CORRELATION BETWEEN PERFORMANCE MEASURES AND DEVELOPMENT OUTPUT: RELATIONSHIP ANALYSIS OF EKPPD AND HDI

Dwi Martani
Universitas Indonesia

Jayu Pramudya
Universitas Indonesia

ABSTRACT

Indonesia's central government mandated that its municipalities are subject to performance evaluation entitled "Evaluasi Kinerja Penyelenggaraan Pemerintah Daerah"/ EKPPD. As it is embedded within other public sector performance measures, EKPPD is demanded to represent wide array of life quality dimensions. This research aims to analyze how far EKPPD can represent general achievement of development, relatively compared to HDI as a representation of widely-accepted general welfare indicators. The research uses regression method to create inferences from panel data of 492 municipalities along the years of 2009-2012.

Result shows that EKPPD aggregate score and EKPPD sectoral score of health are positively correlated to HDI. It implies that all the three measures have reflected the same dimension intendedly measure, which is life qualityacross education, health, and welfare aspects. However, EKPPD sectoral score of education is not significantly correlated to HDI. It may be rooted from the incompatibility of several components calculated on the generic aspect of policy implementation in education sector. Comparing between urban and non-urban municipalities, there is no difference of correlation observed between EKPPD aggregate and sectoral score on HDI. Thus, EKPPD aggregate score is representative on both society structures.

Keywords: performance measurement; EKPPD; HDI; education; health.

1.1. INTRODUCTION

Public sector performance measurement is relatively more difficult compared to its private sector counterpart. Absence of profit motive in public sector institution arise the need to use non-monetary measurement variables. Such broader criteria of variables selection is based as well on the reason that public sector institution's performance, especially governmental institution's, covers various sectors, ranging from politics, economy, social, culture, security & defense, education, health, etc. Non-monetary variables enable multi-sectoral performance measurement. However, the variables supposed to be quantifiable, still, so that assessment can be made objectively, inter-institutions comparison can be observed, and inter-temporal progress can be evaluated. The variables can then be used as performance measures, which are factors describing dimensions of performance (Kates et al., 2001). Performance dimensions are areas and themes designed to represent goals and functions of programs. Performance measures are different with performance indicators, as performance measures act as

performance variables while performance indicators correspond to specific values of the variables.

In Indonesian context, Government of Indonesia obliges Sub-National Governments (SNGs) to compile annual Sub-National Governmental Report (*Laporan Penyelenggaraan Pemerintah Daerah*/ LPPD) and Sub-National Head Accountability Report in the end of election period, as mandated by Government Decree No. 3/ 2007. LPPD is then evaluated through Sub-National Governmental Performance Assessment (*Evaluasi Kinerja Penyelenggaraan Pemerintah Daerah*/ EKPPD), as mandated by Government Decree No. 6/ 2008. EKPPD is stated in an aggregate score which then be ranked according to the categories of Provincial SNGs, Regencies, and Cities. Top 3 Provinces and each Top 10 of Regencies and Cities are then given award by Government of Indonesia.

EKPPD is actually not the first performance measure implemented in Indonesia. Indonesian Ministry of Domestic Affairs and Indonesian National Institute of Public Administrationhad formulated sets of performance measures which then be improved by World Bank to compile Local Government Performance Management Framework (LGPM). Since EKPPD and those aforementioned performance measures sets merge cross-sectoral indicator values taking the form of input, output, and outcome of development, then it needs to be verified whether EKPPD score does reflect general welfare level. Other variables, which are globally accepted as performance measures, can be compared to EKPPD for the purpose. This research employs Human Development Index (HDI) as the benchmark variable.

Earlier research by Mustikasari (2012) used EKPPD score in the budget year of 2007 to find that wealth and regional dependency are positively correlated to EKPPD score.The research was re-done by Sudarsana (2013) to find similar conclusion for the correlation of wealth. To measure residents' living quality, Inter-Governmental Transfer (IGT) revenue was found to be positively correlated to economic growth (Pusporini, 2006). General Allocation Fund (*Dana Alokasi Umum*/ GAF)is positively correlated to HDI while Specific Allocation Fund (*Dana Alokasi Khusus*/ SAF)is negatively correlated (Haq, 2010). Expenditures in education and welfare function are aligned with national purpose in educating citizens and improving welfare (Pramudya, 2013). This research will fill in the existing research gap, to answer the question of how effective EKPPD is to represent developmental achievements, relatively assessed to other performance measures.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Literature Review

2.1.1. General Concept of Performance Measurement

Performance measurement can be assessed fromthe sides of resources used (input); beneficiaries; quantity of services provided (output); quality of services provided; or contribution towards general quality of life (outcome) (Ghobadian& Ashworth, 1993). Performance measurement can be conducted on the strategic, program, as well as team/ individual level. (Kuhlmann, 2010) divides performance measurement aspects into (1) process indicators, related to decision making and implementation procedure; (2) output indicators, related to quantity and quality; (3) input indicators, related to use of resources; (4) impact indicators, related to acceptance by beneficiaries; as well as (5) outcome indicators, related to social influence on global context by considering long term consequences. Office of Mana-

gement and Budget (2014) divides indicators into contextual indicator; service to beneficiaries; efficiency; input; intermediateoutcome; process; outcome;and output. Majority of small and medium-sized SNGs in United States employ output indicators in measuring performance (Folz et al., 2009). However, it is identified that outcome, services quality, and beneficiaries' satisfaction are started to be used as well.

Performance measurement on public services aims to (1) identify mechanisms which have optimally operated; (2) assess functional competence; as well as (3) promote public accountability (Breitbarth et al., 2010). Benefits of performance measurement will mostly be seen on the program level (Bernstein, 2001). Ghobadian& Ashworth (1993) states different set of performance measurement purposes, including to (1) improve resource allocation and other decisions' quality; (2) promote implementation of fact-based management by providing concrete base for planning, monitoring, and controlling; (3) improve accountability by clarifying responsibilities and providing evidences of failure and success; as well as (4) provide systematic base for staff assessment and motivation.Government of New South Wales, Australia has different purposes of performance measurement (Government of NSW, 2013) including to (1) determine whether an SNG has functioned properly; (2) compare inter-SNG performance; as well as (3) observe whether SNG's performance has created impact in its community. Survey on SNGs in United States (Folz et al., 2009) asserts that main purposes of performance measurement includes to (1) improve governmental decisions; (2) support budgetary decisions; as well as (3) respond beneficiaries' demand for better accountability (Ammons, 1995).

2.1.2. Effective Performance Measurement & Management

When performance measurement has optimally functioned, then improvement of governmental conducts will be easily managed. Criteria of effective performance measurement (Ghobadian& Ashworth, 1993) includes (1) be equipped by set of indicators employable across various organizational levels; (2) covers efficiency and effectiveness aspect of performance; (3) provides the way to identify tradeoff between various performance dimensions; (4) comprises quantifiable and qualitative indicators; (5) sees performance measurement as ongoing and continually growing process; (6) prevents bureaucrat's manipulation of performance measurement; (7) avoid perspective that indicator is the goal of performance conduct; (8) eases bureaucrat in planning and controlling every decision; as well as (9) connects to organizational purpose and current year plan. Performance measurement can then be integrated as a part of performance management (Boyle). Optimality of performance measurement requires that even the lowest level bureaucrats support its implementation (Folz et al., 2009).

An effective performance measurement system surely has proper performance measures. Performance indicator values for each performance measure can take form of baseline (value to compare with, usually historical one); target; average; or benchmark (best value). Beside that they need to be directly connected with societal life, proper performance measures should fulfill general criteria as well (Boyle) including be acceptable and meaningful for beneficiaries; shows the way to realize goals and purposes; simple, understandable, logical, and sustainable; shows trend; unambiguous; using efficiently acquired data; timely; and sensitive. Other characteristics of proper performance measures includes

that of performance measures can represent performance dimensions; data is available; performance measures can be used on various level of measurement; they are comparable over time; they are not burdensome to be employed; as well as they imply the intended meanings. Survey by Melkers & Willoughby (2002) shows that bureaucrats see performance measurement is effective to conduct several functions. The functions include enhancement of programs aiming for effectivity improvement; improvement of focus on result; enhancement on communication, internal institution, and off-to-public coordination; as well as change of discussion dynamics among institutional bureaucrats.

Even the best performance measurement cannot be a flawless mechanism. Since the mechanism is operated by individual humane bureaucrats, then it has side effect on bureaucrats' behavior. The adverse effect (Boyle) includes (1) tunnel vision, by which bureaucrats excessively care about measurement areas so that they neglect other decision areas; (2) sub-optimization, by which bureaucrats act opportunistically to pursue narrow-scoped interests at the cost of strategic coordination; (3) myopia, by which short term matters will overshadow long term ones; (4) convergence, by which a good performance only needs to be not in the lower outlier domain, yet it does not need to strive for excellence; (5) ossification, which is reluctance to adopt new, innovative, and experimental methods; (6) gaming, which is changes in behavior to earn strategic benefits; as well as (7) misinterpretation, which includes accounting manipulation and fraud.

2.2. HYPOTHESES DEVELOPMENT

EKPPD is a performance measurement conducted on strategic and program level. Entities being the performance measurement objects are SNGs as a Decision Making Unit/ DMU. Performance measurement on team/ individual level does not belong to the scope of EKPPD, yet it is accommodated through other performance measurement mechanisms which have been developed or are under development. One the example is work load analysis which determines the amount of remuneration earned by every individual bureaucrats. Until now, Indonesia is still struggling with its implementation due to socio-cultural obstacle awaiting, rooted from the reluctance of bureaucrats to accept remuneration difference, subjectively seen as a form of unjust. Superordinate who assess work load by the mechanism of intra-institutional assessment, in this case, gives not significantly different assessment for his/ her subordinates. The case applies even when the real performances of subordinates are actually significantly different.

Since EKPPD is assessed on entity level, then other chosen variables to compare with are those on entity level as well. This research does not compare EKPPD and other performance measures sector by sector, yet it compares comprehensively to assess cross-sectoral SNGs' performance. HDI is chosen as comparison as it covers three most significant sectors covered in EKPPD. Education sector in HDI is represented by literacy rate and average of schooling years, health sector by life expectancy, while welfare sector by real per capita income. The four measures take the form of outcome, as they are intangible and directly related to residents' life. The use of outcomes makes HDI a representative variable to describe society condition. Besides, the three sectors covered are general sectors which are seen as basic needs of residents in need to be pursued by SNGs to realize decent living standard. HDI has been widely employed across countries, so that it makes possible for

international SNGs' performance comparison.

Education, health, and welfare sector in EKPPD are assessed using some measures as parts of Performance Achievement on the Level of Policy Implementation, belonging to the Minimum Services Standard aspect. TheMinimum Services Standard aspect accounts for 39.90% weight in calculating EKPPD total score, so that the measures representing most of the sectors covered on theMinimum Services Standard aspect are expected to be positively correlated with EKPPD total score. In this context, it is hypothesized that EKPPD total score is positively correlated with HDI. The hypothesis implies that EKPPD scoring framework has been proper so that it can represent general society living quality as approximated by HDI. SNGs having low EKPPD total score are expected to have low HDI as well, while SNGs having high EKPPD total score are expected to have high HDI as well.

H^I : EKPPD total score is positively correlatedwith HDI.

EKPPD score can be disaggregated into sectoral scores if it is intended to observe the relationship between sectoral EKPPD score with general performance measure. EKPPD education sector score and EKPPD health sector score are expectedto be positively correlated with HDI. The hypothesis implies that SNGs having low EKPPD education sector score and EKPPD health sector are expected to have low HDI as well, while SNGs having high EKPPD education sector score and EKPPD health sector are expected to have high HDI as well.

H^{II} : EKPPD education sector score is positively correlated with HDI.

H^{III} : EKPPD health sector score is positively correlated with HDI.

It is reasonable to assume that education, health, and welfare sector are sectors being prioritized by SNGs to be provided properly. Difference of characteristics between urban SNGs and non-urban SNGs can create difference in bureaucratic perspective as well as residents' preference, but not on the context of how bureaucrats and residents define basic needs. Both urban and non-urban residents are expected to demand proper SNGs performance in the three sectors. Besides, the three sectors are those being concerned by Government of Indonesia as well, so that SNGs' performance in those sectors are most likely be tightly supervised. Government of Indonesia hereby wants to equalize the achievement in three sectors across SNGs, thus realizing equal development. Therefore, realization of development in the three sectors (as represented by HDI) is hypothesized to be correlated with SNGs' effort in realizing such development (as represented by EKPPD), in identical manner between urban and non-urban SNGs. It is expected that there's is no difference in the relationship between the two variables, between urban and non-urban SNGs.

H^{IV} : There is no difference of correlation between EKPPD total score and HDI, in the context of both urban and non-urban SNGs.

H^V : There is no difference of correlation between EKPPD education sector score and HDI, in the context of both urban and non-urban SNGs.

H^{VI} : There is no difference of correlation between EKPPD health sector score and HDI, in the context of both urban and non-urban SNGs.

3. RESEARCH METHOD

This research employs quantitative method to answer research problem and test the set of hypotheses. Technically, HDI as dependent variable will be regressed on

EKPPD score as independent variable, as well as a set of other variables as controlling variables. The controlling variables take form of input, output, as well as outcome of regional development in the sectors of education, health, and welfare. Input variables are generally those being related with SNGs' budget as financial input or bureaucratic personnel as human resource input. Output variables are generally related with variants of services (both tangible and intangible outputs) which have been realized through SNG's programs. Outcome variables are generally related with variables directly representing society's living standard. The outcome variables are different with, yet determines the values of outcome variables constituting HDI calculation. Mathematically, Model A of this research is stated as below.

$$HDI_{i,t} = \beta_0 + \beta_1 * EKP_{i,t} + \beta_2 * URB_{i,t} + \beta_3 * EKP_{i,t} * URB_{i,t} + \sum_{n=1}^{k} \beta_n * CTR_{i,t}$$

Where:

$HDI_{i,t}$: HDI of SNG i in year t.
$EKP_{i,t}$: EKPPD total score of SNG i in year t.
$URB_{i,t}$: Urban SNG dummy for SNG i in year t. Value of 0 corresponds to non-urban SNG (regency) while value of 1 to urban SNG (city).
$CTR_{i,t}$: Controlling variables of SNG i in year t.

Controlling variables being employed include:

$SAF_{i,t}$: Specific Allocation Fund revenue of SNG i in year t. (Rupiah)
$GAF_{i,t}$: General Allocation Fund revenue of SNG i in year t. (Rupiah)
$RSH\text{-}NAT_{i,t}$: Revenue Sharing on Naturel Resources revenue of SNG i in year t. (Rupiah)
$EXP\text{-}EDU\text{-}HLT_{i,t}$: Percentage of education and health expenditure of SNG i in year t. (%)
$GRD\text{-}PRM_{i,t}$: Graduation rate on primary level of SNG i in year t.
$GRD\text{-}JNR_{i,t}$: Graduation rate on junior secondary level of SNG i in year t.
$GRD\text{-}SNR_{i,t}$: Graduation rate on senior secondary level of SNG i in year t.
$IMN_{i,t}$: Immunization coverage for children under 5 of SNG i in year t. (%)
$GDP_{i,t}$: Regional Gross Domestic Product, excluding oil & gas sector of SNG i in year t. (Million Rupiah)
$EMP_{i,t}$: Number of employed residents of SNG i in year t.

Model A is used to test hypotheses H^I and H^{IV}, while testing of hypotheses H^{II}, H^{III}, H^V, and H^{VI} employs Model B as follows.

$$HDI_{i,t} = \beta_0 + \beta_1 * EKP - EDU_{i,t} + \beta_2 * EKP - HLT_{i,t} + \beta_3 * URB_{i,t} + \beta_4$$
$$* EKP - EDU_{i,t} * URB_{i,t} + \beta_5 * EKP - HLT_{i,t} * URB_{i,t}$$
$$+ \sum_{n=1}^{k} \beta_n * CTR_{i,t}$$

Where:

$EKP\text{-}EDU_{i,t}$: EKPPD education sector score of SNG i in year t.
$EKP\text{-}HLT_{i,t}$: EKPPD health sector score of SNG i in year t.
Controlling variables employed are similar with controlling variables in Model A.

Population observed in this research comprises of 492 SNGs (regencies and cities) in Indonesia, with the data span between 2009 and 2012. As much as 399 SNGs are regencies while 93 are cities. Due to limited availability of data, regression analysis will use 358 observations. Aside from data availability, the number of observation has been filtered from univariate outliers using the method of mean $\pm$ 3 * standard of deviation. Data sources used include EKPPD database belonging to Financial and Development Supervising

Agency (*BadanPengawasanKeuangandan Pembangunan*/ BPKP), Indonesian Statistics database (*Badan Pusat Statistik*/ BPS), as well asIndonesia Database for Policy and Economic Research/ INDODAPOER belonging to World Bank.

1.4. RESULT AND DISCUSSION

Descriptive statistics for the variables employed on both Model A and Model B regression are provided as follows.**Table 1. Descriptive Statistics**

Table 1. Descriptive Statistics

Variable	Mean	Standard of Deviation	Minimum	Maximum
HDI	71.71	3.73	56.12	79.89
EKP	2.39	0.46	0.87	3.48
EKP-EDU	2.80	0.63	0.60	3.79
EKP-HLT	2.61	0.67	0.49	4.00
URB	0.19	0.39	-	1.00
SAF	46,600,000,000.00	21,100,000,000.00	39,500,000.00	120,000,000,000.00
GAF	402,000,000,000.00	191,000,000,000.00	234,000,000.00	1,140,000,000,000.00
RSH-NAT	46,900,000,000.00	111,000,000,000.00	24,000,000.00	815,000,000,000.00
EXP-EDU-HLT	39.11	15.45	-	100.00
GRD-PRM	97.61	5.04	57.38	106.01
GRD-JNR	93.02	12.08	23.19	121.21
GRD-SNR	93.60	9.69	42.29	127.15
IMN	93.54	6.34	61.97	100.00
GDP	2,773,594.00	3,492,579.00	17,510.00	23,300,000.00
EMP	197,204.40	200,657.40	2,636.00	948,124.00

Based on the descriptive statistics above, it can be seen that HDI of SNGs in Indonesia tends to shows left-skewed-formed distribution. Majority of SNGs have the HDI nearby the average of 70s without so much deviation. However, there is SNG having the HDI of lower than 60. Span of EKPPD total score distribution tends to be wide with left-skewed dispersion. The span and distribution form of EKPPD total score is similar with the span and distribution form of EKPPD education sector score and EKPPD health sector score. Difference lies on that the deviations of EKPPD education

sector score and EKPPD health sector score are relatively wider that EKPPD total score. Similarity of distribution among HDI, EKPPD total score, EKPPD education sector score, and EKPPD health sector score being left-skewed can be a preliminary indication that the positive correlation hypotheses will hold true. To be more precise, regression result for Model A is provided below.

Regression result of Model A shows that EKPPD total score is significantly positively correlated with HDI. It confirms hypothesis H[1]that SNGs having low EKPPD total score has low HDI as well, while SNGs having high

EKPPD total score has high HDI as well. Proofing of this hypothesis shows that EKPPD total score and HDI actually represents the same dimension, which is developmental achievement in the sectors of education, health, and welfare. SNGs' performance as measured by EKPPD will result similar inference with regional assessment through HDI. Therefore, it can be said that EKPPD total score calculation has been formulated properly so that it describes how SNGs' performance can realize the pursued outcome and give direct impact on society's life.

Table 2. Regression Result of Model A

Variable	Coefficient	P > |t|		Hypothesis	Significance
Constant	5.47E+01	0.0001			*
EKP	1.65E+00		0.0130	(+)	*
URB	3.24E+00		0.3520		
EKP * URB	-3.95E-01		0.7680	Insignificant	
SAF	-5.71E-11	0.0001			*
GAF	6.76E-12		0.0090		*
RSH-NAT	2.40E-12		0.1250		
EXP-EDU-HLT	9.84E-03		0.3850		
GRD-PRM	-3.22E-03		0.9530		
GRD-JNR	7.32E-02		0.0250		*
GRD-SNR	-2.11E-02		0.4400		
IMN	8.19E-02		0.0030		*
GDP	1.65E-07		0.0280		*
EMP	-5.54E-06		0.0130		*
Adjusted R^2	0.3432				
Prob> F	0.0000				

*) Significant in the confidence level of 95%.

Moderating variable which interact between EKPPD total score and dummy of urban variable does not significantly correlate with HDI. It confirms hypothesis H[IV] that there is no difference of correlation between EKPPD total score and HDI, both in urban as well as non-urban SNGs. Proofing of this hypothesis shows that society's preference and SNGs' willingness to strive for development in the three basic needs sectors does not differ between both regional characteristics. Therefore, it can be said that EKPPD total score can represent society's general welfare, both in urban as well as in non-urban context.

Beside the observation result on main hypotheses, the correlation between controlling variable and HDI can be observed as well. The variables of GAF revenue, graduation rate on junior secondary level, children immunization coverage, as well as regional GDP excluding oil & gas show significant correlation on the predicted direction, being positive correlation. Meanwhile, the variables of SAF revenue and number of employed residents show significant correlation in reverse to the predicted direction, being negative correlation. The negative correlation between SAF revenue and HDI may indicates decreasing SNGs' attention on education, health, and welfare sector when Government of Indonesia is seen to be already intervening. Such effect of fiscal federalism

needs to be considered in analyzing the effect of authority overlapping on development preference. This negative result is consistent with previous research (Haq, 2010) finding that SAF revenue is negatively correlated to HDI. The negative correlation of number of employed residents to HDI may be rooted from tradeoff between choices of pursuing education or career for immature individuals. Young-aged population entering labor force too early, hereby decreases average of schooling years.

By disaggregating EKPPD total score into EKPPD education sector score and EKPPD health sector score, regression result for Model B is provided below.

Table 3. Regression Result of Model B

Variable	Coefficient	P > |t|	Hypothesis	Significance
Constant	5.42E+01	0.0001		*
EKP-EDU	-1.79E-01	0.8230	(+)	
EKP-HLT	1.34E+00	0.0090	(+)	*
URB	4.02E+00	0.3380		
EKP-EDU * URB	1.12E+00	0.5350	Insignificant	
EKP-HLT * URB	-1.68E+00	0.1620	Insignificant	
SAF	-5.45E-11	0.0001		*
GAF	6.78E-12	0.0120		*
RSH-NAT	2.40E-12	0.1350		
EXP-EDU-HLT	1.17E-02	0.3270		
GRD-PRM	-1.71E-03	0.9760		
GRD-JNR	7.72E-02	0.0250		*
GRD-SNR	-2.71E-02	0.3510		
IMN	9.51E-02	0.0020		*
GDP	1.66E-07	0.0300		*
EMP	-5.51E-06	0.0150		*
Adjusted R^2	0.3487			
Prob> F	0.0000			

*) Significant in the confidence level of 95%.

Regression result of Model A shows that EKPPD health sector score is significantly positively correlated with HDI. It confirms hypothesis H[III] that SNGs having low EKPPD health sector score have low HDI as well, while SNGs having high EKPPD health sector score have high HDI as well. Proofing of this hypothesis shows that EKPPD health sector score and HDI actually represents the same dimension, which is developmental achievement in health sector. Therefore, it can be said that EKPPD health sector score calculation has been formulated properly so that it describes how SNGs' performance can realize the pursued outcome and give direct impact on society's health sector life.

Moderating variable which interacts between EKPPD education sector score and EKPPD health sector score with dummy of urban SNG variable does not significantly correlate to HDI. It confirms hypotheses H[V] dan H[VI] that there is no difference in correlation of EKPPD education sector score and EKPPD health sector score to HDI, both in urban and non-urban SNGs. Proofing of these hypotheses show that society's preference and SNGs' willingness to strive for education sector and health

sector development does not differ between both regional characteristics.

Beside the observation result on main hypotheses, the correlation between controlling variable and HDI can be observed as well. The variables of GAF revenue, graduation rate on junior secondary level, children immunization coverage, as well as regional GDP excluding oil & gas show significant correlation on the predicted direction, being positive correlation. Meanwhile, the variables of SAF revenue and number of employed residents show significant correlation in reverse to the predicted direction, being negative correlation. Explanation on how the negative correlations appear is similar to the explanation provided for Model A.

Different result to the hypothesis is observed on the correlation between EKPPD education sector score on HDI. Even thoughhypothesis H^{II}hypothesizes that EKPPD education sector score significantly positively correlate to HDI, it is eventually found to insignificantly negatively correlate. The absence of proofing for this hypothesis shows that EKPPD education sector score does not represent the same dimension with HDI.EKPPD education sector score calculation may not be formulated properly, so that it does not reflect how SNGs' performance can realize the intended outcome and give direct impact on society's education level.

The calculation of EKPPD education sector score is essentially similar with calculation of EKPPD health sector score. Both of the scores consider the achievement of Minimum Services Standard as represented by outcome variables. Beside the achievement of Minimum Services Standard, Generic Aspect of Policy Implementation is accounted as well in calculating both sectors' EKPPD score. Generic Aspect of Policy Implementation weighs 26.6% on the EKPPD total score. Relatively,

Generic Aspect of Policy Implementation has 40% weight while Minimum Services Standard aspect has 60% weight on the Policy Implementation component score. Since the variables included in the Minimum Services Standard aspect have already been related to outcomes, then it may be suspected that improperness of calculation arises from the variables included in the Generic Aspect of Policy Implementation.Generic Aspect of Policy Implementation is constituted by the components of (1) technical policy of governmental conduct; (2) obedience on regulation; (3) institutional arrangement; (4) personnel management; (5) development planning; (6) financial management; (7) asset management; as well as (8) facilitation of residents' participation. Incompatibility of any of those eight components when implemented in education sector cannot be observed merely from secondary data. It requires primary data collection, for example through questionnaire, interview, FGD, or *in-depth interview*with regulator as well as SNGs who have direct interest with scoring of EKPPD in education sector.

If there is any incompatibility of scoring components to be implemented in education sector, then it needs to be considered that components included in calculation ofGeneric Aspect of Policy Implementation do not have to be precisely the same for every sectors. As an illustration, health sector may use all the eight relevant components, while education sector may use less. Criteria of good components include (1) direct, meaning that the component clearly states what it represents; (2) objective, meaning that component does not have ambiguous meaning; (3) useful for decision making; (4) can be related with stakeholders' action; (5) practical to be obtained, based on time and cost consideration; (6) sufficient to measure the intended result; as well as (7) be specified

into disaggregated unit, as far as possible.(USAID, 2010).Revision on component calculation method should be tested to make sure that performance measurement will represent the real developmental achievement.

5. CONCLUSION

EKPPD total score and EKPPD health sector score are significantly positively correlated to HDI. It shows that EKPPD total score has represented the same matter with HDI, which is the realization of development in education, health, and welfare sector. The similarity is observed specifically for health sector as well, but not for education sector. Since EKPPD education sector score and EKPPD health sector score have actually accounted for outcome of each sector, the calculation step that needs to be re-assessed is on the Generic Aspect of Policy Implementation. In relation to the regional characteristics, there is no difference of correlation between EKPPD total score, EKPPD education sector score, and EKPPD health sector score to HDI, both in urban and non-urban SNGs. EKPPD total score and EKPPD health sector score have been representative in depicting SNGs' performance in urban as well as non-urban context.

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