

Master's Thesis

**ACCOUNTABILITY REPORTING IN INDONESIA:
PERCEIVED PERFORMANCE, MEASUREMENT
SYSTEM AND IMPLEMENTATION APPROACH**

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ABSTRACT

This thesis provides a preliminary study about the practice of accountability reporting in Indonesia government units. There are many studies about accountability reporting and performance measurement, but usually they cover health or education units. Moreover, study about this topic in a developing country is also limited.

Indonesian performance accountability reporting system uses weighting or indexing to produce a single figure of performance for each government unit but there are the dangers of self-serving attributions and exaggeration. This study tries to answer if there is self-serving attribution, exaggerating phenomenon, and if there is relationship between measurement system and implementation approach to self-serving attribution and exaggerating phenomena.

Content analysis is used as the main method in answering these questions.

From this empirical study, three issues came out prominently. First, most government units perceived their performance as 'excellent'. The common phenomenon of self-serving attributions in self-reporting was proven to exist strongly and most units attribute it to themselves for a good performance but blame external factors for failure. Second, most organization units tend to use 'input-output-outcome' as indicators to measure performance. The finding also shows the difficulty for government units to measure their performance in terms of outcome, benefit, and impact. Exaggeration in reporting performance was proven to exist. Although there is relationship between exaggeration and self-serving phenomenon, this study proves that weighting system and single performance figure worsen the exaggeration index. Third, the implementation approach is related with improper measurement. Generally, the four issues discussed are:

- (1) In Indonesia, there is tight-relationship between vision, mission, objective, and performance but this rigid relationship leads to implement rigid performance measurement matrices. Such a rigid measurement makes performance measurement be a kind of arithmetic operation producing high performance.
- (2) Top-down implementation leads to worsen comprehension of accountability system.

(3) Moreover, there is no reward and punishment but the fear of losing face leads to improper performance measurement since single figure of performance is easy to compare with that of other organization.

(4) Finally, third party assessment increases the pressure to perform better.

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