

# Policy-Practice Decoupling in Institutionalizing Performance Accountability of Local Government: Case Study of Malang City, Indonesia

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## Abstract

The effective institutionalization of performance management in the public sector is prevented through the process of decoupling. Therefore, this study aims to analyze new regulations on performance agreements and targets for employees in Indonesia's municipality. This is a qualitative study that was conducted in 2019 on nine local bureaucracies in Malang City using content analysis on performance documents. Furthermore, the data collection was also completed using focus group discussions to confirm the analysis. The results showed that there has been coercive isomorphism, which indicates the existence of institutionalization in local bureaucracies formally pushed by the central government. There is also a decoupling of practices, which showed that political needs have not been achieved. Therefore, more effective institutionalization is needed by providing adequate information and education to all officials and employees involved.

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## Keywords

coersive isomorphism, institutional reform, local government, performance accountability, performance management, policy-practice decoupling

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## Introduction

To create a professional and accountable bureaucracy, the Indonesia Government should continuously improve existing policies by forming regulations for the state civil apparatus. This is because an accountable bureaucracy ensures successful policy implementation in achieving different objectives. Furthermore, Ricks and Doner (2021) stated that, to be successful in achieving development objectives, it is necessary to fit between institutional capacities and tasks which promote government efficiency and excellence. Rodrik (2004) assumed that institutions are a key factor in the progress of a country where richer countries have good institutions while the poorer countries have weak institutions.

Currently, the regulations designed to strengthen the Indonesian Government Agency Performance Accountability System (SAKIP) are performance agreements (PA) and employee performance targets (EPT), which are in accordance with the regulation of the Minister of Administrative and Bureaucratic Reform (Menpan Regulation) No. 53 of 2014 and Government Regulation No. 30 of 2019. They provide answers to the complex dynamics of public sector human resources management. These include performance issues influenced by the quality of employee management culture (Kulla et al., 2017) and compensation systems that are inconsistent with the organization's goals (Rahayu et al., 2017). PA and EPT aim to support civil servant's performance optimization to ensure they are committed to carrying out their duties. Therefore, local or city bureaucracies should comply with the new regulations by implementing PA and EPT in their respective institutions. This institutionalization process supports the success of the performance accountability of public agencies since the organization and implementation of the new regulation can be seen (Yetano, 2013; Scott, 2014). In this context, their regulations are implemented at a lower level, making it necessary to review their institutionalization process in the city bureaucracies.

This study was conducted in Malang City, a region that has been continuously improved over several years to increase SAKIP value with the inability to obtain the targeted results. For the period 2016-2019, Malang City Government achieved the third-best score from seven levels (BB scores). Therefore, the quality of the performance of bureaucrats has not improved, indicating institutionalization problems. A study on SAKIP institutionalization strategies in Malang was then conducted in 2018. It was carried out through the interview method and it exposed the influence of coercive and mimetic isomorphism as well as a decoupling pattern (Mariandini et al., 2018).

Few studies related to the decoupling phenomenon in government bureaucratic institutions were previously conducted in business organizations. These include Malaysian forestry companies in Guyana (Whiteman & Cooper; 2016), a for-profit company in the USA (Turco; 2012), and Swedish state-owned company (Alexius & Grossi; 2018). However, there are limited studies on decoupling of broader organizations by the local government with various

issues associated with the environment (Parrique et al., 2019), health (Lega et al., 2013; de Bree & Stoopendaal, 2020), and different policies on a broader scale such as the European Union (Zhelyazkova et al., 2016).

This study aims to obtain more information on the institutionalization process in Malang City Government after several changes, especially with the existence of PA as well as the new regulations regarding EPT preparation. Furthermore, it explores the processes associated with the occurrence of this phenomenon using the 2019 PA and EPT institutionalization as a case study. However, the use of the focus group discussion (FGD) method provided an in-depth analysis of the occurrence of coercive isomorphism and the implementation of PA and EPT. This study examines the decoupling symptoms on the institutionalization process and determines the factors causing this phenomenon.

## **Literature Review**

Rodrik (2004) showed the important role of institutional quality in the developmental progress of a country. However, the quality is still vague due to the separation between the desired institutions and those that actually exist. Furthermore, Ricks and Doner (2021) built institutional quality through a fit between the developmental capacity and tasks to produce the desired performance.

Institutionalization is the effort to implement regulations and keep up with environmental changes. It ensures that institutions are uniform in meeting the demands of the environment and its organization. According to Meyer and Rowan (1977), it is a process of creating reality from the results of social interactions between actors and the pressures of their institutional environment to produce new formal structures, routines, or habits. Furthermore, March and Olsen (1984) stated that it is an institutional theory developed within a new model of organizations, and as a prominent perspective in contemporary study. This model understands the culture and shares expectations of organizations. In addition, it explains the strategies used for the adoption and dissemination of formal organizational structures, including written policies, standard practices, and new forms of organization (Scott, 2014; David et al., 2019).

The concept of institutional isomorphism can be used to determine the existence of institutionalization. According to Boxenbaum and Jonsson (2018), it is the effort used to ensure that rules are homogenous and fit with the environment. This concept understands that government organizations have to frequently accept new regulations. This is because public organizations experience institutional isomorphism when they adapt and produce new formal structures, routines, or habits. Meyer and Rowan (1977), DiMaggio and Powell (1983), Beckert (2010), DiMaggio and Powell (1983), and Martínez-Ferrero and García-Sánchez (2017) stated that there are three kinds of isomorphism: coercive, mimetic and normative. Coercive isomorphism occurs when other forces regulate changes in organizational rules or habits. Mimetic

isomorphism occurs when organizational change is conducted by imitating others' successful practices, and normative isomorphism occurs when the organization experience changes in its applied professionalism standards and conducts training to improve internal capabilities.

Pritchett et al. (2013) stated that isomorphic mimicry is an institutional strategy often used to enhance administrative capabilities. It is the adoption of a bureaucratic institutional structure as a camouflage for the lack of institutional function. Another strategy is premature load-bearing, which means doing too much too soon. This is caused by the haste in implementing new institutions without adequate readiness as required for the effective enforcement of institutions. The requirements include indigenous learning, the legitimacy of change, and the support of key political constituencies. Furthermore, these requirements were usually sacrificed to get the new facility in place immediately to produce the desired results. Pritchett et al. (2013) showed that the application of continuous isomorphic mimicry accompanied by premature load bearing results in a 'capability trap' and implementation failure in the long term. Therefore, efforts are needed to develop endogenous learning to create institutions adapted to the particular circumstances of each organization. The building of external institutions should not be rushed and seems to work in the short term. In addition, the external institutions should assist in real institutional development by revealing endogenous and sustainable capability.

Andrews (2013) reported that many institutional change processes produce unrealistic performance. There is a pattern which shows that similar institutional reforms are taking place everywhere even though the context is very different. This reform provides many rules and forms of government that appear to be better but are actually difficult to implement. Due to this, it is important to understand why this happens rather than simply adopting imported rules and forms of government for an organization. A good understanding results in a more realistic effort and institutional capability in the long-term. Furthermore, a similar phenomenon was conveyed by Suhardiman (2015), where institutional reforms implemented by the central government (with seemingly noble intentions) often produce an unexpected performance. This is because it is not based on the ability to implement local bureaucracy. The efforts to build local structures only started from the top without a good understanding of the existing institutions in a comprehensive manner. This resulted in gaps between policy objectives and actual implementation, and this phenomenon is similar to decoupling.

This study aimed to determine the strategies used in implementing public institutions as a "good-practice" model. Few studies have addressed the evaluation results of institutionalization, such as the those carried out by Sanusi and Dwiputranti (2013) and Suhardiman et al. (2017). Therefore, institutionalization success needs to be evaluated to determine its real condition, known as 'decoupling.' This is because the institutionalization implemented is not following the expectation (Mariandini et al., 2018). Furthermore, Haack and Schoeneborn (2014) stated that decoupling is also a series of implementation activities that are

inconsistent with the policy substance. Prior to this, studies on institutionalization in public organizations stopped at the isomorphism phase and its benefits for organizational innovation and productivity. However, there are limited studies on the decoupling symptoms and causes in the process (Haack & Schoeneborn: 2014; Wahyunurani et al., 2017).

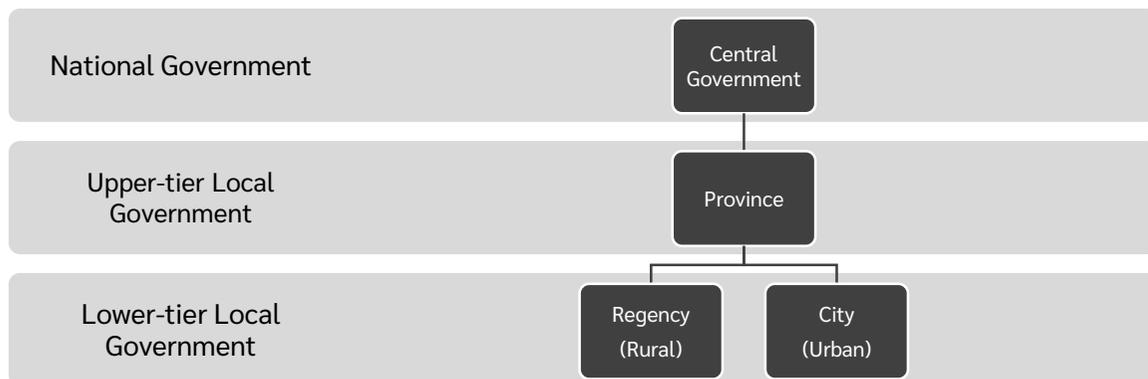
Decoupling is associated with separation, unrelated or not associated. However, in organizational change, it is defined as the difference between formal rules and actual practice (Alexius & Grossi, 2018; Parrique et al., 2019; de Bree & Stoopendaal, 2020). Meanwhile, Mariandini et al. (2018) stated that organizations carry out the regulation ceremonially to gain legitimacy or recognition. However, in reality the substance of the regulation is not implemented. Decoupling is a process of internalizing external elements by the organization, but it does not include its real meaning or role. Hidayah (2017) reported that internalization produces added value and, therefore, internalized factors are separated from its original context. Furthermore, Haack and Schoeneborn (2014) stated that there are several decoupling types, such as means-ends and policy-practice. The first type occurs due to the correct implementation of organizational policy. However, when unexpected things occur policy objectives are no longer achieved. The second is known as “policy-practice decoupling” whereby activities are not conducted according to the substance.

## **Research Method**

This is an ex-post-facto qualitative study in Malang City, which is an established local government in Indonesia. There are two levels of autonomous regions, namely province and municipality, also known as upper-tier and lower-tier. Furthermore, there are two kinds of municipality as described in Figure 1. They are regency as rural-type and city as urban-type local government, and are each assisted by local bureaucracies. There are four types of local bureaucracy: local secretariat, agency, department, and district/subdistrict. The function of the local secretariat is to provide support staff, while the agency functions as technostructure. Both department (functional based-division) and district/subdistrict (territorial based-division) act as the operating core of local government services. Furthermore, there are nine local bureaucracies that should increase the accountability system's quality, particularly for PA and EPT preparation. They are the Department of One-Stop Integrated Services and Investment, Agency of Regional Disaster Management, Department of Agriculture and Food Security, Department of Youth and Sports, Agency of National Unity and Politics, Department of Culture and Tourism, Department of Trade, Department of Women's Empowerment, Child Protection, Population Control, Family Planning, and Department of Transportation.

Content Analysis carried out in stages is used to review the suitability of PA and EPT documents prepared in those local bureaucracies. Firstly, the documents related to Strategic Planning are Action Plan, Main Duties and Tasks documents, Budget Implementation Document,

PA, and EPT collected in 2019. Secondly, they are classified based on PA and EPT for the various echelon and staff in each local bureaucracy. Thirdly, each PA and EPT is compared according to the regulation related to its preparation. Furthermore, PA and EPT were compared to determine their support to the higher level officer. Finally, to confirm the content analysis results, the data were triangulated by FGD. Nine FGDs were conducted in mid-2019 for each local bureaucracy, and the participants were selected based on the importance of their role in preparing PA and EPT.



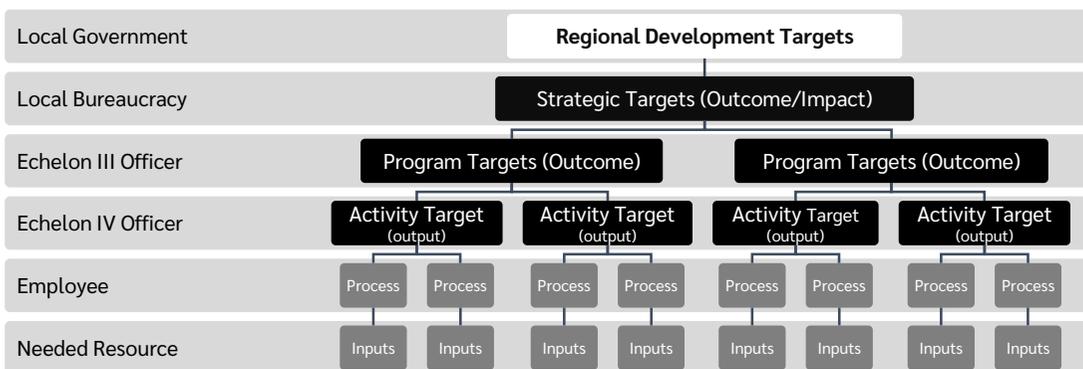
**Figure 1.** Indonesian Tiers of Government

## Results

The implementation of accountability is based on Ministry of Administrative and Bureaucratic Reform Regulation Number 53 of 2014 regarding Technical Guidelines for Performance Agreements and Reporting. It is also based on the Procedures for Reviewing Performance Reports of Agencies and Government Regulation No. 30 of 2019 concerning Performance Assessment of Civil Servants. Therefore, the PA has to be prepared after the government agency receives the Budget Implementation Document based on the first regulations. This should be conducted no later than one month after the document is legalized. Each bureaucracy prepares the PA and EPT in accordance with the logical framework for local government performance management, especially regarding the Technical Performance Agreement guidelines, as shown in Figure 2. Furthermore, the date associated with the preparation of PA has to coincide with EPT, such as in January each year following the second regulation. The preparation process needs to be made immediately to ensure the program is optimally implemented. The implementation of EPT should not only be based on the employees' Main Duties and Tasks following Organizational Structure. This is because it needs Strategic Planning, Action Plan, Operational Instructions, Budget Implementation Document, and superior's PA and EPT. Therefore, the relationship between organizational performance planning and PA and EPT is clear following these regulations. They support the organizations' performance

implementing management, with PA and EPT to achieve fit between organizational and individual performance.

The preparation of PA and EPT by the Malang City Government generally refers to the performance targets of each position level and the strategic and action plans. Each level creates a PA, which refers to individual performance indicators and set targets. It also refers to the existing performance indicators in each local bureaucracy, which refers to the regional development goals and strategic targets of each local bureaucracy. Furthermore, EPT is documented in an agreement sheet signed by the concerned official and used as a reference while assessing the performance.



**Figure 2.** Logical Framework of Local Government Performance Management

Source: Ministry of Administrative and Bureaucratic Reform Regulation Number (2014)

The documents collected showed that PA and EPT prepared in the nine local bureaucracies were, for the most part, incomplete. Therefore, they should be corrected with compiled documents attached. Table 1 shows that only one local bureaucracy had completely and correctly implemented or developed the PA and EPT. Meanwhile, the documents of the other eight local bureaucracies were incomplete or the bureaucracies faced problems such as unprepared PA or EPT. Some were prepared with inaccurate transcription (which should be corrected) or referred to the employee's main duties and tasks. The analysis results are based on the real conditions of the planning documents in each local bureaucracy.

The preparation of PA documents at Echelon II, III, IV, and the administrative and functional employees at Department of One-Stop Integrated Service and Investment showed of several problems. These included failure to pay attention to organizational key performance indicators, wording errors on targets, and inability to conduct proper targeting and positioning. Meanwhile, the preparation showed several mistakes that are associated with the tasks and functions, wording errors, and not compiling or attaching EPT documents for 2019. EPT

preparation using the administrative and functional employees showed appropriate and good results.

**Table 1.** PA and EPT Preparation on Malang City Bureaucracies

Local Bureaucracy	Performance Agreement	Employee Performance Targets
Department of One-Stop Integrated Service and Investment	Needs to be corrected	Incomplete
Agency of Regional Disaster Management	Incomplete	Not compiled
Department of Agriculture and Food Security	Incomplete	Referred only on Main Duties and Tasks
Department of Youth and Sports	Inappropriate word	Not compiled
Agency of National Unity and Politics	Inappropriate word	Not compiled
Department of Culture and Tourism	Incomplete	Incomplete
Department of Trade	Needs to be corrected	Needs to be corrected
Department of Women's Empowerment, Child Protection, Population Control and Family Planning	Incomplete	Not attached
Department of Transportation	Complete	Complete

Source: Analytical Result (2019)

The preparation of PA documents at Echelons II, III, IV and implementing functional employees at Agency of Regional Disaster Management showed appropriate and significant results. Echelon II failed to compile and attach the EPT for 2019. Meanwhile, Echelons III, IV administrative and functional employees indicated the presence of several mistakes such as not entering targets, wording errors, target determination of immeasurable quantity, as well as the inability to compile and attach EPT for 2019.

The preparation of PA documents at Echelon II in the Department of Agriculture and Food Security showed excellent results. However, for other officials, several mistakes were associated with writing, editing, and the inability of the organization to compile and attach the PA for 2019. EPT preparation at Echelon II showed good results. However, the officials and employees at others had some errors, such as the use of main duties and tasks, wording needing to be corrected, incomplete quantity and time, and the inability to compile and attach EPT documents for 2019. The preparation of the PA at Echelon IV in the Department of Youth and Sports showed excellent results, while other officials and employees had several problems. These included the failure to pay attention to organizational key performance indicators, wording errors

on performance, targets, and inability to properly compile and attach PA for 2019. For EPT preparation at Echelons II, III, IV, administrative and functional employees showed how they failed to compile and attach EPT documents for 2019.

The preparation of the PA within the Agency of National Unity and Politics showed several errors for all echelons in wording on the targets and performance indicators due to the inability to heed the organizational key performance indicators. Meanwhile, in EPT preparation, all Echelons, as well as administrative and functional employees, were unable to compile the documents. Furthermore, PA preparation in Department of Culture and Tourism showed that administrative and functional employees are good, while some errors existed in the Echelon officials. These included those that should be adjusted between changes and fusion in performance indicators, inability to adjust Action Plan, and errors in wording. Meanwhile, in EPT preparation, all echelon officials and employees had several problems such as inability to conduct job activities effectively, mistakes in wording, and inability to attach the EPT documents for 2019.

In addition, the PA preparation of Echelon II at the Department of Trade showed good and appropriate results, while others had some errors. These include targets and performance indicators that needed to be corrected and wording errors. Meanwhile, in EPT preparation, it was good and appropriate, while others still had several mistakes. For instance, some activities needed to be corrected, and their evaluations should be conducted by data operators, which is not justified. This is because it is not their main duty and task, and there was an not attaching the EPT documents for 2019.

The preparation of the PA within the Department of Women's Empowerment, Child Protection, Population Control, and Family Planning showed that all echelon officials still experience several errors. These included not including targets and not adjusting organizational key performance indicators. Meanwhile, in EPT preparation, they did not attach EPT documents. The PA preparation at the Department of Transportation showed that Echelon II did not adjust to the organizational key performance indicators, while officials and other employees are complete and satisfactory. Furthermore, administrative and functional employees had compiled appropriate and acceptable EPT, while other echelon officials still had several mistakes, such as not aligning the PA and EPT and the inability to properly prepare the documents.

Therefore, the nine local bureaucracies consisted of three, two, and five Echelon II, III, and IV officials who properly compiled with PA. Meanwhile, administrative and functional employees consisted of three officials capable of properly compiling PA. Only two Echelon II and one Echelon III were officially used to prepare the EPT and properly compile EPT. For administrative and functional employees, only two officials are capable of properly compiling EPT.

Table 2 shows that the PA preparation is unsuitable with several performance targets. These include fulfilled building permits contribution, the realization of an electronic-based government system, and increased public satisfaction with services. However, they are not in line with the organizational performance indicators consisting of labor force participation and absorption rate, as well as the working population ratio. The data processing showed that there is irrelevance between PA form content and the strategic objectives of organization. Furthermore, officials have not matched the organizational performance indicators in preparing the PA, with numerous findings similar to various documents. Generally, performance target preparation is not based on related knowledge to achieve the expected performance indicators. Therefore, in formulating these targets, each local bureaucracy knows in advance what the performance indicators are that have to be achieved and the right strategies required. The impact on the employees' performance fails to support the achievement of the organization's goals and targets when this occurs.

One of the problems associated with the above PA institutionalization process is the inaccurate wording that is inconsistent with their duties and tasks. For example, PA is conducted on one local bureaucracy in Malang City. The wording in one of the PA at the Echelon III official's level is "*The realization of orderly administration by community organizations and NGOs.*" The word "*realization*" is not suitable for the task because the performance indicators do not apply only to the program. It ensures that performance is measured through increased results (outcome percentage). This is because Echelon officials' orientation is a result, not an activity. Therefore, the appropriate term used to show their performance is "*Increasing orderly administration of Community Organizations and NGOs.*"

Furthermore, proper wording of the PA is essential because it affects the performance indicators as the input for evaluating the reports of each official or employee. Some mistakes occur by composing words contained in each PA. This causes doubt on the performance accountability because its evaluation is conducted based on the agreed document as a reference for assessment. It is also irrelevant in determining indicators between individual performance and program. For example, at the Echelon III level, individual performance indicators follow the program since they ensure the program is achieved at the official level. In addition, performance is measured in program measurement by determining the percentage of the implemented program. When the measure of the individual official's performance is the number of programs implemented, it fails to ensure increased program implementation.

**Table 2.** Comparison Between KPI and PA of Head of Local Bureaucracy

KPI of LB X			PA of Head of LB X			
Goals	Targets	Goals and Targets of Performance Indicators	No	Strategic Target	Performance Indicators	Targets
Realization of competitive workforce quality, as well as accountable investment, licensing, and non-licensing services		Labor force participation rate	1	Building permits contribution to locally-raised revenue was fulfilled	Percentage of building permits levy target realization	100%
		The predicate of corruption-free area	2	The realization of an electronic-based government system	Percentage of electronic-based government system process capacity	0.34
	Increasing the quality of competent workforce and the investment value	Labor absorption rate	3	The increase in the value of survey on community satisfaction towards licensing, non-licensing, and investment services	The value of community satisfaction towards licensing and non-licensing services	85
	Increasing job placement and conducive industrial relations	The ratio of the employed population				
	The realization of an electronic-based government system	Service index of electronic-based government system in public services aspect				

Source: Analytical result, 2019

**Table 3.** Comparison Between PA and EPT

PA of the Head of Department Y			EPT of the Head of Department Y	
Strategic Target	Performance Indicators	Targets	No	Official Duties
Increasing food availability and diversification	Score of expected food patterns	90%	1	Planning programs in the area of food availability, distribution, and insecurity
	The ratio of local non-rice food consumption to rice	0.09	2	Dividing tasks to subordinates according to their respective area in order to improve its smooth implementation
			3	Regulating operational areas of food availability, distribution, and insecurity
			4	Compiling information and data on food supply and prices
			5	Carrying out a food situation mapping
			6	Formulating technical guidance methods in the context of post-harvest handling and agricultural products marketing
			7	Evaluating the implementation of field programs
			8	Reporting the implementation of the tasks to the head of the department
			9	Conveying suggestions and considerations to superiors
			10	Carrying out other official duties based on orders from superiors

Source: Analytical Result (2019)

Another problem related to EPT preparation is the organizational performance that is prepared based on main duties and tasks, as shown in Table 3. There is no EPT of division heads due to the support of Echelon III officials on the performance achievement following the PA. This is achieved by increasing food availability and diversification since routine activities are written in the EPT following the division head's main duties and tasks. Meanwhile, another phenomenon obtained was the overlapping EPT between Echelon IV officials and their employees with similar job specifications.

**Table 4.** PA Comparison Between Echelons III and IV

No	Goals	Performance Indicators	Target
Performance Agreement of Echelon III (Secretary of Department Z)			
1	Preparation of performance accountability reports	Number of performance accountability reports documents	1 document
2	Preparation of Budget-related Documents (RKA/PRKA, DPA/DPPA)	Number of Budget-related documents (RKA/PRKA and DPA/DPPA)	4 documents
3	Preparation of the strategic plan	Number of strategic planning documents	1 document
4	Preparation of the action plan	Number of action plan documents	1 document
Performance Agreement of Echelon IV (Head of Sub-division in Department Z)			
1	Preparation of performance accountability reports	Number of performance accountability reports documents	1 document
2	Preparation of budget-related documents (RKA/PRKA, DPA/DPPA)	Number of budget-related documents (RKA/PRKA and DPA/DPPA)	4 documents
3	Preparation of the strategic plan	Number of strategic planning documents	1 document
4	Preparation of the action plan	Number of action plan documents	1 document

Source: Analytical Result, 2019

The phenomenon of PA made by the department secretary (Echelon III official) is similar to the head of a certain subdivision (Echelon IV official). Therefore, there was an overlap in the job duties performed by officials of different echelons. Overlap means that officials from different hierarchies have performed the same tasks, as shown in Table 4. Furthermore, the FGD results with several budget implementation documents showed two reasons for the emergence of these conditions: The inability to formulate PA and EPT evenly, and misunderstandings in its preparation. These two reasons are caused by the regulations underlying PA and EPT preparation, which are still relatively new. This is in line with the question of a department staff during the FGD as follows:

“What are the factors included in the Performance Agreement? ” (FGD result with the officials of a Department, 7 November 2019).

A similar question was also frequently raised by officials and employees from various departments or agencies. This shows that not all officials and employees have adequate knowledge on the required steps to prepare PA and EPT. Other results obtained from various FGD indicated that there were problems in preparing PA and EPT as reflected in the following official statement:

“I composed it because it was formally assigned by my boss. I don't know the right strategies to utilize it. Therefore, I just copied and pasted the method”.(FGD results with the employees of a Department, 26 November 2019”).

Several officials and employees also made similar statements from various local bureaucracies. This shows a pattern that staff only compile PA and EPT based on routine knowledge and as a formality. Furthermore, EPT preparation is only used as a condition and does not refer to the preparation. Therefore, the problems associated with these officials are lack of understanding in compiling the appropriate and good strategies. The results show that PA and EPT are prepared in moderation as long as the superiors' requests are fulfilled, causing many differences in content between them.

## **Discussion**

City bureaucracies have institutionalized changes within their organization as mandated in Menpan Regulation No. 53 of 2014 and Government Regulation No. 30 of 2019. This is because the institutionalization process was implemented by the formal compulsion of these regulations. Furthermore, it leads to a coercive isomorphism that binds the city bureaucracy. This phenomenon strengthens the studies of Meyer and Rowan (1977), DiMaggio and Powell (1983), and Martínez-Ferrero and García-Sánchez (2017). Coercive isomorphism indicates that a new activity associated with organizational adaptation encourages other formal organizations. In addition, it shows the effort of the local government to change part or all of its activities and strengthen performance management. These efforts are driven by regulations from other higher organizations such as the central government. Coercive isomorphism occurs as part of the institutionalization process of local bureaucracies towards better performance accountability. Meanwhile, this phenomenon is consistent with the study of Hidayah (2017) and Mariandini et al (2018).

The data show that many officials and employees have not yet compiled PA and EPT according to the regulations since it is a mere formality. Furthermore, the prepared PA and EPT still refer to the use of main duties and tasks. However, officials and employees do not consider their EPT's contribution to the organizational strategic plan and their superior's PA and EPT. This is due to overlapping strategies which affects superiors and subordinates. In addition, many employees stated that they did not understand the substance and purpose of EPT preparation activities. This is not only seen as a condition for implementing the regulation since the EPT acts as a copy of the respective main duties and tasks. The phenomenon is similar to policy-practice decoupling. Therefore, the institutionalization process exposed different results between the desired policy (regulation) and its actual implementation. Furthermore, it confirms the same

phenomenon produced by the studies by Haack and Schoeneborn (2014) and Zhelyazkova et al. (2016). This study's novelty lies in proving the decoupling policies on performance management at the local government level to show bureaucrats' weaknesses in implementing regulations.

There are several factors associated with the occurrence of decoupling. Firstly, not all local bureaucracies are capable of preparing PA and EPT because it is still relatively new. In addition, regulatory changes require adequate information and education at all levels of bureaucracy and should not only be provided to top leaders. New regulations should also be understood at the lowest level of the bureaucracy and supported by competent human resources. Secondly, there is a culture or willingness of officials and employees that are not strong enough to implement PA and EPT. Several statements from various agencies explained that they formally performed the tasks associated with job requirements to avoid the superiors' anger, thereby leading to decoupling. They tend to copy PA or EPT from the officials or other employees, or just copy their own main duties and tasks since it is the easiest way to accomplish the job. The issue of human resource competence and organizational culture affecting the success of institutionalization in an organization supports the study of Thornton and Ocasio (2008) and Thornton, Ocasio and Lounsbury (2015). In addition, it is associated with the study of Pratama (2017) and Haning (2018), which reported that there is a tendency for officials and government employees to be slow in responding to reforms caused by organizational culture. This tendency makes it difficult to change the knowledge, skills, behavior, and integrity to manage performance. Bree and Stoopendaal (2020) reported that a good understanding of various causes of decoupling helps institutionalization to achieve recoupling. Furthermore, understanding the problems and their causes make it easier for organizations to overcome decoupling problems to produce better and more effective institutionalization.

The findings from this study are also consistent with Suhardiman's (2015), where institutional reform programs launched and imposed on local governments produce differences in results between policy objectives and actual implementation. This previous study was conducted in the case of water governance. Therefore, it provides the same evidence in different cases of performance management and accountability systems. The same coercive isomorphism occurs and is accompanied by the existence of policy-practices decoupling in these two different cases.

## **Conclusions**

This study explains the presence of coercive isomorphism on PA and EPT preparation in local bureaucracy. This led to the institutionalized reforms on existing regulations by the local government. However, not all organizations conduct or implement the isomorphism process properly. Many organizations are incomplete in their implementation, including officials and employees that have ill-prepared EPT. Furthermore, coercive isomorphism is a process of

institutionalizing the PA and EPT, accompanied by the implementation of decoupling. This is because PA and EPT preparation is only a formality that acts as a form of decoupling policies since employees do not understand the substance and purpose. They only fulfill the requirements for implementing the regulation. This is conducted by copying patterns from officials or others' duties and tasks without assessing the PA, strategic plan, action plans and operational instructions.

Therefore, adequate information and education are needed for all officials and employees involved in PA and EPT policies to overcome the problem of "policy-practice decoupling." This study offers several solutions, principally based on incremental approach for developing endogenous capability of local bureaucrats in implementing newly-formed institutions as proposed by Pritchett et al. (2013). First, is mentoring to all employees and officials in preparing a good and true PA and EPT. The team can be formed from internal or external bureaucracy such as universities or other consultants. This assistance is manifested in the form of ongoing training or consultations in the preparation and implementation of PA and EPT within a certain period. The second solution is the formation of a change agent as a cultural change pioneer. It enables employees learning and working together to create culture and to implement performance management. Furthermore, decoupling policies are formed from the government apparatus culture that is not oriented on performance without a strong pioneer used in making changes to the culture. The third solution is missioning and visioning through the formation of strategic plans in all local bureaucracies. The preparation forms a common goal of individuals in government institutions, and it requires the institution's capability to analyze changes, such as those that affect the course. Meanwhile, strategic plans codify change management on institutions and enable leadership capable of spreading and internalizing values in institutions.

This study is limited to its scope, which is only at the established municipalities and does not cover the central and provincial government levels. Therefore, further studies should be conducted to determine the functions of management and performance accountability in the central and provincial bureaucracies. In addition, bureaucracy should be studied at the municipality level to determine the regency-type as well as the newly established characteristics. It would also be interesting to consider the suggestion of de Bree and Stoopendaal (2020) in using system-based regulation to reduce decoupling while increasing recoupling levels. Methodologically, a systems approach was not used and cannot produce system-based analysis. Therefore, further study with a systems approach as a methodology is recommended.

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