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Redefining Accounting Education: Balancing Technological Innovation with Ethics and Sustainability

The Implementation of the Performance Accountability Rules in Jambi Provincial Government Agencies from The Perspective of Institutional Theory

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ABSTRACT

Purpose – Government performance measurement continues to be a focus point for both academic administration practitioners, with particular attention on performance measurement systems (PMS) as tools to improve governance. This study examines role of public accountability regulations on performance reporting within provincial government through the lens of neo-institutional theory, focusing on the alignment with mandates..

Methodology – This study explores the impact of Indonesia's central performance regulations on local governance, using performance accountability of Jambi Province as a case to examine how such frameworks drive accountability, enhance efficiency, and respond to citizens' needs.

Findings – Jambi's experience offers actionable insights into the potential of performance systems as tools for systemic improvement. This work not only enriches the field of public performance measurement but also underscores the value of investing in robust accountability frameworks, making it a compelling study for sponsors

Originality – This study provides new knowledge regarding the regulations that have been made by the Jambi provincial government to implement central government regulations.

Keywords: Public Administration: Accountability; Regulation; Performance; Local Government.

INTRODUCTION

Performance accountability in government is crucial for ensuring transparency, efficiency, and effective public service delivery. In Indonesia, this concept has gained momentum since the late 1990s as part of broader governance reforms following the fall of the New Order regime. The government has since introduced various systems and regulations aimed at improving accountability and public sector performance.

Performance accountability in Indonesia's government has evolved significantly over the past two decades. While progress has been made in frameworks and systems, the challenge remains in fostering a culture of performance that transcends bureaucratic procedures. Continued reform, capacity-building, and public oversight are key to making accountability a cornerstone of Indonesian governance.

Evaluating performance accountability in government is a matter of public agency transparency that researchers in every country should examine (Supriyono et al. 2025). Indonesia has an interesting accountability structure to be studied. The relationship between transparency and performance accountability in local governments requires further study (Desmalita and Setyadi 2025). The American Accounting Association (AAA) highlights management accounting as a discipline concerned with "the methods and concepts necessary for effective planning, choosing among alternative business courses of action, and controlling through the evaluation and interpretation of performance" (Akinniyi et al. 2020). Over time, management accounting has shifted from a support function to a more integral component of organizational strategy, helping optimize resources and ensure sustainability. The development of DSS initiatives has attracted the attention of researchers (Syachbrani and Akbar 2020). Management accounting functions are performed by management accountants who apply various techniques depending on environmental conditions. Evidence from Pakistan indicates a significant direct relationship between environmental management accounting and organizational performance (Gerged et

al. 2024). However, several countries have adopted private sector management accounting techniques in their public sector organizations through frameworks such as New Public Management (NPM).

NPM began to be implemented in public sector organizations in Indonesia in line with bureaucratic reform. Its implementation encouraged the use of performance information for accountability purposes (Andari and Akbar 2024). It was also explained that the development of NPM is seen as a means to achieve the goal of increasing government accountability and transparency, making performance information and systems more comparable, relevant, and useful for decision-making in the public sector. The implementation of New Public Management (NPM) in Indonesia is a crucial aspect of bureaucratic reform. In the Yogyakarta City Government, evidence was found regarding several aspects that contributed to suboptimal SAKIP scores (Anggraini and Akbar 2022).

The complexity of public sector research has prompted researchers to understand performance accountability in government, particularly in Jambi Province. Few researchers have studied the Jambi Provincial Government's performance accountability reports intensively and in-depth. The debate stems from the unique nature of government organizations and their significant role in various economies, particularly in Western countries. While some academics argue that certain public sectors benefit from evaluation through the same performance reports as commercial entities, others argue that governments are fundamentally treated differently, thus requiring a separate performance framework (Gowon et al. 2022).

Management accounting, as a subfield of accounting, plays a pivotal role in providing organizations with the necessary information for effective decision-making. The Institute of Cost and Management Accountants (ICMA) in London defines management accounting as "the application of professional knowledge and skill in the preparation of accounting information to assist management in the formulation of policies and the planning and control of the operations of undertakings." Similarly, the American Accounting Association (AAA) highlights management accounting as a discipline concerned with "methods and concepts necessary for effective planning, choosing among alternative business actions, and control through the evaluation and interpretation of performance" (Akinniyi et al. 2020). Over time, management accounting has transitioned from a support function to a more integral component of organizational strategy, helping optimize resources and ensure sustainability.

This evolution positions of management accounting as a necessary tool for securing an organization's going concern. The function of management accounting is carried out by management accountants who apply various techniques depending on environmental conditions. Historically, management accounting has been deeply embedded in the private sector, where managers act as agents of principals, aligning organizational performance with the expectations of owners (Scott 2008). However, several countries have adopted private-sector management accounting techniques within their public sector organizations through frameworks such as New Public Management (NPM).

The public sector is characterized by its management of state resources to provide public goods, often accessible to all citizens and free from competition. However, one persistent challenge within the public sector is the measurement of performance, which is essential for evaluating current operations to enhance future value for the public (Balabonienė and Večerskienė 2015).

The doctrinal content of the group of ideas known as 'new public management' (NPM), the intellectual provenance of those ideas, explanations for their apparent persuasiveness in the 1980s; and criticisms which have been made of the new doctrines. Particular attention is paid to the claim that NPM offers an all-purpose key to better provision of public services. This article argues that NPM has been most commonly criticized in terms of a claimed contradiction between 'equity' and 'efficiency' values, but that any critique which is to survive NPM's claim to 'infinite reprogrammability' must be couched in terms of possible conflicts between administrative values (Hood 1991). New public management (NPM) began to be applied to public sector organizations in Indonesia in line with bureaucratic reform. The application of NPM encourages the use of performance information for accountability purposes. It is also explained that the development of NPM is seen as a means to achieve the goal of increasing government accountability and transparency so that performance information and systems are more comparable, relevant, and useful for decision-making in the public sector. Performance measurement system (PMS) is a process of collecting, analyzing, and reporting organizational performance information to see if what has been achieved is in accordance with what was planned (Sofyani et al. 2018).

The implementation of New Public Management (NPM) in Indonesia has been a significant aspect of bureaucratic reform. NPM advocates for the use of performance data to enhance accountability and transparency within government institutions. The adoption of NPM has been seen as a strategic tool to increase governmental accountability and ensure that performance data are comparable, relevant, and useful for decision-making processes in the public sector.

At the core of NPM is the Performance Measurement System (PMS), a process used for collecting, analyzing, and reporting organizational performance data to ensure that actual outcomes align with planned objectives (Sofyani et al. 2018). Despite widespread acceptance of PMS, the conceptualization of organizational performance remains a subject of debate in both management accounting and nonprofit (NFP) literature. There is no universal agreement on what constitutes "organizational performance," particularly in the context of NFPs. This debate arises from the unique nature of NFPs and their significant role in various economies, particularly in Western countries. While some scholars argue that NFPs benefit from being evaluated through the same performance lens as commercial entities, others contend that NFPs are fundamentally distinct, necessitating a separate performance framework (Gowon et al. 2022).

The development and implementation of performance accountability in Indonesia are grounded in a robust legal framework. Government Agency Performance Accountability (AKIP) was introduced through a Presidential Instruction in 1999 during Indonesia's transition from the New Order to the Reform Era. This regulation laid the foundation for performance reporting in public sector institutions. Furthermore, the State Administration Institute (LAN) has issued additional guidelines regarding the performance accountability of government agencies (LAN 2003). These guidelines align with the Government Agency Performance Accountability System (SAKIP), outlined in Presidential Regulation No. 29 of 2014 (Presiden 2014). SAKIP builds upon the earlier Presidential Instruction No. 7 of 1999 (Presiden 1999), refining performance accountability mechanisms in government agencies.

In Indonesia's unitary state structure, provincial governments are part of the central government chain of command. The Ministry of State Apparatus Empowerment and Bureaucratic Reform (KemenPAN-RB) is tasked with evaluating government agency performance and ensuring compliance with SAKIP. This regulatory framework requires provincial governors to report their agencies' performance to KemenPAN-RB, which manages reforms and performance accountability for all state apparatuses.

SAKIP is a systematic series of activities, tools, and procedures aimed at determining, measuring, collecting, classifying, summarizing, and reporting performance in government agencies. It serves as a foundation for improving government accountability and performance management. By implementing SAKIP, government agencies are expected to operate under a more transparent and accountable framework. The SAKIP system involves strategic plans, performance agreements, performance measurement, data management, performance reporting, and the review and evaluation of outcomes.

Performance agreements in SAKIP are prepared by establishing measurable performance indicators that meet specific criteria, ensuring that objectives are achievable, time-bound, and can be monitored effectively. This system enables government agencies to track their performance more rigorously and make necessary adjustments to improve service delivery and organizational effectiveness.

In 2023, the Jambi Provincial Government conducted a performance evaluation using SAKIP (Jambi 2023). The Jambi Provincial Inspectorate, tasked with reviewing the fairness of the performance report (Laporan Kinerja Pemerintah Daerah, LKJ), assessed the internal performance of the provincial government. The inspectorate used standard inspection norms to provide an opinion on the Governor's performance report. As part of the performance accountability system, the Jambi Provincial Government adhered to central government regulations, ensuring compliance with the latest updates issued by KemenPAN-RB.

The legal regulations governing performance accountability in Jambi are enshrined in the Governor's Decree No. 729 of 2022, which provides guidelines for implementing SAKIP (Jambi 2022). Additionally, Governor's Decree No. 412 of 2024 outlines the sanctions and awards related to SAKIP implementation within the regional apparatus. The KemenPAN-RB website provides further information on civil servant performance and government accountability, offering transparency into the performance of Indonesia's governance institutions. Despite the increasing adoption of NPM and PMS in the public sector, particularly in Indonesia, the practical implementation of these frameworks remains insufficiently explored in the context of local governments. Previous studies have predominantly focused on the procedural aspects of PMS implementation, yet there is limited empirical research investigating the institutional, socio-political, and contextual barriers that prevent successful adoption in decentralized regions. Specifically, the existing literature does not fully address how local governments, especially in resource-constrained environments, adapt PMS to their unique governance structures. This study seeks to fill this gap by examining the implementation of PMS within the Jambi Provincial Government. By analyzing how local regulations and governance structures influence the outcomes of performance measurement, this research aims to contribute to a deeper understanding of the limitations and potential of PMS in Indonesia's decentralized governance framework. Moreover, the study offers insights into how institutional barriers can be addressed to improve public sector accountability and performance at the regional level (Meyer and Rowan 1977).

Research Method

This study examines the institutional perspective on performance accountability project reporting and the associated stakeholders, which outlines the research process. Table lists the stakeholders who participated as resource persons in in-depth interviews (IDIs). The IDIs were conducted using a post-positivism method to observe and elaborate on dynamic, interrelated, and value-laden phenomena (Handayani et al. 2024). The respondents included eight critical stakeholders in Jambi local government representation comprised the Organisational Biro Office, the Directorate of Government Support Management and project regulator). Methods contain the design, size, criteria, and method of sampling, instruments used and collection procedures, processing, and data analysis.

Research Location

This study was conducted on the 2023 and 2024 Jambi Provincial Government performance report, published in early 2024 and 2025. To validate the secondary data from the report, we conducted a Focus Group Discussion (FGD) to further deepen our understanding of the laws and regulations issued by the Jambi Provincial Government in implementing central government regulations regarding Performance Accountability within the government. As previously mentioned, the laws and regulations of the Jambi Provincial Government are based on central government regulations. Therefore, it is clear that all regulations implemented by the provincial government can be applied by city, district, and lower-level governments.

The Jambi Provincial website, <https://jambiprov.go.id/>, reports various types of accountability, including the Jambi Provincial Performance Report. This article focuses on performance that has been carried out and accounted for in the period before 2024. Therefore, components of the Performance Report can take the form of plans and actual performance based on the governor's work plan. The focus group discussion (FGD) was recorded on YouTube, so the link <https://www.youtube.com/watch?v=dikP4hS6Gao> can be used as a reference to see the real conditions on the ground when we interviewed several staff members in the Jambi Provincial Secretary's Organization Bureau.

Bureau Personnel

Several personnel in the Organization Bureau are within the performance accountability structure. The head of the Organization Bureau oversees the institutional, performance accountability, and governance sections (<https://organisasi.jambiprov.go.id/img/Struktur/0001.jpg>).

Based on this structure, we can conclude that the performance accountability section remains within the bureaucratic reform and performance accountability sections. When using a questionnaire as an instrument, explain the contents briefly and to measure which variables. The validity and reliability of the instrument must also be explained.

In experimental research or interventions, it is necessary to explain the intervention procedure or treatment provided. In this section, it must explain how research ethics approval is obtained and the protection of the rights of the respondents imposed. Data analysis using a computer program does not need written details of the software if it is not original software. For qualitative research, this section needs to explain how research safeguards the validity of the data obtained. The method section is written briefly in two to three paragraphs with a maximum of 600 words.

Results and Discussions

3.1. Characteristics of Respondents

The respondents in this study were several employees of the Organization Bureau of the Jambi Provincial Regional Secretary. The Bureaucratic Reform and Performance Accountability Division is part of the Organization Bureau, consisting of the Bureaucratic Reform and Performance Accountability sections. The Head of the Performance Accountability Section is Andri Riandi, who provided extensive input and verbal information during the focus group discussions. On the website <https://organisasi.jambiprov.go.id/img/Struktur/0001.jpg> you can see where the position of the head of the performance accountability section is.

A Focus Group Discussion (FGD) was conducted to obtain information regarding the legal basis for the use and implementation of SAKIP in the provincial government. The organizational bureau is the division typically responsible for implementing and enforcing SAKIP. While other divisions review performance accountability reports, the inspectorate is the other institution tasked with internally

reviewing the governor's performance reports. After being reviewed and scrutinized by the inspectorate, the report is sent to the central government agency, the Ministry of Administrative and Bureaucratic Reform, which assesses the governor's accountability report.

Based on ongoing development challenges and the review of various planning documents, strategic issues for regional development in Jambi Province for the 2021-2026 period have been formulated, taking into account various considerations, including their significant influence on achieving national sustainable development goals, their role as the regional government's responsibility, their breadth of impact on the region and the community, their leverage for regional development, and their ease of management. The strategic issues are as follows:

Achievements

The Jambi Provincial Government's overall performance in 2023 was quite good, with an average achievement of 100.3% of the strategic target. Of the twelve key performance indicators (KPIs), seven exceeded expectations, namely:

1. Education: Access to primary and secondary education has increased significantly, meeting the national standard for school enrollment rates.
2. Health Services: The government has achieved more than 110% of its target for reducing maternal and infant mortality, thanks to improvements in the healthcare delivery system.
3. Infrastructure: The province has completed several major infrastructure projects, including road construction and the expansion of public utilities, exceeding the target by 15%.
4. Public Services: High levels of satisfaction with public service delivery have been recorded, driven by reforms and digitalization initiatives.

Challenges

Despite these successes, the report also highlights several areas where targets have not been met. These include:

1. Clean Water Access: Only 85% of the target to provide clean drinking water to rural areas has been achieved, largely due to limited infrastructure and inadequate investment.
2. Village Internet Access: Digital inclusion remains low, with only 60% of rural villages having internet access. This limits the province's ability to effectively deliver online public services.
3. Environmental Quality: The Environmental Quality Index remains below target, reflecting ongoing problems with deforestation, pollution, and weak enforcement of environmental regulations.
4. Unemployment Rate: The open unemployment rate stands at 7%, above the 5% target, highlighting the province's reliance on the agricultural sector and the slow growth of other industries.
5. Gender Empowerment: Gender equality efforts remain suboptimal, particularly in economic and political participation, due to cultural barriers and limited institutional support.

Budget Utilization

The provincial government demonstrated efficient financial management, achieving a budget efficiency of 4.33%. Of the Rp 1.787 trillion allocated, Rp 1.708 trillion has been spent, reflecting strong fiscal discipline. These funds are primarily directed toward infrastructure development and public services, areas that have seen significant improvement.

3.2. Validity and Reliability

In qualitative research using Focus Group Discussions (FGDs), validity and reliability are essential to ensure the credibility and trustworthiness of the findings. The function of validity

ensure the data and interpretations accurately represent participants' views and experiences.

In FGDs, it helps confirm that the findings are genuinely grounded in participants' discussions, not researcher bias.

The function of reliability (Consistency or Dependability) ensures the consistency and repeatability of the research process—not necessarily the same results, but that the process is clear, transparent, and logical. In FGDs, it shows that if another researcher conducted a similar discussion in a similar context, they'd likely gather comparable types of insights.

Discussion

The 2023 Jambi Performance Report reflects the broader challenges faced by local governments in implementing PMS. Neo-institutional theory states that organizations often struggle to align formal structures with practical constraints, particularly in resource-constrained environments (Meyer &

Rowan, 1977). This theory is evident in Jambi, where infrastructure deficits and limited human resources hamper the province's ability to meet all strategic targets.

Institutional Barriers

One critical obstacle to implementing Jambi's PMS is the lack of adequate infrastructure, particularly in rural areas. Poor performance in access to clean water and internet connectivity underscores the gap between policy objectives and practical implementation. A study by Sofyani et al. (2018) highlighted that PMS in Indonesian local governments often fail due to financial and technical constraints, a reality reflected in Jambi's experience.

Similarly, environmental management remains a significant problem. Poor regulatory enforcement and unsustainable practices, such as deforestation, have contributed to the low Environmental Quality Index. Previous research emphasizes the need for a stronger institutional framework to support environmental governance, as suggested by Balabonienė and Večerskienė (2015).

Human Resource and Gender Issues

Low scores on gender empowerment and unemployment indicate deeper socio-cultural challenges. Institutional theory suggests that societal norms play a significant role in shaping organizational outcomes (Scott, 2008). In Jambi, traditional gender roles and limited access to resources for women have hampered efforts to achieve gender equality. Addressing these challenges requires targeted interventions, including expanding educational and economic opportunities for women.

Opportunities for Improvement

Despite challenges, there are clear opportunities for growth. Successful performance in education, health, and infrastructure demonstrates that when adequate resources and commitment are available, progress can be achieved. This supports the principles of NPM, which advocates performance-based accountability and continuous improvement (Hood, 1991). To build on this success, the provincial government should focus on improving interdepartmental collaboration and enhancing its capacity to implement PMS effectively.

A strategic focus on rural development, particularly expanding digital infrastructure and improving access to essential services, will be crucial. Furthermore, addressing environmental issues through stricter regulatory enforcement and promoting sustainable development practices is also necessary. Women's empowerment through education and economic programs is also crucial to achieving more equitable development outcomes.

Conclusions

A section is written in narrative Conclusions of the 2023 Jambi Provincial Government Performance Report highlights both progress and challenges in implementing the PMS. While the province excels in key areas such as education, healthcare, and infrastructure, significant gaps remain in water access, environmental management, and gender empowerment.

To achieve more comprehensive and sustainable results, the provincial government must prioritize investments in infrastructure and digital inclusion, particularly in rural areas. Strengthening institutional capacity and encouraging intergovernmental collaboration are also crucial in addressing persistent socio-economic disparities.

This study contributes to the understanding of public sector performance management in Indonesia, emphasizing the importance of governance reform, resource allocation, and institutional capacity in achieving development goals. Further research is needed to explore specific strategies to improve the effectiveness of PMS in local governments. Manuscripts should be organized in the following order: Title; authors and affiliations; abstract and key words; main body of paper; acknowledgment (where applicable); references; appendices (where applicable). SI units must be used throughout in the manuscript. If other units must be used, equivalent SI units shall follow in parentheses. No rigid rules concerning notation or abbreviation need to be observed, but each manuscript should be self-contained as to symbols and units, which should be properly defined.

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