

## Enhancing Government Performance Reporting through Good Governance Practices: A Case Study of Local Governance

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### ABSTRACT

This study aims to examine the relationship between good governance variables (Transparency, Accountability, Public Participation, and Efficiency and Effectiveness) on the Government Agency Performance Report (LKJIP). Data were obtained from civil servants and analyzed using multiple regression analysis. The results of the analysis show that each independent variable does not have a significant effect on LKJIP implementation partially; however, hypothesis testing shows a significant effect between LKJIP implementation and the independent variables simultaneously; this shows how complex the relationship between good governance variables and LKJIP is. The results provide a new understanding of the components that influence LKJIP implementation and suggest improving performance for the variables of transparency, accountability, public participation, and efficiency and effectiveness in the public policy planning process.

**Keywords :** *Good Governance, Transparency, Accountability, Public Participation, Efficiency*

### INTRODUCTION

In governance, the concept of "good governance" is an important concept that encompasses several key principles necessary to run an effective and accountable government (Khotami, 2017). The concept consists of several principles: transparency, which emphasizes how important it is for information to be provided to the public (Albu & Flyverbom, 2019); accountability, which means that people who hold government policies and institutions should be responsible for their actions (Romzek & Dubnick, 2018); public participation, which suggests that people should be involved in decision-making (King et al., 2015); efficiency, which means that resources should be used effectively; and responsiveness, which means that the government should respond to criticism (Keping, 2018). Good governance creates a strong foundation for sustainable development.

Enhancing government performance reporting through good governance practices is crucial for ensuring transparency, accountability, and public trust in local governance. Good governance principles, such as transparency and accountability, play a significant role in improving government performance reporting ("undefined", 2020). Implementing codes of good governance can enhance the reputation of government agencies by making their efforts and accomplishments more visible to the public (James & Ryzin, 2016). Performance reporting is essential for assessing the efficiency and effectiveness of government programs, allowing stakeholders to evaluate the outcomes achieved with allocated resources (Beshi & Kaur, 2019).

Performance measurement in local government is a well-established practice in various countries, including the USA, the UK, and Australia (Akbar et al., 2012). The Government Performance and Results Act emphasizes the importance of agencies being accountable for performance and results reporting within a performance-budgeting framework (Melkers & Willoughby, 2005). Moreover, the use of performance management systems in local

government can directly improve citizen trust by involving them in the evaluation process (Jurnali & Khalid, 2015).

The Government Agency Performance Report (LKJIP), is an important tool used by government agencies to report to the public on organizational performance. LKJIP contains information about government programs, policies, and actions (Anggraeni et al., 2023). In addition to serving as a tool to measure government performance, this report also helps improve government accountability to the public. Government agencies can build public trust and create a better relationship between the government and the public through open and transparent reporting.

To ensure that local governments carry out their duties properly and responsibly, the concept of good governance must be applied in LKJIP. Good governance in LKJIP includes transparency in the delivery of information, accountability for performance achievement, public participation in the decision-making process, and efficiency and effectiveness of resource management. Transparency in LKJIP ensures that information about government performance is publicly available, so that the public can see and measure government performance objectively. Accountability ensures that policy holders are accountable for their actions and decisions in running government programs.

Previous research has investigated issues related to the implementation of good governance in LKJIP (Rizal et al., 2021). This research has improved our understanding of the relationship between good governance and the quality of LKJIP, as well as how it impacts local government. For example, research shows that public participation in the LKJIP development process is critical to improving transparency and accountability (Purwanti, 2022). To gain a deeper understanding, further research is needed that focuses on specific local government contexts and uses quantitative methods.

Using a quantitative approach, this study aims to investigate how good governance is implemented in LKJIP in local governments. This research aims to gain a better understanding of the importance of good governance in LKJIP. Respondents in this study were state civil apparatus (ASN) involved in the process of preparing and managing LKJIP. Multiple regression analysis was used to identify the relationship between variables related to good management in LKJIP. The results of this study are also expected to provide recommendations for better policies. It is expected that this research will make a significant contribution in the effort to improve governance at the regional level.

## LITERATURE REVIEW

Enhancing government performance reporting through good governance practices is a critical aspect of effective local governance. Several studies provide insights into different dimensions of governance practices and their impact on local government performance. Maksimovska & Stojkov (2019) emphasize the importance of local governments being responsive not only to mandatory responsibilities but also to societal expectations. This highlights the need for governance practices that align with the evolving needs of communities.

Cruz & Marques (2016) stress the significance of structuring composite indicators for assessing the quality of governance in local authorities. They argue that such assessments should inform local priorities effectively, emphasizing the practical application of governance frameworks. Rahmasari & Setiawan (2022) focus on the maturity of internal control systems and the role of internal auditors in enhancing performance accountability in local governments. They suggest that accountability and transparency are crucial for successful decentralization efforts. Arinaitwe et al. (2020) discuss financial accountability mechanisms in local governments, specifically in Uganda, highlighting the importance of aligning budgeting, expenditure, and financial reporting with community preferences for effective governance.

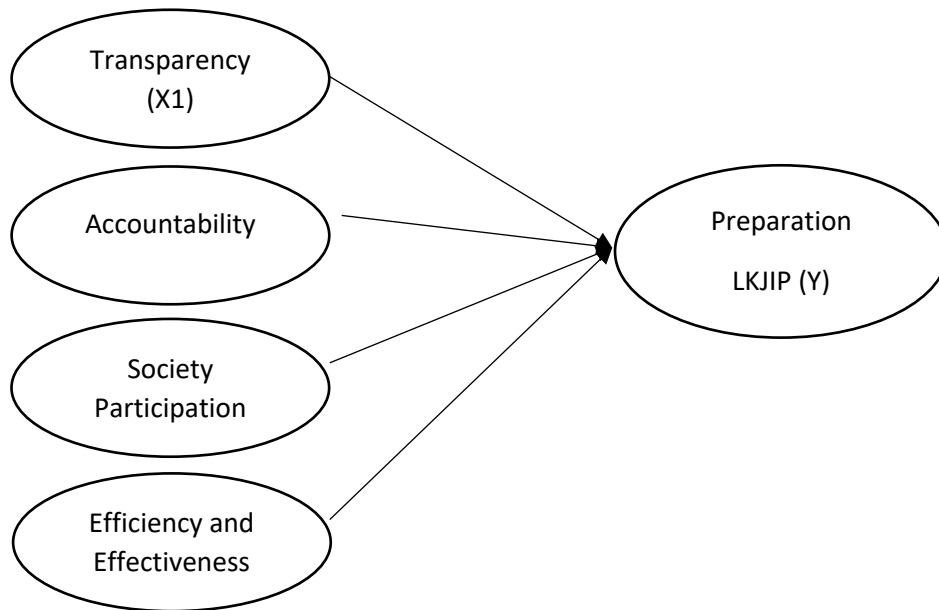
Setiawan et al. (2022) delve into the determinants of local government accountability, indicating that awareness among supervisors and managers regarding accountability significantly influences performance outcomes. Overall, these studies underscore the critical role of good governance practices, accountability, transparency, and responsiveness in enhancing government performance reporting at the local level. By implementing robust governance frameworks and ensuring accountability mechanisms, local governments can better meet the needs and expectations of their communities, ultimately leading to improved performance outcomes.

The Government Agency Performance Report (LKJIP) is an important tool for measuring and reporting the performance of government organizations (Anggraeni et al., 2023). It enables a thorough evaluation of the achievement of public objectives and responsibilities. Previous studies show that important elements of good governance, such as transparency, accountability, public participation, efficiency, and effectiveness (Sofyani et al. 2020), play a role in influencing the preparation and quality of LKJIP. Transparency and accountability enhance integrity and public trust (Brusca et al., 2018), while public participation increases inclusion in the decision-making process (Kim et al., 2018). Efficiency and effectiveness also determine the quality of policy implementation.

One important component in the LKJIP development process is transparency. According to Porumbescu (2017), transparency allows the public to better understand and assess government performance, which can increase public trust in government. In the literature written on LKJIP development, accountability—a concept closely related to transparency—has been a major topic (Mabillard & Zumofen, 2017). According to Balla and Gormley (2017), effective accountability requires clear and quantifiable mechanisms to measure the performance of public organizations. Public participation has also been recognized as an important component in making LKJIP more inclusive and in line with the needs of the community. Nabatchi and Leighninger (2015) states that real public participation involves the public in the decision-making process, including the making and evaluation reports. In addition, effectiveness and efficiency are very important when developing LKJIP. The study by Bryson (2018) emphasizes that measuring and improving the operational effectiveness of government organizations is essential to achieve the goals set. Meanwhile, Ateh et al. (2019) emphasized that ensuring that LKJIP reflects the effective achievement of organizational goals.

In this regard, the purpose of this study is to learn more about the relationship between these variables and the implementation of LKJIP. This research is expected to provide a new understanding of the dynamics and complexities involved in the LKJIP development process. In addition, this research will provide better policy recommendations to improve the quality and relevance of LKJIP for the public and other stakeholders. The research model is presented in Figure 1.

Good Governance (X)



Picture 1. Research Model

## METHOD

This research uses a quantitative approach. This approach was chosen to enable a more comprehensive understanding of the application of good governance in LKJIP in local government. The research population is civil servants in local governments in a particular region. The sample for qualitative data will be selected using purposive sampling method, while the sample for quantitative survey will be selected using random sampling method. Key respondents include government officials, staff involved in LKjIP preparation, and relevant stakeholders.

Quantitative data is analyzed using statistical methods: descriptive analysis and regression analysis. The expected outcome of this research is a deeper understanding of the implementation of Good Governance in the Government Agency Performance Report (LKjIP) in local government, by combining qualitative insights and quantitative data. Through a mixed approach, it is expected to identify factors that influence the implementation of Good Governance, as well as its impact on accountability, transparency, and public participation in the LKjIP preparation process. The results of this study are expected to provide more comprehensive guidance and recommendations for local governments in improving Good Governance practices in LKjIP and supporting improvement efforts and more effective policies.

## RESULT AND DISCUSSION

### 1.1 Hypothesis Testing

This study aims to analyze the relationship between Good Governance variables, which consist of Transparency, Accountability, Public Participation, Efficiency and Effectiveness, on LKJIP Preparation. The data used in this study have met the assumptions required for multiple regression analysis. Multiple regression analysis was performed

using the help of R Studio to test the relationship between variables. The results of hypothesis testing are presented in Table 1.

**Table 1. Hypothesis Testing**

Relationship between variables			Coeff.	P-Value	Conclusion
Transparency	<input type="checkbox"/>	LKJIP Preparation	0.0365	0.8566	Not Significant
Accountability	<input type="checkbox"/>	LKJIP Preparation	0.2796	0.1254	Not Significant
Public Participation	<input type="checkbox"/>	LKJIP Preparation	0.0668	0.7333	Not Significant
Efficiency and Effectiveness	<input type="checkbox"/>	LKJIP Preparation	0.0951	0.6516	Not Significant

Source: Author (2024)

Based on the results of multiple regression data analysis presented in Table 1, there is information on the relationship between variables. However, from the coefficient values and the resulting P-value, there is no significant relationship between the independent variable and the dependent variable. That is, there is no statistical evidence strong enough to support the hypothesis that the independent variable significantly affects the dependent variable in this case.

The following are the results and discussion based on the information provided:

- a) Transparency: The coefficient of 0.0365 with a p-value of 0.8566 indicates that there is no significant relationship between the level of transparency and the preparation of LKJIP. In this context, there is not enough evidence to conclude that the level of transparency significantly influences the preparation of LKJIP.
- b) Accountability: The coefficient of 0.2796 with a p-value of 0.1254 indicates that there is no significant relationship between accountability and LKJIP preparation. Although the coefficient indicates a positive influence, the p-value is greater than alpha (0.05) indicating that this relationship is not statistically significant.
- c) Public Participation: The coefficient of 0.0668 with a p-value of 0.7333 indicates that there is no significant relationship between public participation and LKJIP preparation. This indicates that the level of public participation has no significant influence on the preparation of LKJIP.
- d) Efficiency and Effectiveness: The coefficient of 0.0951 with a p-value of 0.6516 indicates that there is no significant relationship between efficiency and effectiveness and the preparation of LKJIP. Although the positive coefficient indicates an influence, the high p-value indicates an insignificant relationship.

Furthermore, simultaneous hypothesis testing is also carried out using the F test, the results of hypothesis testing show that there is a significant influence together between the independent variables (Transparency, Accountability, Public Participation, and Efficiency and Effectiveness) on the LKJIP Preparation variable, with a p-value of 0.0426. This shows that overall, the variables tested in this multiple regression model have a significant influence on LKJIP preparation. However, this result is different from the previous findings that showed partial insignificance between the independent variables and the dependent variable. The possibility of a joint influence between variables that is a contributing factor to the changes in this result needs to be considered for a deeper understanding of the factors that influence the preparation of LKJIP.

This conclusion provides new insights in understanding the relationship between the variables studied in the context of LKJIP preparation. Although partially, the independent variables do not show a significant influence, simultaneously, the variables have a fairly strong



influence. This illustrates the complexity of interactions between variables in influencing the preparation of LKJIP, and highlights the importance of considering influences holistically in public policy analysis.

## DISCUSSION

The results of the analysis show that partially, the level of transparency has no significant effect on LKJIP implementation ( $p = 0.8566$ ). However, the results of simultaneous hypothesis testing show that together, the transparency variable along with other variables has a significant influence on LKJIP implementation ( $p = 0.0426$ ). The analysis results there is no statistically significant impact of transparency on LKJIP implementation, as indicated by a  $p$ -value of 0.8566. The absence of significance indicates that the variable of transparency, when examined independently, does not have a noticeable effect on the execution of LKJIP. In this context, 'not significant' means that the relationship between transparency and LKJIP implementation, when analyzed separately, does not meet the necessary criteria to establish a significant association, as defined by the specified level of significance (0.05). Upon analyzing the results of simultaneous hypothesis testing, it is clear that while transparency may not have a significant impact on LKJIP implementation on its own, when combined with other variables, it does contribute significantly to influencing LKJIP implementation ( $p = 0.0426$ ). This implies that transparency alone may not lead to significant changes in LKJIP implementation. However, its significance becomes more evident when paired with other key factors, highlighting the necessity of examining the relationships between variables in policy analysis.

The second hypothesis shows that accountability has no significant effect partially on LKJIP implementation ( $p = 0.1254$ ). However, the results of simultaneous hypothesis testing showed a joint influence between accountability and other variables on LKJIP implementation ( $p = 0.0426$ ). This suggests that, although not individually significant, accountability can play an important role when considered together with other variables in influencing LKJIP implementation. This implies that while accountability may not have a big impact on its own, it can nevertheless have a crucial influence on the implementation of LKJIP when combined with other variables. Therefore, although accountability on its own may not lead to substantial changes in LKJIP implementation, its combined effect with other key factors highlights the importance of studying the interactions between variables in policy analysis.

The results of the analysis on the third hypothesis test show that public participation has no significant effect partially on LKJIP implementation ( $p = 0.7333$ ). However, the results of the simultaneous hypothesis test show that there is a joint influence between public participation and other variables on LKJIP implementation ( $p = 0.0426$ ). This suggests that, although individually insignificant, public participation can have a significant impact when considered in the context of other variables in influencing LKJIP implementation. This discrepancy could relate to previous research findings that may support or refute the relationship between public participation and LKJIP implementation, and the discrepancy may be due to variations in methodology or research context.

Hypothesis 4 shows that efficiency and effectiveness have no significant effect partially on LKJIP implementation ( $p = 0.6516$ ). However, the results of simultaneous hypothesis testing showed a joint influence between efficiency and effectiveness with other variables on LKJIP implementation ( $p = 0.0426$ ). This suggests that, although individually insignificant, efficiency and effectiveness can have a significant impact when considered together with other variables in influencing LKJIP implementation. This discrepancy could relate to previous research findings that may support or reject the relationship between efficiency and effectiveness with LKJIP implementation, and the discrepancy could be due to variations in methodology or research context.

Finally, the results of the analysis show an interesting finding regarding the simultaneous influence of the independent variables (Transparency, Accountability, Public Participation, and Efficiency and Effectiveness) on the LKJIP Preparation. The results of simultaneous hypothesis testing show that together, these variables have a significant influence on LKJIP implementation ( $p = 0.0426$ ). This indicates that in the context of this analysis, when all independent variables are considered together, they collectively influence LKJIP implementation. It should be noted that this finding is in contrast to the previous partial results of the analysis, where the independent variables individually showed no significant influence on LKJIP implementation. Thus, the results of this simultaneous test make a valuable contribution to the development of theory and practice related to the preparation and implementation of sustainable public policies.

## CONCLUSION

The results show that simultaneously, the independent variables consisting of Transparency, Accountability, Public Participation, and Efficiency and Effectiveness have a significant influence on the preparation. Although individually these variables do not show a significant influence, when considered together, all variables make a meaningful contribution in influencing LKJIP implementation. These findings provide new insights in understanding the complexity of factors involved in the public policy preparation process, highlighting the importance of considering simultaneous relationships between variables in public policy analysis.

With the results showing the simultaneous influence of independent variables on LKJIP implementation, it is recommended that stakeholders and policy makers pay attention to and strengthen aspects of transparency, accountability, public participation, and efficiency and effectiveness in the public policy preparation process. Concrete steps can include increasing transparency in policy making, strengthening the accountability of government agencies, encouraging broader and more meaningful public participation, and improving efficiency and effectiveness in the use of available resources. In addition, it is also recommended to continue further research to explore other factors that may affect LKJIP implementation, as well as identify more effective strategies in improving the overall quality of public policy preparation.

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