

Institutional Misalignment and Strategies for Optimizing Public Procurement Governance: Evidence from the Indonesian Ministry of Finance

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Abstract: *This study examines public procurement governance at the Indonesian Ministry of Finance and develops an integrated strategy for its optimization. Employing a qualitative case study design, data were collected through interviews, Focus Group Discussions (FGDs), observations, and document analysis involving 19 informants. Data were analyzed through coding, thematic identification, cross-source comparison, causal relationship mapping, and source and technique triangulation. The findings show that the Public Procurement Governance Index (Indeks Tata Kelola Pengadaan, ITKP) increased from 77.93 in 2021 to 92.03 in 2024, with an internal score of 91.38 in 2025. However, these formal achievements have not been fully translated into substantive procurement performance. Persistent challenges include fragmented data, incomplete system-based processes, uneven human resource capacity, weak cross-unit coordination, and inconsistencies in compliance and control. The study identifies institutional misalignment as the central mechanism explaining the gap between high formal governance scores and persistent operational frictions in procurement implementation. This finding constitutes the study's principal novelty by demonstrating that procurement governance performance cannot be adequately assessed through formal compliance and index achievement alone, but must also account for the alignment among institutional arrangements, human resources, digital systems, data, and procurement processes. Drawing on the MAPS framework, the study proposes an integrated governance strategy that emphasizes interoperability, organizational and human resource alignment, preventive risk management, process integrity, and performance monitoring. The study concludes that sustainable improvement in public procurement governance requires stronger alignment between formal institutional capacity and substantive implementation, thereby shifting the focus from compliance-oriented performance toward integrated, outcome-oriented governance.*

Keywords: Good Governance; Public Procurement; MAPS; Institutional Misalignment, Procurement Governance; E-Procurement

JEL: H57; H83

1. INTRODUCTION

Public procurement is a key mechanism through which governments convert public expenditure into goods, works, and services required for public administration and service delivery. It therefore extends beyond administrative compliance and functions as a strategic policy instrument for improving expenditure efficiency, service quality, innovation, sustainability, and public value creation. Recent scholarship has increasingly emphasized that procurement performance depends on the extent to which procurement functions are aligned with organizational objectives, institutional capabilities, and broader public-sector priorities (Malacina et al., 2022).

This strategic role also makes procurement highly dependent on governance quality. Public procurement operates through interactions among multiple actors, discretionary decisions, asymmetric information, contractual relationships, and increasingly complex digital infrastructures. Digitalization can improve transparency and reduce opportunities for misconduct. For example, Puspita and Gultom (2024) show that e-procurement policies are associated with lower procurement-related corruption in Indonesian provinces with relatively high procurement or capital expenditure. However, digital systems alone do not produce effective governance. Procurement outcomes continue to depend on the quality of institutional practices, organizational capacity, and the alignment of governance arrangements with their operational context (Bosio et al., 2020; Patrucco et al., 2021a).

In Indonesia, procurement governance is monitored through the Public Procurement Governance Index (Indeks Tata Kelola Pengadaan, ITKP), while the Methodology for Assessing Procurement Systems (MAPS) provides a broader diagnostic framework covering regulatory arrangements, institutional capacity, procurement operations, market practices, accountability, integrity, and

transparency. This study treats ITKP as an operational indicator of formal governance performance rather than as a comprehensive measure of substantive governance quality. MAPS is subsequently used as a diagnostic lens to examine the institutional conditions underlying observed procurement performance.

1.1. Empirical problem

The Indonesian Ministry of Finance provides an analytically important case because strong formal governance performance coexists with persistent operational frictions. Its ITKP score increased from 77.93 in 2021 to 92.03 in 2024 and remained high at 91.38 in 2025. However, the high index scores have not been consistently translated into uniform procurement practices across work units. Empirical evidence indicates continuing problems involving fragmented data, incomplete use of procurement systems, uneven human resource capacity, weak cross-unit coordination, and recurring corrective interventions.

In this study, **optimal procurement governance** is operationally defined as the ability of the procurement system to ensure consistent implementation across organizational units, completeness and traceability of procurement processes, integrity and interoperability of procurement data, clear accountability, and effective preventive risk management. Conversely, procurement governance is considered suboptimal when formal requirements are fulfilled but substantive implementation remains fragmented, resulting in incomplete process records, inconsistent data, uneven accountability, reactive controls, or recurring coordination failures. Accordingly, a high governance index does not necessarily indicate optimal governance when institutional capacity is not translated into coherent operational practices.

1.2. Literature gap

Existing research provides important insights into individual determinants of procurement performance. Studies have examined digitalization and institutional quality, procurement capabilities, human capital, organizational design, collaboration, and strategic procurement arrangements. Santos and Cabral (2021a), for example, emphasize the importance of organizational capabilities and collaboration in complex procurement settings, while Dimand et al. (2023) demonstrate the relationship between human capital and the innovative capacity of procurement professionals. Selviaridis et al. (2023) further show that strategic procurement depends on appropriate interorganizational structures, capability development, and performance measurement.

What is less well understood is how these institutional dimensions interact to produce a divergence between formal governance performance and substantive procurement practices within the same organization. Previous studies have largely examined capabilities, digitalization, organizational structures, or regulatory arrangements as separate determinants. Consequently, there remains limited explanation of the institutional mechanisms through which a government organization may simultaneously demonstrate high formal governance performance while experiencing persistent problems in data, systems, human resources, coordination, accountability, and control.

The Ministry of Finance is therefore theoretically relevant not simply because it represents a large government organization, but because it constitutes a **critical case of apparent governance success accompanied by implementation inconsistency**. This combination provides an opportunity to investigate why formal institutional maturity does not automatically produce substantive governance coherence.

1.3. Research questions

Against this background, the study addresses the following research questions:

1. What institutional mechanisms explain the gap between formal ITKP performance and substantive procurement practices at the Indonesian Ministry of Finance?
2. What integrated governance strategies can address these institutional mechanisms and optimize public procurement governance at the Ministry of Finance?

These questions shift the analytical focus from identifying isolated implementation problems to explaining the institutional mechanisms that connect formal governance structures with procurement practices.

1.4. Novelty and contribution

The principal novelty of this study lies in identifying institutional misalignment as the mechanism linking high formal governance performance with persistent operational inconsistencies. Rather than interpreting gaps in data, systems, human resources, coordination, and control as independent deficiencies, the study conceptualizes them as interconnected manifestations of insufficient alignment among institutional arrangements, organizational responsibilities, human resource capacity, digital systems, and procurement processes.

The study makes three contributions. First, conceptually, it distinguishes formal governance performance from substantive governance performance, demonstrating that strong index-based performance may coexist with implementation frictions. Second, analytically, it integrates Good Governance, ITKP, and MAPS into a sequential framework in which ITKP identifies where governance problems appear, MAPS explains why they occur, and the institutional diagnosis informs what improvement strategies are required. Third, from a policy perspective, the study moves beyond compliance-oriented improvement by proposing an integrated governance approach aimed at institutional alignment, process integrity, interoperability, preventive control, and outcome-oriented performance.

2. LITERATURE REVIEW

2.1 Good Governance in Public Procurement

Good Governance provides the normative foundation for evaluating the quality of public procurement governance. In this study, governance is not reduced to formal compliance with administrative procedures. Rather, it refers to the institutional capacity to translate rules, authority, resources, and information into procurement processes and outcomes that are transparent, accountable, efficient, effective, and consistent with the rule of law. This distinction is important because procedural compliance may coexist with weak traceability, fragmented accountability, inefficient processes, or procurement outcomes that do not adequately respond to organizational needs.

Public procurement governance is inherently systemic because procurement outcomes emerge from interactions among regulatory arrangements, organizational structures, professional capacity, information systems, operational practices, and accountability mechanisms. Studies on procurement governance indicate that institutional quality cannot be inferred merely from the existence of formal rules. What matters is whether those rules are consistently implemented and supported by appropriate organizational and managerial capacities (Bosio et al., 2022). Similarly, the alignment of regulation, institutions, human resources, and information systems has been identified as an important condition for effective procurement governance (Sutawijaya et al., 2026).

Accordingly, five Good Governance principles are used as normative reference points in this study: transparency, accountability, efficiency, effectiveness, and the rule of law. Transparency concerns the accessibility, completeness, timeliness, and traceability of procurement information. Accountability refers to clarity of authority, documented decision making, monitoring, audit trails, and corrective follow up. Efficiency concerns the proportional use of time, resources, and administrative effort, whereas effectiveness refers to the ability of procurement to meet substantive needs and generate intended results. The rule of law concerns regulatory consistency, fairness, compliance, conflict of interest management, and enforceability. These dimensions correspond to the conceptualization developed in the thesis, in which formal compliance is treated as necessary but insufficient for substantive governance.

Table 1. Conceptual and Empirical Operationalization

Concept	Dimension	Operational Meaning	Empirical Indicator
Good Governance	Transparency	Availability, completeness, timeliness, and traceability of procurement information	Procurement records, electronic systems, audit trails, observations, interviews

	Accountability	Clear authority, responsibility, documentation, monitoring, and follow up	Role distribution, decision records, monitoring reports, internal audit, interviews
	Efficiency	Proportional use of time, resources, and administrative effort	Processing time, repetitive manual work, system integration, transaction burden
	Effectiveness	Ability of procurement to meet organizational needs and intended outcomes	Timeliness, quality of outputs, contract performance, user needs
	Rule of law	Consistent and fair application of procurement rules	Compliance evidence, regulatory interpretation, conflict of interest, control practices
ITKP	Procurement system utilization	Extent to which procurement processes are recorded and completed through designated electronic systems	SiRUP, electronic tendering, electronic purchasing, non tender transactions, electronic contracts
	Qualification and competence of procurement personnel	Availability and professional capacity of procurement personnel	Functional procurement positions, competence, certification, workload, deployment
	UKPBJ maturity	Organizational capacity of the procurement function	Institutional arrangements, human resources, processes, risk management, performance management, information systems
MAPS based diagnosis	Legal and regulatory framework	Consistency between formal rules, internal policies, and operational implementation	National regulation, internal policy, interviews, implementation evidence
	Institutional framework and management capacity	Alignment of authority, organization, human resources, data, systems, and coordination	Organizational documents, workload data, interviews, IT systems, monitoring records
	Procurement operations and market practices	Quality of planning, selection, contracting, competition, and contract management	Procurement cases, supplier evidence, contract records, interviews
	Accountability, integrity, and transparency	Preventive and corrective control, risk management, ethics, and traceability	Audit records, risk registers, monitoring, complaints, FGD, interviews
Institutional misalignment	Alignment among institutional components	Degree to which rules, authority, human resources, data, digital systems, processes, and controls operate coherently	Cross source patterns showing recurring inconsistencies between formal capacity and actual practice

Governance optimization	Integrated institutional response	Corrective strategies directed at identified root causes rather than isolated symptoms	Triangulated findings, FGD validation, strategic actions, responsible actors, implementation indicators
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Source: Synthesized from interviews with P1–P19, FGDs, observations, documents, NVivo analysis, and the literature; processed by the researcher (2026).

The table establishes an explicit link between normative concepts and empirical evidence. It also prevents Good Governance from functioning merely as a general theoretical label. Instead, the principles become interpretive criteria for assessing whether formal procurement capacity is substantively realized in practice.

2.2 Public Procurement Governance Index (ITKP)

The Public Procurement Governance Index (ITKP) is used as an instrument for identifying areas that indicate potential problems in procurement governance. In this study, ITKP is examined through three main dimensions: utilization of procurement systems, qualifications and competencies of public procurement human resources (HR), and the maturity of the Procurement Service Unit (UKPBJ). The index score is not positioned as a single measure of governance quality but as a starting point for determining areas requiring further diagnosis. This approach is consistent with the view that procurement performance is the result of interactions among various organizational capacities. (Patrucco et al., 2021b) demonstrate that standardization and digitalization can improve procurement performance, but their benefits depend on organizational arrangements and implementation. Accordingly, index performance needs to be interpreted together with institutional conditions, HR capacity, system utilization, and coordination mechanisms supporting procurement implementation.

The index consists of three major components: procurement system utilization, qualification and competence of procurement personnel, and the maturity of the Procurement Service Unit, or UKPBJ. Since 2021, the broad weighting structure has allocated 30 percent to procurement system utilization, 30 percent to procurement personnel, and 40 percent to UKPBJ maturity. The thesis similarly positions these three components as representations of the technological, human, and organizational dimensions of procurement governance.

However, longitudinal interpretation requires greater methodological caution. Although the three major components and their aggregate weights remained broadly stable, the composition of the procurement system utilization component changed during 2021 to 2025. In 2021, SiRUP accounted for 10 percent and electronic tendering for 20 percent. From 2022, electronic tendering was reduced to 5 percent and additional indicators for electronic purchasing, non-electronic tendering and non electronic purchasing transactions, and electronic contracts were introduced. From 2023, electronic purchasing was divided between the electronic catalogue and Toko Daring.

2.3 Methodology for Assessing Procurement Systems (MAPS)

The Methodology for Assessing Procurement Systems (MAPS) is used as an analytical framework for diagnosing factors affecting procurement system performance. MAPS covers four main dimensions: the legal and regulatory framework; the institutional framework and management capacity; procurement operations and market practices; and accountability, integrity, and transparency.

In this study, MAPS is not used to conduct an official MAPS assessment but is adapted as an analytical framework for examining the relationship between indications identified through ITKP and their underlying institutional factors. This approach enables the study to move beyond identifying index performance and analyze why certain aspects have not functioned optimally and how institutional conditions contribute to these problems.

For greater methodological clarity, the adaptation should be described at the entity level. This is particularly appropriate because the case is a single ministry rather than the Indonesian procurement system as a whole. The MAPS Entity Level Assessment framework is specifically designed to examine procurement arrangements and performance within individual public organizations and contains 31 entity level sub indicators organized under the same four pillars.

Not all MAPS indicators are required for the analytical purpose of this study. The selection is

theoretically purposive rather than comprehensive. Indicators were retained when they directly informed the research questions concerning the gap between formal ITKP performance and procurement practices. Indicators focused primarily on national regulatory functions, civil society participation, formal appeals, sustainable procurement policy, or sector strategy were not treated as primary diagnostic categories where the empirical dataset did not provide sufficient evidence.

Table 2. Adaptation of MAPS Indicators

	Indicator	Diagnostic Purpose in this study	Exclusion
MAPS based diagnosis	Legal and regulatory framework	Consistency between formal rules, internal policies, and operational implementation	National regulation, internal policy, interviews, implementation evidence
	Institutional framework and management capacity	Alignment of authority, organization, human resources, data, systems, and coordination	Organizational documents, workload data, interviews, IT systems, monitoring records
	Procurement operations and market practices	Quality of planning, selection, contracting, competition, and contract management	Procurement cases, supplier evidence, contract records, interviews
	Accountability, integrity, and transparency	Preventive and corrective control, risk management, ethics, and traceability	Audit records, risk registers, monitoring, complaints, FGD, interviews

Source: Interviews, FGDs, observations, and documentation; the pillar structure refers to the MAPS framework; processed by the researcher (2026).

The official entity level framework confirms that procurement data systems, professional staff, performance monitoring, procurement planning, contract management, audit, and anticorruption arrangements are legitimate entity level objects of diagnosis.

This selective adaptation strengthens methodological validity because it prevents the study from claiming to perform a complete MAPS assessment while still drawing systematically on MAPS diagnostic logic. It is also consistent with the empirical operationalization in the thesis, which examines regulation, organizational structure, authority, human resources, coordination, data, information systems, procurement operations, contract management, control, risk, and integrity.

Analytically, MAPS extends the interpretation of ITKP by shifting the question from whether an indicator was achieved to why particular patterns of achievement or underperformance occurred. For example, incomplete electronic contract recording may not simply indicate insufficient system use. It may reflect fragmented process ownership, inconsistent data definitions, uneven user capacity, weak interoperability, or limited monitoring. Similarly, human resource gaps may arise not only from insufficient training but also from workforce distribution, workload, organizational authority, and professionalization arrangements. This diagnostic orientation enables the study to identify relationships among problems rather than treating them as independent deficiencies. The thesis explicitly uses this logic to move from isolated constraints toward patterns of institutional misalignment.

2.4 Previous Research and Research Position

Existing procurement research demonstrates that governance outcomes are shaped by multiple institutional and organizational mechanisms. Studies of electronic procurement show that digitalization may improve transparency and reduce corruption risks, but its effects depend on institutional arrangements and implementation capacity. Research on procurement governance further highlights the importance of organizational capabilities, human resources, internal control, data systems, institutional quality, and market conditions.

However, three limitations remain evident in the literature. First, many studies examine individual

dimensions such as digitalization, corruption, transparency, or human resource capacity rather than the interaction among these dimensions. Second, large sample and national level studies are useful for identifying associations but provide limited explanation of how governance mechanisms operate within a single organization. Third, MAPS based studies diagnose procurement systems comprehensively, but most applications operate at national or system level rather than examining the coexistence of high formal governance performance and persistent operational frictions inside a mature public institution.

Research on public procurement demonstrates that procurement governance is a multidimensional phenomenon. (Bryson and George, 2018) finds strategic planning for public and nonprofit organizations should not focus solely on enhancing internal organizational capacity. This sector operates in a complex environment where success heavily depends on legal mandates, public value, and relationships with various external stakeholders. Bosio et al. (2022) highlight the importance of institutional quality and the implementation of rules in shaping procurement performance. Patrucco et al. (2021) find that centralization, standardization, and digitalization are associated with procurement performance, while (Santos & Cabral, 2021b) emphasize the importance of procurement capabilities in supporting collaboration and organizational performance. Furthermore, Patrucco et al. (2024) demonstrate that strategic procurement requires an approach that is not solely transaction-oriented but also focused on value creation through organizational capacity and public services. The study closest to the conceptual direction of this thesis is (Sutawijaya et al., 2026) . Their findings demonstrate the importance of alignment among regulations, institutions, human resources, and information systems in Good Procurement Governance. However, the study has not yet interpretively explored the mechanisms of misalignment among these elements.

Based on this literature, adequate regulations do not automatically produce optimal procurement governance. Digitalization also requires user capacity, data quality, and organizational readiness, while procurement performance is influenced by organizational capabilities and coordination among actors. (Patrucco et al., 2024) The position of this study lies in integrating Good Governance, ITKP, and MAPS in a case study of the Ministry of Finance. This integration is used to analyze ITKP performance during 2021–2025, identify the institutional factors underlying such performance, and formulate public procurement governance optimization strategies based on the experiences of 19 informants.

Table 3. Literature Synthesis and Position of the Current Study

Author	Context	Method	Main finding	Limitation relevant to this study	Position of current study
Nogués Comas & Mendes dos Santos (2021)	Public procurement regulation and practice	Comparison of <i>de jure</i> and <i>de facto</i> conditions	Procurement assessment should distinguish formal rules from actual implementation	Does not examine institutional misalignment within one Indonesian ministry	Extends the formal versus substantive distinction to ITKP and organizational practice
Puspita & Gultom (2024)	Electronic procurement and corruption across 34 Indonesian provinces	Quantitative comparative analysis	Electronic procurement is associated with reduced corruption under particular conditions	Limited explanation of entity level institutional mechanisms	Examines how digital systems interact with organizational capacity, data, authority, and control
Firmansyah et al. (2024)	Transformation of Indonesia's public procurement system	Online content analysis and organizational change	Transformation requires digitalization, human resource	National level focus	Examines these interactions within a bounded

		interpretation	capacity, regulatory change, and holistic evaluation		ministerial case
Khorana et al. (2024)	Public procurement transparency	Quantitative index based analysis	Information technology and institutional quality jointly affect procurement transparency	Concentrates primarily on transparency	Uses multiple Good Governance dimensions and institutional diagnosis
Suardi et al. (2024)	Procurement governance and corruption in 744 Indonesian institutions	Mixed methods and PLS SEM	Integrity, capacity, competition, fairness, and control contribute to corruption reduction	Focuses on relationships among constructs rather than mechanisms within one organization	Investigates how governance components interact and become misaligned in practice
MAPS Secretariat (2024)	Indonesian national procurement system	MAPS system assessment	Digital progress coexists with challenges in regulation, monitoring, competition, value for money, data, capacity, transparency, and integrity	Unit of assessment is the national procurement system	Adapts MAPS diagnostic logic to the Ministry of Finance as an organizational case
Lianferdinand & Yudha (2025)	Electronic monitoring of ITKP at BPKP	Electronic monitoring system development	Monitoring dashboards support transparency, accountability, and ITKP tracking	Focused primarily on monitoring and index achievement	Moves beyond monitoring to explanation of institutional mechanisms underlying performance

Source: synthesized from the previous research reviewed in the thesis.

The synthesis shows that what is already known is that procurement governance depends on technology, institutional quality, human resource capacity, organizational structure, integrity, control, and market conditions. What remains insufficiently explained is how these elements interact when formal governance maturity is already relatively high. Existing research provides evidence that institutional fit matters, but offers limited interpretive explanation of the mechanism through which formally established capabilities fail to operate coherently in everyday procurement.

The current study addresses this gap by conceptualizing institutional misalignment as an explanatory mechanism. Institutional misalignment refers to a condition in which regulatory arrangements, organizational responsibilities, professional capacity, digital systems, data, procurement processes, and control mechanisms exist formally but do not operate as a sufficiently integrated institutional configuration. This perspective therefore moves beyond asking whether governance

elements are present to examining whether they are mutually aligned.

This constitutes the central research position of the study. Good Governance establishes the normative standard of substantive performance. ITKP identifies where observable governance gaps or strengths occur. MAPS provides a structured diagnosis of the institutional mechanisms producing those conditions. Cross source qualitative analysis subsequently determines whether these mechanisms converge into a broader pattern of institutional misalignment and provides the basis for developing governance optimization strategies.

2.5 Analytical Framework

The analytical framework is structured as a sequential but iterative chain. ITKP provides the initial empirical signal, MAPS deepens the diagnosis, and Good Governance provides the normative reference for evaluating the meaning of the identified gaps. Qualitative evidence from interviews, FGD, observations, and documents is used throughout the process rather than being positioned only at the final stage. This is consistent with the thesis, which explicitly states that qualitative evidence may confirm, extend, or challenge the initial interpretation derived from ITKP.

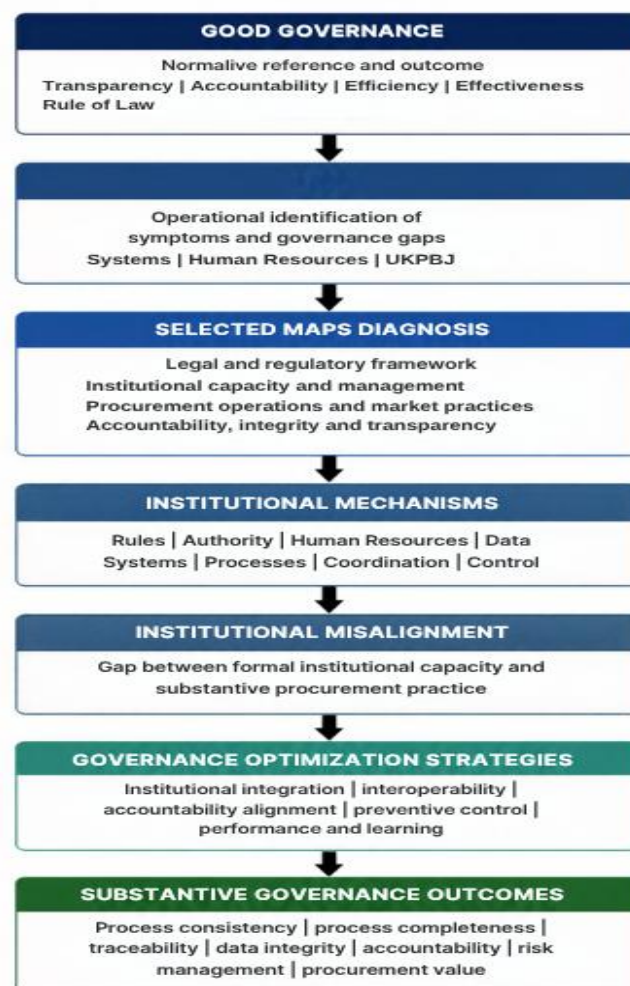


Figure 1. Analytical Framework
Source: processed by the researcher (2026).

3. METHOD

This study employed a qualitative embedded case study design to examine public procurement governance within the Indonesian Ministry of Finance. The Ministry was selected as a bounded institutional case because it combines relatively mature procurement regulations, organizational structures, digital systems, and formal governance performance with persistent variation in

implementation across organizational units. The unit of analysis was the institutional mechanisms shaping procurement governance, particularly the interaction among regulations, authority, human resources, data, digital systems, procurement processes, coordination, and control. UKPBJ, echelon I units, procurement practitioners, internal auditors, LKPP, and suppliers were treated as embedded units providing different perspectives on the same institutional case.

The study adopted an interpretive constructivist orientation. Governance performance was therefore not treated as an objective condition represented solely by an index score, but as an institutional reality constructed through formal rules, organizational practices, actors' experiences, and documentary evidence. ITKP was used as an operational indicator, while MAPS provided a diagnostic framework rather than an official assessment instrument.

3.1. Informant Selection

Informants were selected through purposive criterion-based sampling based on direct involvement, institutional knowledge, decision-making authority, procurement experience, or capacity to provide information on governance problems and potential improvements. Nineteen informants were included to ensure variation across strategic, operational, oversight, regulatory, and market perspectives. The sample was not intended to achieve statistical representation. Data adequacy was assessed through the depth of information, variation of institutional roles, recurrence of interpretive patterns, and examination of divergent cases rather than through a mechanically predetermined saturation threshold. This approach is consistent with the thesis, which explicitly bases sufficiency on informational depth, role diversity, repetition of meaning, and the ability to explain deviant cases.

The study involved 19 informants selected purposively to capture diverse institutional perspectives on procurement governance. They comprised three UKPBJ leaders and managers (P1–P3), six functional procurement officers (P4–P9), five representatives from echelon I units with vertical offices (P10–P14), two representatives from newly established echelon I units (P15–P16), one internal auditor (P17), one LKPP representative (P18), and one supplier (P19). All informants participated in semi-structured in-depth interviews and were selected based on their strategic, operational, oversight, regulatory, institutional adaptation, or market-related experience relevant to the implementation of public procurement governance.

3.2. Data Collection Techniques

Data collection was conducted iteratively from April to August 2026 through semi-structured in-depth interviews, observation, documentary analysis, and an FGD. Interview guides were informed by Good Governance, ITKP, and MAPS, while open-ended questions and probing allowed participants to elaborate on concrete events, decisions, institutional constraints, and alternative explanations. The interview questions were adjusted to each participant's institutional role rather than assuming homogeneous knowledge across informants.

Observation was primarily non-participant and focused on coordination processes, procurement system use, ITKP monitoring, document flows, organizational assistance, and responses to operational problems. Field notes distinguished descriptive observations, analytical comments, and researcher reflections. Documentary analysis covered procurement regulations, internal policies, SOPs, ITKP records, system reports, organizational and HR documents, monitoring reports, meeting records, and oversight documents.

The FGD was conducted online via Microsoft Teams on 15 June 2026 after preliminary themes had emerged. It involved perspectives from LKPP, internal oversight, procurement practitioners, and another ministry with strong ITKP performance. A pre-FGD questionnaire was also used to broaden the range of views. The FGD was used not to force consensus but to challenge preliminary interpretations, identify competing explanations, and assess the feasibility of proposed governance strategies.

3.3. Data Analysis Techniques

Data analysis followed an iterative process of transcription and familiarization → initial coding → category development → thematic coding → pattern matching → cross-source comparison → institutional diagnosis. NVivo was used to organize transcripts, codes, categories, and relationships

among findings, but interpretation remained the responsibility of the researcher. Coding combined deductive and inductive logics. Good Governance, ITKP, and selected MAPS dimensions functioned as sensitizing concepts, while new codes were generated when empirical evidence could not be adequately explained by the initial framework. Thus, *institutional misalignment* was not imposed as an initial code. It emerged as a higher-order explanatory pattern linking recurring problems in data, systems, human resources, responsibilities, processes, and control.

Triangulation was conducted across interviews, documents, observations, and the FGD. Each thematic claim was examined for convergence, complementarity, or divergence. For example, some interviewees initially attributed implementation problems to weaknesses in information systems, whereas observations and perspectives from the technology function indicated relatively stable technical services. Cross-source comparison therefore refined the interpretation from a generic “weak system” problem to a more specific misalignment involving data integration, incomplete end-to-end processes, role allocation, and user practices. Divergent evidence was not resolved through majority voting but through additional document checks, follow-up interpretation, and FGD discussion. An audit trail documenting changes in interview protocols, coding decisions, category development, analytical memos, and interpretive revisions was maintained to strengthen dependability and confirmability.

3.4. Research Ethics

Research permission was obtained before data collection, and participation was based on informed consent. Participants were informed of the research objectives, intended use of data, voluntary nature of participation, and their right to decline particular questions or withdraw without consequence. Identities were protected through anonymous codes P1–P19, while interview recordings, transcripts, field notes, and institutional documents were retained under restricted access.

Particular attention was given to potential power relations and the researcher's professional proximity to the procurement context. Participants were encouraged to express views that differed from organizational positions or the researcher's assumptions. Reflexive journals, analytical memos, searches for disconfirming evidence, separation between description and interpretation, and an audit trail were used to manage positionality and reduce the risk that professional familiarity would normalize institutional practices or predetermine interpretation.

4. RESULTS AND DISCUSSION (Times News Roman 11, capital Bold)

Public procurement implementation at the Ministry of Finance takes place within a large and geographically dispersed organizational structure. Based on the research context, procurement implementation involves 14 first-echelon units and approximately 851 work units, with UKPBJ playing a role in development and coordination. This configuration creates a decentralized implementation pattern requiring cross-functional coordination. Needs are determined by user units, contracts are managed by Commitment-Making Officials (PPK), the procurement process is supported by procurement management functions, payments are handled by treasury functions, systems are supported by information technology functions, and supervision is conducted by the Government Internal Supervisory Apparatus (APIP).

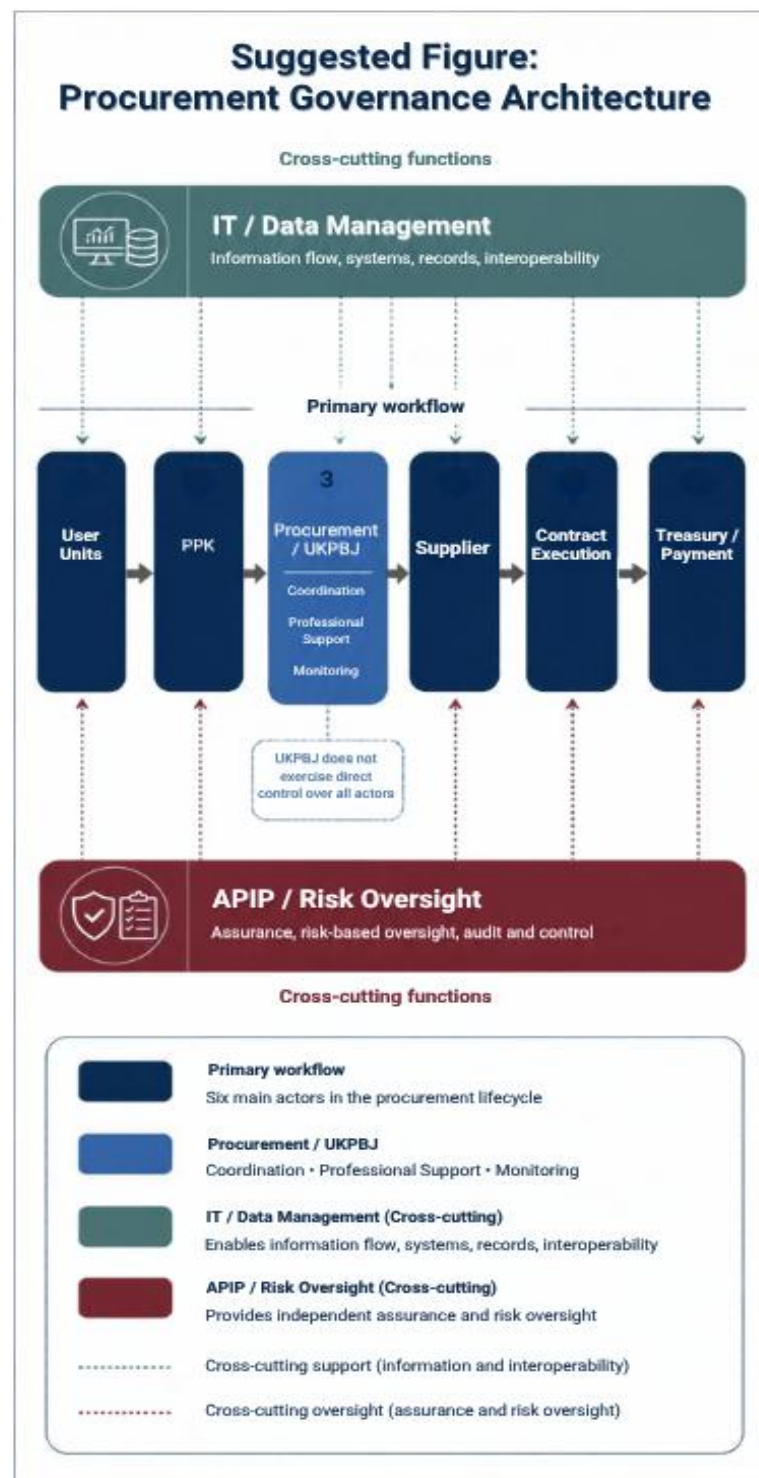


Figure 2. Procurement Governance Architecture

Source: processed by the researcher (2026).

ITKP performance increased from 77.93 in 2021 to 92.03 in 2024. For methodological consistency, 2025 should not be presented as a directly comparable new annual observation. Based on the thesis data, 92.03 should be retained as the official transitional ITKP value, whereas 91.38 should be identified separately as an internal monitoring realization. Accordingly, the main trend figure should distinguish official scores from internal monitoring data rather than combining them in one series.

Table 4. Final Score of ITKP, Ministry of Finance

Year	Indicator 1: System	Indicator 2: Human Resources	Indicator 3: Organization	Total Score	Rating	K/L Rank
2021	20.00	17.93	40.00	77.93	Good	3
2022	20.00	20.20	40.00	80.20	Good	7
2023	23.95	22.17	40.00	86.12	Good	10
2024	28.55	23.48	40.00	92.03	Very Good	4
2025	27.90	23.48	40.00	91.38	Very Good	16

Source: Government Procurement Policy Agency (LKPP), 2021–2025, and Ministry of Finance UKPBJ data, processed by the researcher (2026).

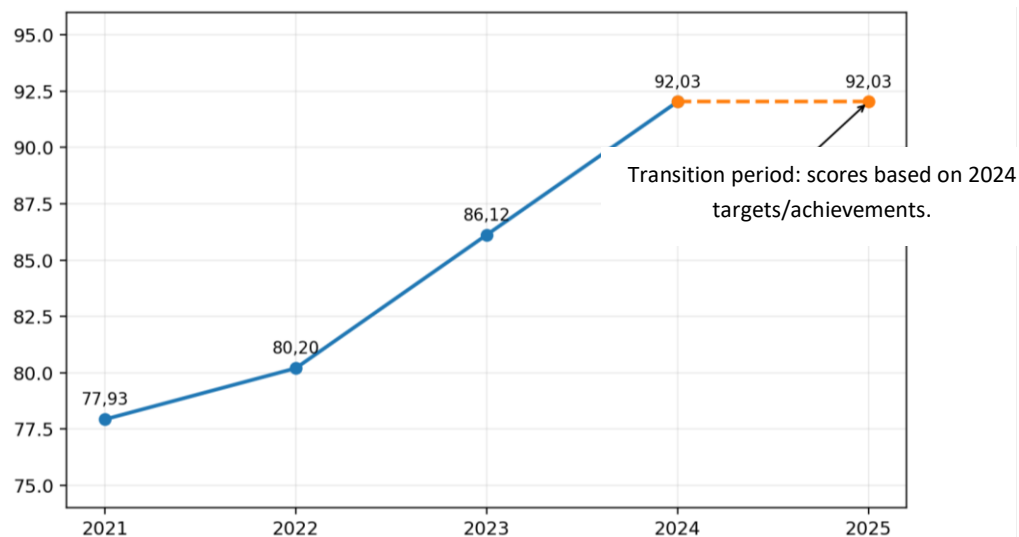


Figure 3. Trends in the Official ITKP Scores of the Ministry of Finance, 2021-2025

Source: Government Procurement Policy Agency (LKPP), 2021–2025, and Ministry of Finance UKPBJ data, processed by the researcher (2026).

4.1 Empirical Findings on Suboptimal Governance

The evidence indicates that the identified problems were recurring cross-unit patterns rather than isolated incidents. Data duplication was reported across several informant groups, while inconsistencies between systems required reconciliation and weakened end-to-end traceability. The coding analysis links repeated data entry to P6, P8–P10, and P14, while the absence of a common cross-stage data key was identified by P17 and corroborated by P4, P6, and P18. P17 observed, “*continuous audit is constrained because there is no key that can reliably connect data across stages.*”

System utilization showed a related gap between substantive completion and digital completion. P9 stated that “*e-Contract has an ‘e’ in its name, but in practice it is closer to e-filing because the input is manual.*” This pattern was not interpreted as a general failure of digitalization, since the supplier perspective also indicated that e-Purchasing and e-Catalogue were relatively easy to use.

In the HR dimension, the gap is not only related to the number of employees but also to the distribution of competencies according to roles, timing, location, continuity, and package risk. Staff rotation, seasonal workloads, multiple roles, and differences in experience mean that available capacity is not always positioned at the decision points where it is needed. This finding is consistent with the literature on procurement capabilities and human capital (Santos & Cabral, 2022; Dimand et al., 2023).

In the organizational dimension, procurement implementation involves multiple units with different data sources, authorities, and interests. Responsibility for outcomes is not always accompanied by control over the sources of problems. As a result, coordination may depend on personal communication and intensify as deadlines approach.

Finally, control remained relatively corrective. The internal-audit evidence identified insufficiently binding controls for completion of e-Contract, BAST, and supplier-performance records. This explains why intensive reminders and reconciliation can close backlogs temporarily while similar problems recur.

4.2 Diagnosis of Institutional Misalignment

Institutional misalignment is defined in this study as a condition in which formally established governance components exist but are insufficiently aligned to operate as a coherent procurement system. It appears through five interconnected forms: data–system misalignment, where information is fragmented across applications; process–digital-status misalignment, where substantive completion is not reflected in system records; HR–risk misalignment, where capacity is not positioned according to workload and package risk; responsibility–authority misalignment, where actors responsible for outcomes do not fully control the relevant processes or data; and control–risk misalignment, where corrective intervention is stronger than preventive risk management.

This finding both confirms and extends previous studies. Consistent with Bosio et al. (2022), Patrucco et al. (2021), and Santos and Cabral (2022), formal rules, digitalization, and organizational capability remain important. However, the Ministry of Finance case shows that the presence of these capabilities is not sufficient when their interconnections are weak. The study therefore extends prior research by identifying institutional misalignment as the mechanism explaining why high formal maturity and persistent operational frictions can coexist.

This mechanism is particularly visible in the Ministry of Finance because procurement is embedded in a large, decentralized organization with mature formal structures but distributed decision rights, data ownership, system ownership, and implementation responsibilities. The case therefore differs from contexts where poor performance primarily reflects the absence of institutional capacity. Here, the central problem is not institutional absence but institutional incoherence.

That paragraph directly answers the reviewer’s four Discussion questions: what is confirmed, what differs, what is extended, and why the Ministry of Finance context matters.

4.3 Strategies for Optimizing Integrated Public Procurement Governance

Based on the diagnosis, optimization strategies are directed toward connecting root causes with action owners, implementation stages, escalation mechanisms, and outcome indicators. The strategies are not designed as stand-alone activities but as an integrated governance architecture.

Table 5. Strategies for Optimizing Integrated Public Procurement Governance

Strategy	Evidence/root cause addressed	Implementation direction	Responsible actors	Performance indicator
Data and system integration	Fragmented data, duplicate entry, weak traceability	Common package identity, data ownership, reconciliation	UKPBJ, IT unit, echelon I units	Data completeness, reconciliation rate, audit trail
Process completion and anomaly control	Gap between factual and digital completion	Exception list, deadlines, notification and escalation	PPK, work units, UKPBJ	Backlog rate, completion time
HR–risk alignment	Workload, rotation, competency mismatch	Workload mapping, backup, handover, targeted competency development	UKPBJ, HR units, echelon I units	Capacity coverage, continuity, competency fit
Accountability alignment	Distributed responsibility and authority	RACI/role matrix, SLA, escalation mechanism	UKPBJ, PPK/KPA, unit management	Resolution time, accountability completeness
Preventive risk governance	Reactive control and complex/high-risk cases	Early risk screening and cross-functional consultation	UKPBJ, APJP, legal and technical units	High-risk cases reviewed, recommendations

Strategy	Evidence/root cause addressed	Implementation direction	Responsible actors	Performance indicator
and Clearing House				followed up
Performance dashboard and learning	ITKP does not fully capture substantive outcomes	Integrate performance, risk, integrity, supplier and process indicators	UKPBJ, IT, APIP	Cycle time, supplier performance, risk closure, user outcomes

Source: Synthesis of interviews, observations, documentation, FGDs, NVivo analysis, and ITKP–MAPS diagnosis, processed by the researcher (2026).

The six strategies are interdependent. Data integration provides an evidence chain for monitoring; HR alignment ensures that capacity is available at critical decision points; role standardization connects responsibility with authority; risk management shifts intervention from post-problem correction toward prevention; and performance dashboards connect ITKP with substantive outcomes.

Implementation can be carried out in stages. The initial stage focuses on establishing data ownership, package identification, role matrices, service-time standards, baseline indicators, and criteria for high-risk packages. The subsequent stage involves testing data reconciliation, backlog notifications, competency mapping, standardized handovers, readiness assessments, and Clearing House mechanisms. Once these mechanisms have demonstrated effectiveness, the improvements can be integrated into the performance cycle and assessed alongside ITKP, cycle time, supplier performance, contract quality, risks, integrity, and user satisfaction.

The theoretical contribution of this study lies in conceptualizing institutional misalignment as an explanatory mechanism between formal governance capacity and substantive procurement performance. Existing studies show that regulation, digitalization, professional capacity, and organizational design affect procurement outcomes. This study extends that literature by demonstrating that these elements may individually appear mature while collectively producing operational friction when their relationships are insufficiently aligned. Institutional misalignment therefore shifts the analytical focus from the presence of governance capacity to the coherence among institutional components.

5. CONCLUSION AND SUGGESTION

Public procurement governance at the Ministry of Finance demonstrates strong formal institutional capacity, but its substantive performance remains constrained by recurring gaps in data integration, digital process completion, human-resource alignment, responsibility allocation, and preventive control. MAPS-based diagnosis indicates that these problems are interconnected manifestations of institutional misalignment, rather than independent operational deficiencies.

Theoretically, the findings suggest that procurement governance should be assessed not only by the existence or maturity of formal institutional components but also by the degree of alignment among regulation, authority, human resources, data, digital systems, processes, and controls. This distinction explains how high formal governance performance can coexist with implementation frictions and extends procurement governance analysis from institutional capacity toward institutional coherence.

MANAGERIAL AND POLICY IMPLICATIONS

The Ministry of Finance should prioritize interoperable procurement data, end-to-end process completion, HR allocation based on workload and risk, clearer cross-unit accountability, and preventive risk management. ITKP should remain an important governance indicator but should be complemented with measures of process completion, cycle time, data integrity, supplier performance, risk, integrity, and problem resolution.

FUTURE RESEARCH

Future studies should examine institutional misalignment through comparative studies across

ministries or local governments, longitudinal analysis of governance reforms, quantitative validation of its proposed dimensions, and mixed-method evaluations after integrated governance strategies have been implemented.

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