

Institutional Pressures in IKPA Implementation at the Ministry of State Secretariat

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ABSTRACT

This study offers a new perspective on the implementation of Budget Execution Performance Indicators (*IKPA*) at the Ministry of State Secretariat by applying institutional theory, specifically the concept of isomorphism and the strategic response framework, to analyze how organizational behavior is shaped by coercive, normative, and mimetic pressures. This study aims to examine the influence of these three pressures on the implementation of PER-5/PB/2024 and to identify strategic responses, behavioral dynamics, and obstacles faced in achieving performance targets. Using a qualitative case study approach, data were obtained through semi-structured interviews, observations, and analysis of documents and secondary data drawn from sources such as *OM-SPAN* and documents related to budget implementation. The results show a dominance of coercive pressures that encourage compliance, weak normative pressures, and limited internal mimetic pressures. Key challenges include uncertain activity schedules, weak internal coordination, uneven human resource capacity, and limited leadership commitment. These dynamics result in symbolic compliance and performance distortions that undermine the substantive validity of *IKPA* scores.

Keywords IKPA, Performance Measurement, Institutional Isomorphism



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INTRODUCTION

Accountability is a fundamental principle that holds the government accountable for its transparent, effective, and efficient use of public funds in carrying out its duties and functions in serving the public. The public sector, in this case the government, is also required not only to ensure compliance with formal regulations but also to demonstrate that the state budget produces outputs and outcomes that are beneficial to the public (Dubnick, 2011).

In the context of budget management, accountability does not only refer to administrative responsibility to direct superiors or supervisory bodies, but also includes the moral obligation to explain and justify actions to the wider community as primary stakeholders.

Given the importance of the principle of accountability in public sector budget management, a performance measurement and evaluation system is needed that can provide information regarding the use of public funds to all stakeholders. Performance evaluations that focus solely on compliance with regulations and budget absorption without considering the results and public value achieved risk producing a partial and less meaningful picture of accountability. (Van Dooren, Bouckaert, & Halligan, 2015)

Meanwhile, according to Mardiasmo (2002) the public sector budget performance measurement system, it has benefits in three areas: the first area is in the program planning process in order to evaluate the limitations of organizational capacity, the second area is in the budget implementation process to evaluate the suitability of budget use with established policies and standards, then in the third area the performance measurement system can be used as a tool to motivate and control the behavior of policy implementers.

Referring to Article 3 paragraph (1) of Law Number 17 of 2003 concerning State Finance, management of state finances must be carried out in an orderly manner, in compliance with statutory regulations, efficiently, economically, effectively, transparently and accountably while paying attention to the principles of justice and propriety.

To meet the needs of budget implementation performance evaluation, the Ministry of Finance of the Republic of Indonesia through the Directorate General of Treasury stipulates Regulation of the Director General of Treasury Number PER-5/PB/2024 concerning Technical Guidelines for Assessing Performance Indicators for Budget Implementation of Ministries/Institutions. Based on Article 1 of the regulation, Budget Execution Performance Indicators (IKPA) are indicators determined by the Ministry of Finance as the State Treasurer (BUN) and/or fiscal manager to measure the quality of budget implementation of Ministries/Institutions from the aspects of planning, implementation, and results of budget implementation.

The IKPA assessment as a tool to measure the success of Ministry/Institution budget management was first implemented by the Ministry of Finance through Minister of Finance Regulation Number 195 of 2018 using 13 performance indicators. To strengthen accountability and improve the quality of budget implementation evaluation, the Ministry of Finance continuously refines the assessment system, both through adjusting criteria and changing the calculation formula. Regulation of the Director General of Treasury Number PER-5/PB/2024, which applies to the performance assessment of budget implementation for Fiscal Year 2024, is the latest refinement of PER-5/PB/2022, by making changes to aspects of the calculation formula and indicator criteria.

The aspects and indicators used will then be assessed quantitatively through the Ministry of Finance's Online Monitoring System for Treasury and Budget (OM-SPAN) application. The IKPA assessment results are divided into four categories: "Very Good" for IKPA scores > 95 , "Good" for IKPA scores $89 \leq 95$, "Sufficient" for IKPA scores $70 \leq 89$, and "Poor" for IKPA scores < 70 .

As one of the ministries required to comply with PER-5/PB/2024, the Ministry of State Secretariat (Kemensekretariat) plays a strategic role in supporting the President and Vice President. With 13 work units, Kemensekretariat not only performs administrative functions but also acts as a strategic coordinator across government sectors. Given its central position and the political nature of the budget, a high level of accountability and performance are key requirements.

From an institutional theory perspective, changes to the IKPA framework can trigger the institutionalization process. As explained by Berger & Luckmann (1967), institutions are formed through repeated social behavior. DiMaggio & Powell (1983) added that organizations tend to experience structural and behavioral homogenization (isomorphism) in response to pressures to gain legitimacy, which include: coercive (regulatory) pressure, normative pressure (professional norms and social expectations), and mimetic pressure (imitation of best practices to maintain reputation). The Ministry of State Secretariat also included the Budget Execution Performance Indicator (IKPA) value as part of the bureaucratic reform performance indicators as stated in the 2020–2024 Strategic Plan (*Renstra*). Although the Ministry of State Secretariat's IKPA value achievement has consistently been in the "Good" category, this result has not fully achieved the established strategic target (Chart 1).

Accountability constitutes a fundamental principle in public sector governance, requiring government institutions to ensure that the use of public funds is transparent, efficient, effective, and aligned with public interests (Dubnick, 2011). In the realm of budget management, accountability extends beyond formal administrative compliance and encompasses the broader obligation to demonstrate that public expenditures generate measurable outputs and substantive outcomes (Van Dooren et al., 2015). Consequently, performance evaluation mechanisms are essential not merely to monitor regulatory compliance, but to assess whether budget execution contributes meaningfully to public value creation.

Within Indonesia's public financial management framework, Budget Execution Performance Indicators (IKPA) function as an evaluation instrument to measure the quality of budget planning, implementation, and outcomes across ministries and agencies. The issuance of PER-5/PB/2024 represents the most recent refinement of the IKPA framework, introducing adjustments to calculation formulas and assessment criteria. While formally designed to improve evaluation quality, such regulatory changes also reshape organizational behavior within ministries obligated to comply.

As one of the central ministries supporting the President and Vice President, the Ministry of State Secretariat (*Kemensekneg*) operates under strong institutional scrutiny due to its strategic administrative and political responsibilities. Although its IKPA performance has consistently been categorized as "Good," performance has not always met internal strategic targets. This gap suggests that achieving favorable scores does not necessarily indicate the full institutionalization of performance values, raising questions about the nature of organizational compliance.

From the perspective of institutional theory, regulatory reforms such as PER-5/PB/2024 may generate isomorphic pressures that influence organizational structures and behavior. Organizations respond to coercive, normative, and mimetic pressures to secure legitimacy. Furthermore, strategic response theory (Oliver, 1991) explains that compliance is not always passive; it may involve conformity, compromise, avoidance, or manipulation depending on contextual constraints. In performance-based systems, such dynamics may lead to symbolic compliance and behavioral distortions (Simons, 2014).

While institutional theory has been widely applied in public sector reform studies, empirical research examining how a single ministry internally navigates reformulated performance indicators remains limited. Most prior studies focus on macro-level comparisons or inter-institutional settings, leaving micro-level dynamics within a single organization underexplored.

This study addresses that gap by analyzing how coercive, normative, and mimetic pressures interact within one ministry following the refinement of IKPA regulations, and by identifying the strategic responses adopted across organizational levels.

This study contributes to the literature by examining the implementation of PER-5/PB/2024 (IKPA) at the intra-ministerial level through the combined lens of institutional isomorphism and strategic response theory. Unlike prior studies that focus on macro-level comparisons across ministries, this research reveals the dominance of coercive pressures within a single ministry and demonstrates how high IKPA scores may coexist with symbolic compliance, smoothing practices, and limited normative internalization. By integrating isomorphic pressures with varied organizational responses (conformity, compromise, and

avoidance), this study provides a micro-level explanation of how regulatory performance systems shape behavior beyond formal compliance, thus extending the application of institutional theory in public sector performance evaluation.

METHOD

This study employed a qualitative descriptive approach using a case study design. The case study method enables an in-depth examination of ongoing phenomena within their real-life organizational context and facilitates the use of multiple sources of qualitative evidence (Yin, 2016; Wahyuningsih, 2013).

The approach was selected to explore institutional pressures and organizational behavioral responses related to the implementation of PER-5/PB/2024 on Budget Execution Performance Indicators (IKPA) within the Ministry of State Secretariat (Kemensetneg). Given that the study aims to analyze coercive, normative, and mimetic pressures as well as strategic organizational responses, qualitative inquiry allows for a contextual and interpretive understanding of internal dynamics beyond formal regulatory compliance.

The object of this study covers 7 of the 13 work units within the Ministry of State Secretariat. Public Service Agency (BLU) work units and units located outside Jakarta were intentionally excluded.

The exclusion of BLU units is methodologically justified because BLUs operate under a distinct financial management mechanism with greater flexibility in revenue utilization and financial autonomy. Their budget execution patterns differ structurally from standard APBN-funded administrative units, which could introduce analytical bias when examining IKPA implementation under a uniform institutional framework.

Similarly, work units located outside Jakarta were excluded to maintain contextual consistency and comparability. Budget management coordination, access to fiscal authorities (e.g., KPPN Jakarta I), and interaction intensity with central-level policymakers are significantly different for geographically dispersed units. Limiting the study to Jakarta-based units ensures homogeneity in institutional environment, regulatory exposure, and monitoring mechanisms, thereby strengthening internal validity.

Primary data were obtained through semi-structured interviews and direct observations of budget execution processes. Informants were selected using purposive sampling criteria: financial management officials directly involved in budget execution for at least two years. This criterion ensured experiential depth and credibility of the information collected.

Thirteen informants participated in interviews conducted between July and August 2025, representing key financial roles including Commitment Making Officers (PPK), SPM Signing Officials (PPSPM), Treasurers, Functional Planners, and senior finance officials.

Table 1. Profile of Resource Persons

| No | Position | Number of Speakers |
|----|---|--------------------|
| 1 | Commitment Making Officer (PPK) | 5 |
| 2 | SPM Signing Official (PPSPM) | 2 |
| 3 | Expenditure Treasurer (BP) | 1 |
| 4 | Assistant Expenditure Treasurer (BPP) | 1 |
| 5 | Head of the Ministry's IKPA Working Group (Kapokja) | 1 |
| 6 | Head of the Finance Bureau of the Ministry Secretariat (KARO) | 1 |
| 7 | Functional Planner (FP) | 1 |
| 8 | Financial Management Staff (SPK) | 1 |

Source: Processed by the author, 2025

Data analysis in this study follows the interactive model of Miles & Huberman (1994) Miles & Huberman (1994), which emphasizes an iterative process of data reduction, data presentation, and drawing and verifying conclusions. The analysis was conducted using a qualitative approach using content and thematic analysis techniques to systematically code and categorize interview transcripts, observation notes, and supporting documents, complemented by comparisons with IKPA performance achievement data from OM-SPAN and Renstra targets. Initial coding was conducted to identify units of meaning related to institutional theory, particularly coercive, mimetic, and normative pressures, while also opening up opportunities for the inductive emergence of new categories. These codes were then grouped into broader categories and refined into themes that describe institutional pressures, organizational responses, and challenges in achieving IKPA targets.

To ensure the accuracy of the analysis, the obtained themes were compared across informants and work units using a constant comparison technique to identify similarities and variations in experiences. The validity of the results was strengthened through triangulation with secondary data and official documents, while reliability was strengthened through cross-checking between interview statements and performance achievements at the indicator level. The final stage of the analysis involved synthesizing the themes into conclusions and interpretations within an institutional theory framework to explain how the isomorphism process influences the implementation of IKPA at the Ministry of State Secretariat.

This study adheres to fundamental research ethics principles. Participation was voluntary, and all informants provided informed consent prior to interviews. To protect confidentiality, identities were anonymized using coded identifiers (e.g., N-01, N-02). No sensitive budgetary or classified institutional information was disclosed in the reporting process.

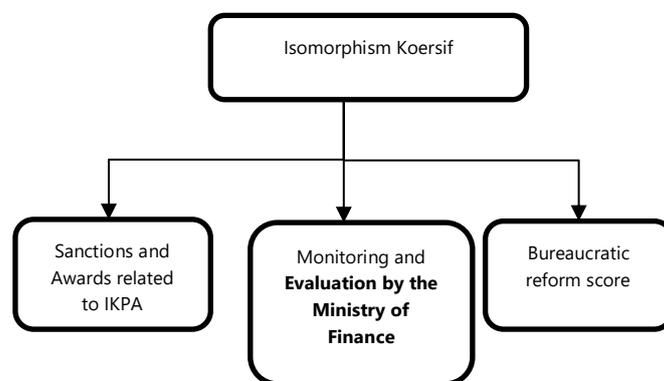
Data were used solely for academic purposes and stored securely. Additionally, the study ensured that findings were presented in aggregate analytical form to avoid reputational risk to individual officials or work units. These safeguards were implemented to maintain ethical integrity and institutional trust.

RESULTS AND DISCUSSION

Coercive Isomorphism

The research findings indicate that the Ministry of State Secretariat experiences significant coercive institutional pressure in implementing the Budget Execution Performance Indicators (IKPA) as mandated in PER-5/PB/2024. This pressure is multidimensional, encompassing sanction and reward mechanisms, systematic monitoring and evaluation by the Ministry of Finance (Kemenkeu), and the linkage of IKPA results to Bureaucratic Reform (RB) assessments, which directly impact the amount of performance allowances (Figure 1). These mechanisms collectively create strong incentives for organizational compliance, consistent with the view DiMaggio & Powell (1983) of coercive isomorphism as a form of regulation-driven conformity, and with the regulatory pillar, Scott (2005) which emphasizes the role of rules, sanctions, and oversight in shaping organizational behavior.

Figure 1. Coercive Isomorphism



Source: Processed by the author, 2025

Sanctions and Rewards

The research findings indicate that coercive pressure in the implementation of PER-5/PB/2024 at the Ministry of State Secretariat (Kemensekretariat) primarily stems from the sanction mechanism established by the Ministry of Finance (Kemenkeu) as the fiscal authority. Based on Presidential Regulation Number 42 of 2020 and Minister of Finance Regulation Number 62 of 2023, the Ministry of Finance has the legitimacy to evaluate budget performance and impose sanctions on ministries/agencies that do not achieve the "Good" category. This regulatory pressure is clearly felt by financial managers at the operational level. One informant stated that *"in the Minister of Finance, if I'm not mistaken, we can be sanctioned by the Ministry of Finance if the IKPA score is low, so we try to maintain at least the 'Good' category"* (N-01, PPK, 2025). This pressure is also perceived as part of an individual performance measure, as expressed by another informant who said, *"For us, IKPA is already a KPI (Key Performance Indicator), so we want to do everything possible to achieve the ideal score"* (N-03, PPK, 2025). This statement shows that sanction avoidance has become a form of structural compliance that encourages compliant behavior towards regulations, not merely due to substantive awareness of performance quality.

While coercive pressure in the form of sanctions is quite dominant, there is also positive encouragement in the form of rewards that strengthen organizational motivation to achieve high IKPA scores. The Ministry of Finance, through the KPPN (State Treasury Office),

routinely awards top-performing work units. One source explained, *"The KPPN holds an award every year for partners with the best IKPA scores. We even won before COVID-19"* (N-02, PPK, 2025).

These findings suggest that coercive pressure not only serves as a means of control through the threat of punishment, but also as an incentive that creates competitive motivation between work units. Theoretically, this phenomenon aligns with the view that organizations tend to conform to formal pressures to gain legitimacy, and supports the regulatory pillar proposed by Scott (2005), where rules, sanctions, and rewards shape organizational compliance behavior. These findings also reinforce research findings (Manangin et al. (2023); Ismid et al. (2020); Kurniawan & Akbar (2021) that organizational compliance with public policy is often driven more by efforts to avoid sanctions and pursue legitimacy than by solely improving substantive performance.

Monitoring and Evaluation of the Ministry of Finance

The research findings indicate that the Ministry of State Secretariat (Kemensek) faces coercive pressure through the monitoring and evaluation (monev) mechanism implemented by the Ministry of Finance (Kemenkeu) to maintain the achievement of the Budget Execution Performance Indicator (IKPA) value. Based on the document study results, the Minister of Finance routinely issues a letter annually regarding *Strategic Steps for Budget Implementation* containing technical directives related to improving planning quality, implementing activity discipline, and accelerating budget absorption. This coercive pressure is also manifested in the form of monitoring by the Jakarta I State Treasury Service Office (KPPN) through circulars and informal communication in work application groups reminding work units to update output achievements and the realization of planned fund withdrawals. One source explained that *"every month the KPPN will remind us regarding filling in the output achievements, and with the revision of page III of the DIPA, we are usually also reminded by the latest time to submit it"* (N-03, PPK, 2025). Another source added that *"there are regular reminders from the KPPN... we are as responsive as possible to this matter, and we follow up gradually, starting from the ministerial level down to the work units"* (N-07, Head of IKPA Working Group, 2025). This statement demonstrates that the coercive pressure that emerges is systematic and structured, not only through formal regulatory instruments but also through informal oversight mechanisms that encourage administrative compliance.

The Ministry of Finance's monitoring and evaluation, within the framework of institutional isomorphism theory DiMaggio & Powell (1983), can be understood as coercive pressure that drives the Ministry of State Secretariat to adjust its behavior and procedures to maintain legitimacy before fiscal authorities. This finding aligns with research Brignall & Modell (2000) explaining that oversight by external institutions can shape internal organizational adaptation patterns. Similarly, Frumkin & Galaskiewicz (2004) it confirms that supervision by government institutions with higher authority often triggers changes in internal policies and procedures to maintain legitimacy. The existence of coercive pressure in the form of monitoring also supports research findings Santosa & Akbar (2021) that found that the results of monitoring and evaluation of IKPA achievements were used by employees as a basis for improving budget execution performance, as well as research Kuntadi & Puspita

(2022)concluding that coercive oversight mechanisms directly influenced improved budget execution performance.

Bureaucratic Reform Score

The research findings indicate that the coercive pressure experienced by the Ministry of State Secretariat (Kemensekneg) in maintaining the achievement of the Budget Execution Performance Indicator (IKPA) is closely related to the inclusion of this indicator as part of the Bureaucratic Reform (RB) assessment. Based on the interview results, this pressure arises because a decrease in the IKPA score can have a direct impact on the RB score, which then affects employee performance allowances. One source explained that *"IKPA is like a report card score, one of the uses of which is to assess bureaucratic reform... if our score drops, this can also impact performance allowances"* (N-02, PPK, 2025). A similar view was expressed by another source who emphasized that *"if there is a decrease in the performance score (IKPA), it can also affect performance allowances and others, so attention is needed to achieve the targets as set"* (N-07, Kapokja IKPA, 2025). In addition, coercive pressure also arises in relation to broader performance assessments, as stated that *"if targets are not met, the impact will not only be at the DJA and DJPb levels, but will also have an impact on the SAKIP assessment and the assessment from the Menpan RB"* (N-11, FP, 2025).

The results of the document study reinforce these findings by showing that the IKPA score is formally regulated as an indicator of bureaucratic reform in Ministerial Regulation of PANRB Number 9 of 2023 concerning *the Evaluation of Bureaucratic Reform*, where IKPA achievements are part of the strategic indicator of "Effective, Agile, and Collaborative Digital Governance." Furthermore, Ministerial Regulation of PANRB Number 8 of 2024 concerning *Procedures for Adjusting Performance Allowances* confirms that agencies experiencing a decline in the RB index for two consecutive years may be subject to a review of the provision of performance allowances. Thus, the coercive pressure experienced by the Ministry of State Secretariat is not only administrative but also has direct financial consequences for employees. Within the framework of institutional isomorphism theory (DiMaggio & Powell, 1983), this condition illustrates a form of organizational compliance with external pressures to maintain legitimacy before the Ministry of PANRB. These results align with findings Manangin et al. (2023) showing that coercive pressure in IKPA implementation appears in the form of organizational behavior that seeks to avoid sanctions while simultaneously pursuing rewards.

Strategic Response to Coercive Pressure

Based on the results of content and thematic analysis of interviews supported by literature studies and observations, it was found that the form of coercive institutional pressure experienced by the Ministry of State Secretariat (Kemensekneg) in implementing PER-5/PB/2024 concerning Budget Execution Performance Indicators (IKPA) gave rise to diverse strategic responses at various organizational levels. At the policy level, Kemensekneg demonstrated a strategic response in the form of compliance (conformity) with the regulation. This was evident from the swift steps taken after the regulation was issued on May 22, 2024, namely the implementation of PER-5/PB/2024 socialization on June 12, 2024 for all financial managers within Kemensekneg, which featured the Head of KPPN Jakarta I as a resource

person, followed by monitoring and evaluation activities for budget implementation performance on September 24, 2024.

However, at the operational level, the strategic responses that emerge vary depending on the performance indicators stipulated in the regulation. The interviewee explained that *"in terms of regulations, we have no choice but to follow the rules. However, the responses vary, so there is no complete implementation that directly follows the rules, because we have many stakeholders, so there are certainly many things that need to be adjusted"* (N-13, KARO, 2025). Based on the results of interviews and observations, it was found that the Ministry of State Secretariat tends to accept (*conform*) on indicators for bill settlement, UP/TUP management, and output achievement; compromise *on* the SPM dispensation indicator; and avoidance *on* the deviation indicator on page III of the DIPA. These findings are in line with the framework that explains that organizations can provide various forms of strategic responses to institutional pressures, ranging from compliance to avoidance, depending on the regulatory context and the organization's internal adaptability.

Although in general the Ministry of State Secretariat's strategic response to coercive pressure on the management indicators of Reserve Money (UP) and Additional Reserve Money (TUP) is to accept (*conform*), the research results show the existence of adaptive practices by expenditure treasurers in exploiting regulatory loopholes in order to maintain the score of the Budget Execution Performance Indicator (IKPA).

Data from OM-SPAN (2024) shows that total TUP deposits in 2024 reached IDR 19.34 billion, a 2.6% deviation from the planned use, with the TUP management component value still categorized as "VERY GOOD." However, field findings indicate that this achievement does not fully reflect compliance with the substantive provisions of TUP management. This phenomenon indicates an indication of behavioral distortion as stated by Simons (2014), that the performance measurement system can encourage biased behavior, namely efforts to disguise actual conditions in order to achieve measured performance targets. In this context, the drive to maintain IKPA values incentivizes the emergence of strategic treasurer behavior that is oriented towards measurement results, rather than the substantive effectiveness of financial management.

Based on PER-5/PB/2024, the output achievement indicator has the highest assessment weight, namely 25%, thus encouraging financial managers at the Ministry of State Secretariat (Kemensekneg) to strive to maintain the indicator value to remain on target, despite a gap between the planned and realized budget. One source described the dilemma that arises by stating that *"the question is whether the output achievement value reflects the reality on the ground? ... if we don't do it, it's like smoothing, our score will definitely be bad, but when we smooth it, sometimes there is a bias between the field and the actual output"* (N-02, PPK, 2025). In this context, the Kemensekneg's response to this coercive pressure can be understood as a form of acceptance (*conformity*), as explained by Oliver (1991), that organizations tend to accept institutional pressure when such compliance can increase legitimacy before external parties, in this case the Ministry of Finance as the budget management authority.

However, the high weighting of output achievement indicators also leads to behavioral distortions in the form of *smoothing practices*, or manipulation of the timing of performance recognition to meet assessment targets. This phenomenon aligns with the view Simons (2014) that performance measurement systems can foster dysfunctional behaviors such as

smoothing in an effort to maintain performance scores. These findings also support concerns Tran & Nguyen (2020) that, without strong accountability, performance measures like the IKPA risk becoming merely symbolic, focused on organizational legitimacy rather than substantial performance improvement.

Normative Isomorphism

Based on the results of thematic and content analysis of interviews, literature studies, and observations, it can be concluded that the implementation of PER-5/PB/2024 concerning (IKPA) in the Ministry of State Secretariat does not indicate any significant normative institutional pressure. The pressure that emerges is more regulatory in nature, based on administrative obligations rather than the internalization of professional values. One source explained that *"for individuals, we are actually already targeted to achieve IKPA scores per quarter, depending on the functional position"* (N-03, PPK, 2025), which illustrates that perceptions of IKPA are more related to meeting individual performance targets through Employee Performance Targets (SKP), rather than as a reflection of professional norms or ethical standards for financial management. The results of the literature study indicate that PER-5/PB/2024 is a derivative regulation from the Ministry of Finance through the Directorate General of Treasury (DJPb) which establishes technical performance evaluation indicators for budget implementation. This indicates that the legitimacy of IKPA comes from bureaucratic authority, not the professional community. In the context of institutional isomorphism theory by DiMaggio & Powell (1983), normative pressure usually arises from professional norms or standards that encourage organizations to meet social expectations, but this was not found in the case of the Ministry of State Secretariat. The results of this study are in line with the findings Oliver (1991) and Tran & Nguyen (2020) that when regulatory pressure is explicit and binding, organizations tend to emphasize compliance with regulations rather than professional values. This finding differs from studies Winarni & Zamakhsyari (2021) that found the role of human resources as a form of normative pressure in improving the quality of accounting information in local governments, as well as Santosa & Akbar (2021) those that showed the influence of normative pressure on organizational behavior in utilizing IKPA information. In addition, the findings of this study are also inconsistent with studies Manangin et al. (2023) that assess the existence of management commitment as a form of normative pressure in improving IKPA achievements. Thus, the absence of normative pressure in the implementation of IKPA at the Ministry of State Secretariat confirms the dominance of coercive pressure, where compliance with Ministry of Finance regulations is interpreted more as a strategy to maintain institutional legitimacy than a process of internalizing professional values (Tran & Nguyen, 2020).

Mimetic Isomorphism

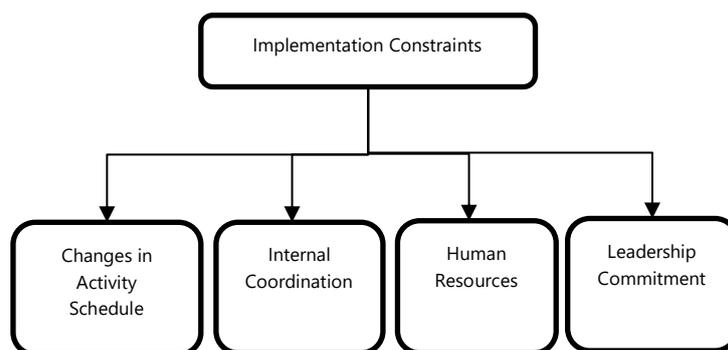
Based on the results of thematic and content analysis of interviews, literature studies, and observations, it was found that the implementation of PER-5/PB/2024 concerning Budget Execution Performance Indicators (IKPA) at the Ministry of State Secretariat (Kemendat) did not fully demonstrate the presence of external mimetic isomorphism pressures. Pressure to imitate the strategies of other Ministries/Institutions was not felt significantly because the IKPA regulations were considered uniform and mandatory for all agencies. One informant stated that *"the practice of imitating K/L strategies seems unlikely, but from the socialization*

(evaluation) we can learn and adopt what is appropriate, meaning we have our own strategy related to this IKPA" (N-13, KARO, 2025). A similar view was also expressed by another financial manager who explained that "we do not specifically imitate the strategies of other K/L, because the conditions and characteristics of the Kemensetneg's duties are quite unique and different from other K/L" (N-01, PPK, 2025). The results of the study indicate that the phenomenon of mimetic isomorphism is more dominant internally, namely between work units within the Ministry of State Secretariat, which tend to imitate the practices of other work units that have successfully achieved high IKPA scores. This finding is in line with the view that mimetic isomorphism usually occurs when organizations face uncertainty and imitate practices that are considered successful. The results of this study support the findings Manangin et al. (2023) that indicate the existence of mimetic isomorphism at the work unit level in an effort to achieve "Good" or "Very Good" IKPA scores, but differ from research Santosa & Akbar (2021) and Sutheewasinnon et al. (2016) which found that mimetic pressure tends to be weaker than coercive and normative pressures due to the strong regulatory certainty in the public sector performance assessment system. Thus, the Ministry of State Secretariat's response to mimetic pressure is more accepting (*conform*) in the internal organizational context to maintain strategic alignment in achieving IKPA targets.

Obstacles to IKPA Implementation

Based on thematic analysis and content analysis of the results of interviews, literature studies, and observations, the implementation of the 2024 budget faces obstacles such as: the dynamics of changes in activity schedules, internal coordination, human resources, and leadership commitment (figure 2).

Figure 2. Constraints in IKPA Implementation



Source: Processed by the author, 2025

Changes to Activity Schedule

The research findings indicate that one of the main obstacles to the implementation of the 2024 budget at the Ministry of State Secretariat (Kemensetneg) is changes in activity schedules, particularly those related to the implementation of the President and Vice President's duties, which are dynamic and difficult to predict. This condition often causes the financing process to be carried out through the Additional Budget (ABT) mechanism and gives rise to the need for repeated revisions to the Budget Implementation List (DIPA). One source explained that

"services to RI I are dynamic, some must be done immediately, some suddenly, meaning that budget preparation must also be prepared immediately, so we experience many revisions" (N-07, Kapokja IKPA, 2025). Based on financial document data, the Kemensetneg budget ceiling throughout 2024 experienced eight changes with an increase of 98.46% from IDR 2.65 trillion to IDR 5.27 trillion. This significant change has a direct impact on the decline in the achievement of several IKPA indicators, such as DIPA Revision (90.45), DIPA Page III Deviation (72.38), and SPM Dispensation (-0.75). From the perspective of institutional isomorphism and organizational strategic response, the constraints of activity schedule changes illustrate that although the Ministry of State Secretariat attempts to respond to coercive pressure by accepting (conforming), limitations at the operational level encourage the emergence of *avoidance* responses in the budget planning aspect. This finding confirms the research results Sodikin (2021) and Santosa & Akbar (2021) shows that the dynamics of activity schedule changes are one of the main inhibiting factors in the effectiveness of performance measurement using IKPA in the public sector.

Internal Coordination

The research results show that internal coordination between units within the Ministry of State Secretariat (Kemensetneg) remains a major obstacle in the implementation of PER-5/PB/2024 concerning Budget Execution Performance Indicators (IKPA). The budget implementation process involves the Finance Bureau, the Planning Bureau, and work units as the owners of the activity budget; however, in practice, coordination between the three has not been optimal, especially at the planning stage. One resource person explained that *"the implementation of activities is sometimes delayed or subject to change, especially in preparing page III of the DIPA, the PPK is usually not involved, they (the work units) work directly with Roren (Planning Bureau)"* (N-01, PPK, 2025). This condition indicates the lack of involvement of the PPK in the preparation of the fund withdrawal plan (RPD) as stipulated in PMK No. 62 of 2023, which ultimately impacts the low value of the deviation indicator on Page III of the DIPA. In addition, the separation of functions between the Finance Bureau and the Planning Bureau also leads to differences in focus on performance achievements and perceptions of responsibility for the IKPA value. This aligns with the view Mardiasmo (2002) that Simons (2014) performance measurement systems can influence the behavior of policy implementers when there is disharmony in goals between organizational units. This phenomenon also reinforces the finding Brignall & Modell (2000) that performance measurement systems have the potential to become symbolic when they are not aligned with operational realities, and supports research findings (Kuntadi & Puspita., 2022; Manangin et al, 2023; Sodikin, 2021) that state that weak internal coordination is a significant factor affecting budget performance in the public sector.

Human Resources

The research findings indicate that human resource (HR) constraints are a significant factor influencing the achievement of the Budget Execution Performance Indicator (IKPA) at the Ministry of State Secretariat (Kemensetneg). Based on interviews and observations, understanding of IKPA is not yet evenly distributed across all work units, particularly among Activity Implementation Staff (SPK) positions, who generally do not have a financial

background and often concurrently perform other administrative duties. One informant explained that *"HR is an internal constraint; sometimes people just work without knowing how to measure their work, even though they should know the indicators so they can assess their own performance"* (N-02, PPK, 2025). Furthermore, limited staffing often results in budget implementers often having double jobs, thus limiting time for technical guidance and understanding regulations. Consequently, there are differences in interpretation of technical regulations for budget implementation between work units. This phenomenon indicates that although Kemensetneg has strategically attempted to accept (conform) to the normative pressures of IKPA implementation, the capacity and distribution of HR competencies do not fully support this. These findings align with research findings (Kuntadi & Puspita, 2022; Kuntadi & Velayati, 2022; Santosa & Akbar 2021) that confirm that technical skills and human resource workload directly impact budget execution performance. However, these findings differ from those Manangin et al. (2023) that suggest that multiple tasks have no significant impact if human resources possess adequate competencies. The importance of understanding regulations is further reinforced by findings Nurdyanto (2022) that emphasize that mastery of regulations is a key prerequisite for successful public budget implementation.

Leadership Commitment

The research findings indicate that leadership commitment plays a crucial role in determining the successful implementation of the Budget Execution Performance Indicators (IKPA) at the Ministry of State Secretariat (Kemensetneg), but this has not been consistently implemented across all work units. Interviews and observations revealed that unit leaders are still less proactive in monitoring activities and encouraging their staff to update performance achievements. One informant stated that *"unit leaders, due to their lack of understanding of IKPA, are less proactive in reminding their staff about budget realization or updating output achievements"* (N-01, PPK, 2025). This lack of commitment is also evident in the minimal budget support for monitoring and evaluation (monev) activities, where ministerial-level monev activities are only conducted once a year due to budget constraints. This condition results in weak coordination between work units and a low commitment to IKPA performance achievements. Conversely, in work units with highly motivated leaders, IKPA achievements tend to be better, as expressed by another source that *"our response in the organization depends on the leader, if he has ambition, then we are pushed to pursue existing IKPA targets"* (N-10, PPSPM, 2025). This finding strengthens the results of research (Kuntadi & Puspita, 2022; Kuntadi & Velayati, 2022; Manangin et al., 2023) that emphasizes that leadership commitment plays a crucial role in ensuring the consistency of budget performance policy implementation. Thus, the low commitment of leaders in the Ministry of State Secretariat is one of the structural obstacles that have implications for the less-than-optimal achievement of IKPA values at the Ministry level.

CONCLUSION

The implementation of PER-5/PB/2024 concerning Budget Execution Performance Indicators (IKPA) at the Ministry of State Secretariat is predominantly driven by coercive institutional pressures — manifested through sanction and reward mechanisms, systematic monitoring by the Ministry of Finance, and the integration of IKPA scores into Bureaucratic Reform assessments — while normative and mimetic pressures remain limited, with IKPA largely perceived as an administrative obligation rather than an internalized professional value, and mimetic tendencies confined to inter-unit comparisons within the ministry itself. At the operational level, strategic responses vary across work units, ranging from conformity to compromise and avoidance, reflecting structural constraints such as dynamic schedule changes, weak inter-unit coordination, uneven human resource capacity, and inconsistent leadership commitment, which collectively give rise to behavioral distortions including smoothing practices and reporting bias that prioritize regulatory legitimacy over substantive performance improvement. To address these challenges, the Ministry is urged to strengthen internal coordination, enhance human resource competence, and reinforce leadership engagement so that IKPA functions not merely as a compliance instrument but as a genuine driver of public financial accountability. Future research could expand on these findings by conducting comparative studies across multiple ministries or government agencies to examine whether the dominance of coercive pressures and the relative weakness of normative and mimetic forces are systemic features of IKPA implementation in the Indonesian public sector more broadly, thereby offering a stronger basis for policy recommendations aimed at fostering more substantive, values-driven performance cultures in public financial management.

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