

ABSTRACT

Ilvi Nur Diana, The Impact of Clear and Measurable Goals, Decentralization, Performance Measurement Indicators, and Incentives on Performance of Public Organizations (Empirical Study of Local Government in the Region of Madura). Under the guidance of Mohamad Djasuli, SE., MSi., QIA and Muhammad Syam Kusufi, SE., MSc.

This study aims to provide empirical evidence of the impact of clear and measurable goals, decentralization, performance measurement indicators and incentives on the performance of public organizations. This research was conducted in Madura region. This study refers to Primastiwi and Basuki (2012) research in Yogyakarta and Verbeeten (2008) in the Netherlands. The sample in this study is the OPD officials who have the authority to make decisions. Research sample Head of OPD and Secretary of OPD located in four districts in Madura region. The number of respondents in this study was 74 respondents. The number of these respondents has met the criteria for using SmartPLS analysis.

The conclusion in this research is clear and measurable purpose has positive effect to quantity of performance but not positively influence with performance quality. The results of this study support the results of research conducted by Primastiwi and Basuki (2012). Furthermore, Decentralization has no positive effect on the quantity of performance but positively affects the quality of performance. The results of this study do not support the results of research conducted by Primastiwi. The results of this study consistent with the explanation Hood (1991) suggest the characteristics of New Public Management are the split of units in public organizations. New Public Management demands that the decentralization system be implemented to be more efficient and to trim the bureaucracy of public organizations. Performance measurement indicator does not have a positive effect on the quantity of performance but has a positive effect on the quality of performance. Incentives positively affect the quantity of performance and also positively affect the quality of performance. The results of this study consistent with Agency theory states that individuals tend to neglect the task to be done, unless the task has feedback that can meet the self-satisfaction of individuals, especially contributing in economic conditions (Bonner and Sprinkle, 2002). With incentives can control and motivate the performance of each individual. According to Halim and Kusufi (2014: 163)

Keywords: Clear and measurable goals, decentralization, performance measurement indicators, incentives and performance.