



Institutional Capacity Perspective in Evaluating the Implementation of KKPD to Face Human Resources and Infrastructure Challenges in Banyuasin Regency

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ABSTRACT

This study aims to evaluate the implementation of Local Government Credit Cards (KKPD) from the perspective of institutional capacity, especially in facing human resource and infrastructure challenges in Banyuasin Regency. The research method used is a qualitative approach with data collection techniques through interviews, observations, and documentation. The results of the study show that the implementation of the KKPD has contributed to improving the efficiency and transparency of regional financial management, but still faces obstacles in the form of limited apparatus competence, lack of technical training, and limited technological infrastructure. Therefore, it is necessary to strengthen institutional capacity through improving human resource competence, optimizing support systems, and strengthening coordination between institutions.

INTRODUCTION

Public financial management reform is one of the strategic agendas in improving the quality of transparent and accountable governance. In the context of public administration, strengthening the regional financial system is an important aspect in supporting the effectiveness of government administration. The Government of Indonesia continues to encourage various innovations in regional financial management, one of which is through the digitization of financial transactions. This effort is made to minimize non-transparent practices while increasing the efficiency of the use of the regional budget.

One of the innovations developed by the government is the implementation of the Local Government Credit Card (KKPD) as a non-cash payment instrument in the implementation of the budget. The KKPD is expected to be able to be a solution in increasing transparency, accountability, and efficiency in regional financial management. The implementation of this policy is part of bureaucratic reform oriented towards modernizing the public administration system, especially in the financial sector. In addition, the use of MPAs is also in line with the principles of good governance which emphasize the importance of transparency, accountability, effectiveness, and efficiency in public resource management (UNDP 1997).

From a theoretical perspective, good regional financial management must be able to meet the principles of public accountability and transparency. Mardiasmo (2018) stated that regional financial management must be carried out openly and can be accounted for to the community as a form of public accountability. Thus, the implementation of the KKPD is one of the important instruments in supporting the creation of better regional financial governance.

However, the implementation of public policies does not always go as expected. Every policy implemented at the regional level faces various challenges that can affect its success. Edwards III (1980) stated that the success of policy implementation is influenced by four main factors, namely communication, resources, disposition, and bureaucratic structure. Among these factors, resources are a very crucial aspect, especially in the context of implementing technology-based policies such as KKPD.

Resources in policy implementation include human resources (HR) and supporting infrastructure. Human resources have an important role in determining the success of policy implementation, because government apparatus as policy implementers must have adequate competence and understanding of the policies being implemented. In addition, the availability of technology infrastructure is also the main supporting factor in the implementation of digital-based policies. Without adequate infrastructure support, policy implementation will not run optimally.

In this context, institutional capacity is an important factor that determines the success of policy implementation. Grindle (1997) states that institutional capacity reflects the ability of an organization to carry out its functions and duties effectively and efficiently. This capacity includes not only the capabilities of individuals within the organization, but also includes the systems, structures, and resources owned by the organization. Therefore, evaluation of institutional capacity is important in understanding the extent to which policies can be implemented optimally. Banyuasin Regency as one of the regions that has implemented the KKPD is interesting to study further. The implementation of KKPD in this area is expected to be able to improve the quality of regional financial management, especially in terms of efficiency and transparency. However, in practice, the implementation of this policy still faces various obstacles related to institutional capacity.

One of the main problems faced is the limited competence of human resources. Not all government apparatus have an adequate understanding of the mechanism for using KKPD. This causes the implementation process to not run optimally and has the potential to cause errors in implementation. In addition, the lack of training and socialization related to the use of KKPD is also a factor that aggravates this condition. In addition to human resource problems, the limitation of technological infrastructure is also a challenge in the implementation of the KKPD. Inadequate infrastructure, such as limited internet networks and other supporting systems, are obstacles in the implementation of digital-based financial transactions. This condition shows that policy implementation does not only depend on regulations, but also on the readiness of supporting infrastructure.

These problems show that there is a gap in the institutional capacity owned by local governments. These gaps need to be identified and analyzed in depth so that appropriate solutions can be found to improve the effectiveness of policy implementation. In this case, policy evaluation is an important step to assess the performance of the implementation of the KKPD. Dunn (2003) states that policy evaluation aims to assess the extent to which public policies have achieved the expected goals. The evaluation also serves to identify various obstacles faced in the implementation of policies and provide recommendations for future improvements. Thus, it is important to evaluate the implementation of the KKPD to determine the effectiveness of the policy in improving regional financial management.

This study uses the perspective of institutional capacity in evaluating the implementation of KKPD in Banyuasin Regency. The main focus of this research is on the aspects of human resources and infrastructure as part of institutional capacity. By using this approach, it is hoped that a comprehensive picture can be obtained of the factors that affect the successful implementation of KKPD. In addition to making a theoretical contribution to the development of public administration studies, this research also has a practical contribution to local governments. The results of this research are expected to be the basis for formulating more effective policies in increasing institutional capacity, especially in the implementation of digital-based policies such as KKPD. Thus, this research is not only relevant for academics, but also for practitioners in the field of local government.

LITERATURE REVIEW

The implementation of public policy is an important process in ensuring that a policy can run in accordance with the goals that have been set. Edwards III (1980) explained that the success of policy implementation is influenced by four main variables, namely communication, resources, disposition, and bureaucratic structure. In the context of the implementation of the KKPD, resource variables are very important because they are directly related to the capabilities of the apparatus and the availability of supporting facilities. Resources in policy implementation include not only the number of apparatuses, but also the quality and competence possessed. Apparatus who has a good understanding of policies will be better able to carry out their duties effectively. In addition, the availability of technological infrastructure is also part of the resources that cannot be separated in the implementation of digital-based policies.

Institutional capacity is an important concept in understanding the organization's ability to implement policies. Grindle (1997) defines institutional capacity as the ability of an organization to carry out functions, solve problems, and achieve goals in a sustainable manner. This capacity includes the dimensions of human resources, organizational structures, and systems that support the implementation of tasks. In the context of local government, institutional capacity greatly determines the success of financial management reform. Local governments are required to be able to adapt to system changes, including in the application of digital technology such as KKPD. Therefore, strengthening institutional capacity is the main prerequisite in supporting the successful implementation of policies.

In addition, the concept of good governance is also the foundation for regional financial management. UNDP (1997) states that good governance includes the principles of transparency, accountability, participation, effectiveness, and efficiency. The implementation of KKPD as a non-cash payment system is expected to be able to increase transparency and accountability in regional financial management. Good regional financial management must be oriented towards public accountability. Mardiasmo (2018) emphasized that every use of the budget must be accountable to the community. In this case, the use of KKPD can minimize the use of cash that has the potential to cause irregularities.

Policy evaluation is an important part of assessing the success of the implementation of a policy. Dunn (2003) states that policy evaluation aims to assess the effectiveness, efficiency, adequacy, equity, responsiveness, and accuracy of a policy. Using these indicators, the implementation of KKPD can be evaluated comprehensively. Thus, this study integrates policy implementation theory, institutional capacity, and good governance in analyzing the implementation of KKPD in Banyuasin Regency. This theoretical framework is used to understand the factors that affect the success as well as obstacles in the implementation of the policy.

METHODOLOGY

This study uses a qualitative approach with a descriptive research design. This approach was chosen because it was able to provide a deep understanding of the phenomenon of KKPD implementation in the context of institutional capacity in Banyuasin Regency. Data collection techniques are carried out through in-depth interviews, observations, and documentation. Interviews were conducted with informants who were directly involved in the implementation of the KKPD, such as local government officials and financial managers. Observations are carried out to see firsthand the policy implementation process, while documentation is used to complement the data obtained from interviews and observations.

The selection of informants is carried out purposively, namely based on certain criteria relevant to the research. The informants were chosen because they had knowledge and experience related to the implementation of the KKPD. This aims to obtain accurate and in-depth data. Data analysis was carried out using an interactive model proposed by Miles, Huberman, and Saldaña (2014), which includes data reduction, data presentation, and conclusion drawn. The analysis process is carried out repeatedly until valid and accountable results are obtained. To ensure the validity of the data, this study uses triangulation techniques, both source triangulation and method triangulation. Thus, the results of the study are expected to have a high level of validity and reliability..

RESEARCH RESULT

The results of the study show that the implementation of the Regional Government Credit Card (KKPD) in Banyuasin Regency in general has been running and has begun to be integrated in the regional financial management system, although it has not reached the optimal level. The implementation of the KKPD provides significant changes in the financial transaction mechanism, especially in reducing the use of cash which has been vulnerable to administrative errors and potential irregularities. With the existence of a non-cash payment system through the KKPD, the transaction process becomes more controlled because every expenditure can be traced digitally, thereby increasing transparency in regional budget management. In addition, the use of KKPD also speeds up the financial administration process because it reduces bureaucratic stages that were previously carried out manually.

From the efficiency aspect, the implementation of the KKPD has a positive impact in accelerating the payment process and minimizing delays in disbursing the activity budget. Local government officials who have understood the mechanism for using KKPD admit that this system helps in simplifying administrative procedures and increasing timeliness in the implementation of activities. However, this efficiency has not been felt evenly across all regional apparatus organizations, because there is still a difference in the level of understanding and readiness between work units.

In terms of transparency and accountability, the KKPD makes a significant contribution. Every transaction made through the KKPD is automatically recorded in the banking system and can be audited more easily. This simplifies the supervision process both internally and externally, and reduces the possibility of manipulation of financial data. In addition, the existence of a digital footprint in every transaction strengthens the accountability of the apparatus in the use of the regional budget. However, the optimization of this function still depends on the consistency of the use of the system by all KKPD users. However, the results of the study also show that the implementation of the KKPD still faces various obstacles related to institutional capacity, especially in the aspect of human resources. Some local government officials still do not have an adequate understanding of the procedures and mechanisms for using KKPD. This is due to the limitations of technical training and the lack of continuous socialization. As a result, there is a tendency for some apparatus to return to using conventional methods in financial management, especially in situations that are considered more practical or urgent. In addition, the limitation of technological infrastructure is also the main obstacle in the implementation of the KKPD. Some regions still experience obstacles in stable internet network access, thus hampering the digital-based transaction process. The limitations of supporting devices, such as application systems that are not yet fully integrated, are also a challenge in the implementation of the KKPD. This condition shows that technological readiness is an important factor that must be considered in the implementation of digital-based policies. Furthermore, the results of the study revealed that coordination between regional apparatus organizations in the implementation of the KKPD has not run optimally. The lack of synchronization

in policy implementation leads to differences in interpretation and practice in the field. This has an impact on the uneven implementation of policies across all work units. In addition, institutional support in the form of technical regulations and operational guidelines also needs to be strengthened to provide clarity in the implementation of the KKPD.

Overall, the results of this study show that the implementation of KKPD in Banyuasin Regency has provided benefits in improving efficiency, transparency, and accountability in regional financial management. However, these benefits have not been maximized because there are still various obstacles related to institutional capacity, especially in the aspects of human resources, technological infrastructure, and organizational coordination. Therefore, more comprehensive efforts are needed to strengthen institutional capacity to support the successful implementation of the KKPD in a sustainable manner.

DISCUSSION

The results of this study show that the implementation of Local Government Credit Cards (KKPD) in Banyuasin Regency cannot be separated from the institutional capacity owned by the local government, especially in the aspect of human resources and supporting infrastructure. In the perspective of policy implementation, this finding reinforces the view of Edwards III (1980) that the success of policy implementation is largely determined by the availability of adequate resources. Although normatively the KKPD policy has been designed to improve the efficiency and transparency of regional financial management, the realization on the ground shows that limited resources are still the main obstacle in achieving these goals optimally.

In terms of human resources, the results of the study show that there is a competency gap among local government apparatus in understanding and operating the KKPD system. This condition reflects that individual capacity as part of institutional capacity has not fully supported the implementation of digital-based policies. This finding is in line with the opinion of Grindle (1997) who stated that institutional capacity is not only determined by the organizational structure, but also by the quality of human resources who carry out the functions of the organization. Limited technical training and lack of continuous socialization are factors that reinforce this gap, resulting in a low level of adoption and utilization of KKPD as a whole in the local government environment.

In addition, from a technological perspective, infrastructure limitations are a significant inhibiting factor in the implementation of the KKPD. Digital-based policies such as KKPD require adequate technological system support, including a stable internet network, integrated software, and ongoing technical support. However, the results of the study show that the infrastructure condition in several areas of Banyuasin Regency is not fully ready to support the implementation of the policy. This indicates that technological readiness is an important prerequisite for the successful implementation of digital policies. Without adequate infrastructure support, conceptually sound policies will not be able to deliver optimal results. Furthermore, from a good governance perspective, the implementation of the KKPD actually has great potential in increasing transparency and accountability in regional financial management. The use of a cashless payment system allows every transaction to be recorded digitally and can be audited more easily, thereby reducing the chance of irregularities. These findings are in line with the principles of transparency and accountability put forward by UNDP (1997). However, this potential has not been fully realized due to inconsistencies in the use of the system by the apparatus and limited understanding of the operational procedures of the KKPD. Thus, the success of the implementation of good governance principles through the KKPD is highly dependent on the readiness of the overall institutional capacity.

In terms of institutional coordination, this study also found that the implementation of KKPD has not been supported by optimal synergy between regional apparatus organizations. Lack of coordination and synchronization in policy implementation leads to variations in interpretation and implementation in the field. This shows that the dimension of bureaucratic structure, as explained by Edwards III (1980), also affects the success of policy implementation. Bureaucratic structures that are not fully adaptive to changes in the digital system can hinder the effective policy implementation process.

In addition, from the perspective of policy evaluation, the results of this study show that the implementation of KKPD in Banyuasin Regency has met some of the policy evaluation indicators as stated by Dunn (2003), especially in the aspects of effectiveness and efficiency. However, in terms of adequacy and equity, the implementation of this policy is still not optimal. This can be seen from the uneven use of KKPD in all regional apparatus organizations and there are still obstacles in terms of resources and infrastructure. Thus, it can be concluded that the implementation of the KKPD is still in the transition stage to a fully digital regional financial management system.

Overall, the results of this study confirm that the success of the implementation of the KKPD policy is not only determined by the policy design itself, but also by the readiness of institutional capacity which includes human resources, technological infrastructure, and organizational coordination systems. Therefore, strengthening institutional capacity is the main key in increasing the effectiveness of the implementation of this policy. These efforts must be carried out comprehensively and sustainably, both through improving the competence of the apparatus, strengthening technological infrastructure, and improving the coordination system between institutions. Thus, the implementation of the KKPD is expected to make a more optimal contribution to realizing transparent, accountable, and efficient regional financial governance.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results and discussion of the research, it can be concluded that the implementation of the Regional Government Credit Card (KKPD) in Banyuasin Regency has made a positive contribution to improving the efficiency and transparency of regional financial management. The use of a non-cash payment system through the KKPD is able to reduce dependence on cash transactions, speed up the financial administration process, and strengthen the supervisory mechanism through more systematic and digitally documented recording of transactions. However, the implementation of this policy has not been running optimally because it still faces various obstacles related to institutional capacity, especially in the aspects of human resources and technological infrastructure. The limited competence of the apparatus in understanding and operating the KKPD system, as well as the uneven availability of supporting infrastructure such as internet networks and application systems, are the main factors that hinder the effectiveness of the implementation of this policy.

In line with these findings, this study recommends the need for comprehensive and sustainable efforts in strengthening the institutional capacity of local governments. Improving the quality of human resources needs to be done through structured technical training, continuous socialization, and assistance in the use of the KKPD system so that the apparatus has adequate understanding and skills. In addition, local governments also need to optimize the development of technological infrastructure, including improving the quality of internet networks and integrating financial information systems, to support the smooth implementation of digital-based policies. On the other hand, strengthening coordination between regional apparatus organizations is also important to ensure uniformity in policy implementation and minimize differences in interpretation in the field. With these efforts, it is hoped that the implementation of the KKPD can run more effectively and be able to support the realization of transparent, accountable, and efficient regional financial governance in a sustainable manner.

ADVANCED RESEARCH

With these efforts, it is hoped that the implementation of the KKPD can run more effectively and be able to support the realization of transparent, accountable, and efficient regional financial governance in a sustainable manner.

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