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Factors Influencing the Use of Performance Measurement System: Evidences from Indonesian Public Sectors

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ABSTRACT

This study focused on the use of performance measurement systems (PMS) within the Indonesian public sector. It provided empirical evidence on the factors influencing the use of PMS in local government agencies. Institutional theory, especially institutional isomorphism, is utilized as a theoretical lens to further explaining the findings. The factors under examination are information, goals and objectives of the organization, and external pressures. The covered area within the Provincial Government of Yogyakarta (covering five local governments: Bantul, Gunungkidul, Kulonprogo, Sleman, and the City of Yogyakarta). This research employed mixed research method and utilizing Partial Least Square (PLS) and Thematic Content Analysis (TCA) to analyze and interpret the quantitative and qualitative data, respectively. The results show that goals and objectives of the organization, information and external pressures have a significant influence to the use of PMS. Normative isomorphism came up as the strongest influence followed by coercive isomorphism and mimetic isomorphism.

Keywords: information, goals and objectives, external pressures, performance measurement systems, institutional theory