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Adi became a lecturer on the Elementary Accounting, Advance Accounting Management, Taxation Seminar and Performance Based Management for Government Institution for the State College of Accountancy during 1991-2006. Adi also taught Leadership and Strategic Management for the Indonesian Ministry of Finance leadership training centre at the Finance Education and Training Agency (FETA) since 2001. In addition, Adi also became Management Accounting lecturer at the Magister Management Program at the University of Atma Jaya, Jakarta in 2004-2005 and Accounting Lecturer at the University of Pelita Harapan in 2005-2006. Adi has also played an active role in Global Leadership Development Institute under FETA, in cooperation with the Islamic Insurance Society and the Indonesian Islamic Insurance Association, to initially launch the professional certified islamic insurance training program in 2003/2004. Moreover, Adi was a senior researcher at the Public Finance and Governmental Accounting Research Institute, at FETA and the co author of several text books for the State College of Accountancy during 2004-2006.

Adi also involved in the Indonesian Ministry of Finance reform team. Adi was the deputy director under the Minister of Finance delivery unit, acting as the team leader in developing the strategy management office to coordinate the cascading process of the implementation of Balanced Scorecard throughout 12 units under the Indonesian Ministry of Finance up until echelon III during 2007-2009.

Abstract

The Role of Leadership in Sustaining Public Sector Performance:

A Case Study of the Balanced Scorecard Implementation in the Indonesian Ministry of Finance

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The leadership role is central in implementing Balanced Scorecard in public sector to achieve high performance (Graetz 2006, Kaplan and Norton 1996, 2004, 2004a, 2009, Estis 1998). To sustain public sector performance, public sector leaders basically need to focus on the longer horizon (Schall 1997). Leaders in public sector need to think strategically not only during their tenure, but also to think beyond their term in service. So an effective succession planning is a crucial step for sustainable public sector performance (Schall 1997). Previous studies regarding the effort to maximizing stakeholders' value have placed less stress on both leader and organizational performance outcome at the whole system perspective (Brewer, 2008). Literature on leadership and strategic management indicates much of offered theory focuses either on performance management processes at the individual or organizational level (Detrich, 2009). So, for a specific public sector organisation, there is a need to explore the best fit framework that links leadership role at all levels to run the processes to achieve sustainable performance outcomes (Jing and Avery 2008, Van Mart 2003). Based on the results of the study literatures,

there are four major elements that should be explored to support analysis on the leadership role in sustaining public sector performance, as follows: leadership effectiveness, the Strategic Management and HRM “fit”, performance management system, & performance governance (Jing and Avery 2008, Bouckaert & Halligan 2008, Shields 2007, Sutiyono 2007, Kaplan & Norton 1996, 2004a)

The aim of this research is to explore leadership roles in implementing effective performance management systems to achieve performance excellence under the Indonesian Ministry of Finance bureaucratic reform program in 2007-2009. The proposed preliminary leadership-performance management system (PMS) framework is based on the construct of available literature to assess the leadership role in implementing effective performance management systems to achieve sustainable organizational performance results.

The research will contribute to new knowledge based on the case study of the first implementation of Balanced Scorecard approach in the Indonesian Ministry of Finance as a pilot ministry for the bureaucratic reform program. By delineating and analyzing leadership roles and perspectives and asking open questions about phenomena as the bureaucratic reform occurs specifically in purpose to improving ministry’s performance, a better framework will be designed to comprehend the new model of leadership role in implementing effective PMS in the public sector.

Constructionism is the epistemological approach adopted in this study. It posits that meaning is constructed, not discovered (Crotty 2005, Blackman et al. 2005). The interactions between people and objects will be important in this study. To address the main research questions, the qualitative methodology based on the case study will be adopted (Stake 1995; Yin 2003). Based on the nature of reality (ontology), inquirers make an assumption that reality is subjective and multiple, as seen by participants in the study (Creswell 2007). A research that is informed by a qualitative methodology is grounded in the interpretive social sciences, which aims to understand the meaning of leadership actions during the implementation of effective PMS in the ministry. It is inductive in nature and based on textual representations of the phenomenon under study (Carter et al. 2007; Jennings 2001).

An interpretivist approach would be best suited as the theoretical perspective in this exploratory study. The development of the conceptual framework (Eisenhart 1989) will be used as guide to explore and analyze the multiple perspectives of the key players in the case study of the BSC implementation for sustaining performance in the Indonesian Ministry of Finance (IMOF).