The Influence Factors of the Development of Performance Measurement Systems in Indonesia Central Government

Warka Syachbrani
Department of Accounting
Sekolah Tinggi Ilmu Ekonomi Amkop Makassar
Makassar, South Sulawesi 90231, Indonesia
warka.syachbrani@unm.ac.id

Rusdi Akbar
Master in Accounting, Faculty of Economics and Business
Universitas Gadjah Mada
Bulaksumur, Yogyakarta 55281, Indonesia
rusdi.akbar@ugm.ac.id

Abstract

This study examined how the performance measurement system developed in the public sector. The purpose of this study was to examine the technical and organizational factors that influence the development of performance measurement system in Indonesia Central Government. Research data was collected through surveys and semi-structural interview at the Budget Officer of Finance Ministry of Indonesia Central Government. Subsequently, analysis of research data using Partial Least Square (SEM-PLS). The study results show that technical factors significantly affect the development of performance measurement system for the central government operational orientation and incentive orientation (except the difficulty determining performance indicators factor). In addition, organizational culture are also found to affect the development performance measurement system for the Central Government incentives and exploratory orientation. While the goals and objectives vagueness factors found not to influence. The study also founded that the development of performance measurement system in the Central Government by coercive isomorphism (coercive pressure) and normative isomorphism (normative pressure).

Keywords
Institutional Theory, Isomorphism, Performance Measurement System, SEM-PLS Analisys.

1. Intruduction
Indonesian public reform in 1998 caused the some changes of national and state systems. Flow changes then require state officials in carrying out the duties and responsibilities of the highly authoritarian system that is less accountable to the state administration system more democratic and accountable. Some time later, after the transfer of power in the future, then government produced number of new regulations as a rule supporting the performance of the state apparatus.

Changes in the state administration system then triggers the increasing demands of people who want the operation and management responsibilities better country. It became the forerunner of the issuance of Presidential Instruction (Inpres) No. 7 of 1999 on Accountability of Government Performance was further supported by Published Decision of the Head of State Administration Institute (LAN) No. 239/IX/6/8/2003 on Guidelines for Preparation of Reporting Accountability of Government Performance intended as an answer to the need of good governance at all levels of government.

These demands require the formulation of system performance measurement and evaluation both in the Central Government, and the Local Government. In ministries and state agencies as part of the Central Government structure, performance measurement is specifically regulated in the Regulation of the Minister of Finance of the Republic of Indonesia (PMK) No. 249 of 2011 on Performance Measurement and Evaluation on the Implementation Work Plan

Budget of the Ministry and Agency. The rule will be the performance measurement system is expected to help the government officials to improve the performance of the government in achieving the goals and objectives, efficiency, and effectiveness of public services in a transparent manner; but it also can assist in the allocation of resources and decision-making; and to realize the public accountability and improved institutional communication (Mardiasmo, 2009). The system will measure and assess the performance of government based on the level of ability in providing public services and the extent to which the public feel the benefits of various policies, programs, or activities of the government-run (Nurkhamid, 2008).

Application of the system implementation with a high degree of accountability is also consistent with the concept of New Public Management (NPM), which has recently become the main philosophy has been the basis for public sector reforms in many countries. However, an application of the new paradigm will certainly face many challenges, particularly in public sector organizations with a fairly high degree of complexity. Associated with the development and use of performance measurement systems in the public sector, the motivation of applying the concept of NPM is not known and the factors influencing context. De Bruijn (2002) revealed that performance measurement practices in NPM considered a nuisance to the policies that have been the professional responsibilities of employees and managers, especially in public organizations which are sensitive to distorted, like education, and health.

Spekle and Verbeeten (2014) also founded that some public sector leaders, including some of the organizations that are sensitive distorted confirms that they are actually quite enthusiastic about bureaucratic reform and shows that the new performance measurement system that has actually contributed to the increase in effectiveness, but the willingness to use the concept NPM in terms of a performance measurement system, it would be at risk if there is no desire of the members of the executive of the public organization, and if not supported from outside parties such as community and regulations. This is exactly what was highlighted in the study.

Based on the statements which have been written by Van Helden (2005) that development of research in the public sector requires a transformation. The study then present an attempt to provide empirical evidence about the determinants of the development of performance measurement systems in public sector organizations. In this study, the initiative tasked with drafting personnel performance measurement systems in public sector organizations in developing a performance measurement system is for operational purposes, incentive mechanisms purpose and exploration orientation.

Development of research hypotheses to look at the factors that motivate the development of government performance measurement system and interpretation of the results of this study extend from Institutional Theory that tries to see the isomorphism phenomenon, by testing a number of factors, both in terms of technical factors such as difficulty to determining performance indicators (Cavalluzzo and Ittner, 2004; Akbar et al, 2012), educational background (Fontanella, 2012), and the effect of employee training (Nurkhamid, 2008), and organizational factors such as; organizational culture, and the vagueness goals and objectives of the organization (Julnes and Holzer, 2001; Sihaloho and Halim, 2005).

After an explanation of the background underlying this research, explaination of the basic theory and the development of hypotheses in the next section. Then an explanation of the research methodology will be explained next, followed by the presentation of findings, conclusions and limitations of this research.

2. Theorical Framework and Hypothesis Development
2.1 Institutional Theory and Isomorphism
There are many previous studies that used institutional theory in explaining the phenomenon of public sector management systems adopting new and homogenization processes in the social environment. One is DiMaggio and Powell (1983) who explains that an organization is required to adopt the new system, tend to resemble other organizations that have environmental conditions and the same settings. The institutionalization is a rational response to the organizational structure that has a homogeneous environment. In other literature, Dacin et al. (2002) explain that Institutional Theory is a popular and powerful explanation for the actions of individuals and organizations. According to institutional theory, organizations are influenced by normative pressures, which sometimes arise from external sources such as environment, and can also arise from within the organization itself. The main concept of

institutionalization explains that many organizational action reflects a pattern of doing things to evolve over time and it is passed in an organization and environment (Pfeffer, 1982 in Zucker and Lynne, 1987).

DiMaggio and Powell (1983) explains that the institutional structure and organizational processes tend to be isomorphic (homogeneous even though they have different options) with the accepted norms for certain types of organization. As a result, an environment legitimized ways of organizing-course. For example, Tolbert and Zucker (1983) found that from time to time civil service reforms adopted since become symbolic of good governance is not as efficient purpose. This phenomenon is referred to as isomorphism which is a process that forces one unit in a population to resemble other units that face the same setting of an environmental condition.

The concept of institutional isomorphism is a very appropriate concept for understanding the conditions and procedures that include public sector organizational life. According to Akbar et al. (2012) who conducted a study of Local Government in Indonesia by adopting institutional theory assumes that organizations compete not just for resources and customers, but also for political power and institutional legitimacy. Thus, the necessity to report on the performance of the government institutions are forced to fulfill their causes in ways most likely, for example, just by simply doing a potluck to meet regulatory demands, to imitation of other organizations whish are the same, or have recourse to the professional which they have capabilities in this regard.

These conditions according to DiMaggio and Powell (1983) write that logic changes are institutionalized into the organization by means of three processes: coercive, mimetic, and normative. Thus, there are three mechanisms for isomorphic institutional change, with each its own antecedents: 1) coercive isomorphism from political influence and legitimacy; 2) mimetic isomorphism resulting from standard responses to uncertainty, and 3) normative isomorphism associated with professionalization.

In a study conducted by Akbar et al. (2012) concluded that in the development and implementation of performance measurement systems in Indonesian Local Government proven with three institutional isomorphism pressure. Most of the Local Government founded its performance report only to meet regulatory demands (Inpres. 7/1999) which indicates the coercive pressure. It was also found that the Local Governments that has low capability requires a referral from another the Local Government with a higher capability (mimetic pressure). Furthermore, it was found that the majority of respondents adopted a performance measurement system that previously has been designed by the Financial and Development Supervisory Agency (BPKP) and also consult the university parties in their respective areas (normative pressure).

As the development of several previous studies in the field of performance measurement system of government, this study uses institutional theory to explain how the central government agencies to develop their performance measurement systems. This study did isomorphism explanation of institutional mechanisms that accompany institutionalization that occurred in the development process.

2.2 Development of Government Performance Measurement System

According Nurkhamid (2008), an appropriate performance measures will be able to help organizations determine how well a program is executed, achieving the goal of an activity, the level of customer satisfaction, statistical process control activities, as well as the necessary development required on an activity. Mardiasmo (2009) wrote that the goal is a performance measurement system; (1) to communicate better strategies (top-down and bottom-up), (2) to measure the performance of financial and non-financial balanced way so that it can be traced the development of achievement strategies, (3) to accommodate the understanding of the interests of middle and lower-level managers and motivated to achieve goal congruence, and (4) as a means to achieve satisfaction based approach to individual and collective capabilities are rational.

Speklé and Verbeeten (2009) describes the purpose of the development and implementation of performance measurement systems in the public sector practice by connecting three different organizational roles of performance measurement system: (1) a system which can be applied for operational purposes, ie they include planning to monitoring processes; (2) a system which can be used for the provision of incentives and rewards, and (3) a system which can be used by means of exploration, which is to double-loop learning, priority setting and policy development, because the exploration of strategic capability is the core or backbone of success bureaucratic reform according to

Panozzo (2000) that public organizations in developing countries showed government's commitment to reform the public sector organizations.

This study conducted a study on the factors that influence the technical and organizational performance measurement system development with three of the previously described orientation (based on Wijaya and Akbar, 2013). The factors that predominantly affects the development of performance measurement systems is very important to be able to understand how the characteristics of the performance measurement system. The factors referred to in this study are technical and organizational factors, namely; metrics difficulty (difficulty in selecting and interpreting outcome measures of performance that are not quantifiable); educational background (the knowledge and insight that as a result of learning during his previous formal education); employee training (specialized training programs conducted by their institution in order to improve their capabilities in developing a performance measurement system); cultural organization (openness to change and innovation organizations in exploring the potential of the organization to achieve desired); organization goals and objectives (fuzziness setting goals and objectives of the program because of the large cross-interests and political games). The relationship of all these variables is depicted in the Figure 1.
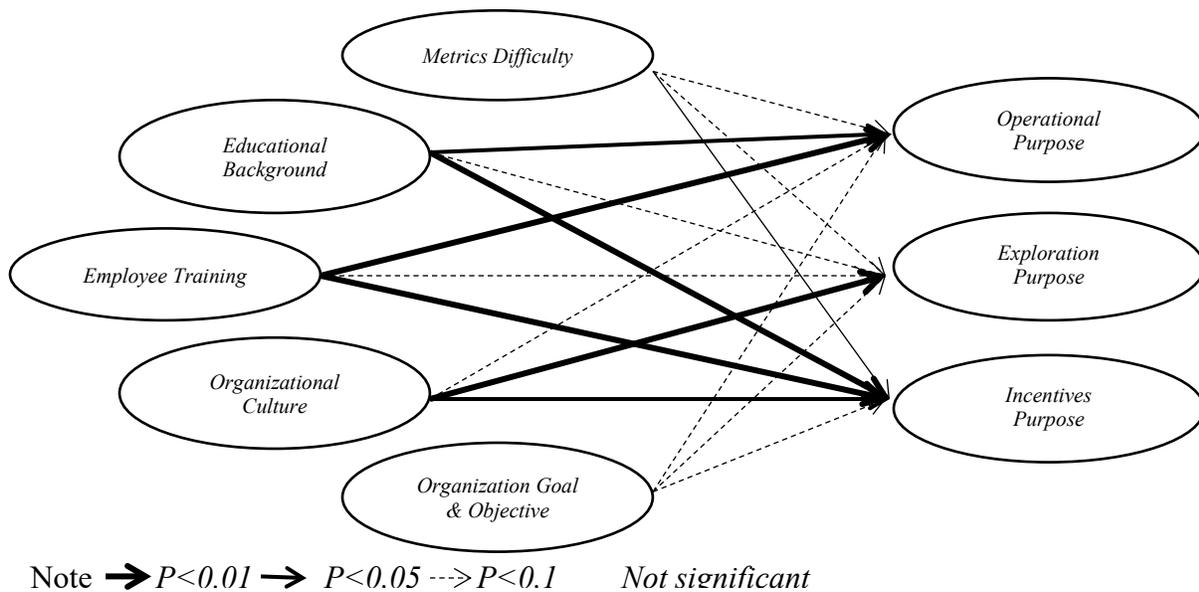

Note ➜ *P<0.01* ➜ *P<0.05* ---> *P<0.1*   *Not significant*

Figure 1. Conceptual Model

2.2.1 Metrics Difficulty

Difficulty to determining performance measures (metrics difficulty) referred to in this research is the difficulty of determining the indicators to measure performance. According Cavalluzzo and Ittner (2004) that one of the factors in the technical literature of the performance measurement system is the ability to define and measure the performance metrics that can measure performance and results. This illustrates that in practice, employees and managers in the public sector is faced with a job or task that has proven difficult to be measured and evaluated with quantitative metrics. Nasir (2010) revealed that although the measurement of performance budgeting system is excellent in improving the performance, but the weakness is not easy to measure performance in the form of outcome.

The difficulty in determining the performance measures may lead to imperfections of performance measurement and evaluation system developed by the organization, so that the system does not become informative. Therefore, the difficulty in determining the performance measures will lead to limitations of measurement and performance evaluation system is to be used as material considerations that impact the decision on accountability (Nurkhamid, 2008). Previous research has writed that difficulty determining performance measures negatively affect the development of performance measurement systems, performance accountability and use of performance information generated by the implementation of performance measurement systems (eg. Cavalluzzo and Ittner, 2004; Akbar et al., 2012). It directs the research hypothesis is as follows;

- H1a: Metrics difficulty negative influence on the development of the performance measurement systems for operational purposes.
- H1b: Metrics difficulty negative influence on the development of the performance measurement system for incentive purposes.
- H1c: Metrics difficulty negative influence on the development of performance measurement system for exploratory purposes.

2.2.2 Education Background

Difficulty to determining performance measures (metrics difficulty) referred to in this research is the difficulty of determining the indicators to measure performance. According Cavalluzzo and Ittner (2004) that one of the factors in the technical literature of the performance measurement system is the ability to define and measure the performance metrics that can measure performance and results. This illustrates that in practice, employees and managers in the public sector is faced with a job or task that has proven difficult to be measured and evaluated with quantitative metrics. Nasir (2010) revealed that although the measurement of performance budgeting system is excellent in improving the performance, but the weakness is not easy to measure performance in the form of outcome.

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- H2a: Educational background positive influence on the development of the performance measurement systems for operational purposes.
- H2b: Educational background positive influence on the development of the performance measurement system for incentive purposes.
- H2c: Educational background positive influence on the development of the performance measurement system for exploratory purposes.

2.2.3 Employee Training

Training of human resources (personnel) owned by an organization is an effort to improve and enhance the performance of employees in a particular job that is becoming the responsibility (Parlinda and Wahyuddin, 2003). Utilization of science in government agencies is needed to provide better public services to the community because every part of a series of work in government agencies should be conducted by skilled personnel within the organization. Where the personnel of the organization is one element that serves as the driving the wheels of the organization so that the organization's personnel have an important role in meeting the public demand for better public services.

In an effort to get better results then the personnel must be equipped with sufficient knowledge and skills. With the knowledge and skills provided it can support public sector organizations to achieve the goals to be achieved. Various attempts have been and/or are being made by leaders in government agencies. They realize that the success or failure of these goals depends on the personnel therein. Thus, leaders in government agencies to provide training to personnel within the institution to improve its performance. Hatry et. al. (2003) revealed that the organization's personnel who have an understanding and technical capabilities related to the implementation of the performance measurement system will be able to assist the successful implementation of the performance measurement system. The technical skills required by personnel of the organization are to perform data analysis, presenting reports in a form that is easy to understand, and make a special report in accordance with the characteristics of stakeholders.

Cavalluzzo and Ittner (2004), as well as Nurkhamid (2008) has shown that the training given to the management of a positive influence on the development of measurement systems, accountability, and use of performance information generated by the implementation of a performance measurement system. Based on these descriptions, the hypothesis is:

- H3a: Employee training positive influence on the development of the performance systems for operational purposes.

- H3b: Employee training positive influence on the development of the performance measurement system for incentive purposes.
- H3c: Employee training positive influence on the development of the performance measurement system for exploratory purposes.

2.2.4 Organizational Culture

Schein (1992) in Julnes and Holzer (2001) stated that organizational culture is a pattern of basic assumptions invented, created or developed by a given group with the intention that organizations learn to overcome or cope with the problems arising from external adaptation and internal integration that has been running pretty well, so it needs to be taught to new members as the correct way to perceive, think about, and feel the problems.

In connection with the development and implementation of performance measurement, Julnes and Holzer (2001) have shown that organizational culture affect the implementation of performance measurement systems. In this study, organizational culture reflected the organizational openness to change and innovation (to develop the performance measurement system). Where are the people who are members of these organizations can explore the potential of the organization to achieve the desired results by looking at how open they are to accept the changes.

Organizational culture is useful to provide the identity of the members of the organization, foster collective commitment, increasing the stability of the social system, and shape behavior by helping members feel the conditions in the surrounding environment (Kreitner and Kinicki, 2001) cited in (Nurkhamid, 2008). Organizational culture is reflected as an attitude of openness to changes in organizational innovation (ie performance measurement system). Sihaloho and Halim (2005) has shown that organizational culture affects the development and implementation of performance measurement systems. Based on these descriptions, generate hypotheses as follows:
- H4a: Organizational culture positive influence on the development of the performance measurement systems for operational purposes.
- H4b: Organizational culture positive influence on the development of the performance measurement system for incentive purposes.
- H4c: Organizational culture positive influence on the development of the performance measurement system for exploratory purposes.

2.2.5 Organizational Goals and Objectives

Organization goal according Sihaloho and Halim (2005) is a consensus on the goals of each program, an agreement on the purpose of each program and activities to be implemented to bring the performance goals, so that this goal orientation allows organizations to adopt a performance measure, because according Julnes and and Holzer (2001) for the purpose of the program is usually always vague and if only a symbolic goal orientation, then these factors have a greater influence on the adoption of performance measurement stage than at the stage of implementation of performance measurement systems. Furthermore, Wang (2002) found that the performance goals have an impact on the process of strategic planning and management process and employee performance evaluation process. In fact the practice in public sector organizations, determining goals and objectives of the program are often unclear because of the large cross-interests and political game by the state.
- H5a: Organization goal and objectives negative influence on the development of the performance measurement systems for operational purposes.
- H5b: Organization goal and objectives negative influence on the development of the performance measurement systems for incentive purposes.
- H5c: Organization goal and objectives negative influence on the development of the performance measurement systems for exploratory purposes.

3. Research Methods

3.1 Sample and Population

Sampling method in this study is purposive sampling by selecting a sample with certain criteria in accordance with the needs analysis on this research issue. This study used a sample of the Officers of the Directorate General of Budget, Ministry of Finance of the Republic of Indonesia to the criteria as Echelon II to IV. These criteria to ensure that respondents are officials who are directly involved in the preparation of the concept of the measurement system of the central government agencies.

Data for testing needs and subsequently analyzed empirically obtained with explanatory research strategy. This study used survey by questionnaires to obtain quantitative data from the respondents. The questionnaire was developed based on previous similar studies. The survey began on 16 June until 24 July 2014, the first collection phase was held on 4 and 5 July 2014 and contained a number of 43 questionnaire. Furthermore, the second phase of the collection period was conducted on 21 to 24 July 2014 and collected 49 questionnaire. Thus, the total number of questionnaires collected until the end of the survey period is 92.

The procedure is done to ensure that there is no significant difference between the response of the first period with a questionnaire collecting the second period, then the comparison is done using test Mann-Whitney Test (Field, 2009 in Akbar et al., 2012). The results of these tests show that there is no significant difference in the response between the data collected in the first period to the second period. The test results of Mann-Whitney Test showed that the mean rank of the overall construct between the data collection period in the first and second periods no difference. With these results, it indicates that there is no a response bias, so it will not reduce the strength of the generalization of the results of the test data of this research.

3.2 Research Variables
3.2.1 Independent Variables
Difficulty Determining Performance Indicators (DIF) is one of the technical factors faced by employees or officials of government in terms of difficulty defining or establishing a performance indicator to measure or evaluate the achievement of a program, project, or activity. This factor has previously been tested also by Cavaluzzo and Ittner (2004) and tested in the context of the Government in Indonesia by Akbar et al. (2012).

Background of Education (EDU) is part of the technical capabilities of the personnel who have acquired in their first institution they traveled before. Educational background in this study is intended as the ability to develop the Government Performance Measurement System employees who have acquired while studying.

Employee Training (TRA) is an acquired technical skills of government employees in order to develop a Performance Measurement System through training programs, workshops, or seminars. Cavalluzzo and Ittner (2004), and Nurkhamid (2008) has shown that the training given to the management of a positive influence on the development of the Government Performance Measurement System.

Organizational Culture (CUL) in this study is a system of shared meaning held by employees or officials who made the difference between his organization with other organizations. Julnes and Holzer (2001) have shown that organizational culture affect the implementation of performance measurement systems.

Vagueness Goals and Objectives Organization is unclear goals and objectives of the program are set out in the organization of the public sector because of the large cross-interests and political games. De Bruijn (2002) and Rainey (1999) has found that the lack of consistency in the implementation of policies and programs as well as the performance measurement system of political interests is a source of uncertainty that affect the purpose of performance measurement in the public sector.

3.3.2. Dependent Variable
Development of Government Performance Measurement System in this research is the process of design, implementation, and evaluation of the periodic assessment of operational effectiveness of government institutions. The study then tested the technical factors affecting the predicted and organizational development for the purposes of: (i) Operations (DEVOP); (ii) Incentive (DEVIN); (iii) Exploration (DEVEX). This is in accordance with what has been done by Speklé and Verbeeten (2009) which describes the purpose of the development and implementation of public sector performance measurement system. Number of indicator of all the variables presented on the Table 1.

Table 1. Research Variables.

Variables	Code	*Indicators**	Number of Indicator
PMS Development for Operational Purpose	DEVOP	DEV1 – DEV3	3
PMS Development for Incentives Purpose	DEVIN	DEV4 – DEV6	3
PMS Development for Exploration Purpose	DEVEX	DEV7 – DEV12	6
Difficulty Determining Performance Indicators	DIF	DIF1 – DIF6	6
Background of Education	EDU	EDU1 – EDU3	3
Employee Training	TRA	TRA1 – TRA5	5
Organizational Culture	CUL	CUL1-2 & CUL4-6	5
Vagueness Goals and Objectives Organization	GOAL	GOAL1 – GOAL6	6
Totals	8		37

*Some indicators excluded for not meeting the standard loading scores

3.3 Data Analysis

This study has a variable or a combination of modeling is quite complex, but on the other hand also has a number of samples and the response rate (response rate) is low because the study was conducted at government agencies. Because of these considerations, the analysis tool is used to test the hypothesis in this study is the Partial Least Square (PLS). According to Hartono (2009) PLS is a technique of Structural Equation Modeling (SEM)-based variant that can simultaneously test the measurement model simultaneously testing the structural model. Statistical applications used to process the data of this study is WrapPLS 4.0.

4. Results

85 questionnaires that can be used for analysis. Seven questionnaires was not used because some parts incomplete and ineligible. Furthermore, the data from the questionnaire were tested with the following steps:

4.1 Convergent Validity Testing

Convergent validity can be determined by using the value of Average Variance Extracted (AVE). AVE value of each construct should be greater than 0.50 which indicates that the probability is quite convincing indicators related constructs than go on another construct. AVE values for all constructs greater than 0.50 (50%). The highest value is to construct AVE DEVIN (0,841), while the lowest AVE value is construct Difficulty Determining Performance Indicators (DIF), which is 0.524. This shows that the measurement model has a pretty good convergent validity.

4.2 Testing Discriminant Validity

Measurement model refers to how konstuk which is unobservable variables in the model to be measured. Described in Henseler, et. al. (2014) that there are two approaches in measuring these constructs is reflective measurement (reflective measurement) and formative measurement (formative measurement). In this study, the construct of reflective among others; DEVOP, DEVIN, DEVEX, EDU, TRA, and CUL. GOAL DIF and constructs a formative construct.

Parameters to assess the validity of the determinants for each type of construct is also different. For reflective constructs using the value of cross-loadings, whereas the formative constructs using weight indicator. following output results of testing cross-loadings and indicator weight; Value loading showed that all reflective constructs on the indicators in the measurement model of this study has been qualified discriminant validity (the value of cross -loadings > 0.60). As for the second formative constructs in the measurement model of this study using the DIF and GOAL weight indicator for testing the validity of its determinant. The results showed that all of the indicators for each construct has a significant weight indicates that the construct is feasible to be tested.

4.3 Evaluating Structural Models

Parameter to measure the reliability of constructs that exist in a model by using the coefficient of Composite Reliability. Constructs will dinyatan reliable when the value of Composite Reliability- their respective greater than 0.60 (Henseler, et. al., 2014). In Table 2 below, we see that the coefficient of Composite Reliability for all constructs

very well. The highest value is to construct GOAL TRA and 0.99 respectively, while the value is to construct dif lows of 0.868.

Table 2: Coefficient of Latent Variables

Coefficient	DEVOP	DEVIN	DEVEX	DIF	EDU	TRA	CUL	GOAL
R-squared	0.523	0.295	0.660					
Adjusted R-squared	0.493	0.250	0.630					
Composite reliability	0.879	0.941	0.917	0.868	0.953	0.955	0.876	0.955
Cronbach's alpha	0.793	0.905	0.892	0.816	0.926	0.941	0.822	0.942
Average variances extracted	0.707	0.841	0.650	0.524	0.871	0.810	0.587	0.783
Full collinearity VIFs	3.457	1.397	2.632	1.174	1.133	2.634	1.330	1.134
Q-squared	0.670	0.318	0.676					

4.4 Hypothesis Testing

There are 15 (fifteen) hypothesis proposed in this research. Testing these hypotheses using PLS analysis with the details of the results are shown in Table 3.

Table 3: Summary of Hypothesis Testing Results

Hypothesis	Directions	Sign	Coefficient	*P-value*
1. Difficulty Determining Performance Indicators				
H1a	DIF → DEVOP	-	-0.024	0.382
H1b	DIF → DEVIN	-	-0.123*	0.066
H1c	DIF → DEVEX	-	-0.041	0.307
2. Background of Education				
H2a	DIF → DEVOP	+	0.164**	0.022
H2b	DIF → DEVIN	+	0.278***	<0.001
H2c	DIF → DEVEX	+	0.043	0.300
3. Employee Training				
H3a	TRA → DEVOP	+	0.697***	<0.001
H3b	TRA → DEVIN	+	0.267***	<0.001
H3c	TRA → DEVEX	+	0.062	0.224
4. Organizational Culture				
H4a	CUL → DEVOP	+	0.077	0.171
H4b	CUL → DEVIN	+	0.162**	0.024
H4c	CUL → DEVEX	+	0.225***	0.003
5. Vagueness Goals and Objectives Organization				
H5a	GOAL → DEVOP	-	-0.058	0.239
H5b	GOAL → DEVIN	-	-0.101	0.108
H5c	GOAL → DEVEX	-	-0.049	0.274

Notes: *** P <0:01 , ** P <0.05 * P <0.1

4.4.1 Difficulty Determining Performance Indicators (H1a, H1b, H1c)

In Table 3 above presents data for hypothesis testing results related to the difficulty in determining the performance indicators influence on the development of the Government's performance measurement system. Shown in the table is that the only effect of DIF on DEVIN significant with path coefficient value of -0.123 and a P-value of 0.066 (significant at the 10% level) and effect size of 0.034. Value of the effect size is relatively weak, as a guide in Sholihin and Ratmono (2013) that the effect size was categorized into three; weak (0.02); medium (0.15); and strong (0.35).

This shows that the hypothesis H1b is supported, thus can be interpreted that the difficulty determining performance indicators into factors that hinder the development of government performance measurement system for the purpose of providing an incentive mechanism, although the proportion of roles that are not so great. By contrast, the effect of

DIF on DEVOP and DEVEX which proved significant with path coefficient values respectively -0.024 and 0.041 with a P- value of 0.382 and 0.307 (above 10%). This indicates that H1a and H1c is not supported, which means that the difficulty in determining the performance indicators do not preclude government officials in developing a measurement system of pen-performance operational goals and objectives for exploration.

4.4.2 Educational Background (H2a, H2b, H2C)

The above data shows that the influence of DEVOP Communities against proved significant with path coefficient of 0.164 with a P- value of 0.022 which is significant at the 5% level, and the effect size was 0.074. This suggests that the background of government employees affect the development of performance measurement systems for operational purposes which means that H2a is supported. The same thing also happened on the effect of EDU on DEVEX significant with path coefficient of 0.278 and P-value is very convincing because the value is less than 0.001. Effect size of the effect of EDU on DEVIN also recorded sizeable 0,120 worth indicating that educational background has an important role in supporting the development of the Government's performance measurement system for the purpose of providing incentives. It also indicates that H2b is supported.

4.4.3 Employee Training (H3a, H3b, H3c)

From Table 3 above shows that the effect of TRA on DEVOP proved significant with path coefficient of 0.697 and P-value less than 0.001 and the value of the effect size was 0,550. This suggests that training followed by government officials strongly support the development of performance measurement systems for operational purposes. Value of effect size were valued above 0.5 indicates that the training is very important roles in the development of DSS. These results indicate that H3a is supported. Similarly, the effect of TRA on DEVIN are also significant with path coefficient of 0.267 and a P-value smaller than 0.001, and the effect size was worth 0,103. These data indicate that employee training to support the development of government performance measurement system for the purpose of providing incentives. Thus H3b supported.

4.4.4 Cultural Organization (H4a, H4B, H4c)

Shown in Table 3 above that the influence of the DEVIN CUL significant with path coefficient value of 0.162 and P-value of 0.024 (significant at the 5% level) with the effect size of 0.060. These results indicate that the organizational culture surrounding government organizations provide a significant influence in the development of a performance measurement system for the purpose of providing incentives for employees and government officials. This means that H4B supported. It is also shown to influence the CUL DEVEX that proved significant with path coefficient of 0.225 and a P-value of 0.003 (significant at the 1% level) as well as the value of the effect size of 0.107. These results indicate that the organizational culture within the government organization significantly affect the development of the Government's performance measurement system with the purpose of exploring and this means that H4c supported .

4.4.5 Vagueness Goals and Objectives Organization (H1a, H1b, H1c)

The results of testing the effect of vagueness Government organizations goals and objectives for the development of the Government's performance measurement system that is translated into three hypotheses. However, none of these hypotheses are supported. Shown in the table that the only influence on DEVOP GOAL, DEVIN, and no significant DEVEX the value of each path coefficient -0.058, -0.101, -0.049 and P-value respectively 0.239, 0.108, 0.274 (all over greater than 10%) and the effect size of each of 0.022, 0.024, 0.018. This shows that the hypothesis H5a, H5B and H5c not supported, thus it can be concluded that the vagueness goals and objectives of the government organization does not become a factor that inhibits the development of government performance measurement system for all development purposes.

6. Conclusions, Implications, and Limitations

Based on the results of data analysis has been done using path coefficient analysis, obtained factors or variables that affect the development of performance measurement systems in the Central Government. The factors that significantly influence the development of a performance measurement system for the orientation of the Central Government incentive mechanism is difficulty determining performance indicators, educational background, and training employees. Furthermore, the factors that significantly influence the development of performance measurement systems for exploration orientation is the organization culture. However, for the development of local government performance measurement systems for operational orientation, this study only managed to find two factors that influence it, the educational background and training of employees.

Another thing is the finding in this study is related to the presence of institutional isomorphisma in the process of developing a performance measurement system of the Central Government. In accordance with what has been found by Akbar et al. (2012) that the three mechanisms isomorphisma namely; coercive, mimetic, and normative proven systems are in the process of developing the Government's performance measurement system development. However, for the mechanism of mimetic isomorphisma not found as powerful and convincing.

Isomorphisma coercive occur in the development of the performance measurement system of the Central Government because it naturally if the government institutions in carrying out operations/duties are influenced directly by the formal pressures, especially from the rules and regulations. While the normative isomorphisma very likely to occur because of the demands of accountability and professionalism in the performance of government institutions is often the help of academics as well as the services of the consultants.

The results of this study can be used as input for the central government as its implications. In particular, the findings of this study can be a guide in the development of performance measurement systems to assess to what extent the achievements of the organization in serving the community. This study menyediankan several other important findings that may be positive feedbacks in order to support efforts to improve the performance and accountability of the Government profesionalismean. The implication may be an emphasis on the factors that have been shown to significantly influence the development of performance measurement system of the Central Government. One, for example, with its proven educational background influence the development of the Government's performance measurement system, it is necessary to be considered when the next recruitment.

This research still has many limitations. One of them, this study is only done in an institution tasked with the central government alone, making it less able to generalize the performance measurement practices in central government in Indonesia. As a suggestion, the next researcher can do more extensive research object and look for other factors that may capture phenomena isomorphisma in influencing the use of performance measurement system of government. Furthermore, the use of mixed method is recommended for subsequent studies, because by using this technique, the results obtained can be explored in more depth and can be seen from the perspective of diverse and rich than when using only one analysis alone.

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Biographies

Warka Syachbrani is an lecturer, and Director of Accounting Department in Sekolah Tinggi Ilmu Ekonomi Amkop Makassar, Indonesia. He earned S.E. (bachelor degree) in Accounting from Faculty of Economics and Business, Universitas Hasanuddin, Indonesia, Masters in Accounting from Master and Doctoral Programme, Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia. He has published journal and conference papers. His research interests include public sector accounting, financial accounting, auditing, and capital market. He is member of IAI (Indonesian Chartered Accountant Institute).

Rusdi Akbar is lecturer at Master in Accounting Programme, Faculty of Economics and Business, Universitas Gadjah Mada, Indonesia**.** Dr. Rusdi Akbar holds a Doctorandus in Faculty of Economics, Universitas Gadjah Mada, Indonesia, Master of Science in Accounting in University of Kentucky, USA and Doctor of Philosophy in Curtin University of Technology, Australia. He has published several journal and conference papers.