The Roles of Balanced Scorecard in Improving Performance Accountability System in Indonesian Government Organizations

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ABSTRACT

Based on the evaluation report from the Ministry of Administrative and Bureaucratic Reform, the quality of the Indonesian government organisation’s performance accountability is still deficient. Therefore, several Indonesian government institutions have practised the Balanced Scorecard (BSC), a perspective-based performance management tool, to improve their performance accountability. This paper analyses how the Indonesian central government employs BSC and strategy maps to improve its performance accountability systems. A descriptive qualitative study concluded that Indonesian government agencies use different approaches to implement perspectives in the BSC, which they think are best suited to the characteristics of each government organisation. Indonesian government institutions generally implement BSC as a strategy execution tool, a measurement tool, and a performance accountability report. Therefore, these roles of BSC lead to an improved performance accountability system. The essential factors in developing BSC implementation are explained as well. However, this paper only primarily uses data from the Ministry of Finance and focuses only on the central government due to data limitations and time constraints. Therefore, future research is suggested.

A. INTRODUCTION

The public sector reform in Indonesia has started since the occurrence of the multidimensional crisis in 1997. It was triggered by corruption, collusion, nepotism, and monopolistic practices by the previous administration (Jurnali & Siti-Nabiha, 2015). This reform was influenced by the massive movement toward administrative reform that emphasises openness, transparency, and accountability encouraged by New Public Management (NPM) reform (Tjiptoherijanto, 2012). Under Habibie’s administration, the government issued a presidential instruction regarding the Performance Accountability Report of Civil Service, which requires government organisations, including central and local governments, to report financial and non-financial performance (Akbar, Pilcher, & Perrin, 2012). Furthermore, The Ministry of Administrative and Bureaucratic Reform (MoABR) annually assessed every government’s accountability system in five aspects: Performance planning; Performance measure; Performance reporting; Performance evaluation; and Performance achievement.
Although the government has conducted performance accountability for more than a decade, the quality of the government’s performance accountability remained poor (The Ministry of State Administrative and Bureaucratic Reform (MoABR), n.d.). Consequently, several Indonesian government organisations have implemented a Balanced Scorecard (BSC), a performance management tool, to improve their accountabilities. Griffiths (2003) states that BSC could enhance government organisations’ transparency and capability. Another study by Northcott & Taulapapa (2012) found that BSC is a useful tool for reporting a "statement of service performance," The longer an organisation has implemented BSC, the more experienced it becomes. Thus, it can more thoroughly utilise BSC. However, both of these researches examined the practice of BSC in developed countries, which is already mature in implementing BSC; therefore, this research addresses BSC implementation on performance accountability in developing countries' perspectives, particularly in the Indonesian central government.

BSC was first implemented by the Ministry of Finance (MoF) among other Indonesian government institutions to enhance its performance management (Risman, 2016). MoF has implemented BSC since 2008 and has been revised several times to be properly implemented from the highest executive level to the lowest level of the organisation. Thus, this paper uses MoF as a benchmark due to its mature implementation of BSC. The comparison of BSC implementation between MoF and other public institutions is discussed as well to provide an understanding of how each public organisation creates its strategy maps.

Furthermore, there were score gaps in ministries’ performance accountability between ministries with BSC and non-BSC ministries; the former tended to achieve better performance accountabilities. According to the MoABR assessment in 2019, ten ministries with the highest performance accountability scores were mostly occupied by ministries that implement BSC. Interestingly, ministries with BSC formulated their strategy maps differently to fit into their organisational characteristics. In addition, there is a lack of literature regarding the practice of strategy maps between ministries/agencies with BSC. Consequently, this paper aims to analyse how ministries/agencies devised their strategy maps providing optimum advantages and how they implement BSC to improve their performance accountability systems, specifically in MoF. Thus, it can provide comprehensive insight for policymakers in improving the quality of the organisational performance accountability system.

B. LITERATURE REVIEW

The Notion of BSC

BSC was firstly proposed by Robert S. Kaplan and David P. Norton in 1992. It aimed to provide a brief and comprehensive analysis of the manager's business performance (Kaplan & Norton, 1992). Previously, many companies still used traditional financial measures to assess all business criteria, such as competencies of human resources and innovations. However, this can produce unreliable information and confounds the managers in formulating strategic objectives due to limitations to financial measures. For example, they cannot comprehensively indicate future performance and do not promote collaboration between structures future (Niven, 2012). To resolve this predicament, a manager can add other measurements using BSC capable of thoroughly and simultaneously assessing all the business criteria. BSC came as an unorthodox approach for private and public organisations that can provide a balanced presentation of financial and operational measures.

In addition, BSC accommodates more specific perspectives to assess pivotal organisation characteristics such as human resources and innovation that are crucial for an organisation's continuous improvement. However, since BSC can systematically present all perspectives’
information, it focuses on specific perspectives by constructing particular assessments enabling it to provide essential information to the managers in the decision-making process (Erawan, 2019). Kaplan and Norton categorised the perspectives into four perspectives to assist the managers in evaluating business performance: 1. Customer perspective; 2. Internal business perspective; 3. Innovation and learning perspective; 4. Financial perspective (Quesado, Guzmán, & Rodrigues, 2018). These perspectives should be translated into strategic objectives and key performance indicators (KPIs) to properly identify the actions that need to be done (Erawan, 2019). Kaplan (2010) initiated a strategy map concept that presents casual relation between perspectives and strategic objectives.

Strategy maps show the value creation process through a series of cause-and-effect relationships among objectives in the four BSC perspectives (Kaplan & Norton, 2008). Moreover, strategy maps must provide simple yet comprehensive information about what the employees should do well to execute the strategy in terms of each perspective. It should consist of one page with graphical representation to easily capture the idea of strategy execution (Niven, 2012). Before formulating a strategy map, the managers require to clarify: 1) an organisation’s mission statement; 2) the values of an organisation; and 3) the mid to long-term vision statement (Kaplan & Norton, 2008). Even though the strategy map illustrates an inclusive connection among perspectives; however, Kaplan (2010) demonstrated that the relationship between innovation and learning perspective is the poorest due to the challenges in correctly linking employee capabilities to strategic objectives. Therefore, the implementation of BSC emphasises creating links between perspectives and translating the organisational strategy into the performance indicators in each view.

Furthermore, it has been more than two decades since the introduction of BSC. Thus, whether BSC is still relevant these days for organisations is questioned. BSC has been refined since its introduction and is an adaptable system that can be modified according to the organisation’s features. In addition, BSC allows a framework for describing strategies for creating value from both tangible and intangible assets. It also helps to quantify intangible assets the organisation creates, such as people, culture, quality, and personal relationships (Holmes, 2016; Kaplan & Norton, 2004). Therefore, the implementation of BSC is still relevant nowadays. Besides, BSC offers outstanding features compared to other management tools, such as 1) BSC focuses on strategic levels rather than operative ones; 2) BSC uses both financial and non-financial information; and 3) it performs both lagging and leading indicators that provide feed-forward controls (Lueg & Vu, 2015). However, despite the BSC’s benefits, it still has several limitations: 1) the exclusion of key stakeholders in defining organisational objectives; 2) the limitation of four perspectives in reviewing an organisation’s businesses; 3) strong reliance on top management’s commitment; and 4) time lag in performance data collection and analysis (Awadallah & Allam, 2015; Budiarso, 2014).

**BSC in the Public Sector**

The BSC implementation in the public sector is in line with the concept of NPM, which encourages the system of decentralising, authorising greater responsibility to managers, expanding public choices, deregulating, supporting competition, and determining effectiveness based on outcome measurement (Frederickson, Smith, Larimer, & Licari, 2012). Nonetheless, due to the different business characteristics between the public and private sectors, several adjustments need to be conducted in implementing BSC in the public sector. Since the public sector is not a profit-oriented institution; its main objective is delivering public services; the significant differences are the identification of customer and financial perspectives. For instance, the government mainly change the customer perspective to the stakeholder perspective in the strategy map (Schobel & Drogosiewicz, 2018). The stakeholder perspective
elaborates a complete linkage between the government’s objective and its constituents. In addition, the financial outlook in the public sector acts as a resource that allows the government to achieve the objective set out in the customer/stakeholder perspective (Zastempowski, 2015).

Practising a comprehensive management tool may be overwhelmed for certain types of public agencies. It demands sufficient resources to implement the system properly. According to Northcott and Taulapapa (2012), the main users of BSC in New Zealand were city councils (27.3% compared to 13.5% for district councils). This is consistent with a previous study conducted by Chan (2004), which concluded that in the USA, most respondents that practice BSC were larger municipalities, which had better resources to apply a new management tool. Furthermore, several factors that lead to unsuccessful BSC implementation are lack of disciplined management, lack of leadership, lack of competencies, and lack of incentive (Ndevu & Muller, 2018; Schobel & Drogosiewicz, 2018). Despite its complexity, BSC has become one of the influential performance management tools for public sector organisations.

Implementing BSC by government agencies indicates an effort to catch up with the movement toward new public management reforms. According to Niven (2012), the implementation of BSC in the public sector sphere has evolved. It can be used as 1) a communication tool, 2) a measurement system, and 3) as a strategic management system. Furthermore, innovative managers are discovering new ways to utilise this management tool. This aligns with Northcott and Taulapapa’s (2012) findings that the longer an organisation has implemented BSC, the more experienced it becomes, making it more thoroughly utilised. Moreover, these arguments also resonate with Griffith’s (2003) findings that BSC is beneficial for accountability purposes.

**BSC as a Communication Tool**

Benjamin Franklin once said, “if you fail to plan, you are planning to fail” it indicates the significance of strategic planning in the earliest stage of performance management. BSC as a communication tool provides a mechanism to specify the organisational strategy and translate it to all structures, management, and employees through the alignment process in the strategy map. Alignment can be viewed as a coordinated management process to attain synergies throughout the business process and supports the unit. A strategy map in the public sector can be utilised to accomplish high-level objectives that need the coordination and integration of the efforts of many agencies (Kaplan & Norton, 2006). However, Pasaribu et al. (2016) found that many public organisations still implemented a private-like BSC approach, in which they prioritised financial perspective; furthermore, they perceived learning and growth as the crucial perspective to enhance the employee’s skills. The arrangement of the organisational strategy map is not “one-size-fits-all”. It must be adopted based on the characteristic of the agency to gain the best use of BSC (Griffiths, 2003; Yu, Perera, & Crowe, 2008). Therefore, the manager should play a significant role in identifying which model best suits the organisation’s characteristics, including jobs and functions, culture, and human resource management.

Strategic planning is a challenging task that involves all business stakeholders and employees. Nonetheless, Yu, Perera, & Crowe (2008) found that most managers still ignore strategic planning when formulating their BSC. The managers have faced critical difficulties in modifying the strategy map because it involves the managerial philosophy behind the BSC. Other challenges are aligning the objectives, KPI, input, output, and outcome to support the organisational mission and defining their “customer” (Northcott & Taulapapa, 2012). BSC’s role is related to the maturity of the organisation’s strategy. The more mature the organisation’s strategy the less the involvement of the BSC in formulating the strategy; therefore, this findings challenges the premise that the BSC is implemented from a clearly defined strategy (Griffiths, 2003).
**BSC as a Performance Measure**

Since its initial proposition, BSC has been a performance measures tool. Recently, the development of BSC has been enhanced toward performance management. Nevertheless, Northcott & Taulapapa (2012) concluded that New Zealand’s local government managers still perceived BSC as a performance measurement tool rather than a performance management tool. BSC as a performance measure aims to translate organisational vision and strategy into key performance indicators (KPIs), consisting of the specific target that must be achieved during a one-year budget period for all management and employees. Moreover, BSC enables the management to address the rapid development of intangible assets, which tends to be more significant for organisational success (Niven, 2012; Praptomo, 2017). BSC also promotes the involvement of non-financial measures, such as innovation and change, to answer the lack of financial measures in examining the organisational performance; thus, it helps a manager decide the organisation’s priorities based on the arrangement of a strategy map (Kaplan, 2010).

However, according to Chan (2004), most local governments in the USA and Canada undervalue innovation and change perspective. Only one-fifth of them have a well-defined performance measurement in innovation and change. It can be suggested that the managers in public organisations still undermine innovation in delivering their services, in contrast with the private sector’s approach. In addition, a further study by Schobel & Drogosiewicz (2018) found that most of Canada’s municipal governments still overvalue financial measures. Even though BSC in the public sector emphasises on non-financial measures, the manager is heavily concerned about providing accountability to government spending.

**BSC as a Strategic Management System**

An organisation without a strategy's vision and guidance may not achieve sustainable success from its operational improvement (Kaplan & Norton, 2008). Therefore, BSC assists in aligning an organisation’s short-term actions with strategy by cascading the BSC schemes to all levels of the organisation, aligning budgets and business plans to strategy, and creating a feedback and learning instrument (Niven, 2012). In this regard, BSC benefits can be viewed on two levels (Quesado, Guzmán, & Rodrigues, 2018):

a. Benefits at the organisation strategy level: Increasing synergies and commitment among the employees; and simplifying the complicated decision-making process

b. Benefits at the strategic adjustment level: 1. Aligning the organisational mission and strategy; 2. There are encouraging the spirit of cooperation; and 3. Enhancing communication between senior executives and lower-level employees.

This cascading process certainly encourages the involvement of all employees in the decision-making process and contributes to the organisation’s achievement. Thus, Kaplan & Norton (2008) proposed the establishment of a Strategy Management Office (SMO) responsible for managing and coordinating the strategy execution process based on BSC’s notion. On the other hand, this recognises an organisation as a hierarchical and rigid structure and adds another layer of bureaucracy.

**BSC as a Performance Accountability Tool**

The practice of an accountability system of public services in each country may vary depending on the government's political and economic form. For instance, the United States has a Government Performance and Results Act (GPRA) that requires federally-funded agencies to develop and implement an accountability system based on performance measurement, including formulating objectives and measuring its progress (Niven, 2012). Moreover, New Zealand has a "statement of service performance" report required by the local government act 2002 to present the objective achievement of the Long Term Council...
Community Plan (Northcott & Taulapapa, 2012). This aligns with Hoque & Adams (2011) findings that most Australian government department respondents apply BSC to meet external legislative requirements such as government regulation and policy. Meanwhile, the Indonesian government implements a system that refers to Presidential Regulation number 29/2014 regarding the performance accountability system for government institutions (SAKIP). It describes how Indonesian government organisations conduct a systematic performance management process, from defining organisational objectives to reporting and evaluating its implementation. Even though implementing a performance accountability system in every country is different, they share the same value. To achieve well-developed performance accountability, the government must execute a well-implemented performance management.

Griffiths (2003) examined how the BSC is being used as a performance management system and strategic management system to accomplish external reporting obligations in New Zealand public sector organisations. These findings are supported by Northcott & Taulapapa (2012), that BSC can be a useful tool for reporting a "statement of service performance". Both studies found the implementation of BSC can be beneficial to reporting performance accountability in the public sector domain. Furthermore, Niven (2012) also stated one of the BSC’s benefits is demonstrating accountability and generating a result. However, both Griffiths and Northcott and Taulapapa's findings examined the practice of BSC in the New Zealand public sector, which is already mature in implementing BSC. Therefore this research emphasises the treatment from developing countries' perspectives, particularly in the Indonesian central government.

C. METHOD

This paper employs a qualitative descriptive method using secondary data to achieve the research objective. A descriptive method aims to describe a phenomenon and its’ characteristics through logical, analytical and synthetic depiction (Krishnarao, 1961; Nassaji, 2015). By applying a qualitative descriptive approach, this article provides a detailed description of a phenomenon which is rarely known (Bradshaw, Atkinson, & Doody, 2017). The authors apply the literature study, government regulations and reports related to BSC implementation in government institutions, particularly in Indonesia. The literature is mainly retrieved from Proquest, Elsevier, and Google Scholar. In addition, the government regulation and reports are retrieved from government websites. In searching the articles, the keywords of “Balanced Scorecard”, “public/government organisations”, and “performance accountability systems” are mainly used.

This paper firstly describes the establishment of BSC, and its approach in the public sector, compares BSC perspectives in four public organisations, and analyses the government report about BSC implementation by MoF and the assessment report of government organisations’ performance accountability by MoABR. Thus, it will be able to provide more practical insight into how government organisations implement BSC.

D. RESULT AND DISCUSSION

The BSC Implementation in Indonesian Central Government

The public sector reform in Indonesia started after the multidimensional crisis in 1997. It is triggered by corruption, collusion, nepotism, and monopolistic practices by the previous administration (Jurnali & Siti-Nabiha, 2015). This reform was influenced by the massive movement toward administrative reform emphasising openness, transparency, and accountability encouraged by NPM reforms (Tjiptoherijanto, 2012). Presidential Instruction (Inpres No. 7/1999) concerning Government Agencies Performance Accountability Reports (LAKIP) requires government agencies to report financial and non-financial performance. This
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raises awareness of performance accountability (Akbar, Pilcher, & Perrin, 2012; Jurnali & Siti-Nabiha, 2015). Since then, many ministries/agencies have adopted a performance management tool to enhance their performance accountability; the most used tool is BSC.

One of the first Indonesian ministries that adopt BSC is the ministry of Finance (MoF). MoF firstly administered BSC in 2008, when they started to reform their bureaucracy. Consequently, due to its popularity, MoF employed BSC as its performance management tool. According to the survey conducted by Lawson, Hatch, & Desroches (2008), 62% of reviewed organisations used BSC as their frameworks, while the second-highest group used no framework. Thus, this paper uses MoF’s practice as a benchmark for implementing BSC in Indonesian public organisations. The BSC implementation in MoF is imposed based on MoF’s regulation, namely Minister of Finance decree no 467/KMK.01/2014. In general, the Indonesian central government employ BSC as a strategy execution tool, a measurement tool, and an accountability report.

**BSC as a Strategy Execution Tool**

MoF utilises BSC to align its strategic planning to desired strategic outcome (MoF’s Strategy Management Office, 2015). Furthermore, using a strategy map, the performance manager derives strategy planning into key performance indicators (KPIs) based on MoF vision and missions. MoF’s strategy map mainly consists of four perspectives (figure 1). The performance manager sets the stakeholder perspective at the highest position since MoF determines its organisation’s objectives based on stakeholder expectations. From a stakeholder perspective, MoF identifies its stakeholders as parties that affect or are affected by MoF’s policies, such as the President, House of Representatives, the Financial Audit Board, citizens, and bondholders (Erawan, 2019).

![Strategy Maps Comparison](source: MoF Strategy Map 2019, SAB Performance Report 2018, CEC Performance Report 2018, MoMF Performance Report 2018)

**Figure 1. The Differences Between Strategy Maps**

The comparison of strategy maps between MoF and other public institutions such as The Supreme Audit Board (SAB), The Corruption Eradication Commission (CEC), and The
Ministry of Marine Affairs and Fisheries (MoMF) shows that they have a similar practice in implementing BSC, its strategy map consists of four complete perspectives: 1) stakeholder perspective, 2) customer perspective; 3) internal process perspective; 4) learning and growth perspective and financial perspective. The comparison can be seen in figure 2.

It can be seen that the formulation of strategy maps is adjusted to the jobs and functions of each institution. It is supported by Griffiths (2003) and Yu, Perera, & Ćrowe, (2008) that many institutions perform BSC with some modifications to suit their organisation characteristics. Generally, all strategy maps put stakeholder and customer perspectives in the top priorities of the organisational objectives. This practice indicates the principle of new public service, which is the focus of public management should be the interest of citizen, community, and civil society, so the role of public institutions should encourage citizen and stakeholders’ recommendations to improve the institutional performance (Robinson, 2015). This can be achieved by conducting surveys or questionnaires to the organisation’s customers or stakeholders to know their interests in the organisational performance. The significant differences are how the organisations perceive their stakeholder and customer and how they treat their financial perspective. Both SAB and CEC do not differentiate the definition between stakeholder and customer and use the term stakeholder instead, which is more commonly used in the public sector. Despite the absence of a financial perspective in MoF, CEC, and MoMF, their managers set their economic measurement in a learning and growth perspective as one of its objectives. Moreover, both financial perspective and measure assess the effectiveness and efficiency of the organisations’ budget spending.

**BSC as a Measurement Tool**

BSC in the public sector can be utilised as performance measures derived from the organisation’s mission and strategy (Niven, 2012). BSC translates strategy planning into key performance indicators (KPIs), which accommodate six criteria: 1) specific; 2) measurable; 3) approved; 4) realistic; 5) time-bound, and 6) continuously improved (Erawan, 2019). The managers must consider these criteria in formulating KPIs’ and their targets. According to The Ministry of Finance’s Decree Number 467/KMK.01/2014 concerning Performance Management in the Ministry of Finance, the strategy map and KPIs in MoF-wide are extracted into the strategy map and KPIs from lower structures (MoF-two, three, and four) until employee level. The cascading process symbolises the involvement of all employees, structure and functions in achieving desired organisation’s goals. Therefore, the performance manager should acknowledge the organisation’s characteristics and functions when cascading the strategy map/KPIs.

The performance managers in MoF regularly review their KPIs and strategic planning achievement; moreover, at the end of the year, the manager measures its achievement by comparing the realisation to the target. Starting in 2016, based on Minister of Finance decree no 590 the year 2016, MoF conducts a performance dialogue to evaluate and monitor performance achievement. The dialogue aims to discuss the achievement of each KPIs, the challenges, and the future action plan to overcome the challenges; consequently, the dialogue has a strategic effect on the organisation’s performance and culture (Susmianti & Arijanto, 2015). Furthermore, the performance dialogue must be conducted based on factual performance data, while the discussion should be action-oriented and encourage all participants to give constructive feedback (Erawan, 2019).

**BSC as an Accountability Report**

The BSC can enhance government organisations’ performance accountability (Griffiths, 2003). Subsequently, MoF has integrated the BSC system into its performance report. The Ministry of Finance annually publishes a performance report to meet the requirements of
Presidential Regulation No. 29 of 2014 concerning the Performance Accountability System for Government Agencies. This regulation mandates every government agency to report and publish its annual performance accountability (Presidential Decree Number 29 the Year 2014 concerning Performance Accountability System of Government Institutions, 2014). Specifically, the performance report is an overview that describes concisely and comprehensively the achievement of organisational performance compiled based on the work plan to implement the State Budget/Regional Budget (APBN/APBD). By adopting BSC, the MoF’s performance report includes the elaboration of MoF Strategy Map, the strategic objectives in each perspective, and the key performance indicators. Thus, it helps public to understand how MoF devises its five-year strategic plan into its annual strategy and how each strategic objective and key performance indicator support the achievement of MoF’s mission.

In addition, MoABR annually assesses the quality of performance accountability in every central government organisation. This assessment aims to evaluate the SAKIP implementation. Based on the 2019 assessment result, most ministries with the highest performance accountability rankings implemented BSC (80%). Table 1; while only two ministries/agencies (State Ministry for Development Planning/National Development Planning Agency and Ministry of Administrative and Bureaucratic Reform) did not implement BSC. The ministries/agencies with long experience in BSC (MoF and SAB) ranked first and second. This suggests that ministries/agencies with BSC can generate higher performance accountability than ministries/agencies without BSC, which aligns with the findings from Griffiths (2003) and Northcott & Taulapapa (2012).

### Table 1. 2019 Central Government’s Performance Accountability Rankings

| No | Ministries/agencies                                      | Performance Accountability’s scores | Performance Management Tool |
|----|---------------------------------------------------------|-------------------------------------|-----------------------------|
| 1  | Ministry of Finance                                    | 88.13                               | BSC                         |
| 2  | Supreme Audit Board                                    | 83.15                               | BSC                         |
| 3  | Ministry of Marine Affairs and Fisheries                | 82.04                               | BSC                         |
| 4  | Corruption Eradication Commission                      | 81.64                               | BSC                         |
| 5  | State Ministry for Development Planning / National Development Planning Agency | 81.19                               | None                        |
| 6  | Ministry of Administrative and Bureaucratic Reform      | 80.68                               | None                        |
| 7  | National Government Internal Auditor                    | 79.19                               | BSC                         |
| 8  | National Agency of Drug and Food Control                | 78.60                               | BSC                         |
| 9  | Ministry of Industry                                   | 78.04                               | BSC                         |
| 10 | Ministry of Tourism                                    | 77.58                               | BSC                         |

Source: 2019 MoABR assessment data

### The Challenges in BSC Implementation

Despite the advantages that BSC brings to the organisation, several challenging factors need to be addressed. Therefore, in 2012, MoF conducted strategy focused organisation survey to evaluate the BSC implementation. The result showed that MoF lacks the principle of “make strategy everyone’s everyday job” this was caused by three identified factors: 1) lack of awareness from all employees regarding performance management; 2) there was no reward and punishment to organisations/employees that have high or low performance; 3) lack of training regarding BSC and performance management (Policy Analysis and Harmonization Centre, 2012). In addition, Budiarsro (2014) concluded four significant factors that negatively affect BSC contribution in public sector organisations: 1. Rigid structure of bureaucracies; 2. The culture of patronage; 3. Lack of human resource skills; and 4. Poor leadership from top management.
Therefore, several action plans are required to settle these challenges: 1. Creating a supportive leadership, such as the senior leaders should establish a supportive culture that encourages honest disclosure and takes lessons from adverse outcomes; 2-building a transformative organisation’s structure; and 3-developing collaborative decision-making (Kaplan & Norton, 2006; Ndevu & Muller, 2018). Furthermore, Budiarso (2014) argued that supportive leadership significantly promotes comprehensive BSC implementation.

E. CONCLUSION

The bureaucratic reform encouraged the implementation of BSC in Indonesian public institutions to achieve better accountability. In practice, BSC implementation must be suited to the characteristics of each government organisation. Indonesian central governments generally implement BSC as a strategy execution tool, measurement tool, and performance report. Therefore this extensive use of BSC leads to improved performance accountability systems. BSC can support the government organisation in enhancing its performance accountability system, specifically in performance planning. The government may refer to the organisations that already implement BSC, such as MoF, SAB, CEC, and MoMF and revise it based on their organisational characteristics. The performance manager in each organisation should play a significant role in determining which model suits the best for the organisation’s characteristics.

Even though some government organisations have successfully implemented BSC, consequently enabling them to enhance their performance accountability, certain room for improvement remains necessary. Firstly, the role of government leaders is significant. They have to become progressive role models and encourage all of the employees to think strategically and comprehensively about their business process. Secondly, the employees must develop a culture that crosses all organisational structures to increase their awareness about substantial performance management to support organisational objectives. All in all, to properly implement BSC, all government organisation elements, from executive leaders to operational employees, should perform strategic-oriented management.

However, this paper only primarily uses data from the Ministry of Finance. It focuses on the central government due to data limitations and time constraints, while the BSC practice on different public organisation characteristics may be diverse. In addition, a quantitative approach is needed to examine the significance of BSC implementation toward government performance accountability; therefore, future research is suggested to address this issue.

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