Government Institution (LGI) implementation which is mediated by the variable PMS use and accountability of local government performance in Jambi province. Is the use of a variable PMS and accountability for performance directly affects the performance of LGI? Design, implementation, use and accountability are several stages of activities conducted in the classification of the use of performance measurement system.

Keathley and Aken (2013), wrote about systematic literature review on the factors that effect the implementation of performance measurement system. Explained that the factors of implementation PMS is most often used by researchers world-renowned areas of performance measurement consisting of 43 factors of implementation, 8 highest of which is the commitment and support of the leadership, the quality of design performance measurement system, organisational culture, strategies and expectations of communication, style and leadership skills, engagement and employee perceptions, incentive programs, employee skills training and others.

Novelty and originality of this research is on theoretical models, empirical research models, research methods and objects used in this study. Theoretical models and variables used in this study refers to the research Cavalluzo and Ittner (2004) and combine it with research Nurkhamid (2008), Speklé and Verbeeten (2014) as well as Ahyaruddin and Akbar (2016). Variables that they use are factors of the implementation of performance measurement system consisting of; limitations of data and information system, the difficulty of measurement (metric difficulties), management commitment, authority decision makers, technical know-how (technical knowledge), and the mandate of the legislature, which is mediated by variable external accountability/internal and performance

measurement system development and the variable performance of the organisation as the dependent variable.

The novelty of this study lies in the empirical research model is built and developed. In a previous study of organisational performance variables are not linked to construct factors PMS implementation. In a study Cavalluzo and Ittner (2004), and Akbar *et al.* (2012) factors associated with variable PMS implementation of performance accountability external/internal and variable use and development of performance indicators as dependent and independent variables, and variable systems development is used as a mediating variable.

## **2. LITERATURE REVIEW AND HYPOTHESIS**

Accounting theory is defined as the basic assumptions, definitions, principles and concepts and how accounting researchers get it all, an underlying accounting rules created by the legislature. Accounting theory also includes accounting and financial information. The definition of accounting theory can be quite extensive. Clearly, the preparation of a conceptual framework that is supported to provide the underlying direction of accounting rule-making lies in the area of accounting theory.

Gimzauskiene and Kloviene (2011) say that, institutional theory, contingency theory and complexity theory is a key concept in the framework underlying the research in the field of performance measurement system. Conceptually these theories can be used together to describe the effect of external environment and internal organisation (Klovienė, 2012). According to Carpenter and Feroz (2001), most studies are based on the accounting rule to the economic theory generally ignores how the pressure forcing the selection of organisations and institutions in the public sector accounting. They argue that the institutional theory can complement economic theory in explaining the selection method of accounting in the public sector. In particular, they argue that non-economic factors such as the organisation's values, political and institutional norms can determine the personal interests of the bureaucracy. Their research aims to empirically examine the effect of the factors in the development of performance measurement system, performance accountability, and the use of performance information. Similar to the studies previously Akbar (2011), institutional theory be used as a theoretical tool to try to interpret and explain the empirical evidence in their research.

Furthermore, Ahyaruddin and Akbar (2016) are consistent with the research institutions that use the theory as a basis that is used to start the implementation of the research performance measurement system and its impact on organisational performance. They investigated the relationship between the use of performance measurement systems, organisational factors, accountability and performance of local government organisations. Study Susiana, Yumnaini, Gaol, Gozali and Fuad (2018) show that comprehensive performance measurement systems has a significant effect on managerial performance.

Conceptually, this study wants to see the internal and external factors effect the implementation of performance measurement system with the performance of local government organisations in Jambi province. Gowon and Fortunasari (2017) say, the relationship of internal and external variables implementation of performance measurement system with the performance of the local government mediated by the use of variable performance measurement system and performance accountability.

Research DiMaggio and Powell (1983) give the name (labelling) the process by which organisations tend to adopt the practice of isomorphism and the same structures of similar organisations. Isomorphism is a process that causes the unit to resemble other units in a population experiencing the same environmental conditions. Because of isomorphic pressures, organisations will increasingly become homogeneous in the domain is available and adjust from expectations of the wider institutional environment. Furthermore, DiMaggio and Powell (1983), identified two types of isomorphism, namely: competitive and institutional. Competitive isomorphism more suitable for use in the scenario of free market competition and open market making it less suitable for the analysis applied in the public sector organisations. While the concept of institutional isomorphism related to the organisation of competition for political forces, social fitness and legitimacy of institutions (institutional legitimacy) is more appropriate for government and public sector organisations. Scott (2004) provides a framework to study the theory of institutions. Mentioned that there are three pillars, namely institutional theory; regulative, normative, cognitive. Differences in these three pillars can be seen from the side of basic obedience, management mechanism and logic about human behaviour.

### **The Internal Implementation of Using GPAS**

Factors implementation of internal organisation is composed of two variables, namely management commitment and leadership style. Each of these variables will simultaneously mediating variables associated with the use of GPAS and accountability for performance. Factors implementation of internal organisation is composed of two variables, namely management commitment and leadership style. Each of these variables will simultaneously mediating variables associated with the use of GPAS and accountability for performance. Relationships between variables created will seek to effect the hypothesis one by one variable, in other words, look for the overall relationship between variables (correlation mediation). They will also be sought direct relationship between these factors PMS implementation with organisational performance LGI.

The isomorphims normative mechanism is a commitment to the organisation and professional loyalty of the members of the organisation to determine the conditions and working methods of internal organisation in controlling the performance as the basis for legitimising the autonomy of management jobs. The internal factors of PMS implementation is a manifestation of their isomorphims normative mechanism for management commitment and leadership style emerging from the pressure that comes from professional loyalty members of the organisation to control the performance of the organisation.

### **Management's commitment to use GPAS**

PMS implementation in governmental organisations requires changes in operations, personnel, structure, or even the culture of the organisation. It is important to build on the high level of senior management commitment, followed by support from middle managers and staff. Carpenter and Feroz (2001) found evidence that internal stakeholder support is positively associated with the adoption and use of PMS. In addition, management also provides political support is needed to encourage and motivate individuals who resisted innovation. In addition to financial resources, time and energy, the existence of internal commitment principally by top level management in an organisation, it is necessary for the successful implementation of performance reporting in Indonesia.

Implementation of the performance measurement system on the Indonesian government requires changes in operations, personnel, structure and even the culture of the organisation. These types of changes usually create resistance in an organisation. When

implementation GPAS in government done to develop and use performance indicators, as in an organisational change, it is extremely important to establish a high level of commitment of senior management in advance, and then get the support of all staff and middle managers.

Success in the accountability process and the use of GPAS, and support organisations in the form of management commitment is very important. Management also provides political support needed to encourage and motivate individuals who are resistant to innovation and environmental changes. On the basis of the above it will be established the following hypothesis:

H<sub>1a</sub>: Management commitment affect the use of GPAS positively significant.

### **Leadership Style to Use GPAS**

According to Zehir et al. (2011), the leadership style can be divided into two main categories; leadership style based on mechanistic and humanistic leadership style based. Dynamic changes that occur outside and inside the organisation has encouraged the leaders to shift their paradigm of leadership behaviour of a mechanistic approach to the traditional humanistic leadership style based on achieving the strategies and goals of the organisation.

Traditional leadership style is effected by traditional management thinking and most leaders use a mechanistic-based leadership style to handle and manage followers in their organisations. This leadership style is widely practised in organisations operating in a stable market environment, the focus on internal organisational environment and give little emphasis on a strong commitment to the practice of human resources. In addition, the humanistic perspective based leadership emphasizes factors relating to the quality of relations with the followers, such as consideration, mutual trust, participation in decision-making oriented interactions, consultative, democratic and caring with people around. The kind of leadership is widely applied in organisations that operate in a dynamic market environment, with a focus on external competitiveness and stressed the high performance practices of human resources.

A transactional leader (as a strategic leader) is a person who is involved in a system or cultural (as opposed to trying to change the system or culture) by trying to meet the needs of followers today with a focus on the interaction and behaviour of mutually beneficial against irregularities, errors or fraud and take action to make corrections. Transactional leaders largely defined as leaders who are inactive because they reward good performance

and did not intervene in the case of performance problems. So we can say that they focus on performance. In some literature, the relationship between transactional leadership with organisational performance and positively associated empirically supported. stated that the success of the implementation and use of PMS, directed to the leadership style participatory and consultative. Opinion of Bititci et al. (2004) states that the style of leadership that is consultative and participatory can be achieved due to improved visibility, reduced ambiguity and improved communications. While Zehir et al. (2011) state that an organisation's culture becomes an important key to the type of leadership and organisational performance. Based on the above will be established the following hypothesis:

H<sub>1b</sub>: Leadership style effect the usage of GPAS.

### **The External Implementation of Performance Accountability**

Factors implementation of an external organization is composed of two variables, which are the mandate of the legislative council and the supervisory authority of the SAB. Each of these variables simultaneously also will be associated with mediating variable "performance accountability". In addition, the construct that consists of two variables that will be tested conjunction with variable LGI performance.

The theory states that the institutions, the external pressure on the organization direct legitimated elements such as rules (regulations) and operational standards. Legislation such as the Regulation of the President of Indonesia (2014) and the number 29 on SKIP PAN and RIB Ministerial Decree number 53 of 2014 concerning the technical guidelines of performance agreements, performance reporting and procedure reviews the performance reports. Two of these regulations are a few examples of important rules leading edge of the external pressures organization (the central government) which directs the organization to emulate and adapt to external conditions of organization and other similar organizations. This mechanism is coercive isomorphism as these arise from the formal pressures other organizations where they are interdependent with the cultural expectations and the expectations of society.

### **The Mandate of Legislative Council of the Performance Accountability**



According to Brignall dan Modell (2000), institutional theory indicates that the mandate of the legislature (institutional regulations maker) are organizational factors that are relevant to the successful implementation of reforms in government organizations. Furthermore, in an institutional environment such as Indonesian Local Government, which is mainly dependent on external organizations (i.e. the central government) for financial support, the external body (Parliament) has the authority to impose organizational practices at subordinate units (Local Government). As a result, a subordinate organization will implement the necessary practice, but the actual results tend to be shallow (Scott, 2014). The process of implementation of Presidential Instruction No. 7/1999 about accountability in Indonesia is very centralized. Research Cavalluzzo and Ittner (2004) found that the implementation of the external mandate is mandated to implement the PMS be only conducted to meet legal requirements. This resulted in the organization's actions have little effect on the internal operation. In other words, it is just more "to adapt rather than to take action" (Julnes, 2006).

Argumentation theory of institutions that organizations gain legitimacy in line with expectations of external parties regarding the appropriate management control systems in order to appear modern, rational and efficient for external observers, but tend to separate their internal activities of externally focused symbolic systems. Specifically, Scott (1987) stated that in the institutional environment such as government organizations, where survival depends mainly on the support of external constituencies and secondary only to the actual performance, the external body has the authority to determine organizational practices in subordinate units or to set a condition that the remaining the eligible funding. As a result, a subordinate organization will implement the necessary practice, but the change will tend to be shallow and loosely associated with employee actions. Based on the above, formed the following hypothesis;

H<sub>2a</sub>: The mandate of the legislative council effect on performance accountability.

### **SAB Surveillance Authority against the Performance Accountability**

SAB supervisory authority is a new variable that has not been used in any PMS implementation factor research beforehand, so anything in the article Keathly and Aken (2013), this variable is never mentioned at all. In the Republic of Indonesia, the country's financial oversight functions are governed by the 1945 Constitution which duties and authorities are submitted to the Supreme Audit Board (SAB).

According to Indonesia Law number 15 of the State Audit Board (President, 2006), the SAB is a state agency that is in charge of examining the management and financial responsibilities of the state as defined in the Constitution of the Republic of Indonesia Year 1945. Basic tasks SAB Jambi province is carrying out surveillance the implementation of government affairs in the region, the implementation of the guidance on the regional administration of the Regency/City and implementation of government affairs at the Regency/City. Furthermore, in Article 6 paragraph 3 states that the duties and authority of the SAB include a financial audit, performance audit and inspection with a specific purpose.

According to (Akbar, 2011) the existence of an external audit of government agencies had earlier mandated by the Act of 1945, namely the presence of the SAB. The agency is located outside of government structures and therefore in a similar position with the government. Its main function is to examine the responsibility of the state finances, which is operationally run by the government. Based on the above established the following hypothesis:

H<sub>2b</sub>: Supervision of the SAB effect on the Performance Accountability.

### **The Use GPAS Against LGI Performance**

According Speklé and Verbeeten (2014), use of PMS can provide a wide variety of different purposes within the organisation. They make the classification in the use PMS organisation into three kinds, namely the use of operational use (operational use), the use of incentive program (incentive use), and the use to the investigation (exploratory use).

By using a performance measurement system for incentive purposes, it negatively affects the performance of the organisation, but this effect is less significant when high contract agreement. There was also evidence that the exploration of the use of performance measurement system tends to enhance performance, and the positive effect is not dependent on the level of contractual agreements. The effectiveness of the introduction of the performance measurement system of public sector organisations depend both on the contract agreement and how the system is being used by the manager.

Accountability of government performance developed in the republic of Indonesia better known as the Government Performance Accountability System (GPAS) which has been stipulated in Government Regulation No. 29 (the President of the Republic of Indonesia, 2014). GPAS be directed to the practice of performance management in the

public sector ranging from planning, budgeting, performance measurement to reporting integrally. The main output of the cycle is Government Agencies Performance Accountability Report which substantially informs about the gains of any public authority. GPAS not only as a means of performance accountability of government agencies to account for the achievement of performance to stakeholders only, but can be a source of information for the performance of the agencies concerned to trigger continuous performance improvement.

This study measures the performance of the organisation with a financial and non-financial approach. To measure the financial performance used approach Value for Money (VfM). Financial management is an important subject in the development of the effectiveness and efficiency of government performance. This kind of management-oriented government's ability to implement policies, decisions, plans, and directly involved in the implementation of programs that have been determined. Value for Money is expected to conduct monitoring (controlling) of government policies related to finance. So there are synergies or linkages between the financial value of the components related to budgeting. This concept can also be used as a means of driving the nation's economic needs, by reducing economic problems that exist in this nation, such as unemployment and poverty.

The performance of an organisation is considered good if the organisation in question is able to carry out tasks in order to achieve the goals set at a high standard at low costs. Technically good performance for an organisation is achieved when the administration and provision of services by the organisation concerned is done at a rate that is economical, efficient and effective. Based on the above, then formulated the following hypotheses:

H<sub>3</sub>: The Use of GPAS affect the LGI performance.

### **Performance Accountability to LGI Performance**

Some supporters of government reforms that competitive states that availability of results-oriented performance reporting (results-oriented) alone will grow increasingly information needs of managers of governmental decision making. Consistent with previous hypotheses, this claim implies a direct relationship between the development of measurement systems and the results of the system. However, others argue that this improvement occurs only when the performance measures used in improving the accountability of managers for the achievement of objectives, thus enhancing the incentives of managers to use information for decision making.

Bhimani (2003), stated that the availability of performance information will improve accountability performance and use performance information to support decision-making. These conditions indicate the existence of a direct effect between the development of the performance measurement system on accountability and use of performance information. However, Kluvers (2003) states that one of the factors that affect the increase in the use of performance information is performance information resulting from the implementation of a performance measurement system has been used to improve the accountability of the performance of an organisation. This indicates indirectly effect the development of measurement systems to the use of performance information via performance accountability. The performance of an organisation is considered good if the organisation able to carry out tasks in order to achieve the goals set at a high standard at low costs. Technically good performance for an organisation is achieved when the administration and provision of services by the organisation concerned is done at a rate that is Economical, Efficient and Effective (3E) or often called value for money. On the basis of such a statement, a hypothesis that is formed is:

H<sub>4</sub>: Performance Accountability effect on LGI Performance.

### **PMS Internal and External Factors To LGI Performance**

#### **Internal Factors PMS implementation To LGI performance**

Research Zehir *et al.* (2011) found evidence that the leadership style and organisational culture have a significant effect on organisational performance. These results are consistent with other research Nely *et al.* (1996) which states that the organisation's culture has a direct impact on organisational performance. Research Bezdrob dan Car (2012) also found evidence that the culture has a profound impact on the performance of employees, which can lead to increased productivity and enhance organisational performance. Based on the hypothetical model and some of the above research will be established hypothesis implementation factors internal to the organisation as follows:

H<sub>5a</sub>: management commitment affect the performance LGI.

H<sub>5b</sub>: leadership style affect the performance LGI.

#### **PMS Implementation OExternal Factors To LGI Performance**

In a broad perspective, the environment broadly defined, is not limited and also includes everything that is outside the organisation. However, for purposes of analysis,

which considered only the environmental aspects which the organisation must respond to sensitive and able to survive. Thus, the organisational environment is defined as all the elements are present outside the boundaries of the organisation and has the potential to affect all parts of the organisation, include SAB agencies and Parliament.

Research Hoque (2004) find evidence that there is no support for the hypothesis of association between environmental uncertainty and organisational performance using non-financial performance measurement. The evidence is not consistent with the picture that when companies have great difficulty in estimating future events, a greater dependence should be positioned to non-financial indicators to evaluate the performance of the organisation. In addition, no significant relationship between environmental uncertainty, performance measurement and performance of the organisation does not corroborate the findings of existing studies on the relationship between environmental uncertainty and the design of management accounting system (MAS).

Klovienè (2012) found evidence that the external business environment (political, economic, social, cultural, technological) has an impact on the organisation's performance (effectiveness, efficiency, increased sales figures, the achievement of organisational goals). Thus, organisations should pay more attention to the environment by conducting periodic scanning. Value for money is at the core of performance measurement in government and public sector organisations. Government performance can not be judged in terms of output produced per se, but an integrated manner should consider the inputs, outputs, and outcomes together. The problem that often arises is the difficulty of measuring output for output generated government is not always a tangible output (tangible output), but most also be output intangible (intangible outputs). MBased on the above will be established following hypothesis:

H<sub>6a</sub>: legislative mandates affect the performance LGI

H<sub>6b</sub>: SAB supervision on the performance of LGI.

### **3. RESEARCH METHOD**

The method used in this research is quantitative, even if there are some ways qualitatively. Several stages are used; sampling, research design, measurement instruments, statistical analysis and interpretation of results.

## **Samples**

Although random selection of the sample is usually considered desirable and it happens a lot, not easy to produce a representative sample, very good or absolutely perfect (Smith, 2015). Random sampling is highly unlikely to give representatives from specific groups (in the failure prediction studies it is likely to provide little, if any, is actually the case failed). Smith (2015) states that if systematic sampling approach is preferred in practice (for example, choose every item of the twentieth, from the sampling frame) but this might still not solve the problem of representation representative.

The sample selection and data collection of this research is based on respondents' answers obtained from research instruments. In this study, data were collected using a questionnaire survey addressed to the management apparatus LGI province of Jambi. From visits to each office LGI spread in the city of Semarang, the researcher can state that the rate of return the questionnaire manually by 90%, but to a questionnaire sent via the online form internet to various districts in Jambi province, not a maximum of 100% level change. From 102 questionnaire can be analys, there are 64% of male respondents and 36% of female respondents, while respondents backgrounds graduate education there are 62.8%, 36% undergraduate and vocational schools amounted to only 1.2%.

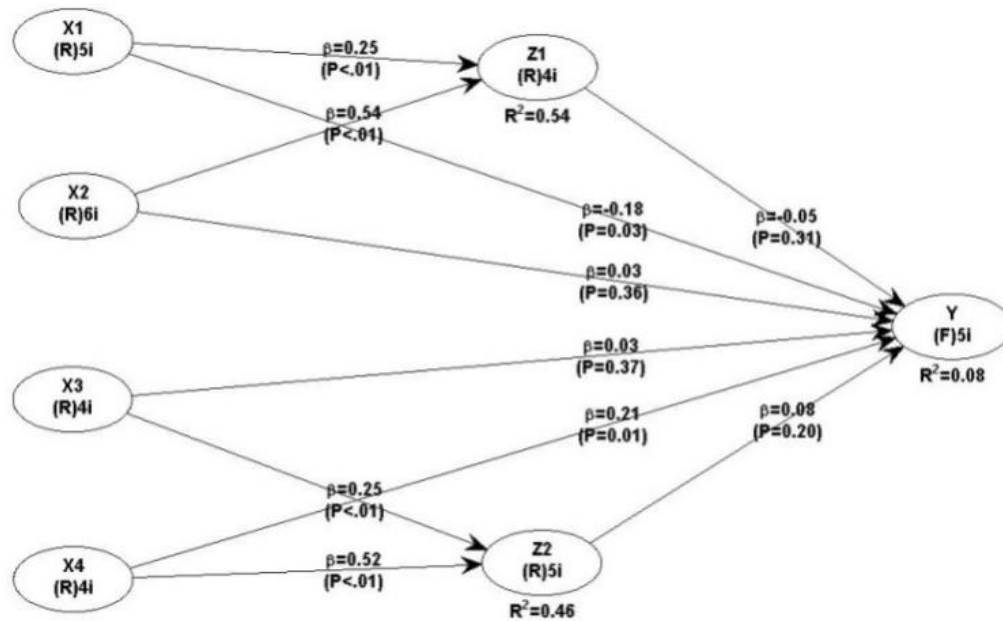
## **Research Design**

Design research is the basic plan (grand plan) of an approach to a research topic (Moxham, 2009). Required extra effort hard to read, as it can be understood and simplified view of a researcher. As a first step, no one can directly conduct research and create a business or research government, and it will depend on a number of factors such as; research topics, audience research (academic supervisor/promoter, or agency that funded and the company where researchers work), the time and resources available, as well as some types of studies are considered according to the research topic.

In many case studies, are not easy to observe in detail all members of the population. But because the population of this research are relatively few in number, which is about 50s LGI, then the sampling process census. That is, the entire population of the research sample. It is expected to take all the elements of the population do generalizing the results are more valid and reliable.

The following image is a portrait of the relationship between the output of independent constructs of commitment (X1), leadership (X2), authority of Parliament (X3), and the

supervision of the Audit Board (X4), construct mediation use GPAS (Z1) and Accountability Performance (Z2) as well as the organisational performance (Y) of dependent constructs.



**Figure 1**  
**Model Basic Hypothesis**

### Measurement Instruments

Data were obtained from primary or secondary sources. Primary data refers to information obtained directly from first-hand apparatus LGI which aims to know how the perception of the implementation, use GPAS, accountability and how it affects the performance on education in general. Secondary data refers to information gathered from sources that already exist, such as the survey of the literature or literature. Some examples of primary data source is the individual, focus groups (focus groups), a panel of respondents who specifically addressed by researchers and from whom opinions can be sought on specific issues from time to time, or several main sources such as libraries provincial government of Jambi. Internet could also serve as a source of primary data when questionnaires were performed using computerized internet directly.

Measurement of variables in terms of the theory is an integral part of the research and an important aspect of the study design. Unless the variables are measured in some way, then it will not be able to test hypotheses and finding answers to the issues of complex

research. In this section discussed how each variable used operationalized to do measurements.

### **Statistic Analysis**

Techniques used in the analysis of quantitative data is to present the findings of empirical form of statistical data descriptive describing the characteristics of respondents related to the variables used in hypothesis testing and inferential statistical analysis were used to test the hypothesis proposed research (Ferdinand, 2011). Inferential statistical tools that can be used in the data analysis technique consists of two kinds; inferential statistical techniques parametric and non-parametric inferential statistical techniques. In the article mentioned that the inferential statistical analysis of data consists of SPSS regression analysis, regression analysis moderation - SPSS, regression analysis two stages - SPSS, the analysis of causality SEM-WarpPLS, causality analysis path-path analysis.

According to Sholihin and Ratmono (2013), in recent years, the use of Structural Equation Modeling (SEM) are increasing. For example, before 1990, in the areas of marketing, only about 10 research articles using SEM. However, in the period 1995-2007 more than 2/3 of the entire article published in the journal renowned marketing using SEM. Significant developments in the use of SEM is also present in other fields such as psychology, sociology, and accounting.

Analysis hypothetical model using WarpPLS program which is a kind of analysis of SEM (Structural Equation Modeling) based variance that was created to address the problems posed by the covariance-based SEM. The advantages of this program compared to software AMOS, EQS, Lisrell and Mplus is its ability to manage samples in a relatively small amount. While other programs only capable of managing large amounts of sample.

### **Interpretation of Results**

If we see the results of processing hypothesis 1a, there is apparently a significant effect between management commitment to the use of performance information on education institutions governments of Jambi. It was shown by the test results output Structural Equation Modelling-Partial Least Square (PLS-SEM) program used WarpPLS 5:00. While the hypothesis H1b of the relationship between leadership style with the use of LGI GPAS



in Jambi, it turns out there is a significant positive relationship and hypotheses can be accepted.

Second research question regarding the relationship between the constructs implementation PMS external performance accountability can be inferred hypotheses H2a and H2b implementation PMS external environment on performance accountability is not rejected for admission, whereas the hypothesis of the mandate of Parliament (H2a) and supervision of the SAB (H2b) on accountability for performance are positively related significant and unacceptable hypothesis. Hypothesis 3 regarding the effect of the use on the performance LGI GPAS apparently showing the result of refusing to accept the hypothesis, as well as four hypotheses about the effect of accountability for performance against the performance of LGI apparently showing the results of refusing to accept the hypothesis.

The figures show that the intervening variable usage and performance accountability system mediates the relationship between exogenous and endogenous variables. However, by looking at the value of the relationship between independent variables and the implementation of internal and external GPAS the dependent variable performance of LGI in output WarpPLS, found no significant relationship positive, so that between the independent variable implementation GPAS on performance LGI no relationship mediation altogether by using a variable use GPAS and accountability for performance.

#### **4. DISCUSSION**

From the 10 hypotheses tested turned out to be only 4 hypotheses are accepted, while other hypotheses related to positive and negative and significant meaning is not worth the hypothesis can not be accepted. In a summary table of the results of hypothesis testing apparent acceptance criteria is based on the direction of the relationship between variables and significant value, if the significance of the relationship under the number value reception then even the relationship between variables is positive hypothesis is rejected.

#### **5. CONCLUSION**

The conclusion by looking at the relationship between endogenous to exogenous variables showed a relationship hypothesis 9 positive and 5 negative related hypotheses. While the significance of the relationship hypothesis that there are only four hypotheses were worth less than 0.05. The results of the quantitative analyses found strong evidence for

the effect of management commitment as one of the organisational factors that have an impact on the accountability and performance of public sector organisations. Management commitment is a form of normative isomorphism which is necessary for organisations. Public sector managers are required to give reasons and be responsible to the public for their utilization of public resources. This finding was consistent with many literature that said that management commitment can affect the performance improvement, the development of performance indicators, the use of performance information, and the performance accountability (Cavalluzzo and Ittner, 2004), as well as the internal and external accountability (Akbar et al., 2012).

## **6. IMPLICATION**

Theoretically, the performance measurement system is a practice that has been developed in European countries, but for the conditions in Indonesia, the development and implementation of the Government Performance Accountability System (GPAS) has set since the New Order era collapsed. Occurrences variable performance accountability of government can not be separated from the function and the strong commitment of the central government policy makers are owned by the executive. State Audit Board is just one state legislative institution other than the Parliament that has since 1945 set in the Constitution of the State(MPRRI, 1945).

This study has the following limitations. First, It construct a scenario in the experimental case in which the nonfinancial indicators for the nonprofit organisation's service performance can easily be measured and compared across peer organisations. However, it is difficult in practice to design measures of service effectiveness that reflect the needs of all stakeholders while facilitating comparability across nonprofit organisations (Chen, 2015). Even so, this experiment captures the essential elements of the quality-of-service performance by simplifying the measurements of the service performance. Second, although this study investigates factors contributing to management comittment of the PMS implementation, it does not replect positive effect of performance measurement system implementation on organisational performance in Jambi local government. I feel these limitation should be revised to future study.

## **REFERENCE**

- Ahyaruddin, M., dan R. Akbar. 2016. The Relationship between the Use of PMS, organizational factors, accountability, and performance of Public Sector Organizations. *Journal of Indonesia Economy and Business*, Vol. 31.
- Akbar, R. 2011. *Performance Measurement and Accountability in Indonesian Local Government*. School of Accounting, Curtin University, Australia.
- Akbar, R., R. Pilcher, dan B. Perrin. 2012. Performance measurement in Indonesia: the case of local government. *Pacific Accounting Review*, Vol. 24, No. 3, hlm: 262-291.
- Balabonienė, I., dan G. Večerskienė. 2015. The Aspects of Performance Measurement in Public Sector Organization. *Procedia - Social and Behavioral Sciences*, Vol. 213, No., hlm: 314-320.
- Bezdrob, M., dan M. B. Car. 2012. Performance Measure Model - Develoving and Testing a Measurement Model Based on the Simplified Balance Scorecard Method. *Zagreb International Review of Economic & Business*, Vol. 15, No. Special Conference Issue, pp: 78-79.
- Bhimani, A. 2003. *Management Accounting in The Digital Economy*.
- Bititci, U.S., Mendibil, K., Nudurupati, S., Garengo and Turner, T. 2004. Dynamic of Performance Measurement and Organisational Culture. *International Journal of Operation & Production Management*. Vol. 26, No. 12, pp 1325-1350. Emerald Group Publishing Limited.
- Brignall, S., dan S. Modell. 2000. An institutional perspective on performance measurement and management in the 'new public sector'. *Management Accounting Research*, Vol. 11, No. 3, pp: 281-306.
- Carpenter, V. L., dan E. H. Feroz. 2001. Institutional teory & accounting rule choice: an analysis of four US state governments" decisions to adopt GAAP. *Accounting, Organizations and Society*, Vol. 26.
- Cavalluzo, K. S., dan C. D. Ittner. 2004. "mplementing PM Innovation: Evidence from Government. *Accounting, Organizations and Society*, Vol. 29.
- Chen, Q. 2015. How Do Directors of Nonprofit Organizations Perceive the Donor Evaluation Process?. *Journal of Govermental & Nonprofit Accounting*, Vol. 4.
- DiMaggio, P. J., dan W. W. Powell. 1983. Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, Vol. 48, No. 2, hlm: 147-160.
- Ferdinand, A. 2011. *Metodologi Penelitian Manajemen*. Semarang: BP Undip.
- Gimzauskiene, E., dan L. Kloviene. 2011. Performance Measurement System: Towards an Institutional Theory. *Inzinerine Ekonomika-Engineering Economics*, Vol. 22(4), pp 338-344.
- Gowon, M., dan Fortunasari. 2017. Study Literature on Performance Measurement: The Indonesian Government Context. *Advanced Science Letters*, Vol. 23, No. 8, pp. 7035-7038.

- Hoque, Z. 2004. A contingency model of the association between strategy, environmental uncertainty and performance measurement: impact on organizational performance. *International Business Review*, Vol. 13, No. 4, pp. 485-502.
- Jones, R., dan M. Pendlebury. 2010. *Public Sector Accounting Sixth Edition*.
- Julnes, P. D. L. 2006. *Performance Measurement: an Effective Tool for Government Accountability? The Debates Goes on*.
- Keathly, H., dan E. V. Aken. 2013. Systematic Literature Review on the Factors that Affect Performance Measurement System Implementation. *Paper read at Industrial and System Engineering Research Conference*, at Virginia, USA.
- Klovienė, L. 2012. Institutional Factors as Criteria for Business Environment Identification. *Economics and Management*, Vol. 17, No. 4.
- Kluvers, R. 2003. *Accountability for Performance in Local Government*.
- Leoveanu, A. 2016. Performance Evaluation System in The Public Sector. In *Juridical Cureent; Ebsco-host Research Database*.
- Moxham, C. 2009. Performance measurement; Examining the applicability of existing body of knowledge to nonprofit organizations. *International Journal of Operations & Production Management*, Vol. 29, No. 7, pp. 740-763.
- MPR RI. 1945. *UUD Negara RI*.
- Nely, A., J. Mills, K. Platts, M. Gregory, dan H. Richards. 1996. Performance Measurement system design: Sholud process based approach be adopted?. *International Journal of Economics*, Vol. 1pp. 46-47.
- Nurkhamid, M. 2008. Implementasi Inovasi SPK Instansi Pemerintah. *Jurnal Akuntansi Pemerintah*, Vol. 3 (1).
- Presiden. 1999. Instruksi Presiden No. 7 tentang Akuntabilitas Kinerja Instansi Pemerintah, edited by S. Kabinet. Jakarta.
- . 2006. *Badan Pemeriksa Keuangan*, edited by M. H. d. H. A. Manusia. Jakarta: Sekretariat Negara.
- . 2014. Sistem Akuntabilitas Kinerja Instansi Pemerintah (SAKIP). In *Peraturan Presiden no. 29*, edited by P. RI. Jakarta.
- Rautiainen, A., dan M. Jarvenpaa. 2012. Institutional Logics and Responses to Performance Measurement Systems. *Financial Accountability & Management Research Review*, Vol. 28(2).
- Scott, William R. 1987. *Financial Accounting Theory*. Sixth Edition. Canada: Person Prentice Hall.
- Scott, William R. (2004). *Financial Accounting Theory*. Sixth Edition. Canada: Person Prentice Hall.
- Scott, William R. 2014. *Financial Accounting Theory*. Sixth Edition. Canada: Person Prentice Hall.
- Sholihin, M., dan D. Ratmono. 2013. *Analisis SEM-PLS dengan WarpPLS 3.0*. Jogjakarta: Penerbit Andi Jogja.

- Smith, M. 2015. *Research Methods in Accounting*. London, California, New Delhi: Sage.
- Speklé, R. F., dan F. H. M. Verbeeten. 2014. The use of performance measurement systems in the public sector: Effects on performance. *Management Accounting Research*, Vol. 25, No. 2, hlm: 131-146.
- Susiana, Susiana, Yusnaini Yusnaini, Manatap Berliana L.G., Imam Ghozali dan Fuad Fuad. 2018. Comprehensive performance measurement system, procedural fairness and managerial performance. *Journal of Business and Retail Management Research (JBRMR)*, Vol. 12 Issue 4 , pp.117-125
- Zehir, C., Ö. G. Ertosun, S. Zehir, dan B. Müceldili. 2011. The Effects of Leadership Styles and Organizational Culture over Firm Performance: Multi-National Companies in İstanbul. *Procedia - Social and Behavioral Sciences*, Vol. 24. pp. 1460-1474.

