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UNIVERSITY OF SOUTHAMPTON

FACULTY OF BUSINESS AND LAW

School of Management

**THE DEVELOPMENT OF BALANCED SCORECARDS IN THE PUBLIC
SECTOR OF BRUNEI DARUSSALAM: A GROUNDED THEORY**

by

Fairul Rizal bin Haji Rashid

Thesis for the degree of Doctor of Philosophy

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UNIVERSITY OF SOUTHAMPTON

ABSTRACT

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THE DEVELOPMENT OF BALANCED SCORECARDS IN THE PUBLIC SECTOR OF BRUNEI DARUSSALAM: A GROUNDED THEORY

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This research explores the phenomenon of Balanced Scorecards in the context of the public sector in Brunei Darussalam. Balanced Scorecards has become a popular mechanism in Performance Management and Measurement System to date and has been applied in the private and public sectors of many countries. Nevertheless, despite its popularity, little is known about the role of Balanced Scorecards in the context of this present study and this research simply adds value to that body of knowledge. This research is guided by an interpretive methodology and is carried out by using Grounded Theory procedures (Strauss and Corbin, 1990, 1998). Two of Brunei's government ministries have been purposely chosen to participate in this research project.

The substantive grounded theory proposed that discretionary engagement is the core activity underpinning the Balance Scorecards process. Discretionary engagement essentially deals with the process of loose alignment or disconnection involving the higher-level directions, and the respective departmental strategic responses, in relation to the ministerial-level Balanced Scorecards strategic goals. The core phenomenon emerged from the contextual interactions of both external and internal conditioners. The effects of two internal causal conditioners are mediated by the departmental response strategies which then become an essential part of the discretionary engagement process. The impact of this core activity has undermined the initial purpose of the overall Balanced Scorecards strategy development and has, in turn, caused a variety of unintended consequences.

The rich insights gained from the present study are primarily filling the research gap in both interpretive research, via Grounded theory procedures, and Balanced Scorecards knowledge in the public sector environment, by conducting the research in unexplored social setting. This study also essentially contributed to the theorising of decoupling of Performance Management and Measurement System in the context of the public sector, in the realm of New Institutional Theory of Sociology.

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DECLARATION OF AUTHORSHIP

I, Fairul Rizal bin Haji Rashid, declare that this thesis and the work presented in it are my own and has been generated by me as the result of my own original research.

The development of Balanced Scorecards in the public sector of Brunei Darussalam: A grounded theory

I confirm that:

1. This work was done wholly or mainly while in candidature for a research degree at this University;
2. Where any part of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution, this has been clearly stated;
3. Where I have consulted the published work of others, this is always clearly attributed;
4. Where I have quoted from the work of others, the source is always given. With the exception of such quotations, this thesis is entirely my own work;
5. I have acknowledged all main sources of help;
6. Where the thesis is based on work done by myself jointly with others, I have made clear exactly what was done by others and what I have contributed myself;
7. None of this work has been published before submission

Signed:

Date:

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Definitions and Abbreviations

| | | | |
|--------|---|-------|---|
| ACD | Anti-Corruption Department | IT | Institutional Theory |
| BDNC | Brunei Darussalam National Accreditation Council | KPIs | Key Performance Indicators |
| BSC | Balanced Scorecards | L&WD | Law & Welfare Division |
| BND | Brunei Dollar | MSD | Management Service Department |
| BEDB | Brunei Economics Development Board | M&CD | Media & Cabinet Division |
| CSI | Civil Service Institute | MoE | Ministry of Education |
| C&GD | Corporate and Governance Division | MoF | Ministry of Finance |
| DoA&S | Department of Administration & Services | NCD | Narcotics Control Department |
| DoEP&D | Department of Economics Planning & Development | NDP | National Development Plan |
| DoEP&M | Department of Estate Planning & Management | NPM | New Public Management |
| DoPD&R | Department of Planning, Development & Research | OECD | Organization for Economic Cooperation Development |
| DoS | Department of Schools | PMMS | Performance Management and Measurement System |
| DoTE | Department of Technical Education | PMS | Performance Measurement System |
| DCC | Dunedin City Council | PMO | Prime Minister's Office |
| EFR&DD | Economy, Finance, Research & Development Division | PSD1 | Private Schools Department |
| GPRA | Government Performance and Results | PSC | Public Service Commission |
| GDP | Gross Domestic Product | PSD | Public Service Department |
| GT | Grounded Theory | RC&TD | Royal Customs & Traditions Department |
| HED | Higher Education Division | S&ED | Security and Enforcement Division |
| HES | Higher Education Section | SMD | State <i>Mufti</i> Department |
| HRD | Human Resource Department | SMO | Strategic Management Office |
| | | UBD | University of Brunei Darussalam |

Chapter 1: Introduction

1.1 Background of the study

Brunei Darussalam is a small country; the only nation in Southeast Asia that has had a governance structure, for more than 500 years, based on the monarchy system. Brunei is also a public sector driven nation wherein the sector plays a leading role that contributes towards the nation's development. During the last decade, the monarch, in his role as the Prime Minister, has demanded all government ministries to commence and develop their respective strategic planning. In response to this call, the Balanced Scorecard (BSC) mechanism, with its increasing hype, has been normatively applied in the sector and thus arguably has become a major managerial innovation attempted in recent times. It is thought that the BSC could assist the ministries that have adopted it to plan and execute their initiatives in a more systematic and strategised manner.

Since its inception, the BSC has evolved to become a well-known and popular approach in Performance Management and Measurement Systems (PMMS) and has been applied in many countries. Despite the mixed results of BSC application in the business sector, there has been mounting interest in the public sector. Accordingly, this thesis is designed to investigate the development of BSC in the public sector of Brunei. Two government ministries in the country have been purposely chosen for this project. Specifically, this study intends to seek an understanding on how BSC strategy is implemented and what are the meanings of BSC strategy to the organisational actors.

This research is guided by an interpretive research methodology and is carried out by using Grounded Theory (GT) procedures. This paradigm allows the researcher "to generate descriptions, insights, and explanations of events so that the system of interpretations and meaning, and the structuring and organizing processes, are revealed" (Gioia and Pitre, 1990, p. 588). The GT approach could then further assist the researcher to generate a theory grounded in the data itself (Strauss and Corbin, 1998). This approach simply

allowed “actors’ own interpretations and meanings to emerge” i.e. on issues that are pertinent to them (Parker and Roffey, 1997, p. 219). Ultimately, this approach led the researcher to develop a theoretical model reflecting the phenomenon that had been studied (Turner, 1983).

1.2 Personal motivation

The author’s decision to explore the phenomenon of BSC in the public sector of Brunei is mainly derived from a practical experience. Prior to embarking onto his PhD journey, apart from being an academic at the leading local university, the author was also appointed as one of the coordinators at the Strategic Management Office (SMO) of the university from 2007-2009. The role of the SMO is to advise the top management and coordinate a university-wide strategic planning process, via BSC mechanism. In addition, the Office also provides consultancy services to government ministries and agencies particularly in assisting them to develop their BSC strategic planning framework.

The SMO managed to formulate a high-level BSC strategy framework so as to guide the action plans devised by the university. However, the strategy implementation process faced numerous challenges, and over time, with the change in top management, the implementation of the BSC strategy failed to materialise.

As for the ministerial-level, many ministries have gradually formulated their respective strategic framework via BSC approach, and the official launchings of such a model are often widely reported in the local media. In certain ministries, their BSC strategies had been implemented for a significant number of years. In that context, it would be interesting to ascertain the development of these implemented strategies thus far. As a matter of fact, not much has been reported from the ministries on the progress of their BSC strategies especially as to how the strategies are implemented, and are viewed by the organisational members.

1.3 Significance of the research

Apart from the lack of comprehensive reports on the progress and resulting outcomes of BSC application in the public sector in Brunei, the interest to undertake this research is further driven by the pending issues derived from the technical literature. First and foremost, despite the popularity of the BSC model in international settings, this research is arguably one of the first known empirical studies of BSC in the context of the public sector of a developing nation situated in the South East Asia region. Besides, since most of the empirical researches on BSC development reported in the literature is based on the local-government setting, the contextual nature of Brunei's public sector would extend BSC literature in an unexplored social and administrative setting.

Moreover, to date there have been scant BSC researches informed through interpretive examination, particularly using the GT approach. Thus this thesis is intended to extend the interpretive paradigm and hence contribute to GT literature by providing in-depth insights into the phenomenon under study.

The study is also aimed to fill the research gap by capturing and developing the interpretive views of different group of organisational actors at different levels of management. This different level respondents involved would provide a more accurate picture of what is actually happening to the BSC in the studied ministries.

Finally, it is hoped this research can provide insights on BSC implementation process that could prove useful to those outside the academic community.

1.4 Thesis layout

This thesis has a total of nine chapters, including this introductory chapter. Straight after this, chapter 2 provides a literature review concerning the development of BSC and other related areas. Nevertheless, in line with the research methodology being used, the literature review is made in a general sense, yet with a specific enough focus for the researcher to gain a fundamental understanding on relevant issues and to identify research gaps concerning the study's area of focus.

Chapter 2 begins by talking about the rise of new public management (NPM). The discussion then proceeds to one of the major elements of NPM i.e. PMMS, which ultimately triggered the occurrence of BSC. Despite the widespread adoption of BSC, there are still few empirical studies of the mechanism in the context pursued by this research. To date, the literature review has revealed that most of the research reported on BSC is skewed toward local government experiences and in the context of developed nations.

After presenting the initial literature on the subject, the thesis then proceeds to chapter 3, which outlines the research methodology and methods employed in the present study. This chapter begins by examining the key philosophical assumptions that influence the methodological choices underlying any research activity. The discussion lingered around the much cited work of Burrell and Morgan's four paradigms (1979), and then balances it with contemporary writings and thoughts of later theorists who want to move away from Burrell and Morgan's position. Besides, in continuing the discussion of the literature review (chapter 2), chapter 3 has further outlined the research problems that derived from both theoretical as well as practical positions, hence delineating the motivations for this research being undertaken. As mentioned above, this chapter 3 has also raised the case for an interpretive stance relative to others such as functionalist's and, thus, has chosen and applied Strauss and Corbin's GT approach so as to address the objectives of this current research initiative.

After presenting the historical development and some background of GT, chapter 3 then explained in great detail the GT methodological strategies applied. These include the case for Strauss and Corbin's style, early practical considerations, the formulation of research objectives and questions, as well as details on data collection and analysis strategies. Finally, this chapter also examines the strategies deployed in handling issues related to the reliability and validity of the research process undertaken.

The next four chapters i.e. chapter 4 till 7, discuss the fieldwork related findings of the research. Firstly, chapter 4 provides background profiles of the two ministries selected for the study. The chapter also outlines some

introductory information about Brunei and its public sector. Eventually, this chapter proceeds to talk about the descriptive details of the development of the ministerial-level BSC strategic planning of the two ministries studied. The information provided in this chapter becomes a foundation for the analytical results of GT captured and discussed in the subsequent coding chapters. There are three stages of the GT coding process as advocated by Strauss and Corbin: open, axial and selective coding. Nonetheless, despite the different terminologies, they tend to intermix with one another and occur concurrently during the analytical process.

Chapter 5 presented the results of the open coding i.e. the first stage of the GT coding process. During the process, there are lists of 25 open categories developed from the analysis that are considered significant to the participants. These open categories emerged from the analysis of the open concepts that were originally identified and discovered, in terms of their properties and dimensions, in the raw data (Strauss and Corbin, 1998). These open categories simply represent the building foundations of the GT of the study. They, nevertheless, will be further refined and integrated so as to form higher order categories, which are the focus of the next coding stage.

In consequence, chapter 6 will then outline the findings of the second stage of GT analysis i.e. axial coding. The main aim at this second coding stage is to reassemble data, which was fractured at the initial coding stage, by integrating those earlier categories so as to form the respective higher-level and more abstract categories (Strauss and Corbin, 1998). 9 main categories are presented, as a result, reduced from the original 25 open categories.

Chapter 7 describes the details of the emergent substantive theory, which is the outcome of the selective coding; the final analytical stage of GT. Essentially, in this process, a 'discretionary engagement' was identified as the core category; the main theme that answered *what is going on in the research*. The core category basically talks about the process of loose alignment or disconnection involving the higher-level directions from the ministerial-level actors and the respective departmental strategic responses in relation to the ministerial-level BSC strategic goals. This core category has

the explanatory power to relate and integrate the main axial categories further, so as to form a substantive theory that can inform the present study.

The thesis then proceeds to chapter 8, which compares the emergent theory developed in chapter 7 in view of the relevant extant literature. This is an important task, as it allowed the existing knowledge to be confirmed, developed and improved further, for a theory development purpose. The initial literature review is insufficient to explain the evolution of the substantive theory. Accordingly, it turned out that the literature of decoupling, in the realm of New Institutional Sociology (NIS) of Institutional Theory (IT), has offered suitable theoretical insights and, thus, has been explored further in corroboration with the core phenomenon and main theoretical findings. Generally, while BSC is focused on the technical model, IT highlighted the non-technical requirements for any form of innovation to emerge within an organisation (Birkinshaw, Hamel and Mol 2008). The theory of decoupling is arguably one important tenet in IT to guide the study of organisations. The theory has evolved from its legitimacy-seeking purposes (Meyer and Rowan, 1977) to how it is now seen as a resulting process that emerged from the internal working out process rooted in the organisation (Siti Nabiha and Scapens, 2005). The latter trend demands an interpretive investigation be made in order to understand the contextual nature of the decoupling process involved in the cases studied. Hence, in the process, various issues raised by institutional theorists, particularly in association with the decoupling of PMMS in the public sector, have been compared with the emergent substantive theory.

Last but not least, chapter 9 marks the conclusion and final chapter of this thesis. After wrapping up the main research findings, the author then talks about the research method applied in the research. Essentially, the chapter proceeds by outlining the theoretical contributions that this research has made to the literature. Numerous theoretical contributions have been addressed, covering literature in the areas of BSC in public sector, interpretive research and the neo-institutional theory of sociology. Some of the major theoretical contributions are outlined below:-

First and foremost, the interpretive insights on BSC application, via GT strategy, in Brunei's public sector have managed to fill-up the research gap on BSC in unexplored social settings.

This study has also extended the BSC literature by analysing views of actors at both ministerial and departmental level. Fundamentally, the ministerial / departmental level relationships pursued led to the emergence of the core category that characterised what is going on during the journey of BSC in Brunei's public sector. Many studies found in the BSC literature tend to either neglect or are unable to follow through the detailed ministerial-departmental analysis.

The decoupled state of ministerial level BSC strategy triggered at the ministerial level has brought unintended outcomes to the strategies taken by the ministerial departments. The contagious nature of these strategic responses has yet to be explored in the BSC literature. Accordingly, this study has refuted the simplistic dichotomy of success and failure in BSC application commonly reported in the literature.

This thesis has also identified the similarities of conditional factors influencing BSC, as were found in developed nations. But the systematic relationship, advocated by GT, among macro and micro causal conditions is a significant development that is often omitted from the BSC literature.

Similar to the western experience, this study also supported the significance of the institutional context of the sector in implementing BSC effectively (Johnsen, 2005 and Holmes, de Pineres and Kiel, 2006). This current study is primarily addressing the scarcity found in the literature through a multi-level analysis involving "loosely-coupled PMMS as these are institutionalized in a particular field over time" (Modell, 2009, p. 283). Hence, the emergent substantive theory has made several theoretical contributions to the theory of decoupling of PMMS in the public sector, in the realm of NIS of IT. For instance, the theory has strengthened the interconnection case of efficiency and legitimacy-seeking purposes for adopting a new system such as BSC practice (Scott, 2008b). The main phenomenon has also provided evidence on the role of the departments "in effecting tight and loose couplings over

time” (Modell, 2009, p. 283). The main findings also supported the new trend in NIS literature, by combining the theory of decoupling with other supporting IT theories such as path dependencies for better theoretical understanding (Modell, 2009).

Chapter 9 also talked about the practical contributions that could be beneficial in relation to the present context, ending with the suggestions for future initiatives that could be pursued, so as to extend the present work that has been addressed in this current research document.

Chapter 2: The development of Balanced Scorecards in the public sector

2.1 Introduction

The evolution of New Public Management (NPM) has triggered the spread of reform initiatives in public sector environments in international settings. This has led to the development of one of the major elements of NPM i.e. Performance Management and Measurement System (PMMS). In the latest development, Balanced Scorecard (BSC) has evolved to become a popular approach in PMMS that has been applied in many countries. Ever since Kaplan and Norton introduced the BSC approach in the early 1990s, BSC has attracted significant interest from both practitioners and the researchers (Speckbacher, Bischof and Pfeiffer, 2003; Othman, 2008). Nevertheless, despite its popularity, the reported results of BSC application in the business sector seemed inconclusive. But, despite that, there has been mounting interest from the government sector to incorporate the BSC approach into their PMMS (Kaplan and Norton, 2001b). Nevertheless, the role of BSC in the public sector is still relatively new; hence, it is suggested that more empirical studies are needed to further validate the BSC conceptions in practice.

So, this chapter begins by discussing the development of NPM and PMMS in the public sector environment. Then, in line with the focus of this study, the discussion proceeds with a review of literature concerning the key features of BSC and its current role in the public sector environment.

2.2 New Public Management (NPM)

2.2.1 The origins of NPM

Over the last decades, the traditional bureaucratic model of government, advocated by Weber, has received tremendous criticism (Sarker, 2006). Common negative notions that have often been directed at the public sector include “inefficient, ineffective, overly bureaucratic, over burdened by

unnecessary rules and failing in the provision of...services deserved by the...public” (Jones and Kettl, 2003, p. 1). Nowadays, government sectors have faced even greater pressures from various stakeholders to reform the ways they manage their activities (ibid). Diefenbach (2009) stressed that the public sector is also urged to reform because of the challenging and changing external environmental effects, caused largely by the globalisation and neo-liberalism encountered by and in the private sector.

Hood (1991) claimed that the NPM’s origins could be explained from two different ideological movements; namely the new institution of economies and the business-type 'managerialism'. The former sought to produce changes in administration based on the principles of “contestability, user choice, transparency and close concentration on incentive structures” (Hood, p. 5). Meanwhile, the latter referred to “a set of administrative reform doctrines based on the ideas of 'professional management' expertise... [that required] high discretionary power to achieve results...through the development of appropriate cultures...and the active measurement and adjustment of organizational outputs” (ibid. p. 6).

Nevertheless, the rise of NPM can also be traced back to, and is formally introduced in, the international settings of the late 1970s and early 1980s (Hood, 1991 and Groot and Budding, 2008). According to Groot and Budding (2008), NPM originated from the UK during Margaret Thatcher’s era under the Financial Management and Next Steps Initiatives and in the US municipal governments, as a result of economic recession and tax insurgency. At the same time, other countries, particularly Australia and New Zealand have also pursued the same NPM doctrines, and the proclaimed success stories have triggered other nations to follow suit (ibid). Over time, NPM has become one of the most prominent international trends in public sector management (Hood, 1991).

2.2.2 What is NPM?

Diefenbach (2009) stated that many empirical studies have been found in the literature regarding the NPM conceptions in the public sector. However, despite this, many academic authors asserted that NPM is a rather loose term

(Hood, 1991). Samaratunge, Alam, and Teicher (2008) highlighted different terms given by various authors that are associated with NPM, such as managerialism; market-based public management and entrepreneurial government. Diefenbach (2009) claimed that the NPM notion had been proliferated into different versions, especially when it is applied to different settings. This has made it difficult to initially develop a widely agreed definition of NPM and its core principles (Stark, 2002 and Diefenbach, 2009).

Nevertheless, many authors (e.g.: Jones and Kettl, 2003; Sarker, 2006; Diefenbach, 2009) agreed that the NPM principle is to make public sectors act more like a business sectors. So, the NPM can safely be defined as a set of value statements on how the public sector should be organised and function in a “quasi-business manner” (Diefenbach, 2009, p. 893).

The primary purpose of NPM, as reported by OECD (1994), is to ensure public organisations become more efficient, offer value for money, are customer-oriented, flexible and effective in their operations (Groot and Budding, 2008). This new orientation has challenged the traditional model of public administration. As reported by OECD (1998), It required a major cultural change away from old bureaucratic beliefs to a model that “attempts to combine modern management practices with the logic of economics, while retaining the core public values” (Samaratunge, Alam, and Teicher (2008, p. 26). Jones and Kettl, (2003) even claimed, at one extreme, that the public sector had been built upon the wrong principles and thus required reinvention and institutional renewal via NPM reform.

Over time, different authors (e.g.: Dunleavy and Hood, 1994; Pollitt, 2001; Jones and Kettl, 2003) have come up with different versions of NPM. For instance, Hood (1991), in his much- cited work on NPM, has suggested seven principles of NPM, as shown in Table 2.1 below. Hood insisted that the principles identified could be found, albeit they are not entirely present, in many countries that practiced NPM.

Table 2.1: The principles of NPM (adopted from Hood, 1991, p. 2-3)

| <u>No.</u> | <u>Principle</u> | <u>Meaning</u> | <u>Typical justification</u> |
|------------|---|--|--|
| 1. | Professional management. | Active, visible, discretionary control of organisations. | Accountability requires clear assignment of responsibility for action. |
| 2. | Explicit performance standards and measures. | Clear definitions of objectives, measures and targets. | Accountability requires clear statement of goals; efficiency requires 'had look' at objectives. |
| 3. | Greater emphasis on output controls. | Resource allocation and rewards linked to performance; break-up of centralized bureaucracy-wide personnel management. | Focus on results rather than procedures. |
| 4. | Shift in disaggregation of unit in the public agency. | Move away from 'monolithic' units, operating on decentralized 'one line' budgets and dealing with one another on an 'arms length' basis. | Need to create 'manageable' units, separate provision and production interests, gain efficiency advantages of use of contract inside and outside the sector. |
| 5. | Shift to greater <i>competition</i> in public sector. | Move to term contracts and public tendering procedures. | Rivalry as the key to lower costs and better standards. |
| 6. | Stress on private sector style of management. | Move away from military-style public service ethic; greater flexibility in hiring and rewards; greater use of PR techniques. | Need to use 'proven' private sector managerial tools. |
| 7. | Stress on greater discipline and parsimony in resource use. | Cutting costs, raising labor discipline, limiting compliance cost to private sector. | Need to check resource demands of public sector and 'do more with less'. |

2.2.3 What the NPM intends to bring?

The NPM concepts promised to bring benefits to public organisations. Some of the perceived benefits include reducing public financial burden; improving public sector efficiency and effectiveness; improving public service responsiveness and accountability; producing an “entrepreneurial” public sector and increased customer satisfaction (Hood, 1995; Jones and Kettl, 2003 and Sarker, 2006). Samaratunge, Alam and Teicher (2008) added that a dynamic and efficient public sector is a crucial element in order to attract foreign direct investments and bring more economic benefits to a nation. Thus, many international development agencies put NPM reforms as a prerequisite for any nation seeking foreign assistance (ibid).

2.2.4 The criticisms of NPM

The perceived benefits of NPM has induced top bureaucrats and elected politicians to apply the idea. However, other groups such as academics, business communities and even public managers are rather sceptical about whether the perceived benefits of NPM can be realised (Jones and Kettl, 2003). So far, it seems that the NPM reform is yet to completely replace the long established model of public organisation (Christensen and Lægreid, 2008). Thus, the detractors of NPM claimed that the NPM reforms are all hype with little or no substance; the old problems and weaknesses of the public sector still persist (Hood, 1991).

In fact, despite a few notable improvements, NPM appears to have brought more negative aspects to the public organisations (Diefenbach, 2009). Firstly, the drawbacks of NPM can be seen as originating from its incoherent theoretical views. For instance, the NPM endorsed change yet it also prompted rigid strategic and operational management; decentralisation of activities such as strategy development and measurement systems were introduced but with the notion of centralisation; employees are expected to act like entrepreneurs yet their performance and attitudes are controlled by the management; more regulations emerged despite deregulation being strongly advocated (Diefenbach, 2009). The concept of NPM’s universality is

also heavily criticised for its simplistic application in different values, norms and administrative settings (Hood, 1991).

Furthermore, NPM has also brought negative impacts and outcomes to the practical context of public organisations and its employees, as discussed below:

(a) A limited understanding of the NPM concepts such as market-orientation, efficiency and effectiveness has supplanted traditional public values and assumptions (Haque, 1999). This has, to a certain extent, led to a considerable reduction in both the range and quality of public service in some areas (Hood, 1991 and James, 2003).

(b) The economic and financial considerations associated with NPM have required public servants to do and perform 'more with less' (Samaratunge, Alam and Teicher, 2008). Thus, they tend to spend more time at work and less for themselves and family, resulting in higher stress levels and lower morale. Besides, external stakeholders are often critical with public servants if the services delivered are below expected standards; a shortfall which could be caused by uncontrollable factors (Samaratunge, Alam and Teicher, 2008).

(c) The development of key performance indicators (KPIs) is focused on quantifying the targets and is often limited in ability when it comes to capturing the intangible assets and traditional values that are highly regarded in the public service (Diefenbach, 2009). Public employees also often feel pressure to perform in order to meet those predetermined targets (ibid).

(d) NPM is highly supported by the top management because it serves their interests and can strengthen their power over their employees (Moynihan, 2004). The syndrome of new 'off-the-shelf' techniques would only bring long-term negative effects to the agency's performance and standards of public service delivery (Diefenbach, 2009).

(e) Diefenbach (2009) argued that “a majority of the public employees suffer because of...declining motivation and work satisfaction, tighter regimes of management... measurement, control, and supervision...” (p. 906).

2.2.5 The spread of NPM in international settings

Despite the drawbacks, NPM has somehow become a worldwide phenomenon (Jones and Kettl, 2003). NPM's development is wide-ranging, reaching nations across the continents (Diefenbach, 2009). It probably started in industrialised Western nations, particularly the US, UK, Western Europe, Australia and New Zealand. In these nations, the NPM revolution is also strongly supported by the major political parties in power. NPM reform is, thus, spread across different levels and types of public organisations (Diefenbach, 2009). Page (2005) claimed that seemingly NPM can be applied in and to almost any political system, regions and with different administrative values and norms.

Jones and Kettl (2003, p. 9) added that the global spread of the NPM is also attributed to the influence of the “internet and relatively inexpensive international air travel”. They mentioned the work of Pusey (2001) in which it is noted that the application of NPM is also driven by the public sector managers who have educational backgrounds in the business schools and public administration, particularly in the West.

Nonetheless, Samaratunge, Alam and Teicher (2008) argued that the impact of NPM, particularly in OECD nations, is rather unsettling. This is even so in the study of NPM in Australia and New Zealand, which are considered as forerunners of the NPM movement. Jones and Kettl (2003) deduced that although the Australia government has benefitted from the NPM's reforms, particularly via the privatisation and sale of assets, the implementation aspects of those reforms proved to be difficult. In fact, the social and political impacts have proven fatal to the political party that reigned during those reform periods. Meanwhile, in New Zealand, Laking (2001) asserted that although there is an overall gain in efficiency, the impact on the effectiveness of the reforms is rather uncertain. Hodgson, Farrell and Connolly (2007) stated that a similar inconclusive trend was found in the UK

and more studies are needed to clarify the impact of the operational improvement upon the relevant stakeholders. Moreover, other European countries such as Norway and Portugal are considered themselves as reluctant NPM reformers because of the internal governmental issues that they faced, such as the upholding of traditional bureaucracy, lack of external pressure for reform and resistance to change (Araujo, 2001).

Nonetheless, in recent years, “following the paths blazed by developed countries and the pressures imposed by the international donor agencies, many developing countries have been trying to reshape their administrative systems along the logic of NPM” (Sarker, 2006, p. 181). Jones and Kettl (2003) believed that the fiscal and economic crisis faced by most Asian countries in the late 1990s are the main forces that triggered them to reform their respective public sectors. Surprisingly, there have been so-called success stories reported about the NPM efforts conducted in countries such as Singapore and Malaysia¹. However, researches on the implementation phase in developing countries are still limited and lack of details, compared to those in the developed nations, to fully claim the NPM’s success (Jones and Kettl, 2003). Thus, more studies are indeed required in order to learn lessons from NPM in developing countries and hence to contribute to the literature (Samaratunge, Alam and Teicher, 2008).

2.2.6 Is NPM still relevant?

Many of the initiatives falling under the NPM’s umbrella have been implemented in different nations worldwide, for decades now. Some of NPM strategies commonly mentioned include privatisation, deregulation, selling off public assets, creating a performance management system, outcomes-based budgeting and putting in place a quality management system (e.g.: Schick, 1998; Hodgson, Farrell and Connolly, 2007 and Christensen and Laegreid, 2008). Besides, “many cross-national organizations like...the World Bank and the International Monetary Fund have encouraged management reform and have stimulated reform networks across national borders” (Jones and Kettl, 2003, p. 11). However, whilst the academic community has been

¹ Please see Samaratunge, Alam and Teicher (2008) for the positive impacts gained by both countries as a result of NPM reform.

able to define NPM theoretically, the discussion of NPM is still confusing, inconsistent, diverse in scope and empirically inconclusive as it aims to bring about change in the public sector in general (ibid). This viewpoint is supported when comparing the implementation of NPM in developed and developing nations.

For instance some authors (e.g.: Lee and Haque, 2006; Sarker, 2006 and Christensen and Laegreid, 2008) have identified enabling factors that have played a significant role in the successful implementation of NPM in western developed countries. However, Sarker (2006) argued that most developing nations are unable to attain those prerequisites to success. There are also other kinds of barriers to success, such as a state's political system, culture, rules and other administrative traditions that need to be considered before the NPM is implemented in the developing nations (Jones and Kettl, 2003 and Sarker, 2006). Otherwise, Hughes and Teicher (2004), as cited by Samaratunge, Alam, and Teicher (2008, p. 27), claimed "the adoption of NPM principles may create more layers of complexity"².

Thus, in order to tackle the issues above and to ensure the relevance of NPM in the future, many authors (e.g.: Hood, 1995; Bovaird and Russell, 2007; Hodgson Farrell and Connolly, 2007) have now recognised the implementation of NPM reform is heavily institutionally dependent. This is because different nations, and even different levels and types of public organisations within a nation, tend to function with different norms, traditions, capacities and structures, and hence require different approaches (Jones and Kettl, 2003; Groot and Budding, 2008). Furthermore, the enormous variations of NPM initiatives reported in the literature have also made the analysis and evaluation of the impact somewhat difficult (Jones and Kettl, 2003). Yang and Kassekert (2009, p. 432) warned, "equating all NPM type reforms oversimplifies the unique dynamics of each of these reforms". Essentially, each of the NPM-type reforms "needs independent evaluation and theorizing and should not be discounted because of 'guilt of association'" (ibid, p. 432). Therefore, more research into the specific components of NPM

² Please see the work of Samaratunge, Alam, and Teicher. (2008) and Sarker (2006) for the unique success factors and barriers studied for developing nations in Asia in implementing reforms in their respective public sectors.

is suggested, which would then give greater illumination to understanding and assessing the impact made by NPM (Jones and Kettl, 2003).

In conclusion, although the bureaucratic system is still prevalent in public sector organisations, Lapsley (2008) argued that the NPM reforms would remain desirable today and in the foreseeable future. “Those who seek to predict the demise of the New Public Management” would be disappointed because “in this world of the global economy, reforming governments will continue to focus on areas of influence – which is the public sector – and the means of making this part of the economy as efficient and effective as possible, which makes governments turn to NPM for solutions to public services delivery” (Lapsley, 2008, p. 77). Besides, Jones and Kettl (2003, p. 1) added, “the paucity of ‘results about reforms’- and the need to assess whether management reforms have helped each nation solve its particular problems - should motivate researchers to press ahead”.

The next section focuses on the discussion of one of the major tenets of NPM that has received much attention in the literature in recent years.

2.3 Performance Management and Measurement System (PMMS)

It is important to note that although many academic scholars often use the concept of performance management and performance measurement interchangeably, they are in fact not the same; a difference which is worth mentioning (Chan, 2004).

2.3.1 What is performance management?

Performance management application is believed to be dated back in the early 1900s used by the New York City Council (William, 2003). Although the phrase was only heard and used again officially in the 1970s i.e. during the time the enthusiasm for NPM started to build up (Fryer, Antony and Ogden, 2009). Since then, the research on performance management, as reported in the literature, has been extensive. Many areas of business have been covered, including operation management, strategic management, accounting, economics and human resource management (Marr and

Schiuma, 2003). So, in the past, this made it difficult to specifically define NPM's boundaries, components and practices (The Centre for Business Performance, 2006). Nevertheless, the Centre argued, "it is relatively recently that performance management for these disparate disciplines has begun to converge and recognize the need for integration into a multidisciplinary approach to managing performance" (p. 3). Collectively, performance management can be referred to as a collection of activities that include the development of strategy and objectives, the selection and execution of action plans/initiatives and the creation of measurement mechanisms so as to ensure the objectives/strategies are attained (ibid, 2006).

2.3.2 What is performance measurement?

Performance measurement, on the other hand, is the central component of performance management (Fryer, Antony and Ogden, 2009). The widely accepted definition of performance measurement can be referred to as a process of quantifying and evaluating the efficiency and effectiveness of action plans executed to attain the objectives (Neely, Gregory and Platts, 1995; Radnor and Barnes, 2007). Tarr (2004), as mentioned by Fryer, Antony and Ogden (2009), argued that there are four elements of performance measurement, namely: the identification of measures and indicators; the mechanism employed to carry out the measurement process; the infrastructure to analyse the data gathered and communicating the information/results.

Therefore, performance measurement is essentially the information system, within the performance management sphere, that acts as a monitoring and communication mechanism (The Centre for Business Performance, 2006). Performance management in turn, uses the information supplied by the performance measurement, to produce actions that are required to improve performance needed to attain the desired outcomes (Fryer, Antony and Ogden, 2009).

2.3.3 Why PMMS is important?

The Centre for Business Performance (2006) identified the works of many authors (e.g.: Neely, Gregory and Platts, 1995; Kaplan and Norton, 1992 and 2001c) and came up with many reasons why PMMS is important, especially in the private sector domain. These reasons can be categorised as follows:

(a) *Strategic* – this is concerned with the functions performed “in managing strategy implementation and challenging assumptions” (p. 6).

(b) *Communication* – This covered “the role of checking position, complying with the non-negotiable parameters, communicating direction, providing feedback and benchmarking” (p. 6).

(c) *Motivation* – This dealt with the assessment and reward for positive outcomes attained by the employees such as increases in efficiency, quality and productivity and hence can be used to promote further improvement and learning.

Induced by the perceived functionality, it seemed to be a good justification for public sector organisations to implement PMMS as well (Diefenbach, 2009). Verbeeten (2008) argued that PMMS enabled public servants to be focused on the operations [*communication purpose*]; accountable to the public or taxpayers [*transparency/accountability purpose*]; to learn and improve performance [*learning purpose*]; to be assessed and compensated accordingly [*appraising purpose*]. Overall, the PMMS would offer public organisations a fairer mechanism to move forward than the traditional bureaucratic system (Diefenbach, 2009). So, many Western nations have encouraged their respective public sectors to implement PMMS (Verbeeten, 2008).

2.3.4 The issues of PMMS in the public sector

However, despite the potential benefits, there appear to be some difficulties in incorporating PMMS into the public sector and hence to realising potential positive results (Verbeeten, 2008 and Diefenbach, 2009). The possible reasons for implementation difficulties can be categorised into three problems: technical, system and behaviour (Fryer, Antony and Ogden 2009).

2.3.4.1. The technical problems

The main technical problem of a new PMMS is concerned with the issues relating to the 'hard' aspect of the system, the selection of indicators and the reporting function (Fryer Antony and Ogden, 2009). PMMS tends to focus more on capturing and quantifying absolute and relative measures of productivity, efficiency, cost, and other technical measures (Diefenbach), and less in identifying and selecting "hard" indicators. Such 'hard' indicators are appropriate for the intangible assets and traditional values of public service such as fairness, internal cooperation, knowledge sharing and communities in practice (ibid).

Jones (2000) added that, based on the experience in New Zealand and Singapore, many outputs and outcomes of public service are not measured precisely. This issue arguably can and is encountered by public sectors in other countries, especially if those outcomes are difficult to assess and are influenced by many uncontrollable factors. Cavalluzzo and Ittner (2004) confirmed the points made by Jones (2000) by drawing out four main problems in selecting appropriate indicators and interpreting results in the public sector, namely:

- (a) The complex inter-relationship between different levels of government concerning their activities and objectives.
- (b) Some outcomes are beyond the responsible agency's control, such as factors caused by weather, global economy, change in ecosystems and etc.
- (c) It is tricky to quantify the mission statement; to develop the associated outcomes and to assign a responsible agency to perform the action plans.
- (d) It is hard to derive appropriate measures in order to assess different features of the public service.

Consequently, the results reported would not necessarily correctly reflect the complex nature of the phenomenon faced by the sector.

2.3.4.2 The systems' problems

This issue dealt with the impracticality of integrating PMMS with current organisational systems (Fryer, Antony and Ogden, 2009). The existing systems include in practice the budgetary system, information system, compensation systems, training and development programmes. The combination will prove to be even more difficult when the practices are interdependent with other agencies or in hierarchical relations (Powell, 1991). As stated by Behn (2003, p.3), public sector managers cannot just “open the performance cookbook, use the index to find the recipe that applies to their agency, and follow the instructions”. So any reform would likely be rejected, or its impacts can hardly be materialised, if it does not fit with the current organisational establishments (Modell, Jacobs and Wiesel, 2007).

Moreover, public sector managers have to deal not just with pressure from their immediate clients but also pressures imposed from other influential agencies i.e. regulators, unions and/or pressure groups (Brignall and Modell, 2000). Therefore, the agencies might encounter difficulties in selecting measures crucial for the efficiency and effectiveness of their internal operations and valued by their direct clients.

Furthermore, there are also financial costs associated with PMMS that otherwise could be used for other purposes. Besides, there is also no guarantee that the new system would generate the values or outcomes expected (Modell, Jacobs and Wiesel, 2007).

2.3.4.3 The behavioural problems

The third issue mainly deals with the “soft” or human side of the system. Diefenbach, (2009) argued that PMMS could lead to an additional administrative workload and exert serious pressure for the public servants to perform in order to meet the predetermined targets. The author asserted that this, particularly the professional staff, in turn could divert their energies away from performing their main tasks, an action that would hence negatively affect their work rate. Likewise, senior managers would also have

to perform various PMMS related activities, such as developing measures, setting targets and analysing the results for reporting purposes (Jones, 2000). Often, these key personnel are incapable to 'make sense' of what PMMS is about and "to communicate this 'sense' throughout the organization" (Arnaboldi, Giovanni and Palermo, 2010, p. 89).

There are also other psychological aspects faced, even by those at the top level of management, which might hinder the implementation of an outcome-oriented PMMS (Behn, 2003). For instance, there might be a concern that the indicators chosen did not reflect the real achievements on the job. So, with increased workload PMMS could, in turn, lead to job dissatisfaction, low morale and a drop in motivation. Besides, people are definitely anxious about the repercussions, especially if changes are not dealt with effectively; if, for example, the targets set are unattainable. So, top management would seemingly be reluctant to be directly accountable for any poor performance, a result that could jeopardise their positions. This perhaps explained, apart from budget cuts, why top management might not be keen to support the implementation of new PMMS (Cavalluzzo and Ittner, 2004).

In all, the implementation of a new PMMS is not just dealt with by a change in the technical component; it also involves a change in the people's mindset and organisational culture (Behn, 2003). However, to bring about such changes is easier said than done. As stated by Symon (2004), there is a general tendency for public servants to resist any change "with preference for doing things as they have always been done" (The Centre for Business Performance, 2006, p. 22).

2.3.5 Deviant behaviours resulting from PMMS

Fryer, Antony and Ogden (2009) reported that various governmental agencies which have adopted a performance assessment system have encountered various forms of unintended behaviours. Hoggett (1996, p. 24) stated that "many individuals and groups have become highly adept at impression management whilst others have become equally skilled in the art of performing to target even though this may run counter to the need to do

the right job". Fryer, Antony and Ogden (2009, p. 486) argued that the deviant behaviours fall into the following categories:

- (a) Concentrating on meeting targets at the expense of other (unmeasured) factors;
- (b) Performance clustering around the target, either through deliberately underperforming or manipulating the data;
- (c) Choosing 'easy' indicators and targets so as to influence the results.

There are also other authors (e.g.: Adcroft and Willis, 2005; Chang, 2006; Modell, 2009) who have addressed the deviant behaviours of PMMS. For instance, Adcroft and Willis (2005) argued that "the increased use of performance measurement...will have the dual effect of commodifying services and deprofessionalizing public sectors workers" (p. 396). Public sector managers might also be compelled to create a trade-off between legitimacy and efficiency-seeking measures. This might lead them to decouple those measures, in order to meet the interest of various influential stakeholders (Moynihan, 2004 and Modell, 2005) including themselves at the expense of the agencies (Chang, 2006).

2.3.6 How to improve PMMS in the public sector

In order to tackle some of the issues above, some authors have come up with key elements required for success, as discussed below, for the implementation of an outcome-oriented PMMS

Firstly, PMMS must be incorporated with the existing organisational information system (Cavalluzzo and Ittner, 2004). The incorporated system must be able to produce timely and reliable data required for decision-making purposes.

Secondly, the PMMS adopter needs to select appropriate measures that capture the desired outcomes. Although some outputs are difficult to measure, Jones (2000, p. 131) suggested that the adopter must somehow "undertake a detailed qualitative analysis of the relevant evidence which may

enable informative judgments to be made on how well a service has been provided”.

Thirdly, one of the essences of PMMS is the generation of information that allows managers to take remedial action so as to improve performance (Fryer, Antony and Ogden, 2009). Thus, public sector managers must be given authority to undertake decision- making based on the information generated (Moynihan, 2004). Many of the authors cited claimed that the greater authority must enclose financial autonomy, human resource deployment and other managerial functions required to execute the action.

Fourthly, Fryer, Antony and Ogden (2009) argued it is vital for PMMS to be aligned with the organisation’s strategic objectives. This is evidenced based on the interviews made by Hyndman and Eden (2001) with chief executives of agencies in Northern Ireland who confirmed that the alignment between PMMS and strategic objectives has improved the agencies’ performance that, in turn, benefitted their stakeholders. Moreover, Verbeeten (2008) also found that having clear and measurable goals has led to better public agencies’ performance in the Netherlands. Thus, it is vital for any organisation to engage its relevant stakeholders in order to capture the “right” goals and its associated measures and deliver the “right” initiatives that have direct impact upon those goals (Fryer, Antony and Ogden, 2009).

Additionally, PMMS must also be devised with the employees’ involvement in order to create “ownership” of the process and to avoid the PMMS from being misunderstood (Verbeeten, 2008). Arnaboldi, Giovanni and Palermo (2010, p. 90) added that organisational employees “have to make sense of the proposed managerial innovations, understand what is their scope, use and potential usefulness”.

A sixth point is that an adequate training resource is also a crucial ingredient for the success of PMMS. Cavalluzzo and Ittner (2004, p. 249), mentioned the work of Shield (1995) who argued that training in the design, implementation, and the use of PMMS “allows organizations to articulate the link between the new practices and organizational objectives, provides a mechanism for employees to understand, accept, and feel comfortable” and

prevents them “from feeling pressured or overwhelmed by the implementation process”. Such training and education would also help individual employees to understand “how to engage rather than bypass the causes of deviant behaviours” mentioned above (The Centre for Business Performance, 2006, p. 19).

In relation to the points made above, top management’s commitment and support is certainly pivotal for PMMS to work, to be continued and accepted by the organisation’s employees (Moynihan, 2004). Fryer, Antony and Ogden (2009, p. 488) claimed that the problem with PMMS occurs because the senior management often formulate policies or rules “and then leave it to run, rather than take a hands on operational approach, and use leadership skills to bring the best out of people’s performance”. Besides, top management must also build trust among the employees in terms of the fairness and effectiveness of the PMMS (Yang and Kassekert, 2009).

So, communication and feedback from top management to the employees, particularly on the outcomes of PMMS, are indeed crucial. Kaplan and Norton (2001b) emphasised the significance of both verbal and non-verbal communication (manuals, reports, conversation and newsletters) in clarifying how PMMS could help the organisation and employees towards improvement, rather than just allocating blame for poor performance. This is crucial so as to smooth out the progress of buy-in from the organisation’s members toward the new PMMS.

Nevertheless, in relative terms, PMMS in the public sector is still in its infancy (The Centre for Business Performance, 2006). The centre asserted that there is still room for the government sector to learn from the private sector’s experiences. Thus, if it used appropriately, the public sector could benefit greatly from the implementation of PMMS, despite the institutional differences (ibid).

Moreover, it is also important to note that despite the universal trend on the performance measurement activities in Northwest Europe, there is a perception that PMMS application is varies across countries and organisations (Pollitt, 2005). This is even more so if the PMMS is to be

applied in another region or context that may have a different cultural and political system. In fact, the PMMS practices would also be different when applied to different levels of government (central, state or local level) and to different forms of public agencies (Christensen and Laegreid 2008). So, effective implementation of PMMS is highly dependent on the cultural features, leadership style, task characteristics and other institutional features of the organisation (ibid). “Unfortunately, many organizations do not have time to review objectively the situation, or else have to make do with a standard solution that does not address their individual problems” (Fryer, Antony and Ogden, 2009, p. 491).

In retrospect, it is suggested that more empirical evidence is required in order to understand the impact of various PMMS activities on the actual outcomes of public organisations (Cavalluzzo and Ittner, 2004; Van Helden, 2005 and Verbeeten, 2008). Moreover, it is also interesting to make comparison of PMMS related activities “between organizations, and/or between different units within the same organization” (Verbeeten, 2008, p. 443).

The next section, which is the focus of the study, discusses about the well-known and popular approach to PMMS, in recent times: balanced scorecards.

2.4 Balanced Scorecards (BSC)

2.4.1 What is BSC?

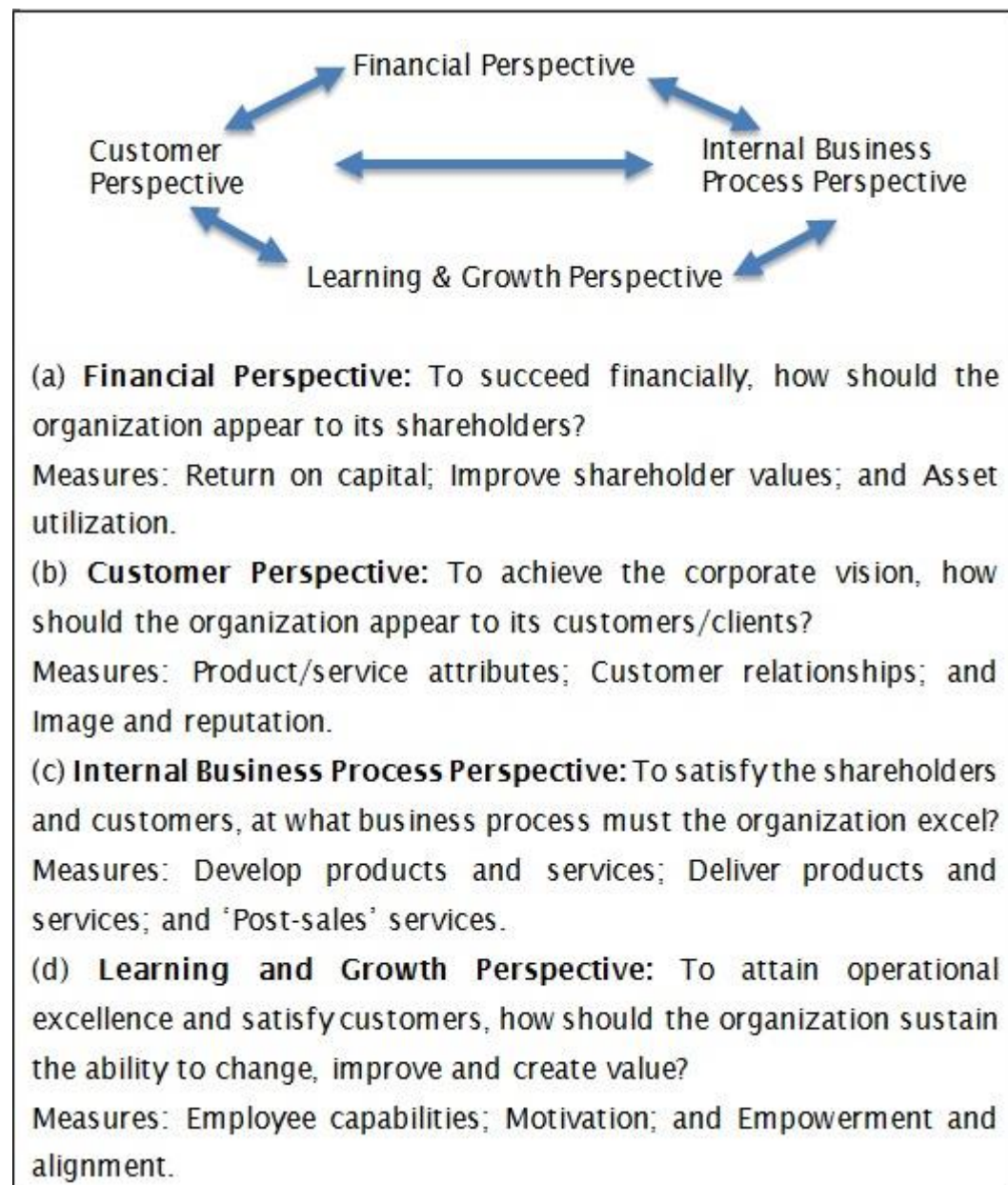
The concept of a BSC was developed and first introduced by Robert Kaplan and David Norton in their article entitled ‘*The Balanced Scorecard – Measures that drive performance*’ published in the Harvard Business Review in 1992 (Chavan, 2009 and Griffiths, 2003). Since its introduction, the BSC has evolved significantly and continues to do so (Tayler, 2010). Decoene and Bruggeman (2006), who mentioned the published works of Kaplan and Norton (1992, 1996 and 2001a), have described BSC as a comprehensive strategic management system that helps managers to facilitate the conversion of a business strategy into small and manageable measures, which are easily understood and adopted by organisational members. By far,

BSC is “the most well-known and accepted approach to organisational performance management” (The Centre for Business Performance, 2006, p. 10).

2.4.2 The evolution of the BSC concept

BSC was originally designed for the business sector and then transferred to the public and voluntary sectors when the developers realised there were additional markets for it. The development and principles of BSC in the early 1990s are based largely on performance measurement (Griffiths, 2003). This system was developed in order to address the shortcomings of the traditional measurement system that were too focused on historical financial performance (Chavan, 2009). In their first published BSC article, Kaplan and Norton claimed that “the traditional financial performance measures worked well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today” (1992, p. 71). However, other writers insisted that financial measures must be retained in the BSC. It must also be balanced and supplemented with forward-looking, non-financial measures in order to portray a balanced perspective of organisational performance (Brown, 2000; Chan, 2004 and Tayler, 2010). Thus BSC allowed managers to see business from four disparate yet important perspectives with associated measures attached to them (Kaplan and Norton, 1992). Those four perspectives are the financial, the customer, the internal business process and the learning / growth perspectives (ibid). Please see Figure 2.1 below, which depicts a BSC performance system based on those four perspectives and portrays their relationships with one another.

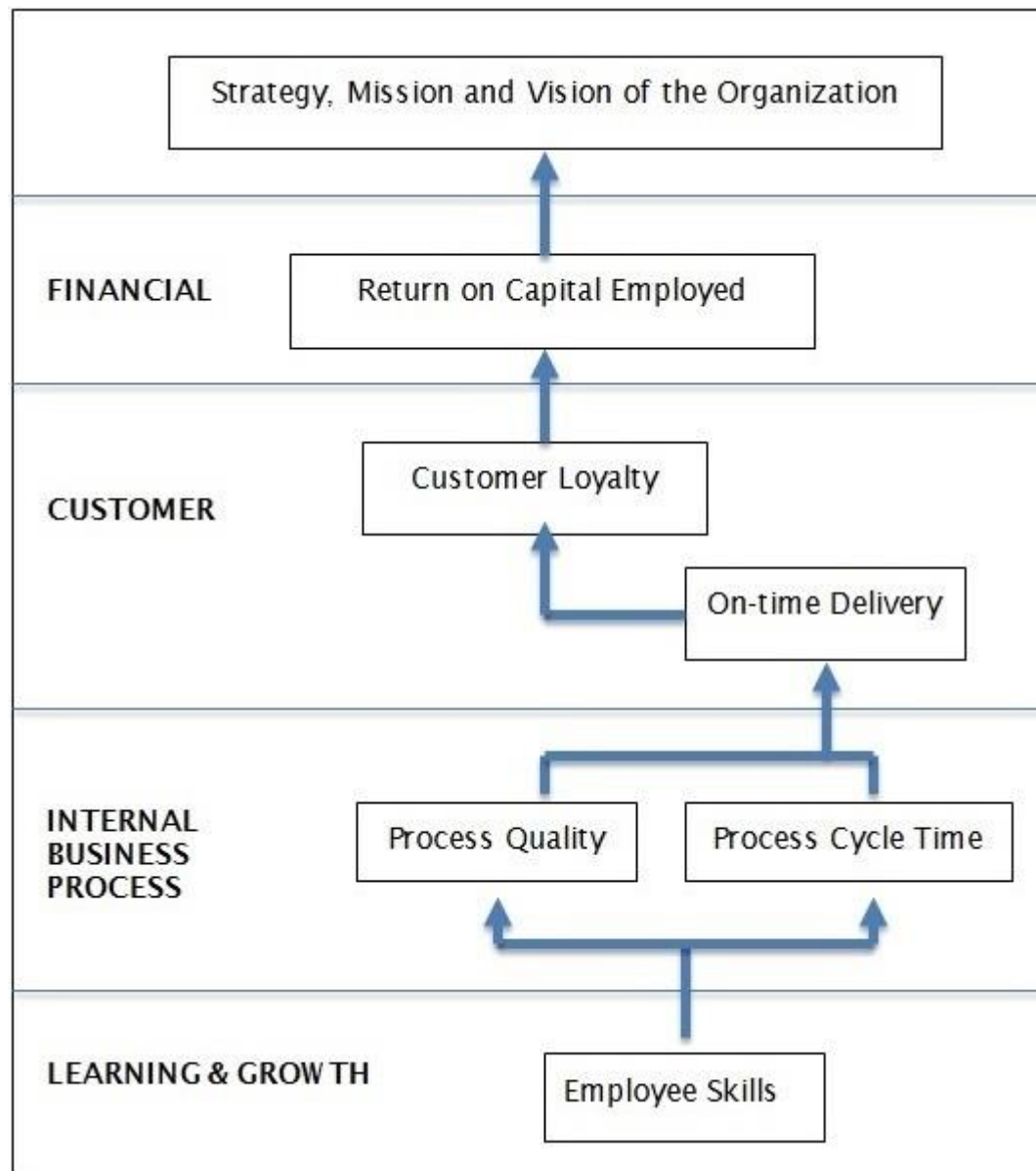
Figure 2.1: The BSC performance measurement system (adapted from Kaplan and Norton, 1992, p. 72 and 76)



Nevertheless, from the mid-1990s onwards, the BSC concept had shifted from being a performance measurement system into a strategic performance management system (Kaplan and Norton, 2001b). For this new expanded role, the founders proposed the use of a strategy map to explicitly link and understand the cause and effect relationships of the key objectives with one another (The Centre of Business Performance, 2006). Figure 2.2 below shows the relationships of the objectives of those four BSC perspectives that are

geared towards the strategy pursued, so as to realise the mission and vision of the organisation.

Figure 2.2: The causal model of the BSC's four perspectives (adapted from Kaplan and Norton, 1996, p. 31)

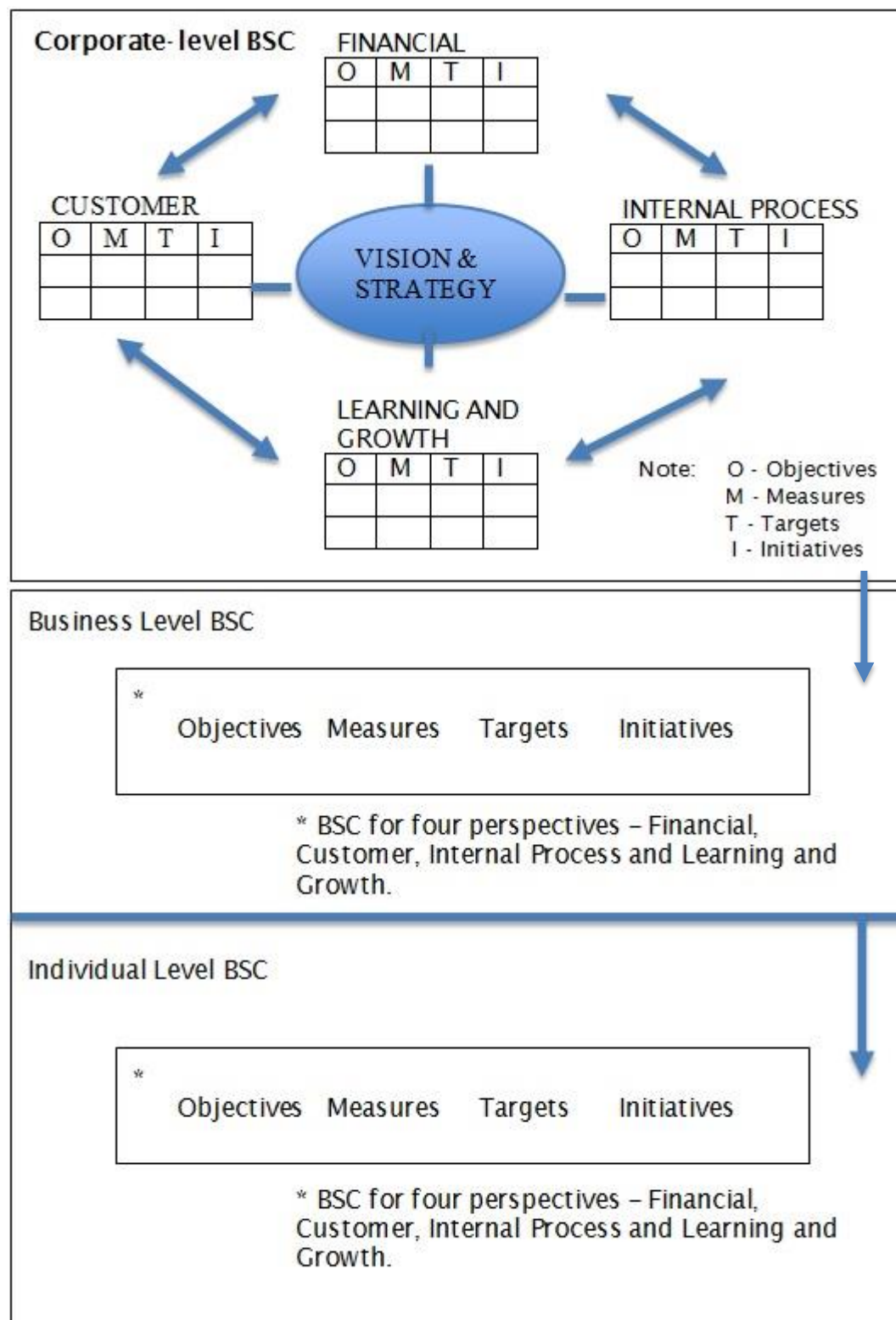


As shown in Figure 2.2 above, the BSC model systematically complemented and supported financial measures with the attainment of the “operational measures on customer satisfaction, internal processes, and the organization's innovation and improvement activities-operational measures...” which are then represented as “the drivers of future financial performance” (Kaplan and Norton, 1992, p. 71). Kaplan and Norton (2001a)

affirmed that the cause and effect relationships are arguably the most distinct feature that differentiated the BSC from other competing tools. Othman (2006, p. 691) clarified that “the development of the performance measures in the BSC should be derived from an understanding of the sequence of cause and effect relationships of the strategy”. This cause and effect model would ensure a transparent relationship between the outcomes and the performance drivers required to attain those outcomes (ibid). This ultimately ensures that organisational members can easily understand how the strategy will be executed (Wiersma, 2009).

In essence, the BSC allowed employees in different parts of the organisation to contribute effectively to its strategic objectives, strategy and hence the mission and vision (Atkinson, 2006). This is specifically done, via a BSC alignment/cascading process; by breaking down the corporate-level scorecard that is comprised of vision, mission and strategy into small strategic objectives with their respective measures and targets for each of the four perspectives (Kaplan and Norton, 1996). The corporate-level scorecard will be cascaded and transformed into objectives, measures, initiatives and targets at the business-level of the scorecard (Speckbacher, Bischof and Pfeiffer, 2003). The business unit scorecard will then be transformed into employees’ level scorecards, which are often referred to as performance appraisals (Chavan, 2009). Therefore, relevant measures, action plans and targets must be created and aligned within and across different organisational levels in order to derive coordinated decisions that are geared towards strategic accomplishment (Speckbacher, Bischof and Pfeiffer 2003). See Figure 2.3 below for the alignment of the high corporate- level scorecard to the individual level scorecards.

Figure 2.3: The alignment of BSC at different levels of organisation
(adapted from Niven, 2008, p. 264)



2.4.3 The spread of BSC into international business settings

The concept of BSC is well accepted and has been widely used, not just in the United States, where it began, but in many other countries as well (Geuser, Mooraj and Oyon, 2009). To illustrate this, Silk (1998) has reported, based on the survey made by Renaissance Worldwide Inc., that 60% of the Fortune 1000 companies have practiced BSC. In 2000, the majority of firms in Scandinavian countries were either implementing BSC or attempting to do so (Chavan, 2009). Likewise, in German-speaking countries i.e. Germany, Austria and Switzerland, 40% of public limited companies have taken steps to adopt and implement a BSC (Speckbacher, Bischof and Pfeiffer, 2003). Malmi (2001) has also done research on companies in Finland that have embraced BSC. So in just over a decade from its inception, the popularity of the BSC model has certainly grown, particularly in Western countries.

Over time, BSC has also been adopted by 45% of 38 publicly listed companies in Malaysia, a conclusion based on data from a survey made by Othman (2006). In another study made by Bain & Company in 2004, as stated by Rigby and Bilodeau (2005), 57% of 960 international companies, as reported by their respective executives, are using BSC. And the percentage increased to 66%, in 2006, based on data from an even larger sample of 1221 companies (Rigby and Bilodeau, 2007). The popularity of the BSC is also noticeable, nowadays, based on the growing number of BSC software packages developed and available for commercial purposes; already such products have surpassed the 100 mark (Chavan, 2009).

2.4.4 The benefits of BSC as a PMMS approach

The popularity of BSC is probably owed to the perceived benefits, as well as to the actual positive outcomes, gained by the successful adopters. The proponents of BSC, as stated by Olve, Petri and Roy (2004), claimed that BSC is capable of increasing the strategic awareness inside an organisation; it is an easier model to understand than its predecessors; it makes the strategy implementation process more effective which leads to greater financial results.

Moreover, by incorporating non-financial measures that appraise intangible assets, an organisation “can assess its performance in building key

capabilities required in terms of its strategy to survive and prosper into the future” (Chavan, 2009, p. 396). This is supported by Mouritsen (1998) who claimed that “these intangible resources have been cited as the only truly sustainable competitive advantages”, for any organisation (Johansson *et al.*, 2006, p 843). Furthermore, the combination of these financial and non-financial measures has forced the managers to be focused in their endeavours and has helped them to understand the crucial interrelationships within the business system (Kaplan and Norton, 1992). Consequently, this would enable the managers to make strategic decisions that have an impact on the organisation in the long run (ibid).

In essence, Kaplan and Norton (1996) stated that the BSC is at its best if the adopter is successful in transforming it from a mere measurement system into a strategic management system. Otherwise, the strategy devised will not be properly translated into daily actions and nor will it have reached the employees (Speckbacher, Bischof and Pfeiffer, 2003). So, one appealing feature of a BSC is that it is able to translate strategy into action by engaging people together towards the accomplishment of that strategy, through the cascading process shown in Figure 2.3 above (Kaplan and Norton, 1992).

Moreover, Atkinson (2006) claimed that if a BSC is implemented effectively, it could tackle many of the important strategy implementation issues, which include: communication problems, middle management incompetency, lack of priority and coordination across departmental levels. Since more than half of the strategies created by organisations fail to materialise, as avowed by Mintzberg (1994), the contribution of a BSC to tackle this issue could be significant. Additionally, since the BSC concept advocates a direct link between employees’ rewards and incentives with the organisational targets and objectives, this would almost certainly increase the employees’ motivation to work even harder to reach the outcomes (Speckbacher, Bischof and Pfeiffer, 2003). Please see the work of Kaplan and Norton 2001a; Davis and Albright, 2004; Geuser, Mooraj, and Oyon 2009; Chavan 2009 for companies reported to have shown improvement in their performance, both financially and non-financially, as a result of BSC strategy implementation.

2.4.5 The critical success factors and barriers of BSC implementation in the business sector

The successful BSC programme, as reported by its adopters, is largely due to its effective execution. Some of the common success factors that have been reported include better communication in translating the strategy into operational terms; the alignment of strategy with various processes, services and competencies of the organisation; employee involvement in implementing scorecards; the linking of rewards with the performance; top management commitment and facilitation; and effective appraisal mechanisms (e.g.: Kaplan and Norton, 1996, 2001a and 2001b; Bourne, *et al.*, 2002; Geuser, Mooraj, and Oyon, 2009).

However, despite the success associated with BSC, there are also many cases of BSC failure reported in the literature (Venkatraman and Gering, 2000). McCunn (1998) claimed that, based on the KPMG report, almost 70% of BSC implementation ventures have actually failed. Some of the contributing factors reported, included there being no linkage between strategies and performance measures; no causal model developed in the BSC strategy map; lack of non-financial measures to drive current and future financial performance; employees' resistance to the cultural changes required to execute the BSC; lack of middle management involvement in developing the BSC and there being no comprehensive association between business scorecards, the incentive plan and existing reporting and controlling systems (Kald and Nilsson, 2000; Kasurinen, 2002; Decoene and Bruggeman, 2006).

The problems associated with the BSC, as stated above, might be the reasons why some companies failed to develop or communicate BSC beyond the corporate level (Speckbacher, Bischof and Pfeiffer, 2003)³. In fact, some companies decided either to abandon or not to implement a BSC project at all (*ibid*).

Johansson *et al.* (2009) concluded that most of the problems associated with BSC application are not new and have been addressed in the change

³ Please see further the work of Speckbacher, Bischof and Pfeiffer (2003) for different phases of BSC implementation.

management and performance management literature. In fact, most of the barriers are actually related to issues of practical application rather than any fundamental limitations of the concept itself. Atkinson (2006) further argued that those companies encountering BSC problems often do not follow the recent success elements as prescribed in the literature, particularly the information that is based on the successful cases.

Nonetheless, despite the mixed results from BSCs' application in the business sector, there has been mounting interest in the public sector to incorporate the BSC approach in their PMMS (Kaplan and Norton, 2001b). This is the focus of the next section.

2.4.6 The role of BSC in the public sector environment

Despite the excitement associated with the BSC concept, especially in the profit sector, the role of BSC in the government sector is still relatively new and this offers the opportunity for a great deal of research work that is yet to be embarked upon (Holmes, Pineres and Kiel, 2006).

2.4.6.1 The spread of the BSC concept into the public sector

Over the last decade, there have been increasing numbers of reports in the literature focused on public agencies, particularly in Western countries, that have applied BSC practices to their operations (e.g. Kloot and Martin, 2000; Griffiths, 2003; Lawrie, Cobbold and Marshall, 2004; Farneti, 2009; and etc.). Firstly, Laegreid, Roness and Rubecksen (2010) claimed that, just like its predecessors, BSC is the latest PMMS approach, originated from the private sector that hits the public sector under the notion of NPM. For instance, under the Government Performance and Results (GPRA) Act of 1993, federal agencies in the United States are encouraged to use BSC in their strategic performance management activities (Holmes, Pineres and Kiel, 2006). The BSC idea was introduced under the Best Value Initiative, as reported by the Cabinet Office (2001), as a preferred PMMS framework for local government in the UK (McAdam and Walker, 2003). In Italy the BSC is practiced in local government agencies as a response to the legislative requirements which enacted strategic control reporting in local government (Farneti, 2009). The

New Management Programme 2000, under the Regional Government Directive, has triggered two Spanish local government agencies to adopt BSC practices (Kasperskaya, 2008). These are just some examples to support the claim that the BSC concept is receiving a positive reception in government contexts.

Moreover, the spread of BSC is also enhanced, as it is extensively promoted and endorsed as a new managerial innovation, by “public and private professionals, groups of experts and international organizations” (Laegreid, Roness and Rubecksen, 2010, p 391). Besides, the success stories of BSC, in both private and public sectors, have also inspired many public agencies to mimic those already successful organisations (Heugens and Landers, 2009).

2.4.6.2 The adaptation of BSC model for the public sector

Having said that, there is a “general consensus amongst researchers that transposition of private sector performance models does not readily fit within a public sector environment, and that some adjustment of such models is generally necessary” (Greatbanks and Tapp, 2007, p. 847). Bolton (2003) believed that, despite the different constraints, private sector performance models can be fitted into, and bring benefits to, public organisations if the transition is done carefully.

Therefore, as suggested in the literature, the notable adjustment required for the BSC concept to facilitate adoption into the public sector is to rearrange “the geography of their Balanced Scorecard to place the customer perspective at the top” of the pecking order of the perspectives (Kaplan, 2001, p. 360). Please see Figure 2.4 below for the adaptation of a BSC performance system framework for public sector.

Figure 2.4: Adaptation of BSC performance system framework for public sector (adapted from Niven, 2008, p. 32)



As can be seen in Figure 2.4 above, strategy remains the centre of the BSC, regardless of whether the organisation is in the profit or non-profit sector. But, Kaplan and Norton (2001b) emphasised that government agencies should, in fact, place mission at the very top of the BSC, with all the objectives geared up to attain it. This showed that the government sector must be accountable, with a priority to meet the needs of the community it serves, instead of focusing on financial revenues and expenses, which is the main impetus of the profit sector (Kaplan and Norton, 2001b).

2.4.6.3 The benefits and critical success factors of BSC in the public sector

Kaplan (2001) claimed that, based on evidence from his research, the BSC has brought benefits to the public sector as stated below:

- (a) Closing the gap between broad mission and strategy in daily operations;

- (b) Facilitating a management process that allowed an organisation's members to be strategic in their thinking and endeavours;
- (c) Focusing on the result of the initiatives to be accomplished;
- (d) Changing public servants' presumptions that strategy deployment is not just by having many programmes to be executed;
- (e) Assisting the public organisation to strategically align the corporate initiatives with different divisions and employees, which are crucial toward the attainment of the strategic objectives set.

Furthermore, many public sector scholars, as reviewed by Holmes, Pineres and Kiel (2006), believe that BSC can potentially bring benefits to the sector such as below:

- (a) Building compromise;
- (b) Improving strategic two-ways communications;
- (c) Improving strategy formulation in a multifaceted political structure;
- (d) Avoiding excessive information and programs; elucidating strategy to organisational members in order to accomplish the organisational goals;
- (e) Promoting engaging cultures and organisational learning.

Accordingly, there have been attempts made to report the critical success factors of BSC implementation in the public sector. For instance, based on a survey of municipal governments in the US and Canada, Chan (2004) found those success factors included top management commitment; employee involvement in the implementation process; training and education; linking BSC to incentives and the availability of resources for the BSC project. Nonetheless, the author warranted that the BSC practice adopted by the surveyed agencies is still at the early stage and it is premature to judge its effectiveness. Moreover, Holmes, Pineres and Kiel (2006, p. 1136) added that, based on the evaluation of BSC implementation in "public agencies in developed countries", it is still highly "important to craft appropriate measures, collect good data and encourage cooperation among the staff".

2.4.6.4 The barriers of BSC implementation in the public sector

Despite the potential benefits, Johnsen (2001) claimed that adopting BSC in the public sector is a tricky and a challenging endeavour. The surveys made by Chan (2004) showed the results of BSC adoption are wavering. Chan explained that some of the impeding factors that lead to the failure of, or unwillingness of, the agencies in implementing BSC include the lack of information system in measuring BSC related performance; lack of top management support; no alignment between performance with rewards and employees resistance to change toward BSC adoption.

Besides, unlike in the profit sector, Kaplan (2001) claimed that the public sector has many stakeholders to deal with and their relationships with one another tend to be complex. Moreover, McAdam and Walker (2003) argued that there are also many unique institutional constraints faced by the sector, such as strict rules and regulations, “an institutionalized budget cycle... which constrains [outcome based] strategic management planning” (p. 880), rigid standards and ‘inflexible’ culture. Other difficulties encountered by public agencies, as reviewed further by Holmes, Pineres and Kiel (2006) include the “lack of long- term leadership” (p. 1137), difficulties in developing appropriate indicators, reluctance to disclose information, pre-conceiving BSC as a tiresome project, rigid reward system and difficulties in creating linkage among the objectives and measures. So, if the institutional framework governing the public sector is not dealt with intelligently, the BSC endeavours attempted might not be able to reach their full potential (Johnsen, 2001).

2.4.6.5 Institutional development of BSC implementation in the public sector environment

Having mentioned all the above, there has been increasing research (e.g.: Lawrie, Cobbold and Marshall, 2004; Greatbanks and Tapp, 2007; Kasperskaya, 2008) carried out in recent times, in different public agencies. Some of the studies managed to demonstrate the success of BSC endeavours and hence have justified many of the success elements of BSC implementation noted above. Fundamentally, one decisive common factor found with those successful BSC adopters is that they managed to adjust the BSC conceptions to fit with their own institutional requirements. They are not

necessarily following the prescribed model pioneered by the co-founders and other proponents of BSC.

For instance, the environmental agencies in the UK implemented BSC by applying two perspectives only, namely outcomes and activities, in their strategy map and the process has successfully cascaded down to both business and individual levels (Lawrie, Cobbold and Marshall, 2004). Dunedin City Council (DCC) in New Zealand used the scorecard and dashboard only at one of its major subunits and these two concepts are primarily applied to create an operational performance and feedback model for the DCC's wider performance management structure (Greatbanks and Tapp, 2007). One city council in Spain is reported to be "deliberately omitting the 'four-perspectives' standard at departmental level" as well as cause and effect relationships, in search of a much simpler model (Kasperskaya, 2008, p. 376).

Despite the adjustments, the public agencies above have appeared to benefit greatly from their own prescribed BSC model. Some of the benefits mentioned include:

- (a) Transparent targets;
 - (b) Improving the capacity to meet those targets particularly if financial incentive is attached;
 - (c) Promoting a manage- by- results culture;
 - (d) Increasing "ownership" towards goal attainment;
 - (e) Focusing on activities that contributed to those targets and strategic outcomes;
 - (f) Improving coordination and cooperation amongst the units
- (Lawrie, Cobbold and Marshall, 2004; Greatbanks and Tapp, 2007; and Kasperskaya, 2008).

On the other hand, some of the research found that public organisations that were unable to infuse their BSC endeavours into their institutional requirements have subsequently developed unintended side-effects behaviours. For instance, Kasperskaya (2008, p. 365) found that one already-studied city council in Spain is actually continuing to use BSC, and the aim is

no longer “for the sake of greater efficiency” but is more “for the purpose of signaling the availability of the practice”. This is done in order to enhance the image and legitimacy of the agency in the society that it serves. In other words, BSC is only used for window dressing purposes without bringing any positive effects to the organisation and its members (ibid). Kasperskaya further argued that “possessing the ‘right’ image” (p. 365), might be sufficient for an organisation, especially in a highly regulated public sector, to gain social recognition and access to much needed resources. Moreover, based on the study made in health agencies in UK, Chang (2006) found that the pressure coming from central government to the local agencies towards meeting the pre- determined performance criteria, via BSC model, has forced the public managers to decouple the ‘real’ operations and the agencies’ performance. This is done not just for the purpose of legitimacy but also to preserve their self-interests over the agency’s priorities (ibid). These types of deviant behaviours, as forewarned by many authors, could encourage organisations in the same industry to become increasingly isomorphic in search of legitimacy. Thus, this makes BSC appear merely as a symbolic managerial tool that unnecessarily pressures an organisation to appear to be more efficient (DiMaggio and Powell, 1983; Tolbert and Zucker, 1983; Heugens and Lander, 2009).

2.4.6.6 Role of BSC in the public sector of developing economies

Performance management within developing economies can be regarded as one of the main theoretical areas that require further tests and research, as the context may differ entirely from that of the developed world (de Waal, 2007; Karuhanga and Werner, 2013). Having said that, the implementation of performance management within developing economies specifically in the public sector is relatively scant (de Waal, 2007; Hopper *et al.*, 2009 and Elbanna, 2013). Nonetheless, the popularity of BSC has gradually begun to change this trend (de Waal, 2007); notably in recent years, similar to the business sector, there have been increasing attempts, as evident through the literature, on the development of BSC in the context of public sector in developing economies.

These studies, in addition to exploring the conceptual development of BSC in different contexts, covered different types of public agencies and levels of government. For instance, there are attempts to develop the conceptual framework of BSC and its preliminary managerial implications in the public universities and educational institutions in countries such as India, South Africa, Tanzania, Turkey, Lebanon and Iran, among others (e.g. de Waal, 2007; Umashankar and Dutta, 2007; Negash, 2008; Tohidi, Jafari and Afshar (2010); Aljardali, Kaderi and Levy-Tadjine; 2012; Yuksel and Coskun, 2013). Meanwhile, other authors (e.g. Cronje and Vermaak, 2004; Weerasooriya, 2013) have managed to test the BSC conceptions within academic departments of public universities in Sri Lanka and South Africa. There are also empirical researches on BSC original concepts in the public health service organisations in countries such as Afghanistan, Bangladesh, Vietnam, Lebanon and Zambia. (e.g. Edward, *et al.*, 2011; El-jadarli, *et al.*, 2011; Tuan, 2012; Khan *et al.*, 2013, Mutale *et al.*, 2014). Recent surveys were also undertaken at federal agencies in Malaysia (Ruzita, Azhar and Abu Hasan, 2012) and public organisations at both federal and local government levels in Dubai and Abu Dhabi (Elbanna, 2013), touching on the measures, process and results of performance management mechanism including BSC.

Most of the above authors believe that BSC offers a promising performance management practice that provides potential benefits to the public organisations in developing economies. Some commonly cited benefits include increased transparency in the decision-making process; enhanced accountability culture among policy makers; improvement in the performance of the agencies and quality of the programmes; and improvement in strategic two-ways communications (e.g. Negash, 2008; Edward, *et al.*, 2011; Ruzita, Azhar and Abu Hasan, 2012; Elbanna, 2013; Khan *et al.*, 2013). However, some authors (e.g. Dzimbiri, 2008; Tuan, 2012; Ruzita, Azhar and Abu Hasan, 2012; Karuhanga and Werner, 2013) warned on numerous impeding factors, such as funds limitation; poor information systems; lack of leaders' support and commitment; lack of accountability culture; and lack of expertise in managing performance; all of which poses difficulties for public organisations in developing nations to implement performance management and hence to realise the potential benefits of BSC.

It is, therefore, not surprising that there are attempts to come up with key enabling factors of BSC implementation in the public sector of the developing world. The commonly cited success factors include continuous support and commitment from leaders or top management of the organisations; having enough expertise to undertake performance management-related tasks which highlights the importance of training and education; availability of a proper strategic arrangement including clear accountability and governance structure; existence of financial autonomy to execute the strategy, linking reward with the performance; having reliable information systems and involved employees when developing the scorecards; (e.g.: Dzimbiri, 2008; Negash, 2008; Edward, *et al.*, 2011; El-jadarli, *et al.*, 2011; Ruzita, Azhar and Abu Hasan, 2012; Karuhanga and Werner, 2013). Amongst the above-mentioned factors, one enabling factor that stands out and arguably central in the context of developing economies is the continuous support and commitment from the leaders of the public organisations so as to ensure the success of the BSC project. Their roles include the actual use of the information generated in making decisions, providing the right climate and physical infrastructure for performance management system, as well as to become a role model so as to gradually foster a performance-driven culture to take shape (e.g. de Waal, 2007; Edward, *et al.*, 2011; Tuan, 2012; Ruzita, Azhar and Abu Hasan, 2012 and Elbanna, 2013).

It is pivotal to note that the BSC development in the public sector of developing economies is still at a preliminary stage. Most of the works undertaken appear to be at the framework or theoretical level. And although there are a few empirical studies, practically they contain insufficient details and often focus merely on the performance measurement aspects and/or are still at pilot stage. Hence, more comprehensive empirical evidences are indeed required, preferably in qualitative studies, to test BSC conceptions mainly in public organisations in the emerging economies (de Waal, 2007; Ruzita, Azhar and Abu Hasan, 2012 and Hoque, 2014).

2.4.6.7 Final reflections on BSC development in the public sector

From the above discussion, it is interesting to find that many of the BSC practices and outcomes reported in the literature are based on local

governments' experiences. There are now other research reports of BSC performed in other types and levels of government and organisations, such as federal government, universities, and hospitals. However, it still turned out that most of the studies reported are based on cases in developed nations. Although increasing attempts have been made, there is still a dearth of detailed empirical studies concerning the implementation of BSC in the developing economies (de Waal, 2007; Ruzita, Azhar and Abu Hasan, 2012 and Hoque, 2014). Holmes, de Pineres and Kiel pointed out that BSC application in developed nations shows "potential for improvements in strategic planning, better analysis, and increased participation" (2006, p. 1136). Yet, "the importance of adapting the BSC to each particular organization and context" is still paramount (Holmes, de Pineres and Kiel, p. 1138). Thus, BSC adoption in the developing nations would definitely require different approaches from those employed with organisations in the developed world, as such an initiative will face different institutional contexts, constraints and external environments and those factors might give different results. The same authors (2006, p. 1140) predicted that BSC implementation in developing countries "would be complicated by a lack of resources, politicization of public administration, and [even] corruption". Yet, these assertions clearly need to be verified further with empirical evidence.

Overall, the above discussion has shown that the institutional context must be considered for any BSC application to take place successfully, including in public organisations (Greatbanks and Tapp, 2007). Ideally, each organisation needs to adjust the BSC conception to its own particular mission, culture and strategic planning. Yet, organisations also need to be alerted to the possible institutional constraints and norms, which could have profound effects on the type, extent or success of implementation of any managerial innovations, such as a BSC (Griffiths, 2003 and Farneti, 2009). Having mentioned that, more empirical evidence is still required so as to validate further the shift of BSC concepts from theory into practice, particularly in the non-local government sector and in the developing nations (Greatbanks and Tapp, 2007; Geuser, Mooraj and Oyon, 2009).

2.5 Summary

The rise of NPM in the public sector can be traced back to the late 1970s. Since then NPM has become one of the most prominent international trends in public sector management. But, despite a few notable improvements, NPM has also brought negative outcomes to public organisations. Basically, more research is required on the specific NPM type reform, as this would give a greater light in assessing NPM's individual impacts. One major realm of NPM that has received much attention, and is worth further examination, is the concept of PMMS. Induced by the perceived benefits of PMMS, many Western nations in particular have encouraged their public sectors to implement such a model. But, it has also been found that its implementation is not a straightforward process. The difficulties encountered can be grouped under technical, system and behavioral aspects. And despite some suggestions on key successful elements, there is a tendency that PMMS varies, or is varied, across countries and organisations. Nonetheless, PMMS in the public sector is still in its infancy and hence more empirical evidence is needed to add to the literature, particularly in developing nations. Accordingly, aligned with the focus of this study, this chapter has reviewed the evolution of the BSC approach from its conception in the business sector into the public sector environment. Since its inception, in early 1990s, BSC has become a popular approach in PMMS, applied in many countries especially in the profit sector. However, despite much enthusiastic support, there have been as many unsuccessful BSC implementations reported, as successful ones. However, regardless of the mixed results of BSC application in the business sector, there has been mounting interest in the public sector to incorporate the BSC approach into their management philosophies. Despite this development, the role of the BSC in the public sector is still relatively new and this offers the opportunity to undertake a great dealt of research work. Evidently, many studies reported are still based on local governments' experiences and have been located in the context of developed nations. Significantly, it also appeared in the literature that the institutional context, norms and constraints must not be taken lightly, as they could determine the nature and success of a BSC's application in any organisation, even those in the developed nations. Last but not least, more evidence is required to validate further the BSC concepts in practice, particularly in the non-local government sector and in the developing nations. The next chapter addresses the methodology of research strategies employed in this present study.

Chapter 3: Research Methodology

3.1 Introduction

The preceding chapter 2 covered the theoretical development that is related to the research subject. This current chapter is dedicated to a discussion of the methodological strategies employed in the present study. Firstly, the chapter gives background details about philosophical assumptions that determine the methodological choices underlying any research activity. The discussion deals mainly with the much cited work of Burrell and Morgan (1979) which is then followed by an examination of offerings from the later theorists. Fundamentally, an interpretive stance is deemed appropriate and Grounded Theory (GT) procedure is then chosen in order to address the aims of this study. This chapter then proceeds by describing the research problems, then explaining the GT methodological approach, followed by the data collection and analysis strategies applied in this study. This chapter ends with a presentation of the strategies deployed in order enhance the reliability and validity of the research process being undertaken.

3.2 Philosophical assumptions about the nature of social science and the nature of society

When embarking on any research, researchers have to make a choice between varieties of approaches so as to make their project and its results manageable and credible. According to Gill and Johnson (2010), the decision on the choice of research methodology is largely determined by the philosophical assumptions held by the researchers themselves. Essentially, this is highlighted by the well-known work of Burrell and Morgan (1979) and, therefore, is too important to be left out. Firstly, they claimed that any investigation of the social world required two sets of assumptions: namely on the nature of social science and on the nature of society (ibid). Assumptions relating to the nature of social science involved the fields of ontology, epistemology, human nature and methodology.

Ontological assumptions focused on the question of whether reality is of an objective nature or whether it is the product of an individual's cognition (Burrell and Morgan, 1979). This assumption revolves around the nominalism v. realism debate (ibid). The nominalists suggested that social reality is a creation of the individual's mind (Burrell and Morgan, 1979). Meanwhile, realists suggested that social reality exists independent from the individual's cognition (ibid).

Epistemological assumption focused on what type of knowledge can be obtained and whether the knowledge captured is true or false (Burrell and Morgan, 1979). They stated that the dichotomy of true or false has warranted the knowledge to be obtained by one method over the other. Therefore, such a choice has raised the distinction between the positivism v. anti-positivism (ibid). Positivists sought to explain social reality by searching for regularities and cause-effect relationships between its elements (Burrell and Morgan, 1979). The authors argued that the hypothesised regularities and relationships could be verified by an adequate experimental research design. Conversely, anti-positivists claimed that studying social activities can only be understood from the individuals' views, both the researchers and subjects, who are directly involved in it (ibid).

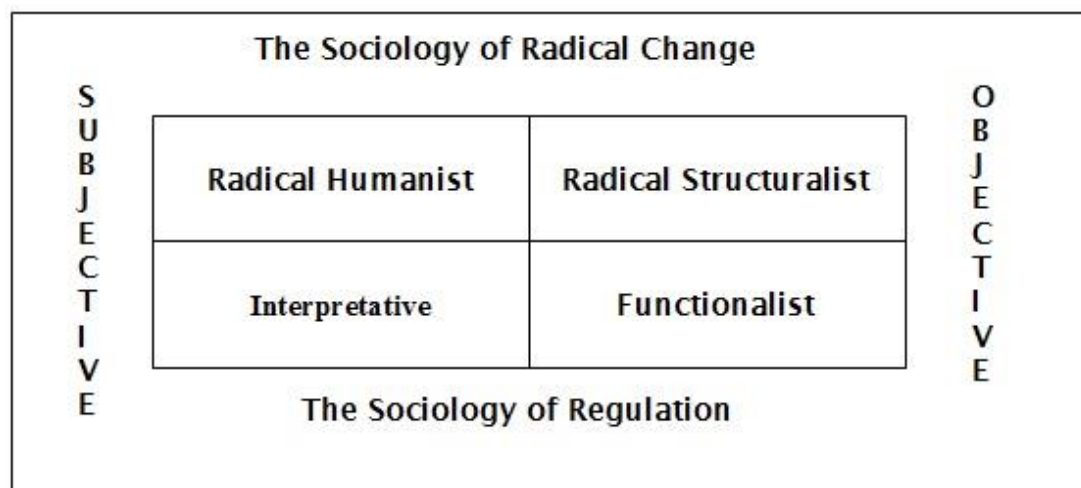
The third assumption is concerned with the relationship between the human beings and their associated environments (Burrell and Morgan, 1979). The authors stated that there are two competing dimensions evident in this assumption: namely determinism and the voluntarism. The former viewed the environment as the controller of human beings and their activities. Meanwhile, the latter simply viewed humans as creators of their own destinies (ibid).

The three assumptions explained above have a major implication for the fourth methodological assumption (Burrell and Morgan, 1979). The argument of this assumption has revolved around the nomothetic v. ideographic debate (ibid). The nomothetic approach preoccupied research techniques that treated any investigation of the social world as a natural science (Burrell and Morgan, 1979). Essentially, it used scientific tests and quantitative techniques, which inclined towards the philosophical assumption of

positivism (Gill and Johnson, 2010). Some of the common tools used include surveys, personality tests and questionnaires. On the contrary, the ideographic approach fundamentally supports the anti-scientific position. According to Burrell and Morgan (1979), this approach emphasised the subjective dimension of the subjects under study. The common tools used in this approach include ethnography and interviews.

Essentially, in explaining the status and nature of the social world, Burrell and Morgan (1979) have positioned the four assumptions, outlined above, along the subjective-objective dimension. They are complemented further by the dimension of the two assumptions of the nature of society i.e. the sociology of regulation and the sociology of radical change. Burrell and Morgan (1979) denotes the sociology of regulation as the work of theorists who are dedicated to study society that exists in a unified and cohesive state; They are concerned in discovering why society prefers to live as a united unit or bond together. Conversely, the sociology of radical change refers to the writings of theorists who are concerned to seek explanations for “the radical change, deep-seated structural conflict, modes of domination and structural contradiction” in which they perceived as the characteristics of modern society (Burrell and Morgan, 1979, p. 17). In consequence, Burrell and Morgan (1979) have ultimately drawn out their much-cited model that shows four different paradigms - functionalist, interpretive, radical structuralist and radical humanist - for analysing social theories as shown in Figure 3.1 below.

Figure 3.1: Four paradigms model for the analysis of social theory (adapted from Burrell and Morgan, 1979, p. 22)



3.3 Burrell and Morgan's four paradigms

Burrell and Morgan (1979) argued that each paradigm above represented different standpoints of theorists that entailed different concepts and techniques for the analysis of social phenomena. Yet, those four paradigms must also be treated as “contagious but separate – contagious because of the shared characteristics, but separate because the differentiation is... of sufficient importance to warrant treatment of the paradigms as four distinct entities” (p. 23).

Firstly, the functionalist paradigm focused on the sociology of regulation and applies the objectivists' standpoints in approaching the social world (Burrell and Morgan, 1979). It assumed social studies consisted of “relatively concrete empirical artifacts and relationships which can be identified, studied and measured” by models and methods of the natural sciences (p. 26). Thus, the common research tools used are quantitative in nature.

As for the interpretive paradigm, the theorists' work dealt with the sociology of regulation but employed a practicing subjectivism view in understanding the social world (Burrell and Morgan, 1979). Such an approach allowed for “the system of interpretation and meaning” from the subjects to be uncovered (Gioia and Pitre, 1990, p. 588). The common techniques employed are qualitative in nature such as interviews, and focus groups. There is no room to underscore research issues related to major change processes, conflict, oppression, and domination, which is the focus of the next paradigm (Burrell and Morgan, 1979).

Despite the radical humanist paradigm supporting the subjectivists' viewpoints, it is more focused on the sociology of radical change (Burrell and Morgan, 1979). When the interpretive theorists tried to develop theories, they only explained the rule-based structuring of the meaning systems and put in order the processes of the subjects under studied (Gioia and Pitre, 1990). In contrast, the radical humanists attempted to expose the misrepresentations of the ruling structure and raise the realisation of the parties affected by that distortion (ibid). Common research tools used include ethnography, historical evidence and dialectical method.

As for the radical structuralist paradigm, it advocated an understanding of the sociology of change by looking at that change from the objectivists' standpoints (Burrell and Morgan, 1979). However, the theorists distanced themselves from the functionalists in the name of change ideology. Although the radical structuralists shared the notion of change with the radical humanists, especially in supporting the weaker parties, the former dealt more with the macro, and objective societal class and economic structures. The humanists, meanwhile, dealt mostly with the micro and subjective level of social structure (Gioia and and Pitre, 1990). The aim of the radical structuralists was and is to identify and condemn the dominant structure that holds the social forces and to transform that structure via revolutionary practice (ibid). Common techniques used include critical modes of inquiry and dialectical method.

3.4 Further development

Despite the popularity of Burrell and Morgan's four paradigm framework, there have been attempts to both expand and criticise that framework, which have offered new dimensions for contemporary organisational and societal research.

For instance, Gioia and Pitre (1990) and Hassard (1991) have rejected the notion of incommensurability of the four paradigms above. The authors claimed that a much broader approach is possible and required in order to reflect a comprehensive view of modern societal and organisational phenomena. Gioia and Pitre (1990), in particular, have recommended a bridging at the meta-paradigm level and hence implied a kind of meta-triangulation method that cuts across theories and paradigms. Lewis and Grimes (1999) supported Gioia and Pitre's work (1990) by exploring the conceptual details of the meta-triangulation process.

There are also other theorists who offer new or alternative forms of theoretical assumptions. Laughlin (1995), for instance, has suggested the need for *choice* to be made by the researchers in the high, medium and low dimension of theory, methodology and change.

Moreover, another theorist (Deetz, 1996) criticised the paradigmatic framework of Burrell and Morgan and thought that its provincial nature tended to hinder innovation and creativity in research. Deetz also suggested a different type of dimension in the form of *Local/Emergent - Elite/A prior* Dimension and *Consensus - Dissensus* Dimension (ibid). Deetz concluded that it is not on which dimension or paradigm the research belongs that is important, but rather the priority should be on generating research findings and interventions that are interesting and crucial to the needs of the different stakeholders in the modern organisation and society.

Meanwhile, Hardy and Clegg (1997) have raised the significance of high degrees of reflexivity in conducting research. They stated, “reflexive theoretical positions are those best able to account for their own theorizing, as well as whatever it is they theorize about” (p. S13). They claimed any research must be able to address “the conditions of its own existence as theory; it addresses the conditions of existence of other interests touched by this theory; and it addresses the conditions of existence as they are theorized by these other interests, both as ‘science’ and ‘lay practice’”(p. S13).

In all, despite the variation of theoretical stances, it is fair to say that there is no single paradigmatic viewpoint that can claim to be true, or that another is simply incorrect in any absolute sense. What is actually vital is how well the researchers reflexively question and argue their preferred philosophical choices and how capable are they to defend them (Hardy and Clegg, 1997 and Gill and Johnson, 2010).

Before addressing the cases for the chosen research methodology, this chapter proceeds by presenting the problems that prompted the present research.

3.5 The research problem

In continuing the discussion of the literature review, presented in chapter 2, the section below explains the research problem that motivated the research to be performed. Those motivating factors are driven from two main sources, namely:

- (a) The problem derived from the technical literature
- (b) The problem derived from practical experience

3.5.1 The problem derived from the technical literature

Despite its popularity, there are still under-developed or neglected empirical research areas on the role of BSC in the organisation that are yet to be investigated (Atkinson, 2006). Besides, this lack is further encouraged by the inconsistent findings on the BSC application, as discussed in chapter 2. In lieu of this, Geuser, Mooraj and Oyon (2009) have essentially identified two general questions that have not received much attention in the BSC literature, which require more empirical evidence. The first question is focused on “how much” has the BSC contributed to the organisational performance? And the second query is focused on “how” do the features of BSC generate this contribution? Fundamentally, the lack of empirical studies is largely evidenced in the public sector environment, particularly in the non-local government context and in the developing nations (Greatbanks and Tapp, 2007; Geuser, Mooraj and Oyon, 2009). Thus, it is hoped this study will, at least partly, fill in the gap by responding to the call for more research to be performed on public sector organisation, other than in local government settings and in the western nations (Modell, 2009). This study is also responding to the call made by Verbeeten (2008) to make a comparison between studied ministries and the different departments under their jurisdiction.

Furthermore, it is interesting to note too that many empirical studies found in the literature concerning the BSC are based on the top management or are from a managerial perspective. Geuser, Mooraj and Oyon (2009, p 94) argued that senior managers “are convinced to use the BSC because it was created by trusted (ethos) academics and practitioners using a rhetoric that appealed essentially to managers’ emotions (pathos) and only little to their rationality (logos)”. However, there are few studies that explore the BSC application, based on perspectives from a non-managerial level (Otley, 2003 and Chen and Jones, 2009). Capturing this under-developed perspective is crucial because this is the level of personnel who are directly affected by the BSC programme. Chen and Jones (2009, p. 44) supported this approach and

asserted “there is perhaps no better test of a management tool than to solicit the perceptions of those who must use it”. Nonetheless, this study intends to contribute to the BSC literature by collectively capturing and developing the interpretive views of different groups of organisational actors at different levels of management. As claimed by both Scott (2008a) and Modell (2009), the multi-level perspectives of the received PMMS model, such as BSC in the public sector, is arguably the most interesting study in institutional research that is worth examining. These multi-level perspectives will hopefully and essentially provide a more accurate picture on the role and outcomes of BSC implementation upon the organisation as a whole.

3.5.2 The problem derived from practical experience

In tandem with the above, this research is also driven from the lack of any comprehensive research carried out on BSC applications in Brunei’s public sector. Brunei is a public sector driven nation, wherein the sector plays a crucial role that contributes toward the nation’s development. A BSC-based approach is arguably one major multi-level effort pursued and adopted by the sector in recent times. Accordingly, some ministries have managed to develop their corporate-level BSC, that has ran for number of years now, and their official launchings of such a model have been widely reported in the local media. However, the real question now is *‘what is going on at present?’* or *‘what progress has been made and what are the resulting outcomes?’* Actually, not much has been reported from the adopting ministries on the progress of their respective corporate-level BSC strategies since their official launchings, particularly on how the strategies are managed and viewed by the organisational members.

3.6 The case for an interpretive paradigm

In carrying out this study, an interpretive qualitative research model is primarily required. As mentioned in chapter 2, this paradigm seeks “to generate descriptions, insights, and explanations of events so that the system of interpretations and meaning, and the structuring and organizing processes, are revealed” (Gioia and Pitre, 1990, p. 588). Locke (2001) added that the research strategies advocated by this model are appropriate to

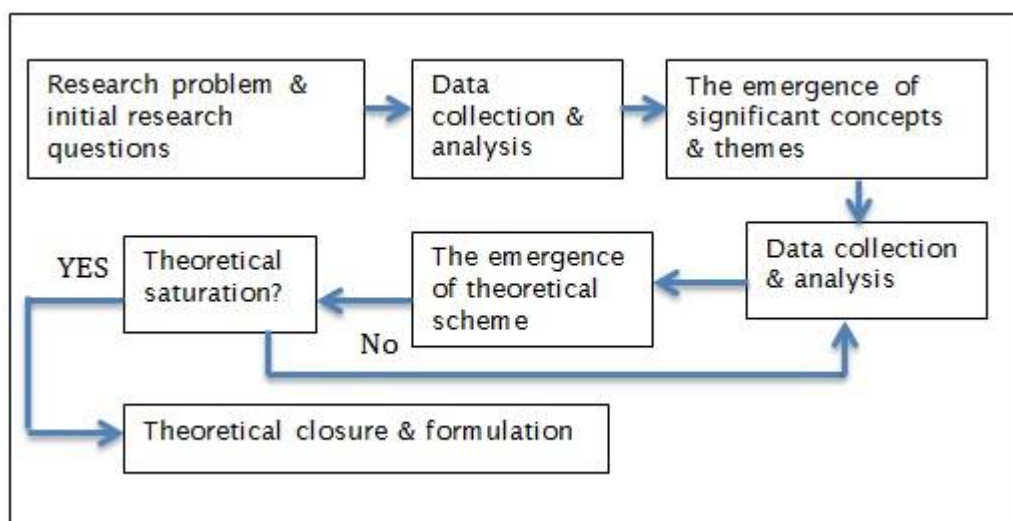
investigate a phenomenon as complex as the one embraced by this present study. This paradigm would allow the researcher to gain in-depth knowledge into the dynamics of BSC development from the chosen actors' points of view.

This study would also allow the actors to express their perspectives without imposing upon them any prejudiced judgments (Locke, 2001). Furthermore, a closer interpretive examination provides means to discover more concepts or variables concerning BSC or other specific organisational contexts that might be overlooked in the literature (DiMaggio and Powell, 1983 and Decoene and Bruggeman, 2006). This explained why many authors (e.g.: Bourne *et al.*, 2002; Atkinson, 2006; Piotrowski and Ansah, 2010; and etc.) urged for more qualitative studies to be conducted in order to generate a deeper understanding of the reaction and impact of the BSC from the perspective of the organisational members.

On top of this, careful investigation of the current state of BSC application is promising to generate valuable insights and issues for management to consider with a view to initiating improvements. This focus is aligned with the remark made by Fryer, Antony, and Ogden (2009, p. 492) who claimed "many of the proposed solutions are broad brush and do not provide organizations with details on how to progress".

Accordingly, grounded theory procedure is then selected and deemed appropriate, amongst other interpretive theoretical approaches, in order to tackle the research problem, as well as to attain the research objectives. The grounded theoretical research strategy is summarised in Figure 3.2 below and will be further elaborated in the subsequent sections.

Figure 3.2 – The grounded theoretical research strategy (adapted from Pandit, 1996, p. 7)



3.7 Grounded Theory (GT)

3.7.1 The case for a GT approach

In essence, the GT approach is chosen for this study because of the following reasons:

- (a) It is able to generate a theory, often in a complex phenomenon, which is grounded from the data itself (Locke, 2001 and Corbin and Strauss, 2008). This approach is certainly appropriate for the study that is yet to be fully explored in certain contexts (Locke, 2001);
- (b) It emphasises “allowing the actors’ own interpretations and meanings to emerge with minimal prompting or predisposition by the researcher” (Parker and Roffey, 1997, p. 219);
- (c) Yet, it does not restrict a study that “incorporates the researcher’s understandings and attempts to develop explanatory theoretical frameworks representing structures and process” (ibid, p. 219);
- (d) Thus, this approach helps to produce theoretical models/propositions that reflect the phenomenon being studied, which is easily understood by those actors affected (Turner, 1983). This hopefully would “have a direct or potential relevance for both non-academic and academic audiences” (Strauss and Corbin, 1998, p. 6);

- (e) It also facilitates an exploratory study across a large number of cases (Parker and Roffey, 1997). This could certainly capture the dynamic of the phenomenon being studied (Eisenhardt, 1989 and Fendt and Sachs, 2008);
- (f) The approach provides more structured procedures, though they might not necessarily be followed rigidly, that give rigour to the study (Charmaz, 2006).

The following sections are dedicated to the underlying principles of GT that are essential to justify the above statements.

3.7.2 Historical backgrounds

The emergence of GT can be historically identified as coming from the Chicago School of Sociology and the theoretical development of symbolic interactionism, during the period between 1920 and 1950 (Kendall, 1999). Both the school and the symbolic interactionism theorists heavily criticised the functionalist paradigm that dominated the sociological domain at the end of the 19th century till middle of the 20th century. They emphasised the significance of a methodology that could be used in studying the highly complex nature of human behaviour (Glaser and Strauss, 1999).

Accordingly, two sociologists named Barney Glaser and Anselm Strauss formally introduced GT's concepts in their well-known book, entitled *The Discovery of Grounded Theory*, published in 1967. In essence, the authors "advocated *developing* theories from research grounded in data rather than *deducing* testable hypotheses from existing theories" (Charmaz, 2006, p. 5). The founders actually entered the field at the time when qualitative research in sociology had lost ground to the supremacy and sophistication of quantitative methodology, used in both academic and non-academic worlds. Nevertheless, since its inception, GT has managed to survive, although with further adjustment and variation, and has been used in many disciplines including the management field⁴.

⁴ Please see Locke (2001) for different examples on how GT has been applied in the management research.

The key components of GT practices, as advocated by its founders, are stated below:

“

- (a) Simultaneous involvement in data collection and analysis;
- (b) Constructing analytic codes and categories from data, not from preconceived logically deduced hypotheses;
- (c) Using the constant comparative method, this involves making comparisons during each stage of the analysis;
- (d) Advancing theory development during each step of data collection and analysis;
- (e) Memo-writing to elaborate categories, specify their properties, define relationships between categories, and identify gaps in the categories;
- (f) Sampling aimed towards theory construction, not for population representativeness;
- (g) Conducting the literature review *after* developing an independent analysis” (Charmaz, 2006, p. 5 – 6).

3.7.3 Conflicting approaches to GT

Over time, notable developments or variations of GT are evident as a result of views that conflict with those of its two founders i.e. Glaser and Strauss (Fendt and Sachs, 2008). This dissonance was apparent ever since the publication of the *Basics of Qualitative Research*, co-authored by Strauss and Corbin, was released in 1990. Although many qualitative researchers find the publication is useful, its contents seemingly contradict the original perspectives of GT, as advocated by both Glaser and Strauss (Kendall, 1999).

The differences between the 1967 and 1990 publications can be classified into three main issues, as stated below (Parker and Roffey, 1997):

- (a) The generation of the focal research issues including the literature reviews - Glaser opts for the research issues to emerge entirely from the actor's perceptions and after the researcher has entered the research site. In contrast, Strauss and Corbin allowed researchers to pre-select the topic and area of study before entering the research site (Strauss and Corbin, 1998).

(b) The degree of the data coding/analytical procedures - Strauss and Corbin tend to be more structured and prescriptive, while Glaser decided to be rather loose in coding procedures in order to allow for concepts and theory to emerge from the data. All the authors believed in the importance of the coding process in theory formulation but Strauss and Corbin have added axial coding, in addition to open and selective coding, in generating theory, which Glaser thought to be unnecessary (Parker and Roffey, 1997 and Charmaz, 2006).

(c) The degree of the theoretical framework formulated - Glaser, Strauss and Corbin aimed to generate theory about the phenomenon under study. But Strauss and Corbin allowed for a continual verification on the validity of the concepts and emerging theory. Meanwhile, Glaser opts for the verification process to be conducted outside the research analysis and leaves it to other interested researchers to do the follow-up study or studies, even in a quantitative approach.

It is important to note that these differences, however, do not have a substantial negative impact on the theoretical development pursued by the founders of GT (Parker and Roffey, 1997). The authors argued that although Glaser raised his concerns that Strauss and Corbin's stand might lead to a *forceful* theoretical development, this has not yet become apparent. In fact, Kendall (1999) concluded that no approach should be viewed as superior over the other; instead the decision regarding which approach to adopt will depend on the nature of the research to be undertaken.

Taking the above into account, an approach advocated by Strauss and Corbin was chosen for the present study. The two main reasons for choosing this approach are further described below:

(a) It allows the researcher to define clearly the topic and scope of research, to review the literature and to develop the initial and general research questions to be focused on. The emerging themes are then allowed to emerge within the predetermined scope of research domain (Strauss and Corbin, 1998; Fendt and Sachs, 2008).

(b) It provides “more structured and practically oriented method steps for generating grounded theory” which is suited to a novice researcher who has to finish the research project in a certain time- constraint (Parker and Roffey, 1997, p. 223).

Nevertheless, Strauss and Corbin and even Glaser have called for a flexible approach when using the method (Fendt and Sachs 2008), as stated by their statement below:

“In our own attempt to discuss methods and processes for discovering grounded theory, we shall, for the most part, keep the discussion open minded” (Glaser and Strauss, 1999, p. 8- 9). GT is “both a science and an art...these procedures were designed not to be followed dogmatically but rather to be used creatively and flexibly by researchers” (Strauss and Corbin, 1998, p. 13).

3.7.4 Definition of Strauss and Corbin’s approach

Strauss and Corbin (1998, p. 12) defined GT as a “theory that was derived from data, systematically gathered and analyzed through the research process”. The key features of the approach include the alternate data collection and analysis process, the use of questioning and the making of comparisons, coding procedures, the use of memos and diagrams and theoretical sampling (Strauss and Corbin, 1998 and Charmaz, 2008).

The subsequent discussion illustrates the research approach of Strauss and Corbin in relation to the present study.

3.7.5 Early practical considerations

In Strauss and Corbin’s approach, the researcher is allowed to focus and clearly define the topic and area of research by conducting an early literature review (Strauss and Corbin, 1998). Fendt and Sachs (2008) claimed that the researcher’s theoretical knowledge should be seen as an advantage that can be utilised. Accordingly, many management researchers (e.g.: Harris and Sutton, 1986; Eisenhardt and Bourgeois, 1988; Falholm and Nilsson, 2010)

have adapted GT by starting their work with some prior specification of existing theory. Locke (2001) claimed that the purpose of prior knowledge is “to bring more ordering and structuring mechanisms into the analytic process” and to guard “against the real possibility of being overwhelmed by the sheer volume of unstructured data” (p. 102). Besides, the idea of conducting a manageable piece of research “without a clear research question and absent theory simply defies logic” (Suddaby, 2006, p. 634) and is likely to produce an unsystematic “mass of descriptive material waiting for a theory, or a fire” (Coase, 1988, p. 230). Strauss and Corbin (1990) indicated that a decision could even be made at the early stage of the research, wherein the GT can be used to extend the existing theory by applying it to a new context.

Nevertheless, a real concern regarding the issue of prior knowledge is that it might “force the researcher into testing hypotheses, either overtly or unconsciously”, instead of making discoveries about the phenomenon (Suddaby, 2006, p. 635). Besides, if relevant concepts of the main problems are known prior to the research, there is no point in embarking upon qualitative research. So, to tackle this issue, Corbin and Strauss (2008) advised the grounded theorist to take a rather general approach in reviewing the literature.

Another important aspect concerns the development of research questions. Corbin and Strauss (2008) claimed that it is not possible for any researchers to cover all aspects of a problem of interest. Thus, the research questions could help to set boundaries of what will be studied and limit the problem to a manageable project. Hence, the authors (p. 25) argued that the research question should start as “a statement that identifies the topic to be studied and tells the reader what there is about this particular topic that is of interest to the researcher”. Strauss and Corbin (1998) added that the qualitative research or questions should not “entail making statements about relationship between a dependent variable and independent variable” (p. 41). In fact, all of the concepts and their relationships “pertaining to a given phenomenon have not yet been identified”... or “are poorly understood” (p. 40). So, initial research questions should be defined narrowly enough so that the research is focused, yet also broad enough to allow flexibility to explore

the salient issues that emerge during the process of data collection and analysis (Pandit, 1996).

3.7.6 Research objectives and questions

By taking into account the above considerations, this researcher has reviewed the literature, (see chapter 2), prior to data collection in order to become motivated, to gain fundamental understanding on relevant issues and to identify research gaps pertinent to the phenomenon to be studied⁵. The sources of the research problem that triggered the development of this study have been explained in *section 3.5* above.

Therefore, this study seeks a systematic understanding on how BSC strategy is implemented and what are the meanings of BSC strategy to the organisational members.

In order to address the research objectives above, the initial tentative research questions are stated below:

- What are the actors' perceptions of the adoption of ministerial-level BSC strategy in the context of the public sector environment?
- How is the ministerial-level BSC strategy actually implemented by the ministerial departments?
- What is the impact of the BSC on the public sector of Brunei?

It is pivotal to note that, consistent with GT, the above questions are not deemed final but would be further reviewed and refined during the course of data collection and analysis. This is to give room to work on the emerging questions or issues that are significant to the organisational actors.

3.7.7 Data collection strategies

⁵ A second literature review is conducted towards the end of the project, see chapter 8, which is in tandem with the emergent theory discovered in this research process.

In practice, GT procedures are not applied in a linear manner, therefore “data collection never gets too far ahead of analysis because the focus of subsequent data collection; that is, the questions to be asked in the next interview...are based on what was discovered during the previous analysis” (Corbin and Strauss, 2008, p. 144). But, both data collection and data analysis is separately dealt in this chapter, simply for an easy explanatory purpose.

3.7.7.1 Research case selection

The research is undertaken through a case study of a sample of public sector personnel in Brunei. That is purposively based on selected ministries that have developed their respective corporate-level BSC strategy. The public sector of Brunei is firstly chosen because of the researcher’s immediate familiarity with the environment. Secondly, it is in response to the research gap identified in the literature, as well as the lack of empirical studies on the research area to be focused on (see section 3.2 above).

During the initial exploration, six out of twelve ministries were identified to have developed corporate-level BSC strategy maps that had existed for a certain period of years. However, as advised by Patton (2002), because of the time constraint and to ensure an in-depth study on the phenomena, only two government ministries were chosen:

- (a) Prime Minister’s Office (PMO)
- (b) Ministry of Education (MoE)

PMO is primarily chosen because it is the first government ministry that adopted BSC in Brunei. PMO is also selected because of its unique administrative structure; the PM office’s structure is relatively broad, wherein the departments under its jurisdiction tend to have different core business agendas and independence from one another.

Meanwhile, the MoE was selected because it is the second government ministry to have adopted BSC. In contrast to the PMO, this ministry, like other governmental ministries in Brunei, has one agenda to focus on i.e. education.

Thus, the departmental operations in this ministry tend to be highly interconnected with one another and have lower degrees of decentralisation, compared to those departments under the PMO.

The different features of these two ministries, despite existing in the same environments, and the multiple 'mini' cases involved, are thought to be able to provide rich variations on the data and hence to capture the dynamic of the phenomenon (Fendt and Sachs, 2008).

Prior to entering the research sites above, a formal letter requesting for access was sent to the relevant authorities at both ministries during the initial exploration stage. Access to the PMO and MoE was granted via approval letters issued by the Public Service Department and the Permanent Secretary's Office respectively. The letters requested the relevant personnel to participate and assist the researcher while conducting the study. Additionally, personal contacts and/or networks also proved very useful, enabling the researcher to meet the relevant respondents much quicker than would otherwise have been the case.

3.7.7.2 Sampling strategies

In conducting this research, both purposive and theoretical sampling strategies have been deployed. The combination of these sampling models has become the most common sampling strategies adopted by the grounded theorists (Cutcliffe, 2000). Under purposive sampling, researchers are given discretion to use their judgment to identify and select cases that are relevant to the phenomenon under study (Patton, 2002). So, purposive sampling is used at an initial stage of the research by selecting the ministry above, as well as identifying an early group of actors who are directly dealing with, and hence are exposed to, the BSC project within those ministries. This initial sampling strategy has met the guidelines provided by Corbin and Strauss (2008) i.e. to determine the research site and the group to study, as directed by the research objectives and questions, before the researcher started to embark upon his/her research.

However, Strauss and Corbin (1998) warned that under GT, it is not the organisations or actors *per se* that are the subject of attention. Rather, the focal point of sampling is focused on incidents and hence concepts that are derived from the data, as delineated by the respondents. So, after the decision on purposive sampling is made, theoretical sampling would progressively be employed during the course of data collection and the analysis phase. In theoretical sampling, the researcher continues to collect and analyse data, based on those concepts that emerged to be significant to the evolving theory (Strauss and Corbin, 1998)⁶. In essence, the researcher continues to capture the data until each category of the evolving theory is saturated (Corbin and Strauss, 2008)⁷.

3.7.7.3 Primary data collection instrument: in-depth interviews

The main instrument used in this research is in-depth interviews. A total of 82 interview sessions were carried out with 64 respondents. The interviewees were from different levels of ministerial personnel; from the permanent secretary down to officers at the departmental level. Most of the respondents were interviewed individually, while there are occasional joint interview sessions conducted at the same time. Please see Appendix A for the list of interviewees involved in the study. In overall, in order to ensure the confidentiality of the respondents, there is no 'real' or full designation and/or department cited if their quotations are used in this thesis.

Most interview sessions were tape-recorded, although there are certain respondents who declined. In the latter case, important points would be noted and then analysed and compared instantly with the earlier findings.

⁶ The application of theoretical sampling strategy is further described in the subsequent sections.

⁷ Saturation point is attained when "(a) no new or relevant data seem to emerge regarding theory, (b) the category is well developed in terms of its properties and dimensions...and (c) the relationships among categories are well established and validated"...otherwise "the theory will be unevenly developed and lacking density and precision" (Strauss and Corbin, 1998, p. 212). The saturation point needs to be contingent to the aim of the study, otherwise the researcher would ceaselessly capture data, hence "adding new properties and dimensions to the categories" which seems non-pragmatic, especially in a time-constrained research project (Corbin and Strauss, 2008, p. 149).

The interview durations ranged between 40 minutes to 2 and a half hour. However, most of the interviews lasted beyond an hour mark and all the sessions were conducted in either Malay or a combination of Malay and English.

Most of the interview data were transcribed, except for those held in the last few interview sessions. The decision not to transcribe was taken when the last few interviewees raised similar issues, as had been covered by the earlier ones. The earlier transcribed interview materials were used as guidelines for the non-transcribed ones and any additional points found were jotted down, to be worked on further. But, there was no attempt to translate the transcribed materials into English, except for those parts used for direct quotations.

So, in line with the purpose of the study, open-structure interviews were employed during the initial phase in order to capture salient issues that were raised by the interviewees. At this early stage, the researcher also applied the use of questioning, as advocated by Strauss and Corbin (1998), concerning the theoretical and practical aspects of BSC. The reason for this approach is basically to open up ideas and stimulate thinking from the respondents and hence to allow in-depth exploration of the topic (Corbin and Strauss, 2008). With progressive data analysis, and once the emerging themes and concepts were identified, interview questions become semi-structured and the focus narrowed, in order to work on the data and then guide the next data collection process (ibid).

The interviewees' selection was, as much as possible, made in accordance with the purposeful and theoretical sampling discussed earlier. So, the first group of interviewees selected consists of officers who are directly involved with BSC project and who, therefore, could provide the best opportunities to start off the data collection process (Locke, 2001). The sample was then kept broad and random, across the two selected ministries, during the early stage so as to get different views and understanding of what is going on regarding the research subject. In doing so, earlier interviewees were also asked to suggest the next suitable respondents who could provide other views on the subject. However, subsequent data collection was prompted from those

concepts/categories, in terms of properties and dimensions that emerged during the alternate data analysis. That is why some relevant respondents were inevitably interviewed more than once, with the subject of attention then focused on refining the emerging relationship between the categories and hence to generate the emergent substantive theory (Strauss and Corbin, 1998).

3.7.7.4 Secondary data collection instrument: documentation analysis

Apart from the main research approach described above, another type of data collection instrument used in this research was documentation analysis. In fact, some documents such as the PMO's strategic planning framework report was collected and analysed earlier before many of the interview sessions had been conducted. Other types of documents, such as departmental BSC Dashboard 2010/2011 for Private Schools Department, was provided during the interview sessions and collected and studied further afterwards. Both external and internal documents provided a useful source of data on the cases studied, as well on the public administration of Brunei in general. But only those documents that are related to the research theme were taken into consideration during the analysis of data.

Publicly available documents were usually collected on site, while some were obtained from official websites. As for private documents, some were permitted to be photocopied by/for the researcher, while other 'for my eyes-only' documents were not, but were consulted extensively during the interview sessions. The researcher was also permitted to take notes on some of those consulted documents. A list of documents collected and used in analysis is shown in Appendix B.

According to Yin (1994), document analysis could provide complementary evidence for other types of data collection instruments. But often in this study, although some of the product of the document reviews also contributed to the coding process, any significant findings were not just taken in uncritically. Such information was confirmed further, during the interview sessions, so as to get the 'real' meaning from the respondents. For instance, it was found that, at first glance, the departmental BSC dashboards

of the MoE presented to the researcher in term of KPIs produced and actions taken, all seemed rather sophisticated. But when interrogated further, via the subsequent interview sessions, the respondents confirmed that the actions plans are merely comprised of routine tasks performed by the departmental members. And the KPIs produced are simply based on those routine tasks, yet with no strategic evaluation derived from them.

3.7.8 Data analysis strategies

In GT, analysis is commonly termed as coding. It referred to the process of “deriving and developing concepts from data” in order to form theory (Corbin and Strauss, 2008, p. 6). Coding essentially provides a ‘bridge’ that links data collection with the emergent theory, although data collection and data analysis tend to occur alternately (Charmaz, 2006).

3.7.8.1 Coding procedures

As mentioned earlier, Strauss and Corbin’s approach has specified three types of coding: open, axial and selective coding in order to generate theory⁸.

Open coding is the initial analytical process “through which concepts are identified and their properties and dimensions are discovered in data” (Strauss and Corbin, 1998, p. 101)⁹. At this early stage, the researcher remains open to identifying any possibilities discerned in the data (Charmaz, 2006). The researcher is likely to have ended up with hundreds of labeled concepts. The emerging concepts are scrutinised closely and those that are

⁸ Despite different theoretical terms, the three types of coding are not separated but tend to intermingle and could occur both sequentially and simultaneously during data analysis phase. For instance, even though open coding is done at an early stage, axial coding can be now and then developed beforehand, even though open coding might not yet have been completed.

⁹ Concepts refer to words that stand for groups of objects, incidents and actions that share common property(ies); Properties are the characteristics that define and describe concepts. Dimensions are the variations of a property along a range (Strauss and Corbin, 1998).

similar or related in meanings are then grouped under more abstract concepts named categories¹⁰.

Fundamentally, the research has moved into a higher level of axial coding when the researcher has linked the “categories with their subcategories along the lines of their properties and dimensions” (Strauss and Corbin, 1998, p. 124). So, axial coding is aimed to reassemble data that are fractured during the open coding in order to give logic to the emerging analysis (Charmaz, 2006 and Corbin and Strauss, 2008). It is important to note that categories, which derived from grouped concepts/subcategories, represent phenomenon that “depict the problems, issues, concerns and matters that are important to those being studied” (Strauss and Corbin, 1998, p. 114).

During axial coding, a researcher might have found a cue as to how categories can be related to one another to represent the phenomenon that has emerged as significant (Strauss and Corbin, 1998). Subsequently, this would lead the researcher to perform the final coding process known as a selective coding, which simply refers to the process of integrating categories and refining the theory (ibid).

Strauss and Corbin have recommended a paradigm that is constituted of conditions (i.e. structure), action/interactions (i.e. process) and consequences. The purpose of the paradigm is to leverage the relationship among the categories, which can then explain the core category and hence leads to the development of substantive theory of the study¹¹. But, this paradigm must not be used rigidly; rather it needs to be applied flexibly. For instance, according to Locke (2001), the researcher might opt to build a theoretical framework based only on consequences or conditions or

¹⁰ “Categories refer to high- level concepts under which analysts group lower-level concepts according to shared properties. Categories are sometime referred to as themes. They represent relevant phenomena and enable the analyst to reduce and combine data” (Corbin and Strauss, 2008, p. 159).

¹¹ A core category refers to the central phenomenon that binds the main categories together that form an explanatory whole of the study (Glaser and Strauss, 1999). A substantive theory is a theory that derived from data from a study of a particular area and from a specific population (Strauss and Corbin, 1998).

organisational strategies¹². Eisenhardt (1989) added that the substantial theory generated could also be in the form of hypotheses or propositions. In all, the advantage of theory developed from this method is that it is “likely to offer insight, enhance understanding and provide a meaningful guide to action” (Strauss and Corbin, 1998, p. 12). Further details of each type of coding process, in relation to the present study, will be presented in their respective analysis chapters.

Having made the above observations, it is also essential to note in this chapter the constant comparison method; it is an important analytical tool of GT procedure that has been used repetitively throughout the coding process. Basically, in the constant comparison method, incidents and actions identified in the data and the subsequent emerging concepts/categories and theoretical relationships formulated as a result, need to be constantly compared and refined in order to generate an emerging theoretical understanding of the phenomenon under investigation (Glaser and Strauss, 1999). Section 3.7.9.2 below provides further details on how a constant comparison method is applied and helps to enhance the validity and reliability of the research process.

Additionally, in carrying out the coding process, both memos and diagrams have been used extensively and proved to be a helpful working and tracking handout. The researcher has used memos to keep a record of the analytical findings as the research progressed. The documented data include those emerging concepts and categories, their underlying properties and dimensions, any theoretical ideas and the interview questions used for the subsequent data collection. Moreover, diagrams have also been presented, from time to time inside the memos, particularly in pointing out any emerging relationships of categories with one another.

3.7.9 Handling validity and reliability issues

¹² In fact, the paradigm model has been applied flexibly during the axial coding so as to identify the relationships among the subcategories in order to form large axial categories.

In conducting any research, whether it is qualitative or quantitative in nature, it is important for the researcher to ensure the rigour of the research process, in order to give a sense of credibility to the research outputs (Gill and Johnson, 2010). Two of the most common measures to assess the rigour and credibility of the research concern the issues of validity and reliability (ibid).

In GT, as with other qualitative research methodologies, the theory or research outputs generated are expected to reflect the realities and complexities of the social phenomenon studied (Strauss and Corbin, 1998). Thus, it is vital for qualitative research methodologists to tackle any threats directed towards validity and reliability, as it is upon these two fundamental concepts that the research process itself is based (Morse, *et al.*, 2002).

From interpretive mode, validity referred to the degree in which the findings captured by the researcher, on the phenomenon being studied, are interpreted accurately (McKinnon, 1988; Hammersley, 1992). Meanwhile, reliability is concerned whether the data captured by the researcher can be consistently trusted (McKinnon, 1988).

The following sub-sections discuss various strategies that have been deployed in order to enhance the reliability and validity of the research process undertaken.

3.7.9.1 Strategies adopted at data collection stage

First and foremost, the combination of data collection methods, i.e. in-depth interviews and documentation analysis, is a hands-on tactic that contributed to the validity and reliability of the findings. During the fieldwork process, almost all the interview materials were tape-recorded so as to avoid any salient information being omitted. For non-tape recorded interviews, important points were noted and further analysed and immediately compared with the earlier findings. Meanwhile, documentary data were also collected and noted; sourced from public and private documents respectively and to be studied further.

In essence, the cross validation of documentary data with in-depth interviews has corroborated the exact meanings to come out from the issues that are significant in the study. Besides, the interviewing of different levels of personnel from different departments, has also led to the emergence of different views to be captured. Ultimately, this has given theoretical density to the concepts/categories developed and hence to the generation of a theory that has full explanatory power.

Moreover, the incorporation of direct quotations from interview transcripts and documents inside the thesis also contributed to the validity and reliability of the research by providing supporting evidences to the storyline presented.

3.7.9.2 Strategies adopted at the data analysis stage

Various strategies were also employed so as to enhance the validity and reliability of the research during the data analysis process. In fact, these strategies are incorporated inside the GT procedures themselves.

For a start and as explained earlier, the multiple and iterative process of coding advocated by the GT, has ensured the analysis is driven from the data itself (Parker and Roffey, 1997). This coding process has itself contributed significantly to the validity, reliability and rigour of the research process undertaken (Strauss and Corbin, 1998).

Fundamentally, the constant comparison method employed throughout the research process is a significant analytical tactic that enhances the thoroughness of the present study. It is a practical tactic that can minimise personal subjectivity, as the emerging categories and core phenomenon are constantly validated with the raw data (Lock, 2001). Primarily, any events and actions identified are constantly compared and tested in different contexts found across the two chosen ministries. The variations found led to the development of concepts and categories filled with abundant explanatory details, which are further interconnected with other concepts/categories. For instance, in one of the open concepts identified at an early stage, it was found that a director was strongly committed in his/her BSC departmental

strategy. This concept is further compared with other departments, as to whether they have similar properties or not so as to form a dimensional range. The emerging concepts and categories are then constantly compared and their theoretical relationships are developed and further refined in order to generate a core category and formulate theoretical understanding of the study (Glaser and Strauss, 1999). Basically, all significant categories generated are still treated as provisional and constantly compared and verified up to the point of saturation.

Moreover, the emerging substantive theory is further validated with raw data captured from the existing respondents towards the end of data analysis. In doing so, the researcher has to rapidly search through the memos, interview transcripts, re-listening to the non-transcript interviews, so as to seek consistency and confirm the logic of the investigated phenomenon.

After the above strategy is completed, the major categories and emerging theory are further validated during the second phase of fieldwork, by narrating the storyline with different levels of actors across those two ministries¹³. Strauss and Corbin (1998) claimed that the follow-up verification of the emergent theory, with the respondents of the research sites, is an effective course of action that could enhance the validity and reliability of the research outputs. At the same time, the researcher also took the opportunity to test and evaluate the theoretical model, with recent developments that took place at the research sites. For instance, the MoE has revised its ministerial-level BSC strategy for the period of 2012-2017. Thus, both existing and new respondents were interviewed in order to get their views on this recent event in relation to the emergent theory. Accordingly, any additional information that was deemed relevant and significant to the study is included in the thesis, mainly in the chapters dealing with data analysis.

¹³ The main and first phase of fieldwork was conducted from July to December 2011. Meanwhile, the follow-up second fieldwork stage was performed from July to August 2013. The second fieldwork was mainly involved in narrating and discussing the core phenomenon and the theoretical relationships among the main categories with the main respondents. The respondents were then encouraged to make comments and to ask questions about the research findings presented.

In all, the general feedback from the respondents, even with the recent events and developments, implied that there is strong support and agreement on the core phenomenon and the theoretical integration, presented by the researcher, with what actually has happened to and with the phenomenon studied.

3.8 Summary

This chapter aimed to describe the methodological strategies of the present research project. This research is basically driven from the gap found in both the technical literature, as well based on practical experience. Accordingly, an interpretive stand is chosen for this project and the rationale of the selections is also justified. The objective of this research is to seek a systematic understanding of how BSC strategy is implemented and what are the meanings of BSC strategy to the organisational members. In essence, it is hoped that the findings from this study will be able to extend understanding and application of BSC theory in the public sector environment. In doing so, Strauss and Corbin's GT is believed to be the appropriate procedure to be adopted in order to address the objective of this current study. Thus, provisional research questions have been formulated and the selection of the cases used for the project has also been briefly mentioned. Consequently, different components of GT procedures pertinent to the study were then employed and discussed extensively in this chapter. These included the case for the chosen procedure, data collection strategies, sampling strategies, the analytical tactics and the issues pertaining to the validity and reliability of the research process. The next chapter is focused on the detailed description of the two ministries used in the present project.

Chapter 4: The descriptive details of the case studies

4.1 Introduction

The chapter presents the background profiles of the two purposely selected ministries used in this study¹⁴. Nevertheless, there are no theoretical or analytical findings presented in this chapter; these will only be revealed in the subsequent coding chapters. Chapter 4 is focused on the descriptive details of the development of the ministerial-level strategic planning in the two chosen ministries that was based on, and informed by, the BSC approach. The chapter starts by introducing a brief amount of information about Brunei Darussalam and the development of its public sector.

4.2 Brief overview of Brunei Darussalam

Brunei Darussalam is a small developing nation with a total area of 5,765 square kilometers (Borneo Bulletin Yearbook, 2010). Brunei is situated on the northeast side of Borneo Island in Southeast Asia; it has a total population of 388,190 people as recorded in 2009. Brunei is populated mainly by the Malay racial group, representing 64% of the total population, which is then followed by the Chinese (11%) and other races including the expatriates (Borneo Bulletin Yearbook, 2010).

The official religion is Islam and the language used is Malay; however, other religious faiths are openly practised and the English language is also widely used in daily life. The present ruler, His Majesty Sultan Bolkiah, is the 29th monarch in succession to the throne (Borneo Bulletin Yearbook..., 2010). Brunei has had a governance structure for more than 500 years, based on the monarchy system. There is no general election in Brunei and the citizens are

¹⁴ It is important to note that direct quotations from interview transcripts and direct citations from the literature/published documents used in this chapter and thereafter are kept in double quotation marks, and are set in italic and non-italic format respectively.

discouraged from conducting any political activities as the law prohibits it and hence the general public has no right to change the government.

The main production of Brunei, which signifies the main source of revenue for the nation, is oil and gas. Nowadays, Brunei “is the third largest oil producer in Southeast Asia and the fourth largest producer of liquefied natural gas in the world” (Borneo Bulletin Yearbook..., 2010, p. E60). The production of these natural resources represents 70% of the total gross domestic product (GDP) of Brunei in 2008 (ibid). Accordingly, this has made Brunei a rich country with a per capita GDP far greater than most of its Southeast Asia counterparts (Borneo Bulletin Yearbook, 2010). Other non-oil based industries in Brunei include manufacturing, services, commerce, tourism and information technology (Borneo Bulletin Yearbook, 2010).

4.3 The profile of the public sector in Brunei Darussalam

4.3.1 Historical background

Brunei is a public sector driven nation, wherein the sector plays a crucial role that contributes toward the nation’s development and ensures the well-being of its people. Prior to its full independence status, the nation’s administrative system was controlled and managed by the Chief Minister’s Office and the State Secretariat respectively (Introduction to Brunei Darussalam, 2005).

4.3.2 Current development

The present government’s administration is controlled by the PMO and its structure is based on the cabinet ministerial system (Borneo Bulletin Yearbook, 2010). The current monarch, who possesses the highest executive authority over the nation, presides over the ministerial cabinet as the Prime Minister and Head of Government (ibid). He also occupies the positions of Minister of Defense and Minister of Finance. Constitutionally, the Sultan has the right to politically appoint ministers who would assist him in administering the nation.

Moreover, apart from the Council of Cabinet Ministers, there are other forms of councils, required under the constitution of Brunei, which can also advise the monarch in various state related affairs. The most important constitutional councils include the Council of Cabinet Ministers, the Privy Council, the Legislative Council, the Council of Succession and the Religious Council (Borneo Bulletin Yearbook, 2010).

At present, there are 12 government ministries, as listed below, with more than 120 departments/agencies responsible for carrying out different administrative functions of the government (Borneo Bulletin Yearbook, 2010):

- Prime Minister's Office
- Ministry of Communication
- Ministry of Culture, Youth and Sports
- Ministry of Defense
- Ministry of Development
- Ministry of Education
- Ministry of Finance
- Ministry of Foreign Affairs and Trade
- Ministry of Health
- Ministry of Home Affairs
- Ministry of Industry and Primary Resources
- Ministry of Religious Affairs

Each of the ministries above is led by the politically appointed minister. The minister is assisted by the Permanent Secretary or Secretaries who act as the Chief Executive Officer(s) in charge of the daily operations of the ministry (The Brunei Civil Service, 2005). The organisational structure of the civil service of Brunei can be categorised into 5 divisions, as stated below:

- (a) Division 1 is led by the permanent secretaries, and followed by the deputy permanent secretaries and departmental directors
- (b) Division 2 comprises of the executives and other officers
- (c) Division 3 comprises of supervisory staff
- (d) Division 4 and 5 consist of support staff (The Brunei Civil Service, 2005).

Fundamentally, public sector represents the main employer and the preferred choice of full-time job destination for the locals; 69% of the Brunei's citizens, aged 15 and above, were employed on a permanent basis in the government sector in 2008 (Labour Force Survey, 2008).

4.3.3 The Civil Service Vision towards the 21st century

The 21st century is believed to present many challenges involving rapid advancements in technology, greater expectations from various stakeholders and the unpredictable external environments for the public sector. Realising these scenarios, Brunei's civil service, through the PMO, has introduced 'The Civil Service Vision towards the 21st century' in 2000 with aimed -

"To make the civil service of Brunei Darussalam an organisation that promotes continuous development and continuously strives for excellence in its own way in accordance with Islamic principles and in a healthy and safe environment with the blessing and guidance of Allah the Almighty" (Prime Minister's Office, 2006, p.2).

The vision focuses on three strategic areas of the service, namely: the structure, the policy development and the execution process (Prime Minister's office, 2006). Organisational restructuring, if required, is to ensure an effective and efficient organisation to deliver quality service. Policy reassessment also needs to be conducted periodically. Human resource development is identified to be crucial in order to ensure the policy implementation process and reform efforts are done effectively (ibid).

4.3.4 Continuous improvement initiatives

In line with the above vision, many continuous improvement initiatives have been carried out. Some of the managerial innovations adopted can be categorised and are shown in Table 4.1 below:

Table 4.1 Managerial innovations adopted by the public sector of Brunei Darussalam

| <u>Area of management</u> | <u>Managerial innovations</u> |
|--|---|
| Strategic Management / Performance Management | - Balanced Scorecard |
| Service Delivery | <ul style="list-style-type: none"> - Client's Charters - Civil Service Excellence Award - E-government - Quality Control Circles - Staff Suggestion Scheme |
| Human Resource Development | <ul style="list-style-type: none"> - In-service Training Scheme - Minimum 100 hours Training/per year Programme |
| Performance Measurement | - Employee Appraisal System |

(Source: Author's personal knowledge)

4.3.5 Historical development of BSC in Brunei's public sector

In his 57th birthday proclamation, July 15th 2003, the monarch, in his role as the Prime Minister had called for all government ministries to conduct their respective strategic planning, as stated below:

"...Every ministry and government department must provide their respective strategic planning. This is to ensure that the initiatives implemented by the organisations can be aligned with the objectives, visions and aspirations of the nation" (Prime Minister's Office, 2005, p.24).

Over the years, His majesty has emphasised the importance of, and hence has called for, strategic planning to be cascaded to the level of KPIs and to be understood by the public servants. Some of the relevant excerpts from decrees made by His majesty in recent years are stated below: -

"...Having strategic planning is not enough. What is important is for all levels of public servants to understand that plan, and move together to attain the predetermined objectives and mission" (Prime Minister's Office, 2008, p.36).

“I want the civil service to continuously assess its strengths and weaknesses, based on the KPIs set. From this approach, we can measure the progress of the civil service to carry out their efforts and responsibilities to meet the aspirations of the nation and its people” (Prime Minister’s Office, 2011, p.40).

Prior to this, there was no notable effort performed by the ministries to streamline the ministerial initiatives in a systematic and strategic manner. Thus, in response to the call made by His majesty, some ministries and government agencies have taken a progressive lead and begun to formulate their respective strategic planning. Fundamentally, although no particular approach has been enacted, it is known that the early ministries, notably PMO and MoE, decided to use a BSC approach for their strategic planning project. The BSC model was chosen because it is arguably the most-publicised managerial innovation in the last decade to hit the public sector under the notion of NPM. This is confirmed by the respondents who were involved during the early phase of the ministerial-level BSC strategy development at those two ministries.

“...Everywhere else is using BSC and it is proven, so there is no point in reinventing the wheel” (Senior operational staff, Department of Planning, Development and Research [DoPD&R]).

“We chose BSC because it was the hottest topic in town during that time... Prior to that, we did look for other models like Six Sigma and MBO, but those models did not really capture what we wanted to do. Furthermore, BSC is highly recommended by the MSD itself and the academic that we approached, who eventually became our consultant”¹⁵ (Senior administrative staff, Corporate and Governance Division [C&GD]).

Even the co-founder of BSC, Robert Kaplan himself, was invited to give a ministerial-wide seminar to introduce the approach. Over time, with the

¹⁵ MSD is an acronym for Management Service Department, a department under the PMO itself that dealt with managerial innovations before they are applied in Brunei’s public sector.

increased popularity of the approach in the sector, a growing number of government ministries and public agencies eventually followed suit and used the BSC in their respective strategic planning.

“Over the years, many different consultants have been hired to give seminars and help the ministries and public agencies with their respective strategic planning projects, by using the BSC approach” (Director3, PMO).

The government ministries identified thus far, which have adopted the BSC are:

- Prime Minister's Office
- Ministry of Communication
- Ministry of Defence
- Ministry of Development
- Ministry of Education
- Ministry of Health
- Ministry of Home Affairs
- Ministry of Religious Affairs

Nevertheless, as mentioned in Chapter 3, only two government ministries have been chosen for the study, so as to ensure an in-depth analysis in this research project. The next sections, thus, are dedicated to providing detailed descriptions of those two selected ministries by emphasising their respective ministerial level BSC strategy development.

4.4 The characteristics of case study 1

The first case selected is the Prime Minister's Office (PMO). It is purposely chosen because, apart from its broad structure, it is the first ministry in Brunei that had adopted the corporate-level BSC strategy. The PMO was officially established on 1st January 1984; the day when Brunei gained its sovereignty status.

4.4.1 Organisational structure

The PMO is headed by the Prime Minister i.e. His Majesty the Sultan of Brunei himself. Being the Head of Government, His Majesty has appointed ministerial rank officials to take charge of the Office's related affairs. Currently, the Office has 7 Permanent Secretaries who oversee the daily operations of the Office and the various departments under its purview, headed by their respective directors ¹⁶.

4.4.2 PMO status and departments

The PMO is a central agency that possesses the highest authority over, as well as coordinating, all the government ministries concerning the implementation of national policies. Moreover, apart from acting as a secretariat agency to His Majesty, the PMO also manages 20 devolved departments, which are responsible for carrying out the Office's related agendas. The list of those departments is shown in Table 4.2 below.

Table 4.2: Governmental departments under the PMO

| | |
|--------------------------------------|----------------------------------|
| 1. Audit Department | 10. Internal Security |
| 2. Anti- Corruption Department | 11. Information Department |
| 3. Attorney General Chamber | 12. Management Services |
| 4. Councils of State | 13. Narcotics Control Department |
| 5. Civil Service Institute | 14. Public Service Department |
| 6. Department of Electrical Services | 15. Public Service Commission |
| 7. Development and Economic Planning | 16. Radio Television Brunei |
| 8. E-Government National Centre | 17. Royal Customs and Traditions |
| 9. Government Printing | 18. Royal Brunei Police Force |
| | 19. State Mufti Department |
| | 20. State Judiciary |

(Source: PMO departments [online], 2009)

the PMO's structure is relatively broad, wherein different departments tend to have different core businesses and independence from one another.

4.4.3 Vision and mission statement

Under the strategic planning for the period of 2005 – 2014, the Office's vision is to provide:

¹⁶ Appendix C depicted the organisational chart of the top management at the PMO.

“Excellent leadership and good governance for national prosperity and stability”.

In order to accomplish the vision, the PMO intends to strive:

“To enhance the effectiveness of executive decision-making by the Government of His Majesty in the pursuit of excellent leadership and good governance for national security and sustainable development, and to uphold the national philosophy of Malay Muslim Monarchy”

(Prime Minister’s Office, 2004a, p. 5).

4.4.4 The strategic planning of the PMO for the period of 2005 – 2014

Senior administrative staff, C&GD said the BSC strategic planning of the PMO for the period of 2005 - 2014 took about 6 months to develop and was completed by the end of 2004. The objectives of the strategic planning are stated below:

(a) To ensure strategies employed by the PMO are aligned with the National Development goals and objectives.

(b) To provide a framework for the departments under the PMO to align their respective strategic plans with the PMO’s corporate strategies in an integrated and effective manner

(Prime Minister’s Office, 2004a).

It was revealed that BSC strategy map of the PMO was actually formulated by groups of teams consisting of departmental directors, deputy directors and senior officers at the PMO. Fundamentally, because of the diverse roles and functions performed by the departments, it left the Office with rather more complex and broader goals to pursue than other government ministries. Thus, to tackle this issue, the teams identified the key strategic areas or thematic objectives for the Office to focus on.

4.4.5 The strategic thematic objectives of the PMO

The 7 strategic thematic goals stipulated in the strategic planning of PMO are explained below:

(a) *To enhance the quality of policy making* - This goal is to ensure that technically, economically and politically sound policies are formulated, executed and assessed. This goal is also designed to provide more opportunities for national policies to be formulated in a more participative and professional way.

(b) *To set up policy direction and framework for effective economic development* - To provide effective leadership by providing guidance for policy formulation and for the effective implementation of plans concerning national economic growth. It is hoped this goal will ensure effective decision-making is achieved and excellent national leadership and governance will be generated.

(c) *To modernise the civil service* - This goal is to ensure that the civil service is running in a highly efficient, effective and productive mode. This is crucial in order to meet increasing expectations of the public and to ensure favourable conditions for both economic and business environments.

(d) *To adhere and uphold the rule of law and to enhance the administration of justice* - This goal is about maintaining law, security and stability of the nation. This is done by governing and regulating the society and by restraining and punishing any criminal activities.

(e) *To promote the image of effective and caring government* - This goal is intended to endorse the image of effective and caring government by portraying successful achievements. This goal is vital, both in economic and political contexts, and to counteract any negative views directed towards the government.

(f) *To strengthen the national capabilities to combat crime* - This goal focuses in tackling criminal activities that have negative impacts on social, economic and political aspects of the nation.

(g) *To strengthen the national capabilities to manage national crisis and non-traditional security concerns* - This goal requires a strategic framework, which promotes innovative and collaborative approaches, in order to tackle emerging threats or crises, especially those that are not traditionally encountered by the nation.

The respective teams have formulated BSC tailored strategy maps with their respective performance objectives for each of the strategic thematic objectives above, in order to realise the vision and mission of the Office (Prime Minister's Office, 2004a)¹⁷. In doing so, all the PMO's departments were allocated accordingly in order to execute the strategy maps for each of the strategic thematic goals. Please see Table 4.3 below for the categorisation of the PMO's departments in accordance to the above strategic thematic goals.

Table 4.3: The categorisation of the PMO's departments under the strategic goals

| <u>Strategic goals</u> | <u>The responsible PMO's departments</u>¹⁸ |
|--|--|
| To enhance the quality of policy making. | <ul style="list-style-type: none"> • E-Government National Centre • Councils of State • State <i>Mufti</i> Department |
| To set up policy direction and framework for effective economic development. | <ul style="list-style-type: none"> • Development and Economic Planning • Petroleum Unit |
| To modernise the civil service. | <ul style="list-style-type: none"> • Public Service Department • Public Service Commission • Management Services • Civil Service Institute • Audit Department • Royal Customs and Traditions |
| To adhere and uphold the rule of law and to enhance the administration of justice. | <ul style="list-style-type: none"> • State Judiciary • Attorney General Chamber • Royal Brunei Police Force • Anti-Corruption Bureau • Narcotics Control Bureau |

¹⁷ Appendix D showed the strategy map of theme 3: To modernise the civil service.

¹⁸ One department might be accountable for more than one strategic theme.

| | |
|--|--|
| To promote the image of effective and caring government. | <ul style="list-style-type: none"> • E-Government National Centre • Radio Television Brunei • Information Department • Government Printing |
| To strengthen the national capabilities to combat crimes. | <ul style="list-style-type: none"> • Attorney General Chamber • Internal Security • Royal Brunei Police Force • Anti-Corruption Bureau • Narcotics Control Bureau |
| To strengthen the national capabilities to manage national crisis and non-traditional security concerns. | <ul style="list-style-type: none"> • Internal Security • Royal Brunei Police Force • Anti-Corruption Bureau • Narcotics Control Bureau |

(Source: Prime Minister's Office, 2004b, p. 16).

In essence, the Director³, PMO mentioned that in order to realise the strategy map of each of the strategic thematic objectives above “... *different departments have to perform new roles and foster a new form of inter-cooperation with other departments; this has never been done before*”. Furthermore, a senior administrative staff of C&GD stated “*one permanent secretary is supposed to be responsible for one, or even up to three, thematic goals... [Then] a complete description of the strategy map for each thematic objective would enable the departments to align their work with the PMO proper and simultaneously come up with their strategic planning, with their respective KPIs and action plans.*”

4.5 The characteristics of case study 2

The second case selected for the present project is the Ministry of Education (MoE). The MoE has been purposely chosen because it is the second ministry after PMO that has adopted the BSC approach for its strategic planning. Besides, in contrast with the first case and just like the other governmental ministries in Brunei, the MoE has one agenda to focus on i.e. education. The ministerial departments also tend to be highly interconnected with one another and have lower degrees of decentralisation, as compared to those departments under the PMO. So this second case would allow the researcher to capture more variations and to make wider comparisons of the data being

studied. The subsequent sections, thus, described the present development of the ministry.

4.5.1 Organisational structure

The top management of the ministry is comprised of the Minister, as the highest authority figure, who is then assisted by his deputy and two permanent secretaries. The two permanent secretaries, assisted by their respective deputies, are directly in charge and responsible to oversee the two core sections of the ministry, namely core education and higher education. Currently, there are 22 departments, headed by directors, which are classified under those two sections¹⁹.

4.5.2 Vision and mission statement

The current vision stipulated under the strategic planning of the MoE for the period of 2007 – 2011 is stated as follow:

“Quality Education towards a Developed, Peaceful and Prosperous Nation”

The mission identified, in order to realise the vision above, is explained below:

“Provide Holistic Education to Achieve Fullest Potential for All. The Ministry of Education, as a professional and dynamic organisation, will provide a holistic education system of an international standard that comprises educational programmes with a relevant and balanced curriculum, which will develop students to their fullest potential. The Ministry of Education will nurture students’ spiritual strength; a healthy body and mind; high social, moral, aesthetic and cultural values together with excellent cognitive skills. Besides nurturing, the Ministry is also focused on creating opportunities for expanding the field of excellence”

(The Ministry of Education Strategic Plan..., 2007, p. 6).

4.5.3 The strategic planning of the MoE for the period of 2007 – 2011

¹⁹ Appendix E depicted the organisational structure of the MoE.

The strategic planning of the MoE for the period of 2007-2011 is essentially a broad, corporate level strategy designed to serve the following purposes:

- (a) It illustrates the vision, mission and strategic outcomes of, and key priorities to be undertaken by, the ministry;
- (b) It serves as a communication tool and acts as a statement of intent and commitment towards the stakeholders;
- (c) To provide a platform for the departments to focus and align their strategies toward the attainment of the ministerial level strategic planning;
- (d) To ensure strategies employed by the MoE are aligned with the National Development goals and objectives (Ministry of Education, 2008a).

The committee's members, dealing with the formulation of the ministry's strategic planning, are departmental directors and senior officers of the ministry. The involvement of top management during the formulation phase is rather limited to the development of vision and mission of the ministry.

"It took us more than two weeks of intensive workshops to draft the final strategy map. We engaged a consultant from Shell [a multinational corporation] to help us. First, the gathering was among the senior management, which included the minister, permanent secretary, director general and myself. We discussed the vision and mission that the MoE wanted to pursue. Then this vision and mission was brought up to the 'cascading' workshops. During these workshops, directors and their respective teams were asked to make comments on the vision and mission, and then discussed what areas they wanted to focus on and the objectives to be accomplished so as to realise the vision and mission that had been formulated" (Adjunct Professor at University of Brunei Darussalam [UBD])²⁰.

4.5.4 The key strategic themes of the strategic map of the MoE

Under the strategic planning concerns, the ministry has identified four key strategies to be pursued, as described below:

²⁰ He was a member of a previous senior management team who introduced BSC to the MoE.

(a) *Teaching and Learning Excellence* - This operationalised strategy seeks to employ new pedagogical tools and appropriate learning programmes. The purpose is to engage and motivate students towards their learning and yet, to foster both the inquiry and cooperative mode learning environments. Thus, schools in particular are expected to benchmark their operations with the best schools, both locally and internationally.

(b) *Quality Education* - This strategy seeks to adopt a holistic education model that provides all- round development and opportunities for the students to enhance their strengths and abilities. This will ensure students become more resourceful and responsible and are well equipped to meet the ever-challenging environments. To attain this, the strategy seeks to reform and restructure the curriculum to make it more aligned with 21st century needs and challenges.

(c) *Professional and Accountable Organisation* - This strategic theme aimed to ensure that the ministry and the education institutions are accountable for the learning outcomes and to their stakeholders. Thus, effective performance appraisal needs to be implemented to assess the effectiveness in implementing national policies, school policies and programmes.

(d) *Efficient Organisation* - It is crucial for the ministry to adopt effective governance and provide resources and support for the school administrators and teachers in order to foster excellence in teaching and learning.

(The Ministry of Education Strategic Plan, 2007).

These strategic focus areas are then broken down into strategic performance objectives, by using the BSC strategy map approach, which would guide the ministerial departments on outcomes that needed to be attained (The Ministry of Education 2007 – 2011, 2007)²¹.

²¹ Please see Appendix F that shows the strategy map of the MoE for the period 2007 – 2011. Senior operational staff of DoPD&R stated that the corporate-level strategy map concerned is only focused on the core *schools* education related agendas and it did not take into account the development concerning higher education. The ministry was only divided into two divisions i.e. core and higher education in the middle of 2008.

4.5.5 The strategic objectives of the MoE

As can be seen in Appendix F, the ministry has come up with strategic objectives in accordance to the four perspectives (stakeholders, internal, learning and growth and financial) of the BSC, as advocated by Kaplan and Norton, which are further described below:

(a) Financial Perspective

(b) Customer Perspective

These two perspectives are recognized as *planned outcomes*. The attainment of the strategic objectives within them would directly deliver the desired outcomes of the strategy and hence the mission and vision of the ministry.

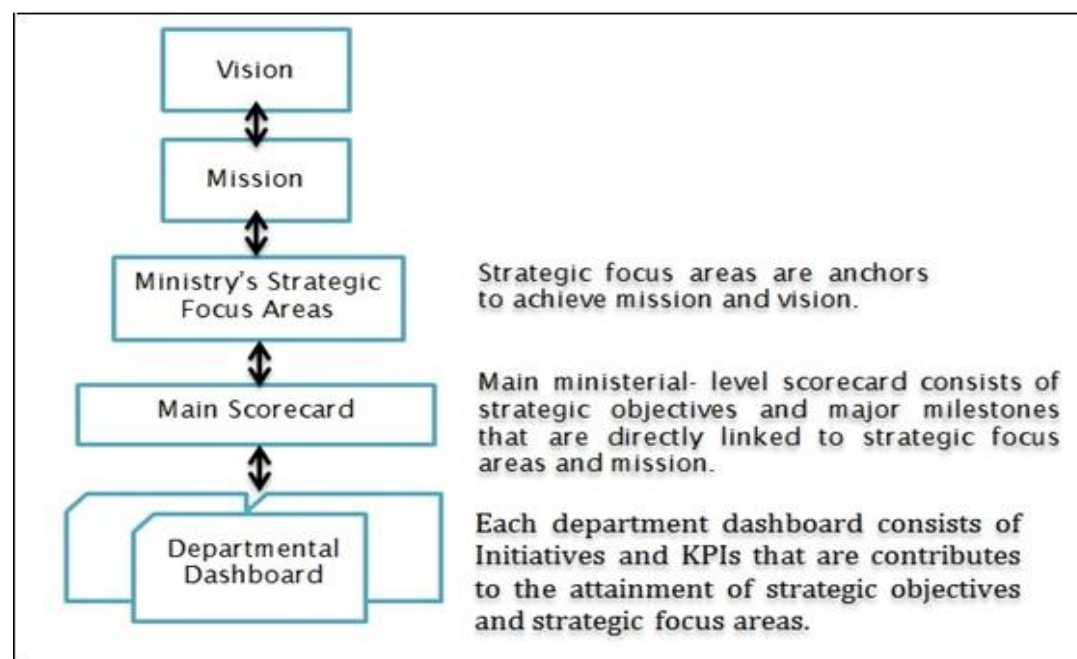
(c) Internal Process Perspective – This perspective is seen as involving the *drivers*. The strategic objectives are set to act as the driving force for the achievement of the ministry's planned outcomes.

(d) Learning and Growth Perspective – This perspective involves the *enablers*. It addresses the strategic objectives pertinent to the human development of the ministry. This perspective is crucial to the driving processes for effective and efficient accomplishment of the planned outcomes.

(The Ministry of Education Strategic Plan..., 2007).

The broad prearrangement on how the ministerial departments can contribute to the ministerial level BSC strategy is shown in Figure 4.1 below:

Figure 4.1: The linkage between departmental dashboard and the ministerial level strategy (Adapted from Ministry of Education, 2007, p. 15).



4.5.6 The revised ministerial-level BSC strategy for the period of 2012 -2017

During the second phase of fieldwork, it comes into view that the ministry has embarked upon a new ministerial-level BSC strategic plan for the period of 2012 - 2017. According to an educational staff at DoPD&R, the revised strategic planning is formulated by the middle management personnel, comprising of directors, deputy directors and senior officers from various departments²². The same consultant who assisted the ministry during the implementation phase of the old plan was re-hired to facilitate the development of this revised version. After the new strategic plan was officially launched, followed-up workshops were conducted so as to ‘cascade’ the strategic plan to the invited ministerial personnel, including the schools’ principals. Follow-up meetings have also been held, according to the same officer, between the SMO and departmental BSC coordinators, concerning the implementation process. Ultimately, the official starting month for the

²² Please see Appendix G that shown the strategy map of the MoE for the period 2012 - 2017.

implementation of this revised ministerial-level BSC strategy was designated for June 2012 as confirmed by the same educational staff

“This new plan officially began in June 2012...departments were given a year to work out their [respective] strategic plans and how they can contribute to this new strategic plan... They [the departmental BSC coordinators] are required to submit a half yearly progress report on the related development, in the form of dashboards”.

As mentioned in Chapter 4, the respondents' views on this new development have been taken into consideration in this thesis, by comparing them with the major analytical findings revealed during the first major field study.

4.7 Summary

This chapter began with a descriptive background of Brunei Darussalam and its public sector. Brunei's public sector plays a crucial role that contributes towards the nation's development and ensures the wellbeing of its people. To support this, many continuous improvement initiatives have been carried out, so as to foster excellence in work practices and performance in the civil service. In line with the call made by His Majesty, one notable managerial innovation performed by the sector in the last decade is the application of BSC for the ministerial-level strategic planning project. The project actually is considered to be the first initiative ever attempted involving personnel at both the ministerial as well as the departmental levels. Thus, this chapter presents the descriptive details of two ministries purposely chosen for the study i.e. the PMO and MoE, with particular focus on the development of their higher-level BSC strategy. Ultimately, the issues covered in this present chapter are expanded and provide an interesting foundation for the analytical results captured by using GT, and then discussed in the subsequent coding chapters.

Chapter 5: Open categories

5.1 Introduction

This chapter introduces the open categories that marked the beginning of the coding process of the Grounded Theory (GT) of the present study. Through the open coding process, these open categories were developed from the collection of open concepts that were originally identified and discovered, in term of their properties and dimensions, in the raw data (Strauss and Corbin, 1998). The resulting open categories are then further refined and integrated into more abstract, higher categories in the following coding stages, which will be discussed in the subsequent chapters. The discussion in this chapter is augmented with many empirical examples and direct quotations from the participants involved in the study.

5.2 Open concepts and categories

Open coding is the initial stage of GT analysis, in which open concepts were identified and discovered from the data, in term of their properties and dimensions (Strauss and Corbin, 1998). Strauss and Corbin have proposed three focuses when conducting open coding, namely line-by-line, whole sentences or paragraphs and the whole document. Accordingly, in this study, extensive line-by-line analysis is performed, mainly with the interview transcripts of the respondents, especially during the initial phase²³. The main function of the line-by-line analysis is to identify and explore the properties and dimensions of the data that are delineated by the respondents. In fact, the line-by-line coding was carried out at least twice in searching for the emerging open concepts and to ensure that the researcher would not miss out any significant inputs. Strauss and Corbin (1998) affirmed that the line-by-line mode is vital, especially during the early phase of a GT study, to ensure that the analysis is driven by the data that are considered significant

²³ Although some of the product of the document reviews is also used in open coding, most of the document data and concepts generated are treated provisionally and thus further built on and finalised during the interview sessions.

to the respondents. As a result of this process, the researcher has ended up with hundreds of labeled open concepts²⁴.

Moreover, the paragraph mode analysis was also conducted, particularly towards the end of the research i.e. when the researcher was confident that the views generated by different interviewees appeared to look similar. Having said this, the interview transcripts are usually read wholly before line-by-line mode or even a paragraph mode of analysis is performed. The idea is basically to allow the researcher to obtain a general understanding of the issues raised; thus, there no coding was made via the whole document mode.

The resulting open concepts were further analysed and those that are related to a common theme were then grouped together to form an open category (Strauss and Corbin, 1990 and 1998)²⁵. Thus, open categories signified collection of associated open concepts that stand for a phenomenon, which are indeed necessary for the next coding stages to take place (ibid). In all, 25 open categories were formulated and each of them will be discussed further in the subsequent sections.

5.2.1. Continued prosperity

The discovery of oil and gas in 1929 has certainly brought wonders to Brunei Darussalam and to its people. Up till now, oil and gas production continues to be the main export for Brunei²⁶. Table 5.1 shows the proportion of the exports over the total imports of Brunei from 2006 -2010. As can be seen, both the crude oils and natural gas still represent more than 95% of total exports.

²⁴ Please see Appendix H for the list of early open concepts generated in this study.

²⁵ Please see Appendix I for the list of open categories with their associated open concepts.

²⁶ Since 1929, the primary oil and gas production in Brunei has been managed by the Royal Dutch Shell Corporation. The shareholding of the Corporation in Brunei is 50% owned by the Brunei government.

Table 5.1: The proportion of total exports and total imports of Brunei for 2006 -2010

| (BND million) ²⁷ | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Export | 12117.1 | 11556.4 | 14941.9 | 10431.7 | 12117.6 |
| Crude Petroleum | 67.3% | 65.9% | 53.2% | 47.7% | 50.4% |
| Natural Gas | 29.0% | 30.1% | 44.6% | 48.4% | 44.7% |
| Garments | 1.7% | 1.5% | 0.8% | 0.5% | 0.1% |
| Others | 2.0% | 2.5% | 1.4% | 3.4% | 4.8% |
| Total Import ²⁸ | 2658.5 | 3166.0 | 3647.3 | 3491.9 | 3349.3 |
| Balance of Trade | 9458.6 | 8390.4 | 11294.6 | 6939.9 | 8768.3 |

Source: Department of Economics Planning and Development, Prime Minister's Office (2009, 2010 and 2011).

Because of the constant demand of these two commodities in the international markets, they have certainly brought a continuous stream of revenue to Brunei. This has contributed significantly toward the financial stability and economic prosperity of Brunei, ever since its independence in 1984. Despite the international and regional economic turmoil faced over the years, such as the ASEAN financial crisis in 1997-1998, Brunei's economy appeared to remain intact. Thus Brunei, under its caring monarch, has been able to distribute the wealth generated to its people, so they can continue to have a comfortable life. Moreover, since its independence, the Brunei government has never imposed any form of personal taxes on its people. Consequently, Brunei has often recorded a gross domestic product (GDP) per capita income that is far greater than most of its Southeast Asia neighbours and is one of the highest in the world²⁹.

Furthermore, the Brunei government can afford to be the major employer that provides permanent jobs for 69% of local citizens and to consistently allocate steady amounts of public finance needed for the nation's

²⁷ £1 = \$2 Brunei dollar [BND] based on the currency exchange rate on January 15th, 2011.

²⁸ Import is made of machinery and transport equipment, manufacturing goods, foods, miscellaneous manufacturing articles, chemicals and others.

²⁹ Please see www.indexmundi.com for the latest ranking of GDP per capital income among nations.

development³⁰. As shown in Appendix K, the total revenues are mainly derived from the oil and gas sector (taxes on net income and profits) and the government appeared to incur healthy budget surpluses throughout those years, except for year- ends 2002-2003 and 2009-2010. Despite the deficit incurred during those two periods, the trend of public expenditure tends to be steadily increased over that ten years period. The highest proportion of public expenditure is on the personal emoluments under the *current* expenditure section. In fact, this expense is consistently rising, which reflected an increase in annual increments of the current wages and the number of the civil servants employed. Thus, the prolonged fiscal stability experienced has enabled the Brunei government to ‘guarantee’ a well-off remuneration for civil servants and to allocate an unfailing annual recurrence budget for its ministerial operations. This is indeed a focal development for Brunei and its public sector. For instance, where many governments nowadays are taking austerity measures to curb public debts, Brunei’s government can still manage to meet and continue to self-finance its overall expenditures.

Nonetheless, such ‘guarantee’ financing has inevitably brought side effects to the public sector of Brunei. Notably, this scenario has caused public servants to become complacent and hence led to a ‘laid-back’ culture in administering the public service and hence the nation. As stated by a member of the Public Service Commission (PSC):

“We in the public sector tend to be laid back. No matter what, there will always be an annual budget given to each department and ministry to run their operations. Besides, there seems to be no urgency from the top leaders to make any big changes as there is no necessity for them to do so. The fact is that we are still in a comfort zone... no matter what, we still got oil and gas resources that we can depend on... Unlike in private company, the company has to perform to survive, if not, the company would go bust and the staff, even the top one, can be terminated. Unlike us, it is not about survival, for me perform or not, [it] makes no difference, as I would still be entitled for my salary and yearly bonus”.

³⁰ Please see Appendix K that depicted Brunei Government’s Revenue and Expenditure - January 2001 – March 2011.

This complacent attitude has cascaded further down to the lower-level hierarchy. As admitted by a senior administrative staff at State Mufti Department (SMD) *"We tend to be relaxed in our work. Whether we work hard or not, I know at the end of the month I would still get my salary and my position will not be affected, so that's good enough for me"*.

The government and Bruneian society, in general, seem to be in denial about the fact that oil and gas production will not last forever and therefore will be unable to support Bruneians for generations to come. So the government appears relaxed and there is no urgency to venture into other major initiatives that could generate more revenues for the state and to replace the ever-depleting oil and gas.

An administrative staff at the Economy, Finance, Research & Development Division (EFR&DD), argued that, *"it is pretty alarming because up till now we still continue to rely heavily on our oil and gas which are depleting as you consume them. It is simply unsustainable!!! What if they suddenly run out? It could create a panic in the nation"*.

Accordingly, many perceived that the nation simply required a crisis or a shocking event in order to shake-off the comfort zone and to trigger a major change in running the public service and nation as a whole. Brunei has never experienced any such crisis event since it gained its independence in 1984. As confirmed by the top executive officer¹ *"In Brunei, there is no urgency to implement things unless a crisis comes in... I can tell you many projects planned at PMO but they have never really taken off."*

A senior professional staff at Department of Economics, Planning and Development [DoEP&D] supported the above statement by making a comparison to New Zealand,

"I had a meeting here last year with a member of a competitive committee under the Ministry of Development of New Zealand. It is funny coincidently in 1984, a lot of things changed there. He said, before 1984, New Zealand faced many crises such as government debts, declining price of agricultural commodities and their exports also went down. It was a very bad situation

where the country was about to default. These events were like a rude awakening for them. Hence, in 1984 there are many changes implemented by the newly elected government to tackle the crises. And look at their achievements now, and then I said to him we were independent in 1984, but we got not much to show...maybe if we are running out of oil, or the oil cost 5-10 US dollar per barrel, then it could open up our eyes to make serious changes to our nation."

Another professional staff at DoEP&D concurred and added that:

"...We Bruneians have never experienced any kind of struggles before. We always feel comfortable with what we have; higher disposable income, greater purchasing power, cheaper fuels, subsidised electricity and water, no personal taxes and the government often takes care of us as well, so why rock the boat?"

5.2.2. General political landscape

Brunei Darussalam had has been ruled, for more than 500 years, based on the monarchy system, which vested the absolute power to the ruling monarch. In time, it has become a custom in Brunei whereby the citizens have to bestow undivided loyalty and show higher respect to the Sultan, who in turn, would ensure the wellbeing of his subjects and the security of the nation. The current monarch thus possesses the highest executive authority over the nation and presides over the ministerial cabinet as the Prime Minister and the Head of Government (Borneo Bulletin Yearbook..., 2010). Constitutionally, the Sultan has the right to appoint ministers who would advise and assist him in administrating the nation.

There is no general election in Brunei and hence citizens have no right to change the government and avoid conducting any political activities, as the law prohibits it. This situation is in clear contrast with so-called democratic nations, whereby the politicians or political parties tend to 'compete' with one another, particularly during the election period. They do so by

presenting, new ideas, strategic direction, policies, etc. in order to win public votes and hence to be elected as the ruling government.

Conversely, in Brunei, the appointed 'politicians' have come up the ranks from the bureaucrats themselves who, thus far, appear to hold on to their ministerial positions for 'life'. "... [Unlike] *in Malaysia, the politicians are elected by the people, our system is different. There [Malaysia] people can vote them out*" (Adjunct Professor at UBD). Accordingly, it appears that the prime accountability of and attention given by these political appointees is simply supporting their appointer. "*As we often see, if there is a direct order on a certain issue from the very top pointed to them and their ministries, only then do they get busy to deal with the issue concerned*" (member of PSC).

It should be noted that in 2006, a five-year tenure for ministerial duty was introduced which, it was thought, could have an impact on the political landscape of Brunei. However, it appeared that the same 'politicians' tended to be re-appointed and hence brought a relatively unchanged scenario. As confirmed by the professional staff at DoEP&D "*our ministers have been in their positions for as long as I can remember. Even with the new fixed term introduced recently, apparently, it is the same people who are re- appointed. They are just being moved from one ministry to another. It is simply a horizontal type of reshuffling. So what does this indicate? It shows that, time and again, they are doing the 'right' things i.e. to maintain a status quo and they are being rewarded for that. So, as expected, no real change is happening to the policies, structure and work practices.*"

In another related political development, a legislative council has also been revived that allowed members to raise national concerns and open-up public participation in national issues. Brunei's legislative council replaced the old Brunei State Council in 1959, but it was suspended in 1984, and only restored in 2004 (Borneo Bulletin Yearbook..., 2010). The members consist of the current monarch as chairman, some members of the royal family, cabinet ministers and people's representatives who are appointed by the government (ibid).

Although it was considered to be a positive development at the outset, nevertheless, many perceived that the reconvening of the legislative council was merely a symbolic gesture. Apparently, the council is still unable to push for a more responsive and representative government. As stated by the senior administrative staff at SMD *"If you see the sessions over the years, it is the same questions and issues raised by the people's representatives over and over. And often you would not get a satisfying answer from the ministers. I have attended one live meeting... it can be frustrating for a member of the general public. For instance, I recalled during one open question session, this one business representative complained about the bureaucratic process that hampered business development here. The relevant minister then answered by stating it is better to channel that question to the relevant authority. To me, he is the authority!!! And he is the best person to give the answer and confront the issue. Besides, what is the evidence that this issue would seriously be tackled at all after the session? If you asked the business people outside now, I can assure you the delay and bureaucratic problems faced by them are still persisting"*.

Another interesting fact about the legislative council assembly is that the members, cabinet ministers and people's representatives only, are merely convened at one particular session, for a 10-day period, once a year. The question is how many issues faced by the public can be discussed during the assembly's period? Other related matters in question concern the means of stakeholders' engagement and the degree of credibility of the people's representatives appointed to the council. As pointed out by the senior administrative staff at Department of Estate Planning & Management (DoEP&M), *"As a member of the general public, I have never attended any consultation meetings with the people's representative in my constituency. The assembly, just like in Malaysia, should be done frequently to cover wider-ranging issues"*. A senior professional staff at DoEP&D added that, *"since the people's representatives are appointed by the government anyway, so where is the real public accountability there? The council assembly is I think merely a forum of discussion between them and of course to symbolically approve the pre-determined government budget"*.

Furthermore, it is also important to note that the Brunei government is legally protected by the 1959 Brunei Constitution from any form of prosecution against any of its officials, while carrying out their duties. This is arguably a rare situation for any country, yet such a protection has a negative implication for any level of responsible accountability in public administration and hence towards national development. As stated by the former Chief Justice of Brunei in his farewell speech, as cited by Borneo Bulletin (2001, p. 15), “unfortunately... no steps have been taken to enable the government to be sued. I can only repeat that it is unfortunate to make Brunei an investment centre, an immunity that does not exist elsewhere”.

Ultimately, it can be said that the general public’s subservience to the traditional governance and the political landscape in Brunei, though such mores could be beneficial in certain aspects, has created less pressure and urgency for the public sector to be more responsibly accountable and responsive toward its citizens (Hazri, 2008).

5.2.3. ‘Malay’ cultural influence

Brunei is populated mainly by the Malay racial group, which represents 64% of the total population (Borneo Bulletin Yearbook..., 2010). So, with the majority of civil servants in Brunei being predominantly Malay, it is conspicuous that the ‘typical’ Malay mindset and attitudes have strongly influenced the way the civil service works. One notable element of ‘typical’ Malay mindset is fear to take risk and/or make a mistake. As agreed by many, taking risks and being patient are not parts of Malay culture, so most Malays prefer to do routine and easy tasks and tend to depend heavily and continuously on government subsidies (Omar, 2012). Therefore, Malays are more than happy to work in the public sector, an area that offers job security as well as greater perks. This ‘safe’ mindset is reinforced from the older generation who claimed that working in the public sector gave job stability and better benefits than those in the private sector. This also explained why other races in Brunei tend to occupy, and are involved with, commercial activities from the old days up till now. This paralysing fear is in fact creating a stumbling block for national development and, as stated by the CEO of BEDB at Brunei Express, is considered to be the basis of “the key mindset

problems that need to change while trying to develop the nation economically” (Ibrahim, 2011)³¹. The CEO further argued that civil servants “knew about the problems within the country but are not addressing them because of these fears and, as a result, are not doing anything about them” (ibid).

Furthermore, the ‘typical’ Malay attitudes that are evident in the running of the government include ‘giving face’ to others and showing greater deference to the senior leaders. Many public servants tend to avoid being critical of others because Bruneians tend to see criticism as personal attacks and are unlikely to accept it positively. Thus, they avoid it as much as possible, particularly when communicating with their immediate superiors. As admitted by the executive member of PSC *“criticising the top people is like a career suicide and not doing so is what made me ‘safe’ in my job”*. This higher ‘respect’ attitude toward the hierarchical leaders can be traced back to the feudalism tradition embedded and still widely practised in both national and hence working cultures. As pointed out by the Senior professional staff at DoEP&D, *“blame it on our culture! For instance, even a simple matter of addressing our national leaders we have to use ‘kaola’ and ‘pehin’ and often we tend to feel nervous when meeting them”*³². *This, in one way or another, has widened the gap between the ministers and people below. Unlike for example in UK, Tony Blair, the Prime minister himself, would like people to just call him ‘Tony’.*”

Dr. Mahathir Mohammad, a former Prime Minister of Malaysia, summed up the ‘typical’ Malay mindset and attitudes in his memoir as follows: “Malays submitted easily to their immediate environment...and failed to rise above challenges. In time, a set of dominant cultural traits surfaced, which encourage compliant adaptation and discouraged effort. With this Malays stopped trying to adapt to changing circumstances but remained laid-back

³¹ BEDB stands for Brunei Economics Development Board. It is a government sponsored corporate body that is put under the supervision of Deputy Minister at PMO.

³² ‘Kaola’ is a Brunei traditional word used by common Bruneians, replacing the standard Malay word of ‘saya’ or ‘I’ or ‘me’ when talking to Ministers who are usually being bestowed a knighthood. ‘Pehin’ is the nonhereditary title, often bestowed to Ministers by the Monarch, which common Bruneians often use in addressing or talking to the titleholder.

and compliant.” Changing the Malay mindset is not easy, as stated further by him “[it has] to be linked to a change in attitude and character. Functioning successfully in the modern economy and the modern world requires dedication, discipline and consistent long term strategic thinking, which the Malay still needs to learn to acquire”. This can be changed, as he continued: “however, it can started from the leaders who can lead by example and be bold enough to make a decision” (Mahathir Mohammad, 2011, p. 593).

The last sentence made by Dr. Mahathir Mohammad above is confirmed further, in the Brunei context, by the senior operational staff at Private Schools’ Department (PSD1), *“We never dare to criticise our leaders publicly as it is not in our culture. Therefore, it is very important for them to lead by example, be dynamic and be bold enough to make decisions. Otherwise, we will never see any changes in this sector”*.

5.2.4. Participants’ perception on performance measurement practices

The current Individual Employee Performance Measurement System (PMS) was officially introduced to Brunei’s public sector in 1988, for all of its job divisions. This Open PMS is replacing the old Confidential Report, as required by the General Orders 1961. The objectives of the Individual PMS are stated below³³: -

- (a) To improve the Human Resource Management System so as to improve the efficiency, effectiveness of individual employees
- (b) To improve the performance, quality service and productivity of the public sector in Brunei (Panduan Pelaksanaan...*[Implementation Manuals...]*) (n.d.).

Nevertheless, the Individual PMS currently practised is still distanced from fulfilling the objectives stipulated above. The system is often seen as a one-off assessment, merely perceived as a formality to acquire the annual bonus, but with no regard to the real level of work performed by an individual

³³ Please see Appendix L for a compilation of the performance rating system, bonus allocation rate and maximum bonus allocation for job divisions in Brunei’s public sector in accordance to PMO’s Circular letter n. 7/1992.

employee. As remarked by director1 at PMO *"We do the assessment because it is required by law. But the fact is, it is merely a paper formality for your bonus... it does not reflect the level of work and performance of the individual being assessed"*.

Consequently, any kind of evaluation or improvement required for employee development is not really looked upon. *"Usually before submitting the appraisal to the Civil Service Department, we would write a report stating the required general trainings needed for our staff, but nothing is being followed through and no required training is being offered by the Civil Service Institute (CSI)"* (Director1 at PMO).

As indicated in the PMS manual, both the immediate superior and the subordinates must meet at interval times during the year to discuss the subordinate related performance, before both parties agree on the final result of the performance appraisal. However, the implementation process is never followed through, as pointed out by a member of PSC *"we only dealt with our performance appraisal once a year, so where is the fairness there? Even on the PMS manual, the evaluation needs to be done periodically. Obviously, there are many shortcomings in the system..."*. A specialist at the Inspectorate Department explained, *"...At one instance, during the appraisal session... my boss said I would give you a C first, otherwise it would be difficult to move up if I give you a straight B. Then, in time, we can go up gradually. So, as you can see the grade has no justification to your work rate. Moreover, there is no pre-determined target set and agreed upon. But, to me I don't care much so long as I got the bonus, that's good enough"*. Thus, the current individual PMS process has no bearing upon performance, let alone measuring or capturing the person's merits.

The unstructured individual PMS process is originally caused by the absence of a specific job description and the constant ad-hoc nature of the tasks performed. So, this often makes it difficult to develop and measure specific targets for jobs performed by an individual employee. As described by a senior operational staff, Curriculum Department, *"Ad-hoc has always been our working culture. Many of our tasks cannot be pre-determined; it is often derived from the outcomes of the meetings, both outside and inside. Some*

come directly from above, which of course we cannot reject. Even from outside requests, like from committees and stuff, because often we also need them later for assistance. So these ad-hoc things do affect our core work. Thus, it is often difficult to have proper KPIs on our jobs”.

The impracticality of individual PMS to meet its objectives is also caused by the compassionate attribute embedded in Brunei Malay culture. As cited by the director² at PMO *“You have to look at a bigger perspective, Brunei is a small population where we tend to have family ties with one another. Thus, you do not want to give your brother-in-law, nieces, your known relatives or friends a bad assessment that affects their bonus”.* A personnel staff at Public Service Department (PSD) added that, *“we do not want to hurt other people’s feeling...we tend to be lenient in our assessment even though you know the person might not perform well in their job”.*

Notably, the unintended implementation of PMS is also contributed by the absence of a central body in the government responsible to monitor and audit the performance of both the individual and department. For instance, in contrast to another country referred to by the deputy senior director at PMO, *“In Malaysia, all higher ranked civil servants are subject to a performance audit by an independent internal body.... this is to ensure that their performance appraisal is true, so only the high performers would climb up the ranks. It would be great if we have that kind of audit in here.”*

As a result of all these provisos, the current state of individual PMS has brought many unintended consequences. Civil servants tend to perceive a yearly bonus as an automatic privilege for them and there is no appropriate reward and penalty for exemplary and non- performers respectively. As cited by the director³ at PMO *“... It is a pity for those people who are working hard, yet those who are not performing received equal rewards. So what is the motivation for these higher performers? In time, they can become demotivated and stop performing because whether you work hard or not yields the same reward... You see the effect of the current performance appraisal system is one reason why our BSC does not really move”.* Even at the higher level of management, as admitted by a member of PSC *“In Brunei, there is no such thing as a penalty if you are not performing even for a Permanent*

Secretary. A criminal act, maybe, but in a worse case they would only be moved to other ministries and yet still receive the same earning or hold the same position even”.

Because of the non-merit based assessment, this has also led to non-performance based promotion, even for directors’ positions and above, which in turn has many implications.

Firstly, the justification for promotion is usually not reasoned out clearly and transparently. For instance Director3 at PMO claimed *“I was promoted to director here last year from my old position at PSD. I was there for a long time. But one morning I got a letter stating I was promoted but without any justification why I was transferred here. I was blanked at first as it was a different core business from the previous one.”*

Secondly, it is common that the seniority based promotion, regardless the performance, takes precedence. *“No matter how good you are, the promotion would go to your immediate senior first. Unlike in Singapore for instance, it does not matter what your age is, so long as you performed and are capable, you can overtake your senior. But this can hardly happen in Brunei”* (Administrative staff, Brunei Darussalam National Accreditation Council [BDNAC]).

Another drawback is a tendency that people play promotional ‘political’ games in order to get to the higher positions. As explained by a Senior administrative staff at SMD *“There are people who tried to get close and look good to the top people so they can be promoted. Often, the promotion has got nothing to do with their competency or maybe just 10%, but mainly because of their close rapport with these top people”*. The top executive officer1 confirmed, *“...without a proper assessment, we do not know the ‘right’ strength of the individual person and who is capable to do a certain job. So often we tend to select someone that we know and trust. And I am one of the luckiest ones.”*

Thus, it appeared that many people end- up in the wrong jobs, particularly for higher posts, yet such allocations can have dire consequences for the

organisation as a whole. *“...I knew many good people but who never go up. Sometimes, some people end up in the wrong areas, rather than in their specialties”* (Top executive officer1).

“In government, professional jobs generally are not well-rewarded... so in order to get promoted and earn a better salary, they have to pursue a managerial post... My boss even admitted, though he is good technically, but he is not a manager. But this has a bad effect on the organisation” (Senior educational staff, Department of Schools [DoS]).

Last but not least, another shortcoming of non- performance based promotion, that is often seen, is that many appointees tend to be politically held accountable only to their appointer.

“People tend to say ‘yes’ and are reluctant to disagree with their boss because they felt indebted to them for their promotion in the first place” (Administrative staff at BDNAC).

This is even more relevant at the top ladder of management. A member of PSC explained:

“You have to understand our working culture. Ministers, who have got their own agendas, tend to politically select their own Permanent Secretaries. So, when these permanent secretaries try to advise them and then they are told ‘no’, that’s the end of it. They do not even dare to disagree with them. And this largely explained why many things in Brunei are not moving”.

5.2.5. Attitudes toward performance based accountability

It can be argued that the immunity of Brunei government from legal litigation and the absence of any personal income tax imposed on the public, have made the government less responsive to exercise any form of responsible accountability toward its citizens. Since, in the words of a professional staff at DoEP&D *“... the government does not feel indebted to the public as far as their performance is concerned”*. There is no pressure for the government to be urgently responsive to the people’s requests and grievance. Besides,

unlike in a democratic society, the government 'politicians' in Brunei seem to be immune and free from public questioning and accountability. The same officer elaborated his statement by giving a recent instance in Brunei, *"...there was a long-period blackout and big flood happening in Brunei, although the situation is improving but some parts were still badly affected... But the question is someone has got to be held responsible for not handling the matters correctly... If in other [democratic] nations, even the failure because of the act of God itself, the ministers themselves would resign or could be fired because of negligence or failure to handle the aftermath, just like the Tsunami that hit Japan recently... however, this never happened in Brunei"*. As argued further by the adjunct professor at UBD *"... here [in Brunei] if politicians [ministers] are not performing it is ok"*.

In consequence, the national policy- makers all seem to be reluctant to 'buy-in' any form of a systematic performance assessment system, because of the fear of assessment, the transparency it could bring and the accountability to be delivered. As argued by the senior professional staff of DoEP&D *"... you see the BSC is not well received because it involved KPIs and targets. And our ministers do not want to commit to that because it demands certain levels of accountability and would create negative impressions about them if those KPIs are not met"*.

Clearly, there is no one at the top of the management tree who is bold enough to point out concerns and to be a champion to revamp the obsolete PMS currently practiced. A professional staff at DoEP&D questioned, *"...If we are really serious to improve our performance...it can start by changing our aging performance appraisal system. It would be a major reform but it can only be initiated by the top people. But again I wonder who would be willing to take the risk? I can hardly see any leaders who are keen to embark on a proper performance management system"*.

Consequently, with the absence of political commitment and enforcement, performance driven accountability is yet to be institutionalised in the working culture of Brunei's public sector. As confirmed by the top executive officer² *"there is no sense of performance-based accountability here because there is no political enforcement to it and there is also yet to be a proper mechanism*

to measure it". He further explained *"Unlike in Malaysia, the MoE there has its own higher-level KPIs to pursue and has a public obligation to publish it nation-wide. But how accountable can you be here? It is not that I am accountable to parents, etc. ... [Moreover] like in Singapore, if the ministry does not perform financially, their budget can be cut but not in here. So, for us it [performance driven accountability] is not for survival's sake and it is not even a necessity"*. Likewise, a senior professional staff at DoEP&D, gave an example: *"how could you justify the Permanent Secretary to be given a knighthood, but the fact that there was a long-standing blackout happening everywhere in Brunei before that? To me that is one of the major KPIs for him or his division but seemingly no-one is being held accountable."* So, since there is less pressure for the chief civil executives and senior management for innovation and improvement, this so-called performance without penalty apparently has also filtered through to the middle and lower level of bureaucrats. *"...This lack of performance based accountability has trickled down to the people below in the hierarchy"* (Deputy senior director, PMO).

The civil servants, in general, appear to be complacent with their normal and routine tasks and, without real pressure upon them, are taking for granted that their work rate performance will be accepted rather than queried. A senior operational staff at DoPD&R concurred, *"people are comfortable with what they are doing, any changes are always seen as additional work"*. Besides, since there is no 'carrot and stick' within the established performance system to put into practice; there is no real incentive for the bureaucrats to instigate any serious thought-provoking innovations and major change initiatives. As stated further by the same staff, *"Here, to do something new or not, there is no consequence, so why bother doing it?... unlike in other countries, the working performance here does not really affect our livelihood... this is or should be considered to be a major stumbling block too in our BSC efforts"*. The director¹ at MoE confirmed these concerns by giving an example on BSC development *"with regard to BSC progress, literally, unlike in Shell [a multinational corporation] there is no reward and consequence for us."*

Consequently, it is a crucial first stride, in the context of Brunei's public sector, for the top national policy makers to personally provide strong

leadership and political commitment to promote a performance driven work culture. That is before ever expecting bureaucrats, at all levels, to follow suit. Otherwise, the civil servants in Brunei, blended with Brunei Malay culture, would remain in 'wait and see' and 'play safe' mode, regarding their actions (Hazri, 2008). The statements made by higher ranked government officers below clearly expressed this view:

"It is all about political leadership...if the national leaders don't believe or decide not to commit on certain ideas proposed, or innovations currently running, that's the end of it" (Top executive officer1).

"In Brunei, the whole thing simply required the [ministerial] leader to play a major role... people below me expect and wait for my actions but I also have to wait for the minister's call ... if the leader does not want or is quiet on it, so it is difficult to move on then" (Top executive officer2).

"We have never set any targets in our work, let alone to assess ourselves; it is not in our culture yet. It all depends on the leaders whether they want to proceed with performance based assessment, BSC or etc. Otherwise, we would continue to stay with our current situation" (Senior director, PMO).

5.2.6. The perceived functioning of Strategic Management Office (SMO)

With the development of BSC within the two studied ministries, a unit called SMO has been established. The SMO is expected to coordinate BSC implementation process and act as a 'bridge' for strategic coordination between ministerial and departmental levels. But, it turned out that the role of SMO, and its actual ability to influence the BSC implementation process, is quite limited and merely seen as a symbolic gesture.

First and foremost, the officers who are in charged at SMO still lack the knowledge and experience to provide 'coaching and mentoring' regarding the BSC implementation process, as expected by the ministerial departments. As confirmed by the former member of SMO at PMO *"attending two to three days BSC trainings would not suffice to call us expert... in fact, different consultants tend to introduce new 'technical' terms that make us even more*

confused” (Administrative staff, EPR&D). Likewise for SMO at MoE, “after all these years, we cannot say we are masters of the BSC...Besides, we also lack practical experience, yet at the same time try to make our BSC process better as we learn” (Educational staff. DoPD&R).

Moreover the staffs, including the head, are not spending their full working time on BSC related efforts. They are being appointed to serve the Office, yet they are also immersed with other tasks that are pertinent to their full-time position. Thus, it is difficult for the SMO’s staff, combined with the additional problem of insufficient numbers of personnel, to concentrate on carrying out any strategic related matters expected of them. As lamented by the Educational staff at DoPD&R: *“People tend to question how intense is our work at SMO? But at the same time, we are also doing other non-SMO tasks given to us... such as recently, I became a secretariat member for the Teacher’s Day Celebration which is a national thing [event] given to the MoE; a secretariat to head of departmental meetings chaired by the minister; involved in ‘Educational for All’ event, ad-hoc committee as it comes, etc. ...which all make us saturated, too spread out and hence lacking focus and energy. We would like to recruit more people to assist us but I am not sure whether we actually can get them and they would have to be trained as well, which might take time too”.* The administrative staff at EFR&DD, who used to work for the SMO at PMO, claimed that: *“by having no staff dedicated full-time and expert on BSC and strategic management related issues at SMO, these problems have become barriers for the Office to function effectively... our BSC strategic planning booklets mean nothing if not monitored and evaluated.”*

Therefore, the SMO is only seemingly able to act like a secretariat body, collecting the BSC related information from the departmental level. But, there is hardly any feedback in return, particularly from the SMO of PMO. As lamented by the director² at PMO: *“the role of SMO must be beyond collecting and reporting... it has to be able to guide the ministry and work with the departments in its BSC initiatives... acquiring and reporting documents without any outcomes generated is plain nonsense”.*

As for the MoE, although its SMO has published quarterly reports and distributed them to relevant people at the ministry, it turned out that the contents of the information tended to be routine in nature. The perceived current role of SMO has disappointed the departmental members who expected more from SMO than its current perceived function.

"It is certainly crucial that the SMO's work must not be part-time or seasonal. Rather it must become a fully-fledged office that would guide the ministry and departments all the way in attaining its strategic planning" (Head of section, DoEP&M).

Moreover, the SMO is also seen to be in a 'weak' position to play an advisory role for the highest authority of the ministry. Structurally, it does not have a legitimate voice and can be seen to be an insignificant influence on the senior management. Currently, the Head of SMO at the MoE is merely holding an Assistant Director's position. The Office does not even have a representative at the higher-level meetings involving departmental heads and top management, chaired by either the Permanent Secretary or the Minister himself.

"SMO is supposed to report directly to the minister... so the minister would be aware what is going on, have a meeting quarterly with him and the directors, so any problems or issues can be tackled on the spot" (Top executive officer2).

As commented further by the senior operational staff at DoPD&R: *"we have presented the information including advice in the form of reports to both permanent secretaries and ministers. So it is up to them to make the decisions. I believe we already did our part. You see people tend to forget we are only facilitating ... we are not in the position to dictate and force top people and directors to make the decisions. Who are we to do that? But if they don't own or bother about it, it will be difficult then"*.

Likewise at the PMO, although SMO is headed by the Permanent Secretary, the fact is the Office and what it represents does not hold any significant position in the eyes of the ministerial-level politicians. Consequently, this

position has put the team members in limbo and hence has become a stumbling block for the Office to effectively operate and to conduct strategic evaluation on BSC related information. As stated by top executive officer³: *“we sent our BSC findings to our deputy minister one time but no feedback and follow-up from him whatsoever on it”*.

Over the years, the SMO for both ministries are seen to be ‘unwanted babies’ that further justified the insignificance of SMO amongst the top management. During its early establishment, the SMO of both ministries was administered and chaired by the respective Permanent Secretaries. In time, with the structural changes within the ministries, SMO has been moved and led by one hand and then another. For the MoE, since the 1st round retirement of the then Permanent Secretary, SMO has been transferred and is now under the direction of Department of Planning, Development & Research (DoPD&R)³⁴.

“This move is obviously not a smart one for us. Even UNESCO disagreed with this move. As a result, we also ended-up doing departmental tasks allocated by the departmental director” (Educational staff, DoPD&R).

The worst scenario is actually faced by the SMO at the PMO, wherein it has changed leadership and team members numerous times, whenever there is change and reshuffling with the top management³⁵. A senior administrative staff at S&ED argued: *“I have served 14 permanent secretaries at the PMO and I had served the Office too... Apparently, BSC and strategic planning is not an important matter to our top leaders. You see every time there is a change of personnel at the ministerial-level; SMO has always been kicked around. Often, it would be given to a new Permanent Secretary, who would not defy any order... SMO has been tossed around which indicated the insignificance of it, let alone creating a fully-functioning office”*.

³⁴ The then Permanent Secretary was officially retired after only holding the position for approximately 1 year. Yet he was re-appointed in a contractual basis in early 2010, for another 1- year term, before he finally retired for good, but as a Permanent Secretary for Higher Educational Division i.e. after the ministerial operation was divided into Core Education Division and Higher Division. The MoE now has two Permanent Secretaries positions since then (Senior operational staff, DoPD&R).

³⁵ SMO at PMO is transferred again to and is currently under the Media and Cabinet Division headed by its Permanent Secretary after being handled previously by the Energy Division.

5.2.7. Budgetary processes

In accordance with Section 80 of the Brunei Constitution (*Financial Order*) 1959, the Ministry of Finance (MoF) in Brunei “is responsible for the control and management of the public finances of Brunei. Among other duties, the Minister is responsible for the supervision, control and direction of all matters relation to the financial affairs of Brunei...” (Ministry of Finance, 2011a)³⁶. In other words, the MoF is vested with a legitimate power over the budget allocation and funds to be spent by all the governmental ministries and departments. Accordingly, there are financial regulations and procedures that must be adhered to by public agencies when requesting funds from the centralised body i.e. MoF. Thus, it is the norm in Brunei’s public sector, wherein the annual budget is made via a bottom-up approach; before the financial year is ended departments would give their annual budget requirements to their Permanent Secretary who would then pass them to the Minister for endorsement before being given to the MoF for final approval.

Nonetheless, the centralised budgetary system and strict adherence to financial procedures have, somehow, brought discontentment among ministries and departments, particularly for their project implementation facet. First and foremost, the annual budgetary allocation structure is based on the routine or historical value of the operations; the regular yearly budget given to ministries and departments are relatively the same³⁷. This has made it difficult for both ministries and departments to make necessary adjustments to their operations or to use their budget for strategically oriented initiatives. As observed by the top executive officer2: *“we would like to tie it [BSC] with the budget, but the fact is that we have been financed in a historical based budgeting style; the MoF has always allocated us based on the past events and yet strategic planning is all about the future. So what is*

³⁶ Financial Regulations 1983 No. 25 further stated that there can be no expenditures and payments to be incurred and made respectively by either governmental ministries or departments without the treasury warrants issued by the Chief Treasurer at the MoF.

³⁷ The annual budget allocated to ministries and departments is in accordance to the Supply Act, which required the issuance of Treasure Warrant. It consists of Personal Emoluments, Other Charges Annually Recurrent and Other Charged Special Expenditure. Please see Appendix K for details.

the point of having this [BSC]... who are you to say to hire 50 new teachers this year whereas you are only given certain amount of money to dealt with?"

Besides, the MoF is also known for practising a cost- saving policy in giving out funds to both ministry and department. But the cost- saving policy is practised to the extent where it seemingly has led to a 'cost-cutting mentality' i.e. by narrowly looking at the financial aspects even on the routine operations. Furthermore, the Ministerial Financial Controllers i.e. Permanent Secretaries and Departmental Heads are also tied and required to constantly adhere to the regulations stipulated in Financial Regulations 1983. Otherwise, a heavy penalty can be imposed if they fail to do so³⁸. So, this 'cost-cutting mentality' has been absorbed by the higher-ranked officers across the ministries. *"This [cost-cutting mentality] has trickled down to PM people in other ministries"* (Director2 at PMO).

Accordingly, it is normally difficult for public agencies to acquire more funds if an unexpected event occurred during the financial year. But, somehow, if the new funds are successfully acquired, based on an Additional Fund Order, it must be replaced in the next budgetary year. Alternatively, the new fund can be acquired from the existing funds already allocated for other internal purposes. But either way, it must gain prior approval from the MoF, which often involves undergoing lengthy and rigid financial procedures. Anyhow, it would still leave holes in the annual budget of the public agencies concerned, for either the current or next financial year.

For instance and as lamented further by Director1 at PMO: *"Recently we have a problem... INCOM [a telephone company] told me that by the end of 2012 our current telephone system needed to be changed. And it required around BND\$250,000 to change the system... the problem lies in that we had already submitted the budget for the year. I discussed the matter with our Permanent Secretary. But he insisted that it would be difficult to get a new*

³⁸ In keeping with Financial Regulation 1983 No. 56, The Financial Controller i.e. Permanent Secretaries and departmental directors must control and could only spend the annual budget allocated. If all fund allocated is used up before the reasonable times, they can be penalised. Based on the Financial Regulation 1983 No. 45, it is also emphasised that the Financial Controller is to be prudent in spending the budget allocated.

budget for our telephone system... So, at the end, we compromised by raising the required budget by swapping it with the budget for the air-con compressor, which cost BND\$490,000 to run i.e. to cut it into half... But as you can see the impact is many rooms would end- up with no air-conditioning this year... And disappointedly, even before the matter reaches the MoF, we have to please the PMO first, which is more often than not likely to exert their authority over us".

On top of this, the major issue regarding the budgetary structure faced by public agencies in Brunei is concerned with securing a budget for their development expenditures. The bureaucratic process and unclear outcome relating to the budget approval often has negative implication on the execution of any strategic efforts and hence on national development.

Institutionally, all national development projects proposed under the 5 years National Development Plan (NDP), by both ministries and departments, would be channelled to DoEP&D for the 'first gate' approval. Ideally, the projects proposed would be submitted in advance before the new 5 year term begins, although some projects are still considered during the term itself. These projects would then have to compete with one another for the allocated budget given. DoEP&D has a full mandate to either endorse or reject the projects proposed. However, as confirmed by the project staff at DoEP&D, normally, almost all of the projects sent are considered for approval. This, actually, puts pressure on the total amount of budget allocated for this purpose. To mediate this issue, the same officer explained, the projects accepted are often actively reduced in scope and costs in order to meet the allocated budget. However, to the dismay of public agencies, the justification of reduction in either scope or cost is seemingly done in an ad-hoc manner and is focused on cost-driven factors. As confirmed by the project staff at DoEP&D: *"we tend to consider all the projects... but, before it reached the MoF, we would also be the one who reduced the scope of the projects as we see fit. It is kind of embarrassing to say that without clear criteria and expertise within us, often it is done in an ad- hoc manner"*.

However, despite the projects' approval, they would only be allocated a scheme or nominal value. The projects would then have to undergo an open

Invitation for Tender process; depending on the tender's value³⁹. However, since many development projects often cost BND\$500,000 and above, it then needed to be further approved by the State Tender Board at the MoF⁴⁰. Many perceived this phase as a 'black hole' process, since it can be lengthy and the outcomes can be unclear (Hazri, 2008).

"For Mini Tender projects, it is ok and can be quickly approved, as it is done by the internal team within the ministry, but for a State Tender Board, the outcome is beyond our control as the justification and requirements are often unclear and tend to be subjective" (Director3 at PMO).

Ideally, if the tender documentation sent by the public agencies is comprehensive, the whole tender approval process can be completed within the client charter set at 90 days. However, the problem occurred if the tender proposal is perceived to be inadequate and queries are imposed by the Board's members. This can create delays for the project's approval wherein the tender proposal would be returned to ministries for further review and amendment. This scenario can be frustrating and ends up like a '*ping-pong*' process, particularly if there is no clear guideline given by the Board, since the nature of the projects assessed tends to be varied from one to another.

"...We have this ICT project we intended to do... it has gone up and down even from our permanent secretary up to the STB level and then down to us. Can you imagine it was stuck for up to two years and it has not been approved, until the technology planned to be used became obsolete. Now it has to be re-tendered with a new proposal..." (Specialist, Inspectorate Department).

Furthermore, since the Board's members only met once a week and with a large number of projects needing to be assessed, delay is simply unavoidable (Hazri, 2008). Many observers also perceived that due to strict financial

³⁹ Please see Appendix M for The Invitation for Tender Process in the Public Sector of Brunei.

⁴⁰ The permanent Board members comprise of top officials from MoF i.e. The Permanent Secretary of MoF (Chairman), Director of State Tender Board Division and Chief Treasurer, the remaining members two came from other ministries who are appointed and changed annually (Finance Officer, State Tender Board Division, MoF).

policy, it is often the case that the successful bidder is among the lowest, which has hampered the quality aspect of the proposed projects and their implementation.

“So often, the lowest [bidder] is chosen and we will not get 100% of what we want. So we have to reduce our scope and specification in order to meet the given budget. This is reflected in our building, some do not have enough desired facilities and etc.” (Senior administrative staff, DoEP&M).

Besides, the maximum amount i.e. not more than BND\$500,000 allowed for the minister, via the Mini Tender Board, to approve their respective ministerial projects is still perceived to be small. *“Unlike in Shell, even the Head of Department can approve millions worth of projects...”* (Senior professional staff, DoEP&D).

Hence, the bureaucratic nature of the centralised state tendering process certainly has a reverse impact on the implementation of national development projects planned by public agencies. This explains why, out of 808 projects approved during the 2001-2005/6 8th NDP, only 283 projects (35%) were completed, while 253 (31%) are still on going and 272 projects (33%) are still stuck at an early project phase; “which are in the process of tendering, pre-design, design, concept formulation and awaiting appointment of consultants” (Department of Economics Planning and Development. 2007, p. 54). The projects then would have to be brought forward to, and then overlapped with, the projects proposed for the 2007 - 2012 9th NDP (Professional staff, DoEP&D)⁴¹. Despite the large amount of funds allocated for the development expenditures annually, however, they are often not being fully utilised.⁴²

5.2.8. Recruitment policies

⁴¹ In the latest development, statistics indicated that the trend appeared to be the same whereby of 1,040 projects for 9th NDP, only 36% had been completed, 42.1% were in the implementation phase and 22% were still in the initial planning stage. Accordingly, 60% of BND\$6.5 billion budget for the 2013/2017 10th NDP are actually allocated for 480 projects under or brought forward from the 9th NDP. And the remaining 40% are assigned to finance 202 new projects (Baidillah, 2013).

⁴² Please see Appendix N for the financial status of the Developmental Expenditures for the period of 2001-2011.

In another related development, many believed that the strict financial rules and procedures have also created difficulty in acquiring the required human resources. As a result, the public sector in Brunei is often faced with a shortage of manpower and expertise needed for implementing the new desired strategy planned. *“...We are in a civil service that is bureaucratic in nature and it is often hard to add new posts... got rules to follow”* (Top executive officer1).

The MoF insisted on the Financial Regulations 1983 (No. 31) wherein a public agency is not allowed to add new positions for certain project if there are still other available vacancies within the agency. Alternatively, the public agencies can trade-off the current unused position in order to acquire the new one. This scenario restricts the overall planning made by the public agencies. As pointed out by director1 at PMO:

“We just have a new big 4 floored library... We had benchmarked ours with UBD’s library [a national university] that has 16 people running it. But after internal discussion, we just need 4 people i.e. one person per floor. So when we talked to the PMO, they could not see the rationale of needing 4 people. So we compromised to have only 2 people instead i.e. 2 people covering 2 floors each. Then the proposal is forwarded to MoF, it was not approved because we still have vacancy for other posts, which are currently unfilled. So the only way is by trading- off those 2 positions needed with the unused higher ranked post. You see the conditions are that extreme in order to get additional staff. So, we have to forgo another project that needed the trade-off position. I can tell you this problem would arise again in the future if we needed the trade-off position back or needed other posts.... So this restriction is like digging and then refilling the hole...”

On the other hand, many public agencies are currently stuck with traditional human resource requirement and capabilities. So, if there were no available vacancies in the public agency, this would make it even more difficult to do a trade-off and to acquire a budget allocation for any new post needed. As claimed by the educational staff at PSD1:

“We currently need a lawyer because we are also dealing with enforcement matters...we also would like to do a database instead of manual things in collecting information from our schools, but we don’t have the right staff to do that... We applied already but to no avail... this really stopped us from flourishing and doing more at this office”.

Moreover, it is even more difficult to create a ‘brand new’ post and expertise that is yet to be created in the public sector. To do so often involved a lengthy and stringent evaluation process and required approval from a special committee before the MoF can endorse it⁴³. If the rationale behind the ‘brand new’ post proposals is not satisfactory, the committee has the right to reject it. Otherwise, this could turn out to be another ‘ping pong’ process between the ministry and the special committee appointed. As claimed by the adjunct professor: *“It took time, for instance the new scheme for a lecturer. I presented the case 3 years ago, we made corrections on what they needed, submitted to them again, then there is a change in the chairmanship, got query again by him, so back to us again, then we submit again... so how in the world can the MoE really progress in this situation? You just wonder whether they really read our proposal clearly. We believed we have submitted all the required information...”*⁴⁴

The strict rules and rigidity procedures for recruiting additional and new positions indeed have serious implications for the human resource requirements in Brunei’s public sector. This situation has directly impacted the situation faced by the SMO at both ministries. As confirmed by the personnel staff at Public Service Department [PSD], there is no strategic planning expert position created in Brunei’s public sector as yet. Consequently, the civil servants who served the Office, as admitted by them, are not experts and do not have first-hand experience in the area. Besides, the fact that they are also holding a permanent position and doing tasks that

⁴³ The committee is called the salary scale and new scheme requirements committee. It is a centralised public service committee currently made up of higher ranked officials, which include Minister of Finance II as a chairman, Deputy Minister at PMO, Permanent Secretary at MoF and Director General of PSD (Personnel Officer, Research and Planning Unit, PSD cum a secretariat member of the committee).

⁴⁴ Based on the latest information, during the second fieldwork, the Director of HES at MoE confirmed that the new scheme for lecturers has yet to be approved.

are pertinent to their core portfolio, means that they can hardly give a full-time commitment to running the Office.

In general, this constraint has also resulted in many civil servants in Brunei's public sector, particularly those who possessed new professional qualifications, to end-up in jobs that are irrelevant to their specialty. Even for traditional professional qualifications like Engineering, Accounting, Information Technology, since there are few openings available and poor professional salary schemes and career paths, many of them have opted for administrative position. As lamented by interviewees below:

"You studied for a doctorate, become specialist, studied Engineering, Law, IT, Islamic Law, Malay literature but end up becoming an AO [Administrative Officer]..." (Professional staff, DoEP&D).

"Why can't we emulate Shell [a multi-national corporation] ... Professionals in there have different pay schemes and career path from those in management. So they do not necessarily go to management. They can still become a senior engineer and earn a greater salary... Unlike us here, in order to get a higher salary you have to go into a managerial position... So we tend to value people wrongly" (Senior professional staff, DoEP&D).

5.2.9. Impromptu Vision 2035 road map

In 2007, Brunei Government has introduced the national Vision 2035. The aim is to make Brunei a globally recognised nation that possesses a skillful people who can produce a dynamic and sustainable economy so as to maintain a better quality of life by the year 2035 (Department of Economics... 2007). Higher-ranked government policy makers and representatives from private sectors have met and formulated different strategic policies in elaborating this Vision 2035 (ibid). However, progress in realising the vision, thus far, has been slow-moving and in fact is done in an impromptu manner.

Firstly, Vision 2035 document was officially launched in a rather 'soft' ceremony. There are even no proper efforts to communicate what Vision

2035 entailed to ministries and other public agencies. On the other hand, there is a greater expectation by the ministries toward the DoEP&D, a responsible agency in approving the national development projects, to coordinate strategic efforts toward Vision 2035. Although the fact is the agency itself does not have a legitimate power to perform the alleged role.

“Our role is to coordinate the efforts made by the ministries and to look at the impact on the economic sense and viability.... but it is difficult and we are still unable to do that because ministries themselves are not doing their jobs properly in aligning their efforts toward the Vision... We are not in the position to advise the ministries on what to do or what projects to pursue... They [Ministries] have an impression that it is our [DoEP&D] role to come up with the national and ministerial-level KPIs and also expect us to single-handedly come up with a complete [Vision 2035] framework. Unfortunately, we can’t, how can one department do so many things? It cannot be ours alone... Besides, we don’t have a strong legitimate power unlike in Malaysia There the Economic Unit...reports directly to the Prime Minister. So perhaps if we are at the PMO’s proper, maybe we can dictate to other ministries...We actually had tried and asked ministries to send their KPIs to us and even offered them relevant KPIs and areas to focus on, but again no response whatsoever...” (Professional staff, DoEP&D).

Essentially, to date, there has not been any higher-level engagement being carried out and any resolution being made in articulating Vision 2035 into a viable business model. This is important, as perceived by many, in order to provide a clear higher-level direction and to develop milestones (targets), and then to systematically evaluate the strategic initiatives of the relevant ministries to ensure that they are genuinely aligned with the policies, goals and strategies stipulated in the Vision.

“If you see countries like UAE, Malaysia, their governmental transformational roadmaps, from national up to ministerial-level, used to attain their visions, are very transparent, systematic and comprehensive. They know both the short and long- term outcomes and targets that they want to attain... Like the MoE in Malaysia for instance, it is clear in their strategic planning that in 2015, they want 4,000 PhD holders, even a clear numbers up to the Master

and Degree holders... They have also identified projects that need to be done in order to attain those targets. Unlike us, we don't even have national-level KPIs to aim for..." (Senior professional staff, DoEP&D).

There are higher expectations by many for the PMO, as a leading agency, to take a lead role to drive Vision 2035 forward. This would certainly give political commitment and enforcement for relevant ministries to work toward 'Vision 2035' implementation.

*"Direction on Vision 2035 must come from the PMO... just like Malaysia, national KPIs and government transformational programmes are monitored and headed by a specially appointed minister at PMO that answers directly to the Prime Minister... The relevant ministries would then have to be accountable to their respective areas and their respective ministers have to report directly the progress of the KPIs set upon them..."*⁴⁵ (Senior operational staff, DoPD&R).

However, no such effort has been made so far in Brunei's public sector, since the PMO is also struggling in their strategic planning endeavour. Vision 2035 is perceived to be a non-urgent matter and hence no one seemed to be willing to take ownership to drive it or handle it in a corporate-like manner⁴⁶.

"2035 is still a long journey... people in charge now can still relax, no urgency for them..." (Executive member of PSC).

"...We [PMO] were not able to lead as we ourselves are struggling in our strategic planning" (Administrative staff, S&ED).

⁴⁵ Please see http://www.pemandu.gov.my/gtp/upload/GTP_AR2010_Eng.pdf for the annual report of Malaysia Government Transformational Programme for year 2010.

⁴⁶ According to top executive officer¹, PMO is intended to develop a comprehensive road map of Vision 2035 on a whole country basis. But, in the latest development, a senior professional staff at DoEP&D and a senior administrative staff at S&ED, who were involved during the preliminary meeting of the project, confirmed that, during the second fieldwork, the project seemed to be on hold as no follow-up meetings were held up until now.

“... An exchange of ideas of how to implement the Vision is never discussed at higher level. Otherwise, we would already see a higher degree of cooperation among ministries and a completely different picture of the Vision implementation progress. However, things are still in isolations at the moment” (Professional staff, DoEP&D).

Thus, without higher-level direction and a responsible accountability structure in place for ministries toward the implementation of Vision 2035, this has unavoidably led to unintended ramifications.

First and foremost, Vision 2035 itself does not have any higher-level targets that can be translated into ministerial-level KPIs. Besides, there is also no clear formal ‘owner’ of strategies or policies stipulated in the Vision 2035, to which relevant ministries or departments can officially and directly be accountable to and hence gear up their efforts toward attaining those strategies and policies.

“Vision 2035 needs to be broken down further like in security strategy; what are the targets set and importantly since there are many security agencies, police, us and others so how each agency will contribute or who exactly owns the strategy?” (Senior administrative staff, Narcotics Control Department [NCD]).

Besides, there is no top-down systematic monitoring and evaluation currently in operation that would critically identify, prioritise and genuinely align the projects proposed by ministries with ‘Vision 2035’. In consequence, the Vision 2035 document is often merely used as general guidelines that lead to different interpretations.

“All the RKN [developmental] projects proposed now are random in nature and often the case that they would give the impression that their projects are ‘so-called’ connected to Vision 2035... It is simply a fluke management... i.e. if the RKN [developmental] projects are aligned to Vision 2035, it somehow got organised by fluke” (Professional staff, DoEP&D).

This is even more so for ministries like the MoE and the PMO, that had developed their strategic map much earlier, before Vision 2035 came into the picture.

“The alignment process [between ministerial-level BSC strategy map and Vision 2035] is not an easy task... I am not sure we have the technical know-how to do that yet and I don’t think SMO can do it too [for MoE]... But it is again going back to how serious and committed are the national leaders in this alignment process...” (Top executive officer2).

“We don’t have the technical expertise at PMO and the political drive to systematically assess ministerial strategic efforts with what are stipulated on Vision 2035. So...any alignment between ministries and Vision 2035 appeared to be done in a somewhat random fashion” (Director3 at PMO).

Apparently, the approval process of national development projects, proposed by public agencies, is still made in the same, old and unplanned manner. In fact, the relevant authority, so far, does not even have specific scoring criteria to use in choosing and prioritising proposed projects that are considered strategic and significant to the nation.

“We have criteria for project selection but it is too broad and open to subjectivity. All projects sent would definitely be ticked ‘yes’ by agencies to indicate their relevance to these criteria. And unlike in Malaysia, we lack an important scoring value. Without these scoring elements, there is no strategic focus on the projects selected. In fact all the projects would be considered for selection even like the e-fishing project, which I am sure not many fishermen would use” (Senior professional staff, DoEP&D).

A lack of project expertise is also a major issue for the facilitating agency in determining the projects’ feasibility. This largely explained why the development projects selection is squeezed in and is merely focused on meeting the national budgetary allocation. This is done without even taking much consideration of the critical quality aspects of the projects being proposed.

“Ideally, ministries must give non-financial KPIs in determining the feasibility of the projects, yet we also need technical expertise here [DoEP&D] to be able to assess them... As a result, we just randomly approve all the projects, cut here and there just to meet the budget allocated... MoF is also seemed to be concerned more on the financial aspect of the projects. So when the projects are completed, that’s the end of it... The real problem is that often there are cases where some building is finished, it is not utilised fully... some schools, for instance, are built but not enough teachers are in place, so it is waste of money...” (Professional staff, DoEP&D).

At the end, the proposed developmental projects still appear to be in isolations i.e. based so much on meeting the ministerial and departmental requirements, not on the national or whole country basis.

5.2.10. Leadership custodianship

It appears that the ministerial-level BSC strategy map for both the PMO and the MoE are actually developed by its respective middle-level management. In fact, there is a lack of self- involvement from the national leaders and even from the chief executives of the ministries in the development of those strategy maps. So, once the ministerial- level BSC strategy map has been formulated, the role of the highest ministerial authority is merely to endorse it and the implementation phase is then given to bureaucrats for further action. But, it turns out that the ministerial-level BSC implementation process is falling short in meeting the desired outcomes.

First and foremost, the unwillingness of the highest authority of both ministries to be self-involved and committing the time to the BSC implementation process has had a profound negative effect on the progress of ministerial-level BSC strategy. This actually caused the ministerial-level BSC project to proceed without a strong political drive and backing that ultimately led the project to gradually loss its momentum over time.

“... It [BSC] was so hot when it was first introduced; both ministers and permanent secretaries raised it in their speeches. But in time, when the ministers kept quiet about it, so did their permanent secretaries, then the

directors and people below also don't give much attention to it any more" (member of PSC).

"Even our [then] deputy minister endorsed it [PMO own BSC strategy] but he did not want to commit to it. So, it was talk only... the desire was only at the permanent secretaries' level at that time, and when they tried to sell the idea of KPIs and stuff, the top guy did not buy it. In Brunei's context, top management commitment is very important...the fact is that the [then] deputy minister did not really believe in KPIs and performance management stuff, so as long as we got initiatives, he said, it was good enough already" (Top executive officer1).

Although the ministerial-level BSC strategy has been executed at the MoE, it appeared that the engagement of the minister, and even the permanent secretary back then, was limited regarding the development of the vision and mission.

"If the top authority is using the BSC information in their decision-makings, our BSC definitely had different outcomes then than what we have at the moment" (Senior operational staff, DoPD&R).

"...So far my predecessor had never done that [any higher-level discussion with the minister]" (Top executive officer2).

Apparently, the life span and usefulness of BSC application is further subsided during the change in ministerial leadership i.e. if the new leaders do not 'buy in' the principles of BSC in managing performance.

"New minister meant new direction... if the new minister doesn't believe in it [BSC strategic planning project] that's the end of it" (Top executive officer1).

"It is important for any top leadership to view the significance of BSC and make full use of it. Just like Shell [a multinational corporation], whoever in charge, he has to use it" (Director1, MoE).

Moreover, a short notice of the transfer of executive leadership i.e. Permanent Secretary and a poor succession plan, even in the middle management, does not help the cause for the continuity of the BSC strategic planning project. This is so true for any type of project done by the previous legacy that is seen as a failure or insignificant to the current top management. The new leadership, basically, can always introduce a new approach or approaches, come up with new ideas, direction and projects that are not necessarily aligned to any efforts made by their predecessors.

"I don't know much, I just received [the quarterly BSC] report from SMO once in a blue moon. Even... he [former permanent secretary] didn't sit with me and talk about further actions to be taken on the report sent by the SMO ... it is more like a personal thing...now I am taking over...how can I regard that this [BSC strategic planning project] is my strategy, I can simply say no to it" (Top executive officer2).

"The change of management also exerts an impact on BSC progress. Many directors that developed the BSC strategy map in 2007 are no longer here. It seemed there is no communication being passed on to the new ones. So it seemed that the current batch of directors is having difficulty to grasp and explain to their people on how they are related to the strategic goals. Hence, ownership on BSC seemed to get lost" (Senior operational staff, DoPD&R).

Accordingly, there seemed to be no coercion from ministerial leaders to enforce the ministerial chief executives to fully commit and engage in pursuing ministerial -level BSC strategy.

"... My role is to advise the minister and supposedly the SMO advising me on BSC related matters, departments are then have to report to me. But this up and down relationship is not happening because the system is not enforced. So, when there is no enforcement from the leader, the accountability does not rest on you..." (Top executive officer2).

"...Since there is no commitment from the top and no enforcement for permanent secretaries to pursue it [ministerial-level BSC strategy map], that's the end of it..." (Top executive officer1).

In turn, there is no real sense of obligation or ownership for the departmental leaders to genuinely contribute and meet the strategic objectives set. Ultimately, the ministerial-level BSC strategy map has become a subject of a less concern for them.

“We have the strategy map and all that but we are not using it directly...we have periodic meetings chaired by the minister, but most of the issues discussed are ad hoc in nature. It was not referred to or aligned to our BSC strategy. No one has connected it there” (Director1, MoE).

As a matter of fact, the same trend is found with regard to the development of the revised version of the BSC strategy of the MoE as confirmed by the Director2 at MoE.

“Apparently, when they developed this [revised version of BSC] strategy map, there was no real endorsement and excitement from the top people in it... I have been acting [as a permanent secretary] for months now; I have not had any discussions with the minister and senior team on the progress of our BSC strategy. ... Essentially, political support and commitment is very important in our context to really move things along. Without it, just like this BSC thing [the revised version of the ministerial-level BSC strategy map], it signaled that it is something that is insignificant. When it is less important, people like departmental directors don’t bother much to do it properly, as there is no direct order and pressure for them to do so”.

5.2.11 The importance of knowledge synchronisation

It has clearly emerged that the governmental ministries in Brunei tended to embark on their respective strategic planning initiatives via the BSC approach at a different time periods. For instance the PMO is the pioneer, developing its ministerial-level BSC strategy map in 2005, then the MoE followed suit but only began theirs in 2007. Different ministries are also inclined to hire their own consultants, who obviously brought different knowledge and experience to the task. But, without an agreed government-wide framework and with the evolution of the BSC conception, this has led to different levels of understanding among ministries and departments on how to develop and

execute a BSC. Evidently, the feature of the ministerial-level BSC strategy map and the approach advised on the implementation process, are be different from one another.

“Each ministry has got their own perspective. For instance, in the MoE, the highest perspective that they put on their strategy map is finance, but it is not their ultimate outcome. It should not be, even with the MoF, finance is not their outcome. It should be stakeholders’ perspective i.e. student, parents, etc. at the top of their strategy map...” (Director2 at PMO).

To tackle this matter, a facilitating agency was then assigned at the later stage of the process in order to streamline the BSC effort of governmental ministries and to align their respective strategic initiatives. However, it turned out that the agency does not possess a strong mandate and thus struggles to perform this challenging task.

“Each ministry hired its own consultants who have their own thoughts and terms on BSC... So, one cannot comment that my BSC is wrong, as I am following my own consultant’s advice.” (member of PSC).

“... The chief executive of the MoE during that time insisted on not changing it [MoE strategy map]” (Director2 at PMO).

Subsequently, the agency failed in its first hurdle to even bring together the technical aspect of BSC employed by different ministries⁴⁷. Hence, without a strong political intervention on the issue, it seemed that the ministries are taking a ‘silos’ approach in their BSC strategic efforts. The facilitating agency now appears to be taking a passive position in the assigned role. It is notable that the later users of BSC continue to independently hire different consultants and evolve their own BSC strategy developmental and implementation framework.

⁴⁷ Thus far, two symposiums in 2007 and 2009 have been organized to discuss and address the issue. The third one, supposedly held at the early 2012, has been postponed and there is no hint that the new one will be held any time soon (Senior management staff, MSD).

“...We raised this matter [technical differences on BSC employed] in our report sent to the top people [at PMO]...but there was no follow-up on it, so it is difficult to proceed...we are always open to give talks for any ministries and departments that come to us and need our advice on their BSC. We [MSD] had tried our best to bring people to have the same level of understanding and presentation on the BSC conception, but it is more difficult than originally thought...we simply cannot dictate to them [ministries]...but without strong leaders [at PMO] to intervene, in the end, we thought that so long they want to be accountable on their outcomes, it is perceived to be good enough regardless of what BSC style they use” (Director2 at PMO).

Having said that, there is still a great deal of expectation for the facilitating agency to take a lead and provide guidance for the public agencies in their BSC implementation projects. This is even more so since the implementation phase of BSC, such as at PMO and MoE, is a task allocated to the civil servants themselves.

“They [MSD] have to be proactive... such as come up with some kind of government-wide BSC implementation framework or manuals, specific for our public sector... which we can refer to” (Senior operational staff, DoPD&R).

“...We have attended the same trainings over and again on how to develop BSC... what we actually need is some agencies to guide us more on how to implement and maintain BSC...we really need to know whether our BSC implementation is simply right or wrong” (Senior administrative staff, NCD).

5.2.12. Managing by problem

Before the introduction of BSC, there was no proper roadmap indicating where the government ministries in Brunei intended to be heading. Nor was there any guidance as to how the ministerial departments can contribute to the attainment of strategic objectives, or how their performance could be systematically evaluated. It was thought that BSC as a tool could shed light on the visions and provide the much-needed roadmap. However, it appears that, based on the evidence of a lack of political coercion and attention to

strategic priorities, the post ministerial-level BSC strategy development process is not a matter of priority for the top ministerial leaders.

“It’s back to the leaders; they are the ones who should drive our strategic efforts. If our leaders are not ready to commit to it [BSC], better not use it at all. It’s just a waste of time...” (Senior administrative staff, C&GD).

First and foremost, it is a typical scene in the Brunei context for the national leaders to be assigned with external duties and overwhelmed with many traditional and social engagements. Thus, many perceived it as a serious hindrance for these ministers to devote full attention to any strategic related efforts conducted by their respective ministries. Yet, at the same time, the personal involvement and commitment from the highest authority figure in both strategy development and implementation, as perceived by many, is highly desirable.

“I know they are busy people. But the strategic planning like our BSC thing must be by hook and crook their bread and butter. Now it is difficult for departments to know where they should go. So without strategic direction, people just do day- to- day stuff and go on with their own strategy” (Senior administrative staff, S&ED).

This is critical as it is not uncommon for government ministries in Brunei to have more than one permanent secretary in charge of different aspects of intra-ministerial works. So, without any top-level intervention, these chief executives are reluctant to interfere in each other’s affairs.

“Apparently now, we have many permanent secretaries as the PMO is getting bigger, ...they tend to work in compartments and they are not aware what others are doing... you do what you do and I do what I do” (Senior administrative staff, S&ED).

Hence, it is important for the minister, as the highest ministerial figure, to take a lead in bringing together and in integrating the work of different parties across the departments and to make any ‘final call’ on any conflict that may have arisen and, in general to ensure ‘things’ are done within the

ministry. This, at the same time, could provide political support that leads to an increase in urgency and a greater chance of approval on any strategic efforts/projects proposed by the ministry (Hazri, 2008). However, thus far, many questioned the top leaders for their lack of strategic vision, missing tactical skills and the 'bull dozer' character to drive the ministry toward the attainment of the strategic objectives, such as those stipulated in the BSC strategy map.

"Ministers should provide the vision and drive it all the way via their respective permanent secretaries. It is their jobs to talk to other ministers to get the results... trade favours like a real politician. But unfortunately, we rarely see that... often the strategic direction is hardly forthcoming. If our ministers had fulfilled their role as decision- makers, many things would be for sure moving forward" (Professional staff, DoEP&D).

In consequence, ministries and departments tend to deal more with 'fixing' the immediate or current problems but without really giving any serious thought to the strategic solutions, let alone to systematically assess the long-term implications.

"Honestly, there has never been one [higher-level strategic planning meeting]. Everything is ad-hoc...the mentality is focused on tackling the problems but not looking at the bigger issue...this is not good. Just fixing the problem yet doesn't really plan for development. Just like our national housing development, because of bureaucracy, the problem keeps on increasing, you have completed 50 houses but the waiting list has already become 100. So it became a never-ending problem..." (Director1, PMO).

"Our [ministerial-level] BSC strategy map could become a master plan for the ministry and school level. But it needs to be clear with its enforced KPIs where people can contribute so people are talking the same language... [For instance,] in Singapore right up to the cabinet minister level people knew about what is going on with ICT at school level. [Unlike] here each school got good works in ICT but the schools don't talk with one another and departments also tend to work in isolation... so when we visit school, they [schools] report problems here and there. So, at the end our tasks are more

on reacting [in solving those problems]. Our strategy on the map is there but nobody uses it” (Director1, MoE).

This, consequently, has caused strategic priorities to become less significant to deal with, because they are perceived to be non- urgent or something that could wait.

“...In Brunei, urgent matters takes precedence over other issues. We discussed about the significance of strategic planning, tried to work on the initiatives, but then half way got a call from the boss ordering something urgent, to do this and that, so the strategic issues tend to be left out because it is not urgent. Second, these strategic issues or like the BSC we developed last time didn’t really have any deadline...there is no urgency to do it so it is not a priority unless it became a crisis...” (Top executive officer1).

5.2.13 ‘Top-down’ cascading process

With the lack of internal technical expertise, both ministries had hired external consultants to assist them in designing their respective BSC strategies. During the post- development stage, relevant departmental officers, including the SMO members, had attended various BSC training sessions carried out by the external consultants both within and outside Brunei. But in all, the consultations given are merely involved at the outset or in the framework setting. There is no intention to hire full-time consultants in either ministry to get involved directly in the implementation phase of BSC. The follow-up implementation phase is then passed on, to be managed by the SMO.

First of all, the follow-up training sessions undertaken tended to be dissimilar from one another and were not properly structured to the ministerial requirements for their BSCs. This has actually brought confusion for the relevant departmental officers and hence led to different degrees of understanding and expectations on how to develop and implement the particular BSC.

"Of course it [the training attended] is quite different [from one another], so it makes us confused. Different consultants have got their own views. We find our strategic knowledge is overloaded... [At the end] we decided to do it our own way" (Senior administrative staff, DoEP&M).

As confirmed by the administrative staff at EPR&D, a former member of SMO at PMO *"...different consultants tended to introduce new 'technical' terms that made us even more confused."*

There is a greater expectation for SMO to streamline the knowledge but apparently the members lacked the expertise and capacity to do so.

"BSC is an evolving concept...it can be confusing so it is important for the SMO to streamline the BSC knowledge and cater it to our ministerial needs" (Special Duties staff, Department of Administration & Services [DoA&S]).

"... Departments [at the PMO] have different degree of understanding on BSC. It is the role of SMO to tackle this issue" (Senior administrative staff, S&ED).

Moreover, once the minister has endorsed the ministerial level BSC strategy maps, the published information needs to be cascaded down, presumably by the SMO, to the departmental members. But the cascading process, somehow, has never been formally carried out and fully articulated to the department level at the PMO and MoE respectively. Consequently, the BSC strategy can hardly reach most departmental members, which is unfortunate as it is essential for all personnel to see the benefits of, and how they can relate their work and contribute to, the set strategy map.

This issue is even more relevant at the PMO, where the ministerial-level BSC strategy implementation facet has subsequently failed to take off.

"After it [ministerial level BSC strategy map] was endorsed, we [SMO] were supposed to communicate the BSC map down. But I am sad to say it has taken so long to do so as SMO is also lacking resources in term of people and expertise to carry out the function" (Senior administrative staff, S&ED).

“The issue is nobody knows it very well, it is not properly disseminated down to the departmental level...it got stuck up in the clouds” (Senior Director, PMO).

Although the MoE has appointed BSC departmental coordinators they, somehow, admitted that they have no idea how the departmental BSC related information, supplied by them to the SMO, is used at the corporate level. Moreover, there is also a lack of strategic feedback and evaluation from SMO on the outcomes. In the end, BSC related information is only circulated and is ‘exclusively’ in the hands of selected people.

“I just simply do what is required by SMO. But apparently there is still a lack of feedback from SMO and communication from the top people on information that we supplied, especially on reasons why our KPIs are not met. What are the actions taken [by the ministry] in order to tackle them [the non-attainable KPIs]? Now it is up to 5 years, so what are the outcomes on our BSC?” (Senior educational staff, HRD).

“...It seemed the BSC information is on paper only, it is not cascaded well and stays only known by the [departmental] coordinators” (Senior administrative staff, DoEP&M).

Moreover, the lack of commitment from the departmental heads at MoE regarding the ministerial level BSC strategy map, simply does not help the cause for the cascading process in their respective departments.

“If you look around, not many people are aware about the BSC of the ministry; even our staff like engineers do not know much about our departmental dashboards. Directors must also involve and own the KPIs, so it can be cascaded from the top down... maybe it is our [BSC departmental coordinators] fault too for not cascading it down properly at the department level but we also need strong direction and guidance from SMO” (Senior administrative staff, DoEP&M).

The same trend is happening even for the revised version of the ministerial-level BSC strategy, as lamented by the senior administrative staff at Curriculum Department

“After the launching of the new strategy [the revised version of ministerial-level BSC strategy], we [departmental BSC coordinators] then have meetings with [members of] SMO on how to go about with the new strategy... but now they are being quiet and there are no follow-ups whatsoever. It is basically the same [scenario] just like the previous one. They did send us a poster of the new [ministerial level BSC] strategy map that we had put in our notice board... but that can hardly be enough. There must be some kind of extensive internal workshops and roadshows conducted within the ministry to explain the new strategy to the departmental members so they can understand it.”

5.2.14. Disintegrated ‘bottom-up’ implementation

After the ministerial-level BSC strategy map has been formulated, one major step taken by both ministries was the creation of the implementation team(s). The purpose of the implementation teams, which are comprised of representatives from the ministerial departments, is to build up and then oversee the progress of the BSC strategy implementation process⁴⁸. Nonetheless, it appeared that the ‘bottom-up’ implementation efforts attempted by the teams have not succeeded in achieving the intended purpose and became disarrayed, which ultimately brought unintended consequences to the way the ministerial-level BSC strategy is treated.

Firstly at the PMO, during the initial stage, many departmental representatives in the team either lacked technical knowledge or did not have authority over the departmental decision-making or both. Hence, the implementation teams are unable to function effectively, so the ‘weak’ representatives, in particular, were unable to contribute properly in the ministerial-level BSC strategy implementation process.

⁴⁸ Departments under PMO are divided into several implementation teams in line with several BSC strategic themes being developed.

“After the launching... we [departments] had discussions on how to contribute to and implement our [strategic] themes... but it appeared that many team members were still struggling [with the BSC conception]. Moreover, departments also tended to send representatives who were not involved during the development stage and/or wrong people who...cannot make the decision for their department.... [At the end] it was only us that mostly contributed to the [strategic themes] as we have the knowledge” (Director2, PMO).

So, with no strategic resolution and feedback on ministerial-level BSC strategy, the preliminary implementation efforts carried out by the team at the PMO merely became academic exercises that apparently failed to materialise in action.

“We managed to come up with the framework for our strategic theme... but it become nothing more than an academic exercise as no follow- up after that...even our permanent secretary at that time agreed with the framework...but it seemed there was no push and support from the top as it is not seen as a priority... so at the end, this thing [ministerial-level BSC strategy] is not being monitored and proceeding in the way it was originally intended...” (Director2, PMO).

“Although the project was actually never cancelled, it just died...any follow-up development like drafting ministerial KPIs, actions plans, and etc. never actually materialised...Even at the moment, there is no enforcement for departments to use BSC in their operations” (Top executive officer1).

A slightly different scenario was encountered by the MoE with the execution of its higher-level BSC strategy. Firstly, despite the appointment of the departmental BSC coordinators, the coordinating task was delegated to junior officers or someone who had no decision-making authority over the department. Therefore, it is often difficult for them to make strategic decisions, on behalf of department, with regard to the ministerial-level BSC strategy. Eventually, the BSC strategy implementation becomes a matter of concern at the level of coordinators only.

“Last time our very early meeting was headed by our Permanent Secretary and directors were also present. But soon after he left, our meeting is then chaired by Head of SMO and was mostly among coordinators only. It is difficult because we are not in the position to make decisions, which can only be made by our directors. We don’t know either whether [the outcomes of] our meeting are discussed at the top [at the higher level meetings] or not” (Special duties staff, BDNAC).

On top of that, with the lack of strategic feedback and evaluation on BSC from the ministerial-level of MoE, the BSC implementation process carried out thus far, as perceived by the ministerial members, is perceived as happening for merely ceremonial reasons.

“This thing [ministerial-level BSC strategy map] is just like a reminder or general guidelines...To be honest, there is no serious ownership of the stipulated objective...unless the top guy [minister] wants to use it, otherwise, the implementation is nothing more than just “releasing a cough on the stairway”⁴⁹ (Top executive officer2).

“...It seems that our BSC report is just for window dressing, only with no real outcomes to come out of it” (Senior operational staff, Curriculum Department).

Evidently, the subsequent ministerial-level BSC reporting turned out to be merely department- focused and lacking strategic orientation.

“If you look at our BSC, They [SMO] are trying to put the whole thing taken from departmental dashboards. There is actually no specific belonging to the objectives and there are too many KPIs. The map looks segregated and there is no focus...it [the ministerial-level BSC strategy map report] does not look strategic to me because the KPIs that are being put in the map are just departmental owned KPIs” (Senior educational staff, PSD1).

⁴⁹ “Releasing a cough on the stairway” is a Malay proverb that has a meaning of doing something half-heartedly, or disinterestedly or not seriously, or in a lazy manner (Karim, 2011).

In relation to the above points, there is also no clear indication on which strategic objectives set on the BSC strategy map of both ministries are owned by one department(s) over the others. Hence, there is no legal obligation for departments to gear up their efforts to directly attain the strategic objectives set on the strategy map.

“Almost 5 years after we developed BSC, what actually is the outcome? Honestly, I don’t see how we actually relate our work specifically toward the attainment of the MoE’s strategic objectives, let alone the vision of the ministry” (Senior administrative staff, DoEP&M).

Similarly, the MoE also seemed unable to finalise the implementation arrangement amongst the departments with regard to the new BSC strategy of the ministry. As commented by the Director² at MoE

“ I called it a ‘launching syndrome’ i.e. if you notice whenever we develop something, we often launched it you know celebrate it first, even though you have not really figured out on how to proceed with it... Just like this new [revised version of ministerial-level BSC] strategy map, up till now it is not actually clear how to attain those objectives, what are the arrangement among the departments, who owns the objectives, what are the initiatives, are there actually budgets allocate to it?”

Over time, it would appear the ministerial departments tend to focus on, or return to, the old ways of doing business and pursuing their own strategies. The ministerial-level BSC strategy map document merely becomes a general reference that departments can loosely align to via their respective efforts and yet with no real obligation to abide by it. In consequence, there tends to be no genuine, or rather only a symbolic, alignment being made between the strategic efforts taken by the departments with regards to the strategic objectives set at the ministerial-level BSC strategy map.

“...We just focus on our department. We don’t know how much our [departmental] BSC dashboard has an impact at the ministerial-level” (Senior administrative staff, DoEP&M).

“There must be higher level monitoring on BSC at the ministerial level... so it would be clear and we can see how and where our BSC and work are related and truly aligned to the PMO. In the absent of that, we just focus on own [departmental] strategy then” (Senior administrative staff, NCD).

5.2.15. Diverging strategic directions

In general, it is a standard practice whereby many public policy decisions are made by a select group of people, normally politicians, at the top- level of the ministerial hierarchy. It is then up to the public bureaucrats to implement those policies. In Brunei, since it is governed based on the monarchy system, some government policies are inevitably derived from His Majesty’s Decree. Yet, in the same way, many policy directions also come from the top policy-makers i.e. cabinet ministers; the highest authority figure at their respective ministries.

Nonetheless, as cited by the Director of CSPA in the Brunei Times, because of the non-systemic policy-making process, it is not uncommon in Brunei that a policy decision is made based on the intuition or past experience (Sabrina, 2006). It is often the case whereby no efforts are made even to engage the general public in any policy formulation and strategic efforts taken by the government. As pointed out by a citizen at the Borneo Bulletin Weekends

“As Bruneians get more educated and mature in their thinking, I would like to suggest that the government involves Bruneians especially in major government policies before their implementation. If I may suggest, please can there be something like a two-month period of 'public consultation' on major policies...before they are implemented? Wouldn't this ultimately benefit both the government and the Brunei public in forming better policies?” (Borneo Bulletin, 2012).

Thus, it is not surprising that the ministerial-level BSC strategy is merely formulated by the intra-ministerial members without engaging any relevant stakeholders.

Furthermore, with the absence of reliable data, a policy evaluation is also hardly being conducted. Hence, any policy decision is often made “without having a clear idea of the preparations needed or the outcomes expected from implementing the decisions” (Sabrina, 2006). In the end, the Director further argued that without the full commitment and endorsement from the national leaders, the “programmes are therefore implemented in an ad-hoc manner, where implementation difficulties are handled along the way” (ibid).

In relation to the above, the formulation of strategic planning via BSC could be streamlined hence allowing the ministry to be more focused and organised in its strategic efforts and hence could provide a better direction in policy-making for the ministry.

“We need a roadmap to be strategic i.e. to chart where we are and where we want to go...” (Senior administrative staff, S&ED).

“... Before BSC, we got initiatives, but it is not properly monitored, just based on reports.... so it seems BSC is appropriate to realise the vision and mission of the ministry [whereby] initiatives are in line and can be monitored” (Senior operational staff, DoPD&R).

However, in the same way, it could become a major issue if the top management of the ministry itself can hardly be bothered to refer to the ministerial-level BSC strategy and is unwilling to systematically communicate and monitor their policy direction or orders via BSC. In fact, this is what turned out to be the case for both the PMO and the MoE. Many higher-level directives are still made in an unplanned manner, yet without having any clear targets or outcomes expected.

“...The people up there [PMO proper] must think systematically and show they have strategy, are not administrating in an ad hoc style...[consequently] this often disturbs our departmental works” (Director4, PMO).

“For instance recently... the minister just simply said and then ordered the people below to do something to help unfortunate students...and then it is up

to the permanent secretary and departments to think through and find ways on how to make it happen” (Senior administrative staff, DoA&S).

Even with the change of top leadership at both ministries, there is no clear evidence that the higher-level direction and the follow-up initiatives are genuinely or strategically aligned to the strategic objectives stipulated in the ministerial-level BSC strategy map. Nor is there any evidence to suggest there will be steps taken to systematically measure the progress of those initiatives towards the strategic objectives set. This is even so for the MoE whereby the so-called BSC strategy has been executed for many years.

“...I was up [appointed as a Permanent Secretary] in April [2011], to be honest, the top management including the minister, we have never looked at it [ministerial-level BSC strategy map] systematically and discussed it as a corporate body...” (Top executive officer2).

“Direction from above is there for us but it does not match up with our BSC strategy. But we have to do it too as it is a direction from above...we have projects to do for departments but the way it is formulated and then reported does not refer to BSC. By right the projects formulated by the ministry must gear toward the strategy map. But sadly it is not done as I think the culture to align our works to strategy map is not yet instilled” (Director2, MoE).

Even in the latest development at MoE, there is no resolution to align any new strategic initiatives of the ministry with the new ministerial level BSC strategic objectives

“... We had a retreat [the participants include ministerial top management, directors and local University Vice Chancellors] last February [2013] discussing about initiatives that the ministry wants to engage on for the coming years. Some people talked about KPIs and all that. But some members are not buying it. At the end, members finally agreed to basically come up with 5 potential big initiatives for the ministry. And [fundamentally] these initiatives formulated are not even tied to our [ministerial-level] BSC strategy” (Director2, MoE).

This also explained why any higher-level change of the ministerial structure, for both the MoE and the PMO, is not reflected in BSC reporting, which further diminished the BSC application, particularly at the top ladder of the ministerial hierarchy.

“Now the PMO is evolving and much restructuring have been going on. Like last time the division I am in now only dealt with internal security. ...Now the division encompasses a much bigger role. Even more so now with the change of Permanent Secretaries and directors, who have got their own ideas and directions, our BSC strategic themes need to be reviewed too” (Senior administrative staff, S&ED).

Consequently, the highly expected strategic direction from the ministerial level, to drive the ministry-owned BSC strategy map and to bring departments to work together to attain the stipulated strategic objectives, has not been forthcoming. This ultimately has led to an unintended impact on the progress of ministerial-level BSC strategy and hence on the BSC strategy implementation process at the departmental level.

“It is the ministerial leaders who must ensure that this thing [ministerial-level BSC strategy] is to get implemented.... now [without any direction] how are we going to align and contribute to the ministry? We definitely needed someone [at PMO proper] to align our work and direct departments to work together to attain the objectives set... [In the absent of that] departments got lost in between...so they just focus on doing their usual and core business” (Director3, PMO).

“To improve the quality of our schools [one of the strategic objective]... [It] involved many departments here and they have to work together. So it is back to the direction from above to realise this matter, otherwise people would still work in isolation” (Educational staff, SMO, MoE).

5.2.16. Functional visibility of strategic outcomes

It is significant, as expressed by many, in a BSC approach, proper measures and explicit related targets need to be assigned to each of the strategic objectives set.

“It was like driving a car, you must know where you are actually headed. Otherwise, you would go round and round without knowing your destination” (Special duties staff, PMO).

“The question is what are the strategic outcomes that they [ministry] really want... There should be a few big KPIs and big projects where departments work together to attain those KPIs. Well, that’s what we had learnt during our BSC training...” (Senior educational staff, HRD).

However, despite the attempted bottom-up approach, it turned out that this very important task was not successfully or systemically followed through in the post BSC strategy development phase at the PMO and MoE respectively.

“We managed to come up with the framework for our strategic theme including KPIs, initiatives and where departments can contribute to the objectives... [However] there has been no follow- up after that [from ministerial-level leadership]” (Director3, PMO).

“I recalled one director said when they developed the [higher-level] indicators, the ideas are just for exercise and not specific to each objective...but some of the measures are actually taken... by the departments to be their KPIs... over time, we realised the KPIs sent by the departments are actually not aligned with and contributing to those lagging indicators... In the end, those ministry’s KPIs got lost somewhere and now our BSC is more on the core routine business and lost focus to attain something strategic...” (Educational staff, DoPD&R).

Apparently, this is even so with regard to the new revised version of the MoE owned BSC strategy. As pointed out by the senior operational staff, DoPD&R

“We actually managed to come up with preliminary higher-level KPIs when we developed it [the revised version of the BSC strategy map]. But when we

discussed it further with [the departmental BSC] coordinators, some of whom are newly appointed by their respective directors; there was actually resistance from many of them. Many believed and insisted that they [pre-determined departmental owned KPIs] are relevant and should be put under the strategic objectives...[As expected] the KPIs that they sent to us are still based on their routine work”.

For that reason, there are no legal and explicit ministerial-level BSC measures and targets, which are being legitimately pursued in a strategic manner and widely-recognised by the working members of both ministries. Moreover, there is no apparent evidence either that any reviewing and monitoring process is being attempted to assess any interim milestones towards the attainment of the stipulated strategic outcomes.

“PMO itself is not clear [on their strategic planning], like this [one of the PMO’s strategic] theme, what exactly does PMO really want? What are the targets or KPIs set by them ...it would be great if they have one...” (Special duties staff, PMO).

“Apparently, there are no key KPIs to focus on. Even at least one KPI for each strategic objective... Supposedly, for MoE, it’s got to have strategic projects and have departments who are championing it... not all departmental KPIs go up [to become ministerial-level KPIs]. It has been 5 years, so what now? ...If people asked me what are the key KPIs of MoE, I [departmental BSC coordinator] would not be able to answer that (Special duties staff, BDNAC).

In relation to the above, the incapability and difficulty to translate vision and strategic objectives into feasible targets that can be measured are also perceived to be hindrances that make ministerial-level KPIs, for both PMO and MoE, difficult to be realised:

“In our strategy map, some objectives are simply difficult to measure. Overall, we simply cannot just aim for how many students passed the exam, because our vision aimed for an holistic perspective. But you cannot see the result in the short run. The issue is we know we want holistic development

but how do we know we are attaining it? ...Without clear direction, this could lead to different interpretations...” (Top executive officer2).

“The way I see it, our BSC looks good on paper only but without thinking hard whether it is practical or not? ...And people now realise the outcomes that the ministry wanted to attain are actually difficult to measure. Besides, we don’t have experts in strategic planning who can look into this subject on a full-time basis” (Director1, PMO).

However, on top of that, it is the unwillingness of the ministerial leadership to recognise the need, and to be liable for, any assessment on higher- level outcomes that are the main reasons why ministerial- level KPIs or targets are not being pursued or legally established. It is because, as perceived by many, there is not yet any legal order from the highest authority i.e. His Majesty that enforces the ministers to personally own one and to be accountable for its attainment.

“It is again back to political commitment and leadership...there is no excuse, if we’ve got no resources [money and people] they [ministers] can say I will give you resources, so I don’t know maybe in Brunei, things must get an order first before it can really move” (Top executive officer1).

“Maybe if one day His Majesty orders ‘I want all ministers to have their own or to be liable to ministerial KPIs and I want quarter reporting on it just like in Malaysia.’ Then this would trigger the whole system” (Top executive officer2).

5.2.17. Shaping Departmental KPIs

As mentioned earlier, it is important in the BSC approach, even at the departmental-level, to have official and endorsed top-level targets or KPIs assigned to each of the strategic objectives set. For that reason, it is anticipated that those public departments, that have a well-functioning BSC strategy map, tend to have clear pre-determined higher-level KPIs, which are genuinely related to the strategic objectives set. Essentially, as advocated

further in the BSC approach, relevant efforts would also then be identified and geared up to attain those higher- level targets.

“Each objective got its own KPIs, action plans and an owner who is responsible to ensure the targets would be meet” (Administrative staff, NCD).

“With our BSC, we have our strategic objectives with its owned KPIs set. So what we do, every year we tried working to attain those targets” (Director2, PMO).

Despite there being no strategic feedback and legal imposition for these departments to recurrently report their KPIs’ progress to the ministerial-level, the commitment from the departmental head and the teams, remains relatively high. Evidently, the reviewing and monitoring on the KPIs’ progress is done in a continual basis and is addressing much wider KPIs related issues.

“Every three months we have performance review meetings to discuss our [departmental BSC strategic planning] progress. And in six months’ time we have internal workshops where people would be gathered and heads of units would present their KPIs’ achievements. So people cannot escape. This also makes people alert and it is kind of embarrassing for those heads in particular if their respective KPIs are still far from reaching the targets” (Director4, PMO).

“We [chaired by the director] discussed many things during our quarterly review meetings like issues related to the practicality of the KPIs, if it is too high and unlikely for us to attain it, we have to adjust it next time around. The justifications on why some KPIs could not be achieved, often it is beyond our control. For instance, in 2010 we expected 80% of our staff to fulfil their annual 100 hours of training, but it could not be reached, as the courses available were not suitable” (Senior quality staff, MSD).

However, there are also cases whereby some departments do not have a proper strategy map, yet have formulated their respective KPIs, for one particular period, by symbolically aligning them to the ministerial-level BSC

strategic objectives. It is manifested that in this instance, the basis of KPIs formulation is actually based on the core routine work performed by those departments, even before the ministerial-level BSC strategy has been introduced.

“Exactly! We based our KPIs to monitor our everyday work i.e. our routine work day in and day out...” (Senior operational staff, PSD1).

Therefore, it is not surprising that the amount of KPIs produced appeared to be segregated and hence lacking focus on the ministerial-level strategic objectives set.

“When look at their [departmental BSC] dashboards...it is nothing more than just a categorization of their [departmental] KPIs on the [ministerial-level BSC] strategic objectives” (Educational staff, DoPD&R).

Although these departments have consistently reported their KPIs’ progress to the SMO, there are hardly any interim reviews and evaluations on the progress of KPIs being made. The only annual departmental meeting, among departmental BSC coordinators and the relevant officers only, being held is towards the end of the period, where the agenda is rather limited.

“We have a committee comprising of heads of units here. Every year we will have a meeting where each member will put up the numbers, targets and action plans for the next year. During the meeting, we also talked about the reasons why some KPIs and initiatives could not be reached and done respectively. Then I will submit these findings, after being endorsed by our director, to SMO. And every three months I will update the progress of KPIs from the members and report it to SMO. But the issue is, it is merely a reporting and that’s it” (Senior administrative staff, DoEP&M).

Meanwhile, as for departments that are yet to have any systemic strategic planning model, there is no clear evidence that there are any legitimate KPIs that are being set and pursued strategically.

“...There is no clear linkage between our contributions with the goals of the department. No performance targets have ever been set. Generally, our heads just tell us our tasks but there is no communication on what to deliver” (Senior professional staff, DoEP&D).

Nonetheless, despite the inherent differences encountered by the BSC adopters, it is evident that most of the KPIs applied tend to be output-based in nature. This is largely because of the decision made by the teams to be able to measure the results and the lack of resources to capture the outcome- based information.

“Almost all of our KPIs are in percentages and numbers because, obviously, it is easier to measure and we can readily see our achievements” (Senior administrative staff, ACD).

“We have one KPI [in stakeholders’ perspective] in the form of customer satisfaction. Ideally we want to do a public survey to capture the required information. But we cannot do it on a mass scale because we don’t have the manpower to do it and expertise to perform the analysis. If we want to outsource it, there is no budget for it...So we just do it on a small scale like currently whenever people use our services or make a complaint we ask them to fill in a simple form. But if we can do the big survey it would be great” (Senior management staff, MSD).

Moreover, despite the adoption of the BSC framework, it also apparent because of simplicity, even the enthusiastic BSC adopting departments tend to omit any cause and effect relationships from one departmental KPI to another.

“We tried to do the cause and effect on our objective and KPIs when we first developed it. But it seemed that the effects of one objective tended to branch out and are not clear-cut. So we just generalise the alignment and focused on attaining each objective as it is... This is the first time we did BSC, so we are still learning too and in the process of self- discovery as we progressed and tried to improve our services” (Quality staff, MSD).

5.2.18. Meanings of existence

This category addressed the purposes of different strategic responses taken by ministerial departments in relation to the ministerial-level BSC strategy development. Firstly, it can be argued that the application of BSC for the ministerial-level strategy and the subsequent application among the early-adopting departments have increased the popularity of the approach in Brunei's public sector. Over time, these considerations have influenced the later-adopting departments to choose the BSC approach when strategising their operations.

"We chose BSC because we were still naïve at that time, besides, BSC is the current trend being used in our sector" (Director4, PMO).

"There might be other tools, but it seems everyone is using it [BSC approach]. So we just follow the trend then" (Special duties staff, PMO).

It is evident that there are departments that have made full use of BSC application in their strategic efforts and hence this has enabled them to manage their performance more efficiently. Yet, it is also found that the ministerial-level strategy map is merely used as general guidelines. Thus, there is no systematic alignment existing between departmental strategic efforts and with what is required in the ministerial-level BSC strategic requirements.

"...We were lost before BSC. Now, I feel BSC is really a useful tool to help us to guide where we want to go in 5 years and beyond and monitor our [departmental] results in a more organised manner" (Director4, PMO).

"Before we developed our BSC, our strategic planning was not properly cascaded down to the units here. Tasks performed are not properly organised, ad hoc and highly dependent on the director's orders... with our BSC, although it is not properly aligned to the ministry, we now have better organisational planning and have become more result-oriented" (Director2, PMO).

On the other hand, there are also departments that use ministerial-level BSC strategy as general guidelines in pursuing their own strategies. However, without a departmental owned strategy map and strategic direction, these departments just symbolically use ministerial-level the BSC strategy map to report their core routine tasks without any clear indication as to whether those tasks performed could instrumentally contribute to the ministerial-level strategic objectives.

We don't have a [departmental] strategy map and strategic planning. We just refer to our ministerial level strategic map... our [departmental BSC] dashboard is just a reporting of our work" (Special duties staff, BDNAC).

"... If you compared our new and old BSC strategic plans, there are actually not many changes in term of the strategic objectives set... Since there is no further direction on how to approach it [the revised version of the ministerial-level BSC strategy], so we just continue using our [departmental BSC] dashboards just like before" (Senior administrative staff, DoA&S).

On top of this, there are also some departments that simply dismissed any kind of business model in directing their strategic efforts and any sort of systematic alignment with what is required in the ministerial-level BSC strategic map. It is basically a 'business as usual' scenario for such departments.

"...We don't have proper systematic planning to attain departmental vision and mission. So long as there are activities to perform, for the sake of running the organisation. But to streamline our work to a certain path is unfortunately missing..." (Head of section, SMD).

"We have vision and mission. And yes we also have objectives but those were the old one. Yet we don't know them by heart and they were also never translated properly to the operational level... There is no clear link on how our work contributed to that mission and those objectives. If we have a BSC, it can be very useful..." (Senior professional staff, DoEP&D).

Last but not least, there is also an agency that is intended to break the 'business as usual' mentality and started to embark onto a proper organisational strategy and performance management.

"I was just in [transferred and appointed as a director] during March 2011. Initially, I just resumed the works that had been carried out. Of course the work performed led to the mission of the department. But it seemed that the activities performed tended to lack any focus, not properly organised, no targets and seemed to be the same yearly without considering the changing environments...Now the intention of having BSC is simply to make our work to be more organised and strategised, more transparent and of course to make us alert to our progress and also to train our staff to be more accountable in their work" (Director5, PMO).

Yet it is also evident that there is no clear systematic alignment between the new developed departmental strategies with what is expected as prescribed by ministerial-level BSC requirements, which is just being referred to in a general sense.

"Our BSC is just intended to focus on our departmental requirements. We do this by generally referring to the PMO's strategic theme [as stipulated in the higher-level BSC strategy map]" (Director5, PMO).

5.2.19. Interchange between established and new actions plans

It can be argued that the inflexible centralised budgetary and recruitment process could place a limitation upon ministerial departments to raise both the financial and human resources needed. These, in turn, could have an implication for the extent of initiatives carried out by the departments in their strategy implementation processes.

"Our role should be like the inspectorate department. But it is difficult to act effectively and to even implement new things. Imagine, we have 81 private schools, let alone 100 plus tuition schools and skill centers to be looked after by 7 officers. Currently, we can only make one visit and inspection a year. And it is rather limited only to the physical aspects of the school. We don't

have enough manpower and expertise to monitor other quality aspects like the quality of teachers, the teaching methods and etc.” (Senior educational staff, PSD1).

“One action plan that we proposed for one of our internal process objectives [to improve the quality service delivery and productivity] is to hire a full-time supervisor to manage our store more efficiently. We had applied for the position and raised our case strongly in our proposal. Unfortunately, our proposal was rejected stating that our store is not yet big enough. So convincing the authority can be difficult and the outcome is beyond your control” (Senior quality staff, MSD).

Nonetheless, despite the limitations, it seemed that the well-functioning BSC adopters are prepared to play around with the resources in hand and find ways to deliver the required action plans and hence to ensure that the pre-determined KPIs could be met in the best possible way.

“... For instance during our recent 3rd quarter meeting, the head of preventive drug education unit claimed that they were short of people to conduct more talks in order to reach the 10% increase in targeted audience...So we discussed about it and finally we agreed on the solution that the unit would get help from other units and even director himself is willing to go down and conduct the talk... We don’t want at the end, we just simply collect the KPIs with no real efforts to attain it. If during the year it seemed hard to attain, the owner must give justification and we would discuss and work out something to address the difficulties...” (Senior administrative staff, NCD).

“All departments inevitably have budget issues... But there could be ways and means if we are serious to attain something. For instance, for our public awareness programme to increase public confidence [one of the strategic objectives under stakeholders’ perspective], we anticipated that we could have difficulty to get enough funds in order to implement our programme. So, we got to think of an alternative way... we are able to do that through sponsorship from SHELL [a multinational corporation] that was willing to sponsor us B\$30,000 annually for the next five years” (Director4, PMO).

Primarily, relevant efforts and projects are designed and organised that are directly aligned towards the attainment of strategic objectives. Action plan assessments are further conducted periodically during the year to determine their suitability. This evaluation has encouraged these departments not to be limited to their routine work but also to be prepared to think 'outside the box' by introducing and implementing new action plans in order to reach the final outcomes.

"We also tried reviewing our action plans so as to ensure the targets that cannot be met or were slack [this year] can be attained next time" (Senior quality staff, MSD).

"Before this [BSC implementation], under my section, the usual initiative is just giving talks to schools and by invitation from both public and private agencies. The coverage is pretty limited. Now with BSC and with the targets and everything, it forced us to think creatively. Now, we are more active exploring other means in order to reach a far greater audience. These include by having collaboration with Bmobile [a telecommunication company] by sending one reminder SMS in a week to the subscribers on corruption related issues, we had also launched our Facebook page, having cooperation with local universities to give talks during the orientation week, recently we had road show at the Mall as well..." (Senior administrative staff, ACD).

On the other hand, for certain departments, which merely use the BSC framework as a routine work reporting mechanism, despite the KPIs formulation, there are actually no assessments on the action plans as well as resolutions being reached to even tackle any KPIs that could not be met. For that reason, the departments continued to practice and adhere to the established routine action plans.

"We never had discussion on the follow-up initiatives on our KPIs to address some of the non-attainable KPIs and also how we can improve our work further. I just submit the [quarterly and annual] report to SMO and it ends there... No feedback from them [SMO] and also direction from the top or even from our director on our [departmental BSC] dashboard. So, at the end,

we just keep repeating the same routine work” (Senior administrative staff, DoEP&M).

On top of that, whenever there are new efforts and major projects being carried out by the departments, it is hardly reported at the departmental BSC dashboard level and such endeavours are not systemically aligned to the ministerial-level BSC strategy.

“We organised a big customer service event targeted specifically to our clients [private schools] every 2 years...but we did not put it in our [departmental BSC] dashboard” (Senior operational staff, PSD1).

“For instance, under our new SPN21 [21st Century Educational System], we see the need to have a new curriculum. So we make research and then got approval from the top level. But we did not report the initiative specifically in our [departmental BSC] dashboard and it is also not clear where exactly it is fitted with the ministerial-level BSC strategy” (Director1, MoE).

As for departments that are yet to develop a proper systematic business strategy, it is apparent that there are no formal assessments being made to determine whether the initiatives performed resulted in enhanced organisational effectiveness or have impacted the relevant stakeholders. Most tasks performed are highly repetitive and routine in nature. And for any new projects developed, they are based on the core requirement of the department and subjected to the higher-level orders, if any.

“Most of the annual tasks performed here are routine in nature. We occasionally have special projects applied through RKN [developmental] budget; like this year we had an initial phase of input-output model. We decided to have it because it is a very important model to have for every nation... But, apparently, there are no assessments being made on the outcomes generated” (Professional staff, DoEP&D).

“The activities performed are basically the same from the previous years. We have never done any targets, or to assess whether things that we do are

effectively contributed to the objectives of the department (Senior administrative staff, SMD).

5.2.20. Role play of directors

As a departmental leader, the decision made and role performed by the director is simply vital; it could 'make or break' the progress of the BSC strategy implementation at the departmental level. In fact, the director's call could even determine whether the department is keen on, or otherwise, to venture into any kind of systematic performance management system.

In view of the above and with the lack of higher-level enforcement, it is the personal attitudes and personality of the director him/herself that becomes a strong decisive factor in itself. Therefore, it is found that departmental leaders who are proactive and highly self-motivated to make an impact on organisational outcomes are more driven to use BSC so as to direct and manage organisational efforts and results in a strategised manner.

"When we developed our BSC, I can see the benefits of it... Now I have a full authority to manage this department [appointed as a director in 2009]. When I was a second man, I couldn't do much. I can say but there is always someone above me who can dictate. Now, since I am the top man so I get to make use of my leverage. It is a personal thing really... I can choose to be silent and do nothing about it [the progress of departmental BSC strategy]. But I have persisted to move this department forward. I have been here for 18 years so it was such a waste for me here for a long time to see nothing much is happening" (Director6, PMO).

"I want to leave a good legacy here before I retire. At least by having a proper BSC, the department got a strategic direction to pursue and a system in place, even when I am gone later" (Director4, PMO).

The influence of a director is further underpinned by the fact that some departments that had developed a BSC strategy, but failed to take-off, have been resurrected when a newly appointed director comes on board.

"We developed our BSC strategy map in 2006. But, somehow, during that time, we had a lot of ad-hoc problems, we also did not have officers who can monitor and are able to cascade this thing [BSC strategy map] down to our units effectively. Our director at that time also seemed to be occupied with many things. So, at the end, our BSC become loose from our attention and did not really move. This is until at the end of 2009 when our new director comes in. Once he was confirmed in his position, he was really determined and progressive to re-energise our BSC...now we just focus on getting the results from our BSC" (Senior administrative staff, NCD).

Accordingly, these directors have prepared themselves and/or their relevant staffs to familiarise themselves with the technical aspects of BSC and hence to further polish their management skills.

"I had trainings on BSC well before we developed it. But I tended to forget about it...but when we developed ours, we have our seminars on the technicality of it. Yet, as a leader, I had also read by myself so as to make sure I understand the theory better. Yet, when reading the book... it has also helped me to improve my managerial skills and on how to execute our strategy better" (Director4, PMO).

"...I have sent my staff to attend BSC trainings both in Brunei and overseas. So they can help me to translate the theory that they have learnt into our operation" (Director6, PMO).

The commitment from these directors towards the progress of the departmental BSC strategy has demonstrated the significance of it. This is clearly shown from the active self-involvement and strong dedication shown from these departmental leaders during the BSC strategy development and implementation phases.

"When we first developed it [departmental BSC strategy], I instructed my officers to be open, informal and not to see me as a director... As a director, I got to own it and was heavily involved to push it forward, no choice. I simply cannot just delegate this task to someone. Otherwise, I will not know what's going on and then people below would not see the significance of it. At the

end, I don't want this [departmental BSC strategy document] to end up as a decoration on the shelf" (Director4, PMO).

"Without director's commitment, this thing [departmental BSC strategy] will not move. Luckily our director is very proactive and seriously engaged toward the progress. This, in a way, gives a push for the heads [of units] too" (Administrative staff, NCD).

On the other hand, there are departmental heads who delegated both the BSC strategy development and implementation task to the lower-ranked officers and tended to distance themselves from becoming actively involved in the process. Accordingly, any new and major decision made can hardly be referred to or reported systematically via BSC strategy.

"Our director is not even involved in our [departmental] KPIs' formulation... he just does the signing for our BSC report sent to SMO... By right, director should decide what and give direction where we are going and this should be portrayed at our BSC. Unfortunately, we don't have this. A director must also make time to time check and cascade our BSC. All this to be done while only relevant officers attended the meetings and contributed to our BSC. Apparently, there is no sense of ownership and commitment on this thing [BSC implementation] from our director" (Senior administrative staff, DoEP&M).

Besides, these 'non-directing' directors also still seemed to lack knowledge and training on the technicality of the BSC. Consequently, with the lack of higher-level enforcement and direction, they are taking a rather passive role in the BSC strategy and lacking the desire to move the organisation forward in a strategised outcome-based approach.

"Honestly my knowledge on BSC is still lacking. I attended one BSC seminar in 2007 i.e. when we developed the BSC strategy map. There was no follow-up training attended after that... It is entirely up to the top leaders. If they are serious to follow the BSC strategy and attain the strategic objectives, they have got to give direction to us, and we as the doers, we will follow it" (Director3, MoE).

On top of that, there are also some departmental leaders who seemed to lack the necessary management skills for running and driving change into the organisational operations. Consequently, with no higher-level orders and interventions, departments under this leadership, more often than not, tended to stick to their established routine work. In fact, performance management systems and even the ministerial-level BSC strategy never became an agenda item at any departmental meetings.

“We got someone who had attended BSC training... But it depended on the director’s decision again if she wants to pursue it. Now, with no coercion from above, it is obvious that BSC is not her priority. Even PMO’ strategic planning has never been raised and explained to us. But the real hindrance here is that our leaders are simply lacking the managerial skills. They came from different backgrounds, like my big boss is a pure academic; our deputies are also academics and engineers, although they may be good at their own technical skills. Most of the jobs performed yearly are the same. Obviously, there is no proper planning of where we are intended to go. No one here is doing the strategic thinking for the department. Most of the tasks performed are just for the sake of doing them with no proper outcomes attained. Work delegation is also not properly organised... Even our bosses are also occupied with routine tasks” (Senior professional staff, DoEP&D).

5.2.21. Professional know-how and socialisation

A proper and adequate degree of socialisation on BSC strategy could have a significant impact on the extent of the BSC implementation phase at the departmental level. Thus, it is essential for any department, as shown by well-functioning BSC adopters, to have a recognised and dedicated personnel /team who are technically knowledgeable about the BSC mechanism and are well aware of the expectation of the department’s own BSC strategy.

This dedicated personnel/team is responsible to cascade and constantly communicate the departmental BSC strategy to the people down to the unit level. This is an important task in order to educate employees at the unit level, so they are more than willing to support and understand what is expected of them and to ensure that the targets set for them are met.

“After we reviewed our BSC in 2009, our director had instructed me and my assistants to do intra-departmental roadshows to explain to our staff at different units of the benefits of collecting the required information, the contents of our BSC strategy, the targets that they must meet etc. ...This socialisation process is vital because our BSC strategy is not to find their weaknesses rather it is for departmental improvement and their support is absolutely vital in order to attain our departmental objectives. Besides, it is also to alleviate any fear as some are still sceptical and afraid about how the outcomes of this new practice might affect their bonus, budget allocation and promotion” (Senior administrative staff, NCD).

Moreover, the responsible personnel/team also acts more like an advisor, instead of merely compiling and reporting, in dealing with departmental BSC related matters. This function is vital because departmental members including the directors themselves, from time to time still need guidance on BSC related issues.

“At the start of the year we will ask from our local officers in charged, at all units and branches, the initiatives for the year and we also monitor the impact and compile the results on a monthly basis... Then we report and brief the quarterly results to our director before our [quarterly] review meeting is held. We also sit during the meeting and give our inputs and offer our advice on both the BSC concepts and on the results” (Senior administrative staff, NCD).

In contrast to other departments, despite the BSC training acquired, the role of the personnel appointed to coordinate a department’s own BSC strategy is limited to merely compiling and reporting the departmental BSC related information.

“I have got my main task to do. My role as a [departmental BSC] coordinator is mainly to compile the KPIs set earlier from relevant officers, report it to SMO in three months’ time. And by the end of the year, I will do a report for SMO mainly explaining why some KPIs and actions plans cannot be attained and done respectively” (Educational staff, PSD1).

There is a greater expectation from the departments that the SMO will take a lead role and give them direction all the way. Nonetheless, with the passive role played by the SMO, consequently, there is hardly any BSC cascading process being carried out properly at the departmental level.

“My main role is collecting and reporting and giving justifications...I have never done any advisory role to our director. ...We expect SMO to lead us all the way on our BSC ...unfortunately, it is never forthcoming... they also seem to be busy with other things as well” (Special duties staff, BDNAC).

Besides, it appeared that some newly appointed coordinators are still lacking the necessary knowledge on the technicality of BSC and ministerial-level BSC strategy.

“I was appointed as a departmental BSC coordinator early this year when the person in charge retired. But up till now I haven’t got any proper training on BSC. So I am still not sure and cannot really comment whether the KPIs set is correct or not” (Special duties staff, DoA&S).

In another development, the absence of a qualified and dedicated personnel/team in their BSC venture has apparently inhibited some departments from venturing into the BSC idea or any other kind of performance management system.

“We probably can prepare strategic planning just by hiring an external consultant. But the issue is the implementation later. We don’t really have any strategic planning or BSC expert who could advise our director and assist him in implementing the strategy...” (Head of section, SMD).

5.2.22. Organisational control

It can be said that both the structure and nature of operations that the department is in and performing have an influence on the response strategy taken in relation to ministerial-level BSC strategy. Firstly, it seemed that departments that are unified under the common structural reporting, with

respective core businesses that are highly interdependent upon one another, are more prone to employ the same responsive strategies.

“We usually put in [the departmental BSC dashboard] the departmental works that are within our control. Some of the planned works cannot be conducted because it is highly dependent on the work and input from other departments. For instance, to prepare short-courses for teachers, we simply need budget. So DA [Department of Administration and Services] would then try to apply via RKN [development budget]. But if there is no budget given, the short-courses cannot be done then. So our KPIs set cannot be attained. ...We do our [departmental BSC] dashboard based on what is being guided by the SMO. We just followed it... I am sure the other departments within the ministry are doing the same too” (Educational staff, PSD1).

The scenario is quite the opposite with those departments that fall in a broad structural reporting wherein the nature of their core businesses is entirely different from one another. The top-down structural relationship and governance involving these departments tends to be rather loose. The permanent secretaries responsible in overseeing these departments also do not have the right to shift the budgetary allocation of one department over the others since it is guaranteed under the provision of the Supply Act. Therefore, these departments tend to have a greater degree of decentralisation, yet a lower degree of intra-dependency with the others, compared to that experienced by the unified structural departments. Hence, it was found that without top-level direction and coercion these devolved departments tended to employ different response strategies towards the ministerial-level BSC strategy.

“PMO’s structure is simply broad... The departments in it are not like other typical ministerial structure. Like MoE, all the departments are dealing with and focused on education. But in here, the core business of one department is different from one another. The role of permanent secretary in charge is mostly monitoring and supervising only. They do not know the details of our operations. ...Our budget also cannot be transferred from our department to another...” (Director4, PMO).

“Our works mostly are not inter-dependent with other departments... We are in fact servicing the others. I don’t see there is a hindrance [from other departments] for us not to push our BSC strategy forward” (Senior administrative staff, NCD).

Even so, the degree of regulative works performed, tends to have a moderating effect on the degree of decentralisation possessed by those devolved departments and hence can influence the nature of response strategies taken. Apparently, departments that performed a high degree of regulative work tend to have little room to maneuver, as compared to those departments that have a lower degree of regulative work. The latter seemed to possess a greater degree of autonomy in managing their operations.

“In general, PSD acts as a regulator and enforcer of Public Service Order [1961]. Moreover, we also have to follow General Order guidelines, Financial Regulations and also Circulars from the PMO. Sometimes, we can bend some of the rules or work around the system but it depends on the precedent [old cases]. So, most of our routine work is regulative in nature, simply got rules and regulations to abide by. It is difficult to create new action plans, like to simplify certain processes unless there is a need from the [salary scale and new scheme requirements] committee or an order from PMO via circulars.” (Personnel staff, PSD).

“Our operations are not regulated or involving any Act. So we can formulate our action plans based on our internal capacities” (Director2, PMO).

5.2.23. Intra-departmental results

It is obvious that the BSC system has to some extent brought certain impacts to the departments that have implemented it. This is even more significant in the sectoral environment that is not yet fully accustomed to the norms of PMMS. First and foremost, any departments that have implemented BSC, regardless the strategic responses, are apparently able to develop a sense of drive particularly by having targets i.e. KPIs to aim for in their operations.

“Before this [the introduction of BSC mechanism], we didn’t have any sort of indictors to aim for in our work. We just simply do our work in an effortless pace. Now, by having [departmental BSC] dashboard and targets, it is very useful for us. It made us alert and triggered us to do more in our work in order to attain those targets. ...Personally, if me and my team attain those targets, automatically we know we are doing a good job and it gives us certain level of job satisfaction” (Educational staff, PSD1).

“By having BSC, we now have targets to aim for. For instance, in one of our objectives, one of the KPIs set is making sure all of our officers produce 2 working papers per year. Last time [before BSC introduction] we didn’t have even this simple indicator. But now all officers must produce the required working papers even if they’ve got to do it in their own time” (Senior administrative staff, MSD).

Besides, to a larger extent the BSC idea has also brought a higher degree of transparency to the level of work performance within these departments.

“...Now [with the implementation of BSC], our work is becoming more transparent. It is clear what is the expectation for and milestone reached by each section. This in a way could motivate our officers, as our director often openly praised the section that is progressing well. This, at the same time, could create a sense of a healthy competition for the other heads of section and their teams to do the same” (Administrative staff, NCD).

However, despite the common outcomes set out above, it can be argued that only the committed BSC adopters can provide a clear departmental direction and planning for their personnel. Accordingly, this has allowed different sections within those departments to prioritise their work in a more tactical manner and hence to develop a greater sense of achievement towards the departmental strategic objectives set.

“BSC does help a department to have proper direction and thus helps my units, as well as others to pursue the targets and objective set for us. It helped us to think creatively and to organise our work better. Unlike before, the work tended to be highly ad hoc in nature. Just plainly doing it for the

sake of finishing the budget given, yet with no proper outcomes to attain...Now even our director would at times question us to prioritise our work and save the fund for much better projects. So, in simple words, we now tend to be more strategic in our work” (Senior administrative staff, ACD).

“By having BSC, it is really useful, it helps us to focus and prioritise our work that is important for the department” (Senior administrative staff, MSD).

On the other hand, for those departments that do possess BSC dashboards, yet are not utilising it fully, BSC implementation simply failed to lead departments to any strategic accomplishment and to bring any major impact on departmental planning and management.

“Honestly, there is no change on how we plan and organise our departmental work [as a result of BSC]. Personally, it [BSC implementation] also does not mean much to me. Because what we do is just the same as before and we just report it at our [departmental BSC] dashboards. We don’t even have our own strategy map and strategic planning to refer to. We simply just use our ministerial-level BSC strategy map. ... Like me giving 10 talks this year then when I achieved it, what does it mean to the department? The real issue is what is the outcome of this BSC? Sorry to say it is missing” (Special duties staff, BDNAC).

Besides, a progressive form of intra-departmental cooperation is also noticeable with the well-functioning BSC adopters, but such cooperation is much harder to find in those departments that are not.

“Via our BSC performance review meetings, we can see that the communication and cooperation among our sections have also been improving. With the director’s commitment, people seem to be dedicated to working together to attain our departmental objectives” (Senior administrative staff, NCD).

Last, but not least, the positive impacts of BSC, especially those experienced by the well- functioning BSC adopters, only very rarely occur in departments

that do not possess, or are yet to have, any kind of systematic mechanism running to appraise their departmental performance.

5.2.24. Departmental relationships

It is clear that without intervention from the highest authority, any degree of inter-departmental cooperation and coordination will still be carried out in a rather conventional way. The departments, even for the BSC adopters, appeared to be bound in their internal affairs and are still inclined to work in isolation from one another. This also applies to those departments that are operating within the same ministry. The introduction of BSC has never really been able to bring departments together to form a new kind of relationship that would otherwise allow the ministry to instrumentally attain its strategic objectives, as stipulated in its respective BSC strategy.

"I don't see there is a direct improvement on cooperation among departments here because of the BSC that we have implemented. The way I see the nature and level of coordination, it still remains the same [before BSC was introduced]" (Director3, MoE).

"Our biggest criticism here [at MoE] is that departments are used to work in compartments. Even with the BSC that style still persisted. Some work done by one department also overlapped with the work of others." (Director1, MoE).

In fact, the positive impacts of BSC are rather limited. The story of BSC, thus, has been unsuccessful when it comes to bringing about any form of transformational, or rather evolutionary change, into the public sector administration in Brunei as a whole, as had been hoped for.

"Not before I attended BSC training had I realised that BSC is like a revolutionary initiative that should bring big or transformational change to any organisation that applied it. But, I don't see it is happening here [at MoE]. I am sure there is something missing that needs to be examined, why our BSC does not really bring big impact to us" (Senior educational staff, Department of Technical Education, [DoTE]).

5.2.25. Instinctive outcomes

It can be claimed that the absence of a legitimate and systemic PMMS in the public administration of Brunei has, over time, propagated an ad-hoc working culture.

“If we have a proper performance management system, it would be great. So, any programmes and initiatives to be carried out can be predetermined earlier. We would also be focused on doing tasks that are meaningful to the ministry... rather than spending our time on ad- hoc tasks here and there, yet it did not really bring any real outcomes to the ministry” (Administrative staff, EFR&DD).

“Ad hoc has become part of our working culture. You cannot run away from it. You’ve got to be adaptable. But if we can instill a proper BSC system and make it as a working culture, I think we can make our work become more strategised” (Director1, MoE).

In consequence, many believed that they are habitually ending-up doing unnecessary peripheral tasks that are distanced from their perceived core work. This inevitably has caused an unnecessary heavy workload and yet often with no clear outcomes to reach or achieve.

“Although BSC does help us to prioritise and organise our work, we, nevertheless, still cannot escape from doing other ad-hoc work. Most of this work come from outside, like a sudden request from the PMO itself... like it or not, we have got to attend to this [high level] request. Not to mention also requests from other ministries ... so again we’ve got to provide time to cater to these requests, even though we’ve got other important [departmental] tasks to do.” (Senior administrative staff, NCD).

“I currently work with German consultants. They want me to be working full-time with them to allow the knowledge transfer. But I simply cannot, as I was also needed for other tasks... I learnt from them, they said they also do other peripheral works but it is related to their core work. Unlike us, the difference between our core and peripheral work are often wide. So how can we be productive? To me, if we carry on like this [the unproductive peripheral work

keeps on cropping up], *even if we hire more people, you would not be able to complete the tasks given properly*" (Senior professional staff, DoEP&D).

In relation to the above, the established PMS being run in Brunei's public sector has been unsuccessful in giving an encouragement for the public servants to do more and strive for a higher-level, performance-driven working culture. In fact, the system simply failed to recognise and appreciate the potential and talent that an individual might possess. This, to a larger extent, has negatively affected the morale and motivation of those exceptional individuals.

"Another problem with us is that our performance appraisal is so outdated and is not based on merit. There is no carrot and stick [on performance] as a result that in turn kills both productivity and motivation. With the current PMS, even the lazy people would still get their full bonus. And the harder working people would also be getting the same reward. This sort of outcome is clearly wrong but is happening everywhere including here. In view of this, people would stop trying hard and tend to be complacent with what they are doing now" (Senior operational staff, PSD1).

Moreover, many also believed that the strict adherence to the financial regulations and procedures has created little room for public agencies in Brunei to manoeuvre and hence to decide on their end results. Despite the availability of funds allocated, as argued by the Director of CSPA, when interviewed by the Brunei Express, "the discretion at the departmental/institutional level to make financial decisions is very limited..." (Sabrina, 2006).

"The power vested in the MoF has led to a 'tug of war' scenario with the public agencies; the former tried to 'save money' by imposing a cost-saving policy while the latter tried to 'spend money' for their policy implementation... Unlike in Malaysia and Singapore, the ministry decides on its own planning and importantly has full autonomy to manage the budget given. Their respective MoF only acted as a supplier of funds for the money requested" (Deputy senior director, PMO).

5.3 Summary

This chapter has discussed the analytical outcomes of the first coding process of GT analysis i.e. open coding. In consequence, 25 open categories were described in relation to the BSC practiced within the two studied ministries, as well as on matters and issues concerning the organisational behaviours that are pertinent to the research subject. These open categories, as stated earlier, are derived from the collection of associated early open concepts that were captured, in terms of their properties and dimensions, from the raw data. Although there is no formal attempt to integrate the open categories with one another, yet because of the iterative nature of the coding process, the relationship among the open categories can be detected and seem unavoidable. Thus, these open categories introduced concepts that will be further refined and integrated into higher order categories. This will be the focus of the next chapter.

Chapter 6: Axial categories

6.1 Introduction

After presenting the open categories in the preceding chapter, the discussion in this chapter focuses on the results of axial coding of the information gathered from the respondents. The purpose of axial coding is to reassemble data that was fractured at the open coding stage by integrating those open categories so as to form the main categories (Strauss and Corbin, 1998). The absorption of open categories into the higher and more abstract categories represents the core outcomes of the axial coding (Corbin and Strauss, 2008). But both the open and axial coding, as experienced in this study, do not necessarily represent a sequential analytical process; rather both types of analytical coding can occur sequentially and concurrently (Strauss and Corbin, 1998). The resulting axial categories, discussed and presented in this chapter, then become the significant groundwork for the subsequent final selective coding stage.

6.2 Main categories

Fundamentally, the linkage of associated *open* subcategories, to form the main *axial* category, cuts across at the level of properties and dimensions (Strauss and Corbin, 1998). It is then successively validated via a constant comparison process (ibid). This is shown in an example given in Table. 6.1 below that demonstrated one of the axial categories named ‘unattached commitment’. The category essentially comes about from the associated open categories of ‘the perceived functioning of SMO’, ‘leadership custodianship’, ‘the importance of knowledge synchronisation’ and ‘top-down cascading process’ i.e. they are connected in terms of their related properties and dimensions. A similar tactic is essentially employed for the other axial categories⁵⁰.

⁵⁰ Please see Appendix J for the illustration of all the *axial* categories with their associated *open* sub-categories i.e. in terms of their related properties and dimensions.

Table 6.1: ‘Unattached commitment’ category with its associated open categories i.e. in term of their related properties and dimensions

| <u>Axial category</u> | <u>Open sub-categories</u> |
|---|---|
| Unattached commitment | <ul style="list-style-type: none"> - The perceived functioning of SMO - Leadership custodianship - The importance of knowledge synchronisation - Top-down cascading process |
| <u>Properties</u> | <u>Dimensions</u> |
| -Political enforcement and interference | Degree of higher-level support - <i>Weak</i> |
| -Advisory and mentoring role | Degree of capability - <i>Weak</i> |
| -Administrative and reporting role | Frequency of feedback- <i>Lacking – Periodic</i> |
| | Quality of information - <i>Non- strategic (Routine)</i> |
| -Sense of commitment on higher-level strategy from different levels of leadership | Degree of commitment- <i>Weak</i> |
| -BSC technical knowledge and experience (<i>for SMO</i>) | Level of expertise - <i>Low</i> |
| -Legitimacy position (<i>for SMO</i>) | Level of positioning - <i>Weak</i> |
| -The perceived needs of government-wide BSC framework | Needs of guidance - <i>Strongly needed</i> |
| -Ministerial owned strategy cascading process | Degree of socialisation- <i>Absent - Inadequate</i> |
| | Degree of awareness- <i>Diminishing - Limited</i> |

Additionally, it is important to note that, because of the reiterative and concurrent coding process, only a few main categories are described in this chapter; for example ‘responsive patterns’ were explored during the open coding process. Thus, some information presented will to some extent be repeated from the previous chapter. But the repetition is kept to a minimum, wherein the focus of attention is more on the integration of the underlying

subcategories. Yet, at the same time, most of the main categories developed are derived from further conceptualisation of the open categories. Moreover, as advised by Strauss and Corbin (1998), a paradigm model is also being employed during the axial coding stage. The model's basic components are being applied flexibly, as guidance, when developing each of the main categories, if deemed appropriate.

In consequence, the 25 open categories presented in the previous chapter are subsumed under the 9 main categories as shown in Table 6.2 below.

Table 6.2: Main categories with their underlying subcategories

| <u>Open subcategories</u> | | <u>Main axial categories</u> |
|----------------------------------|---|---|
| 1 | General political landscape | Hierarchical deference |
| 2 | Continued prosperity | |
| 3 | 'Malay' cultural influence | |
| 4 | Managing by problem | Disregarding the need for performance-driven culture |
| 5 | Attitudes toward performance based accountability | |
| 6 | Participants' perception on performance measurement practices | |
| 7 | Disintegrated 'bottom-up' implementation | The emergence of loose strategic arrangements |
| 8 | Diverging strategic direction | |
| 9 | Functional visibility of strategic outcomes | |
| 10 | Impromptu 'Vision 2035' roadmap | |
| 11 | Recruitment practices | Bureaucratic barriers |
| 12 | Budgetary processes | |
| 13 | The perceived functioning of SMO | Unattached commitment |
| 14 | Leadership custodianship | |
| 15 | The importance of knowledge synchronisation | |
| 16 | 'Top-down' cascading process | |
| 17 | Meanings of existence | Responsive patterns |
| 18 | Shaping departmental KPIs | |
| 19 | Interchange between established and new actions | |

| | | |
|----|---|---|
| | plans | |
| 20 | Roles play of directors | Internal organisational enablers |
| 21 | Professional know-how and socialisation | |
| 22 | Organisational control | |
| 23 | Intra-departmental results | organisational synergy |
| 24 | Departmental relationships | |
| 25 | Instinctive outcomes | Prolonged effects |

In the next subsections the detailed accounts of each of the main categories above are discussed.

6.2.1 Hierarchical deference

Hierarchical deference simply refers to the external context that has a significant influence on the running of the public administration in Brunei and ultimately has an impact on the BSC development in the sector.

First and foremost, the financial sustainability derived mainly from oil and gas revenues, enjoyed by Brunei has enabled the government to continuously ‘baby-sit’ its people. This has enabled Bruneians to continue to enjoy a better standard of living and their wellbeing is being taken care of. In consequence, this has brought a political acquiescence from the citizens and is further reinforced from the fact that Brunei has a wealthier economy than most of its neighbouring nations. So, in the words of an administrative staff at EFR&DD, *“people simply have no right to complain”* or expect more from the government. Besides, the government itself is a major employer that provided ‘permanent’ employment for about 69% of adult Bruneians. Hence, the general public seemed to be rather considerate and less inclined to put discernible pressure on the government to make any major transformation to the public services.

The perceived comfort-zone state has also caused public servants to become complacent and laid back in their public affairs and therefore somewhat uninterested to pursue continuous improvements in the sector. This status tends to remain tranquil, unless there are political orders for action. Until

then, the politically appointed national leaders themselves seem to be more inclined to maintain the status quo, based on the 'don't make waves' principle. Apparently, unlike in a democratically led nation, the government does not feel indebted towards the public and hence it is under no pressure to exercise any form of responsible accountability towards its citizens.

A senior professional staff at DoEP&D inferred that, *"you have to look at a bigger picture here, so long there is no personal tax imposed, it would not bring responsible public accountability from the government. But, if there is tax imposed, it would certainly bring more public voice and hence accountability from the government. And we would definitely be anxious to know how our money is spent"*.

Moreover, some 'typical' Malays cultural traits have also strongly influenced the predominantly Malay public servants in Brunei, in the ways they govern and administer the sector. Specifically, it was alleged that the fear of making a mistake and of taking risks have become a hindrance for the civil servants, inhibiting them from undertaking strategic yet bold initiatives that could bring greater sustainable benefits to the public. Likewise, the customs of 'giving face' and high respect to the hierarchical superiors are often being practiced in the wrong contexts. Accordingly, because of the fear of negative repercussion, public servants do not dare to question the actions or inactions of their superiors openly, or even to offer their own opinions, especially if those views tend to clash with their superior's.

6.2.2. Bureaucratic barriers

It can be argued that both human and financial resources are the most important inputs in any strategic planning, even as advocated by the BSC approach. However, it turned out that the current centralised and historical budgetary system, combined with strict financial regulations and procedures, have put limitations upon public agencies in Brunei. They simply lack the autonomy to use or even secure both of these two crucial resources.

First and foremost, in accordance with the Brunei Constitution (*Financial Order*) 1959, the MoF must approve the budgetary allocation for, and the

funds spent by, all public agencies. The annual budgetary allocation is also made based on the routine or historical value of the operations. These often make it difficult for the public agencies to apply the budget allocated for the future-oriented initiatives. Besides, it is also normally difficult for public agencies to acquire more funds if there is an unexpected event that occurs during the financial year. Often, the additional funds are acquired from either the existing funds already allocated for other internal purposes or new funds that must be then replaced in the next financial year. Either way, this exchange process needs to get further approval from the MoF which often involves undergoing lengthy and rigid financial procedures.

Furthermore, both ministries and departments also find it difficult to secure an appropriate developmental budget for their new development projects. The centralised approval process often makes the project approval unavoidably long. And the strict financial policies currently practiced by the MoF have also led the projects to be chosen by narrowly focusing on the cost factor, at the expense of the quality aspect of the projects.

In relation to the above, many respondents also believed that the strict financial rules and procedures have also created a difficulty in acquiring new human resources. Public agencies are bound by the Financial Regulations 1983 (No. 31): new positions for new projects are not allowed if there are still other available vacancies within the agency. On top of this, it is even more challenging for the agency to acquire a 'brand new' post and expertise for certain new projects that are yet to be created in the public sector. Thus, the process of acquiring human resources required for new projects can indeed be lengthy and the results can be uncertain.

The inflexible, red-tape process is in fact an issue raised in the ministerial-level BSC strategy of the PMO, as a leading agency, as stated below, wherein the process of securing those resources need to be loosened- up or transformed in order to kick start its strategic planning.

"A need for certain flexibility in the financial matter of the budget in general and for more decentralised authority in this matter... A need for the budgetary allocation to align with organisational performance so that public

fund expenditures could be directed to actual results achieved, rather than to routine procedures” (Prime Minister’s Office, 2004a, p. 23).

However, in spite of the revelations above, it appeared that the institutional arrangements for securing these two important resources remained and hence they have a direct influence on attempts made to implement outcome-oriented strategic planning, such as pursued via BSC.

The difficulty of acquiring both the financial and human resources for strategic planning purposes is confirmed by the comments made by the interviewees as follows:

“Strategic planning in Brunei is almost impossible to conduct because of the current budgetary structure and its strict regulations... we can plan yes...but we always fail to deliver at the implementation stage... the fact that the project has not even started yet, the pre-determined estimation would already being cut [by both the MoF and Ministerial Permanent Secretary]... applying for three experts only one was given without clear justification. So how in the world can you reach the objectives and targets set in your strategic planning, let alone in the preferred time- frame?... this certainly has a reverse impact on our national development” (Administrative staff, EPR&DD).

“There are pros and cons in our budgetary system... but these people [both the MoF and Ministerial Permanent Secretary] do not see the bigger picture, they only see the trees not the whole forests... so how do you attain the vision or whatever you had planned... The restriction [on financial and human resources] is indeed a barrier and a critical issue in doing a proper strategic planning” (Director1, PMO).

6.2.3. Disregarding the need for performance-driven culture

This category explained the factors that inhibit the readiness of the public sector in Brunei to embrace and progress into the performance-driven working culture.

It was found that it is not yet customary for the public sector in Brunei to embrace a greater sense of accountability towards its current performance. The servants at different level appeared to be complacent with the nature of their work and, without any real pressure upon them, are taking for granted their current performance rate. Many claimed that the lack of a corporate like performance measurement and monitoring mechanism is arguably the direct reason that inhibits the public sector in Brunei to progress into the performance-driven sector. The established performance measurement system (PMS) practiced in the sector appears to be thoroughly outdated and has no systemic connection with any work related performance of the civil servants. In essence, the system completely fails to differentiate between exemplary and poor performers and to reward and penalise them accordingly. Thus, there is no real incentive and inspiration for the public servants in Brunei to strive for improvement and embrace excellence in their work. Hence, they tend to be risk- averse and prefer to play- safe in their actions.

Thus, the insignificance of meritocracy-based performance measurement, and hence the lack of any sense of performance-based accountability, undoubtedly has a negative impact on the readiness of the public sector in Brunei to move forward into a performance-based management culture, as advocated by the BSC model.

“Performance based accountability remains a foreign concept in our sector. Obviously, we are not even liable to or bother to measure our current performance. So how serious and accountable can we be for our future performance?” (Senior administrative staff, C&GD).

Regarding the above, many respondents claimed that the top national leaders must be willing to shake off their complacent state of mind and be ready to play a greater role in promoting performance driven work culture in the sector. In essence, the national leaders must also be prepared to provide a strong strategic leadership for the bureaucrats and to give a strong political push that would allow the ministry to move towards the attainment of the strategic goals such as are stipulated in the ministerial-level BSC strategy map. This is even more pertinent in the context of Brunei wherein it

is not uncommon for a ministry, such as the MoE and the PMO, to have more than one chief executive, who perhaps understandably are unwilling to interfere in each other's affairs.

"When you compare us with Singapore, the main players there [top policy makers in Singapore] are performing because they are being assessed and are used to it. So they have to strive for improvement that enabled their [national and ministerial-level] strategic planning to be realised. Even when they are moved or retired, the new person in charge has to perform. Unlike us, our top players are not even being assessed formally. So how can they be pressured to perform and generate a sense of accountability toward the ministerial performance? Without this aspect, you can't really tell much from our BSC strategic planning" (Director1, PMO).

"The readiness of our sector to move toward a culture that promotes excellence in performance and to become a highly strategised organisation must start from the top people. This would then trickle down to the people below. They are like the generals and the people below are like the cavalry and foot soldiers..." (Senior professional staff, DoEP&D).

However, many respondents claimed that the lack of tactical ability and the higher degree of peripheral roles assumed by the national leaders tended to hinder them to fully devote their attention in strategic related efforts attempted by their respective ministries.

Hence, without a strong political intervention, it seemed that the ministry and departments continued to deal more with fixing their immediate problems, with much less attention being devoted to strategic priorities.

"The culture [of Performance Management] is apparently not there yet...Unlike Shell [a multinational corporation], what they do is directly aligned to their strategy map. Let's say when you are lagging behind, you would then try to work out the remedial strategies to tackle the problem. Unfortunately, we don't have that kind of work practice [proper PMMS] yet instilled in our system..." (Director1, MoE).

6.2.4. The emergence of loose strategic arrangements

The category and issues discussed above highlight the impotence of both ministries to arrange for any enforced and legitimate strategic resolution to aim for, in relation to their respective ministerial-level BSC strategy.

It can be argued that the motivation of both the PMO and the MoE to develop and implement the ministerial-owned BSC strategy is purely instrumental. There is evidence that after the ministerial-level BSC strategy framework is devised and then endorsed by the top management, the representatives from the middle management of both ministries are tasked to conduct the respective follow-up BSC strategy implementation phase. However, eventually, without the strategic resolution and feedback from the ministerial leadership, the strategy implementation process at both the PMO and the MoE disintegrated. The ministerial-level BSC project for the PMO has failed to materialise and has merely become a series of academic forums. Meanwhile at the MoE, even though the ministerial-level BSC strategy has been executed, it tends to proceed in a rather ceremonial manner. The subsequent ministerial-level BSC reporting is merely on departmental-focused matters and is lacking any strategic orientation in it. A similar trend is detected with the development of the new ministerial-level BSC strategy. In essence, both ministries failed to come up with legitimate strategic outcomes i.e. targets, which could trigger certain strategic initiatives, out of their respective BSC strategy map, to be pursued and recognised by the respective departmental members.

Many study participants perceived that the unwillingness of the ministerial leadership to appreciate the needs for having, and to be liable for meeting higher-level targets are the main reasons why ministerial-level KPIs are not legally established or being pursued; unless, as perceived by many, there is a specific legal order and coercion from His Majesty, as the Prime Minister, to do otherwise. In consequence, there is no pressure or sense of urgency for the politically appointed national leaders to be accountable towards the ministerial outcomes, as stipulated in the ministerial-level BSC strategy.

In relation to the above, there is no proper implementation arrangement being endorsed and pursued to specifically attain the strategic objectives set out in the BSC strategy map of both ministries. Thus, there is no legal obligation for departments to own and to gear up their efforts directly toward the attainment of those set strategic objectives.

Similarly, higher-level engagement is also apparently lacking in the National Vision 2035 implementation process. This, consequently, has left the National Vision 2035 concept without any proper corporate roadmap or a responsible accountability structure for relevant ministries to work toward it. Apparently, the Vision 2035 booklet has become an open-ended document to which one ministry or agency and the others can generally refer and randomly align their endeavors. On top of this, there are no specific legitimate and enforced national-level outcomes that could be translated into ministerial-level targets that could trigger the ministry to work as a system and to strategically gear up their efforts toward attaining those targets.

“What exactly are we aiming for at the national-level? We are not even clear where we want to go exactly. If we are really serious, what we really need is the national agendas so as to bring the governmental ministries to work toward them and get the results. And the PMO as a leading agency must take a lead in doing it” (Senior administrative staff, C&GD).

With no legitimate and enforced ministerial-level outcomes to be pursued, strategic direction from top management, remains ad-hoc and inclusive. Notably, there is poor systematic strategic communication flow, by means of the BSC strategy map from the ministerial level down to the departmental level. Even with the change of top management at both ministries, there is no evidence that BSC related information is discussed at the highest level meetings or that the new leadership is using it in their decision making.

“The impact of having enforced strategic ministerial KPIs in our BSC strategy would definitely steer specific direction from the top level, so as to attain those targets. This in turn could bring greater impact on what we are normally doing, as we would gear up our efforts to work on what the

ministry wants. For instance, let say if the ministry wants to build 'green' schools, we would then have to change course from our normal way of constructing school buildings. But without any specific direction, we just typically built the same buildings and don't really change anything" (Senior administrative staff, DoEP&M).

Eventually the ministerial departments tend to focus on, or return to, the old ways of doing business and concentrate on pursuing their own strategies. Evidently, any alignment between the strategic efforts taken by the departments with the strategic objectives set at the ministerial-level BSC strategy map is either absent or not done.

"With no top-level follow-up and direction on BSC, departments tend to be in separate compartments and continued doing their own things..." (Senior administrative staff, S&ED).

"Now with no direction on how to implement it [the new ministerial-level BSC strategy] we just proceed like before" (Senior operational staff, Curriculum Department).

6.2.5. Unattached commitment

This category talks about the lack of political commitment among the ministerial leaders and hence the limited roles played by the purposely established SMO of both ministries in the post-BSC development process.

Primarily, it appeared that without the political drive and commitment from the national leaders towards the ministerial-level BSC strategy implementation, this has caused the project to gradually lose its momentum. Accordingly, there is no sense of pressure and obligation for the politically appointed ministerial executives to take the lead and gear up ministerial efforts to genuinely meet the strategic objectives stipulated in the ministerial-level BSC strategy map.

In relation to the above, it is not surprising that the cascading effort of the ministerial-level BSC strategy, facilitated by SMO, has been performed in an

inadequate manner. It emerged that the cascading process of the ministerial-level BSC strategy has failed to take off at the PMO and is not effectively conducted at the MoE. Thus, the degree of awareness of the ministerial-level BSC strategies of the PMO and the MoE has diminished and is now only a matter of concern to those who are directly involved respectively. Yet, in both cases, the information can hardly reach the majority of the departmental members. Besides, the absent or weak political enforcement has seemingly brought a very poor sense of obligation for the departmental heads to fully commit their efforts to the progress of the ministerial-level BSC project, hence helping to further impede it.

“... It [ministerial-level BSC strategy] is apparently not a priority to our leaders. So there is no real pressure and enforcement to push it down to the departmental level. This left SMO with no political support to really be able to communicate and cascade the BSC strategy down to the departmental-level. That’s why the socialisation process of BSC is never conducted in a proper and comprehensive mode. So, there is no full-hearted buy-in from the departments for proper follow-up actions” (Senior administrative staff, S&ED).

In relation to the above, the lack of political commitment also makes it difficult for the SMO at both ministries to manoeuvre and facilitate the implementation phase of the BSC. The Office does not seem to have a legitimate voice to exercise any advisory capacity and is often seen as an ‘unwanted baby’ by the top management. The top management at both ministries appeared to be disinclined to provide the necessary resources, in terms of expertise and manpower, for the effectiveness and well-being of the SMO’s operations.

...Top- level commitment toward our BSC project is absolutely crucial if we really want to see its impact...without it [the top-level commitment], commitment from the others is hard to come by. It is a typical thing here too when people below try to achieve something but when nobody at the top wants to commit, it can hardly move. Just like what happened to SMO, it should become an expert in dealing with the strategy management of MoE. But it just turned out to be a small unit and the people there and the head

are also not in a strong position to influence the management in the ministerial strategy” (Special duties staff, BDNAC).

“... What we dearly need is strong and charismatic ministerial leaders who are serious and capable to ‘bulldoze’ the proper implementation of the BSC and strategic planning of the ministry down to the departmental level. And who would recognise the importance of the SMO and not to treat it like the ‘unwanted baby’” (Senior administrative staff, S&ED).

Therefore, the current SMO’s members of both ministries do not seem to have the capability, and are lacking the skills and experience, to translate the technical knowledge of the BSC into a wide-ranging ministerial level context. They are actually in dire need of guidance from outside experts to assist them to implement and assess the BSC projects at their respective ministries.

“ You see, other ministries considered us experts on BSC but the fact is we are also still learning and require guidance from others or local models to refer to” (Senior operational staff, DoPD&R).

Hence, this has turned out to be another shortcoming that otherwise would have enabled the SMO to carry out its effective coaching and mentoring role as anticipated and required by the respective departments. The current function of the SMO is rather limited in collecting BSC related information from the departmental level, yet there is hardly any feedback in return, particularly from the SMO at the PMO. Even though the SMO at the MoE is able to go a step further, by publishing quarterly BSC reports, it turned out that the contents of those reports tended to be routine in nature. The reports, thus far, fail to reflect any accomplishment of strategic aspirations, as prescribed in the ministerial-level BSC strategy.

6.2.6. Responsive patterns

This category is concerned with the patterns of the strategic responses made by the departments and how they are different from one another in relation to their respective ministerial-level BSC strategies. It is important to note that in all the strategies deployed, there is no clear systematic alignment existing

between the departmental strategic efforts and what is required in the ministerial-level BSC strategies.

First and foremost, there are departments that have utilised the BSC application with a purpose to manage the departmental performance more efficiently. Essentially in this strategy, with the ministerial-level BSC strategy acting as a general reference, a clear departmental-owned strategy map is being formulated with its specific pre-determined KPIs and initiatives assigned to the strategic set objectives. On top of this, although there is no legal imposition set at the ministerial-level, it is found that periodic reviews and monitoring are made to check on the progress and applicability of the set KPIs. Moreover, despite the resource limitations encountered, these departments also performed recurrent checks and balances on the required and appropriate actions plans. Thus, it is not surprising that these departments are ready to go beyond their routine work and hence are prepared to come up with new action plans so as to ensure that the final outcomes set in the departmental-owned BSC strategies could be met in the best possible way.

At the other extreme, there are some departments that are taking a 'business as usual' approach. They simply dismiss any efforts to develop the BSC or similar that otherwise could direct their initiatives in a strategised manner. In fact, a ministerial-level BSC strategy has never become an agenda, let alone one aligned with departmental efforts. Evidently, there are no legitimate set KPIs or outcomes that are being pursued strategically. Besides, there has not been any assessment conducted so as to determine whether the initiatives carried out thus far could lead to organisational effectiveness or meeting stakeholders' needs. Thus, there are hardly any new initiatives and hence most annual tasks performed by the members tended to be similar and highly repetitive in nature.

Between those two spectrums, there are yet two other response strategies that are used by the ministerial departments. The third strategy identified is concerned with departments that symbolically referred to ministerial-level BSC strategic objectives in pursuing their own strategies. But in reality, they merely use the BSC strategic framework as a reporting mechanism for their

own core routine work. There is apparently no legitimate departmental-owned BSC strategy map and objectives being formulated and set to aim for. Accordingly, the basis of the KPIs formulation is actually based on the core routine work commonly performed by the departments. This has inevitably made the departmental KPIs produced, rather segregated and without any final outcomes to reflect on.

Besides, there is hardly any evaluation on the progress and practicality of the KPI once it is made. The departmental-owned BSC meeting is only carried out at the end of the financial year and the point of discussion is also rather limited. Nor is there any periodic check and balance and resolutions reached on the action plans, particularly to tackle any pre-determined KPIs that could not be reached; this impediment is despite the fact that quarterly and annual reports on the progress of the KPIs are being made and submitted to the higher authority. As a result, this departmental-owned BSC application is nothing more than mere reporting and fails to go beyond or outside of the established routine work. Besides, for new initiatives introduced, if any, they are hardly reported and/or referred to the departmental BSC dashboards being used.

Last but not least, it is also worth mentioning, a response taken by a particular department that is keen to break the 'business as usual' mode in running the organisation and is therefore prepared to employ a BSC mechanism so as to manage its organisational performance in a strategised manner. This rare mind set exists even though there is no pressure faced by the department from either the top or other parties to do so. The intention of the department is evidenced from the formulation of the departmental-owned BSC strategy map⁵¹.

6.2.7. Internal organisational enablers

⁵¹ During the first major fieldwork, the department that falls into this category is still at its BSC developmental phase and is yet to venture into implementation stage. The progress of this particular department, in its BSC quest, is being followed through during the second fieldwork. The latest findings will be discussed further, in relation to substantive theory, in the next chapter.

This category dealt with the enabling situations that determined the type of response strategies undertaken by the departments. Although, in some contexts in the study, one enabler can take precedence over the others, it is even more imperative to see their inter-relationships that effectively influence the strategies deployed.

First and foremost, it appeared that, as the highest authoritative figure in the department, the director's calls simply become the first key consideration that decided whether the department is interested, or otherwise, to embark on any form of PMMS.

Therefore, it seemed that the directors who have a strong internal drive to make an impact on their organisational outcomes are more inclined to use the BSC mechanism. The BSC application is aimed to assist them to lead and manage the organisation's efforts and results in a more strategised manner. These directors are more than willing to equip themselves, as well as to prepare their relevant staff, with the technical expertise needed for the BSC and hence to garnish further their management skills. Fundamentally, in order to meet the intended purpose, the directors themselves have played a very active role and shown strong dedication during the BSC development and implementation process respectively. The 'active' roles played by such directors have also given, in one way or another, political drive so as to ensure that departmental personnel are all 'on board' and hence willing and able to sustain the departmental BSC owned strategy.

In relation to the above, the dedicated personnel/team assigned to directly assist the director on BSC related matters can then communicate the departmental BSC strategy to people lower down the hierarchy and the expectation required of them. The personnel/team also assumes not just an administrative role but also provides advice and mentoring to the management and staff on departmental owned BSC strategy related matters.

"Our director's commitment [in departmental owned BSC strategy] has shown the significance of our BSC. And this to a large extent has given strong political support that makes it easier for us [as a departmental BSC internal consultant/coordinator] to perform our work with the departmental

members. For instance, asking KPIs can be tedious and potentially bring unpleasant experiences for both the members and for us if it is not done properly. But they knew whenever we ask for their KPIs; it is actually the director who requested it”.

“Moreover, an effective socialisation process, especially during the early stage, and continuous coaching of our departmental BSC, is also crucial because strategic planning can be too technical for some members. So we have to advise them in their familiar language. Like, some heads, time and again, need our assistance to explain to their staff as some still don’t understand the definition of KPIs set down for them. There are cases too where some staff tried to deviate from the original KPIs by insisting that their selected KPIs should be kept in. To me, this is just to show that they are working hard and merely for their personal gain, at the expense of departmental achievement. But when they do that, they didn’t think of the consequence... and apparently still do not understand what is expected from them on our BSC strategy. So we have to brief them and have a dialogue again to clarify the matter...” (Senior administrative staff, NCD).

On top of this, it was also found that the ability of these departments to deploy this strategy is also encouraged by the higher degree of devolution and the lower degree of intra-dependency in managing the departments. Besides, these departments also experienced a lower degree of regulative works that allows them a greater flexibility to manoeuvre and ultimately use BSC to strategically manage their performance.

“Unlike other departments such as PSC, PSD or Audit, we are not bound strictly by any Act. Maybe only on the budgetary process... But the implementation [of the departmental action plan] is highly dependent on the approval of and decision made by our director. So if the director decides to change it [the action plans], I don’t see why it cannot be done” (Senior administrative staff, SMD).

However, despite the higher degree of devolution and the lower degree of intra-dependency and regulative work, there are departments that are rather dismissive of even attempting to embark onto a BSC or any form of PMMS. In

this strategy, it was found that the director appeared to be complacent with the established way of running 'the business' and hence is rather adamant against any major change towards the organisation. Accordingly, there is no concrete effort being made to seriously invest in personnel who could otherwise assist the management if there is ever an intention to develop any form of PMMS.

In relation to the above, there is also a department that has a similar physical arrangement, is keen to direct and manage its organisational efforts and results via a BSC approach. The intention apparently has been triggered from the personal predisposition of the director who wants to make an impact on the organisational results that he/she leads. This further reinforced the significance of the director's calls that determine whether a department is prepared to take on board a BSC mechanism or otherwise. This particular department has a potential to emulate the progress of the well-functioning BSC departments. Nonetheless, any progress would be highly contingent to the role taken by the director him/herself during the BSC strategy implementation phase. This includes the recognition of having internal experts within the department who could facilitate and give advice on departmental BSC related information.

"To implement BSC would not be easy. We are not used to having specific targets imposed upon our work. Top down orders given also tend to be ad hoc. ...That's why, I think, a socialisation on our departmental BSC strategy to the members is very important...the director must also be held accountable and become a champion in it, such as by monitoring progress every three months and take the necessary actions so as to meet the targets set. Otherwise, BSC would become something that is done for window dressing purposes yet that brings no real impact. ...And Yes! ... There must also be someone or a team appointed in here who could act like an internal consultant who can later assist the director and service our BSC progress" (Special duties staff, PMO).

On the other hand, there are also departments, despite the higher degree of devolution and lower degree of intra-dependency, which merely use BSC application as a reporting mechanism for their core routine works. It turned

out that the high degree of regulations, attached to the core established tasks performed, have limited the departments' ability to manoeuvre and implement BSC in a similar way, as done by departments with lower degrees of regulative work. Any change in the action plan would require an amendment on the General Acts and Regulations, which can only be instigated by the appointed ministerial rank committee members.

Ironically, without any direct political enforcement from the ministerial leadership, a similar trend is also found in departments that fall in the same ministerial structure but that have a lower degree of decentralised power and a higher degree of intra-dependency with one another.

Fundamentally, in this strategy the departmental directors tend to distance themselves from becoming actively involved in both the departmental BSC development and implementation phases. It seemed that the departmental owned BSC related business is a matter of less concern for them. Thus, the BSC related affairs are delegated to the junior officers (departmental BSC coordinators), who themselves do not have the authoritative power and so struggle to translate BSC technical concepts into the real working world. Hence, it is not surprising that the role performed by these appointed junior officers is limited to merely compiling and reporting the departmental BSC related information. Consequently, departmental BSC related matters are hardly known by the majority of staff or are limited to those personnel who are assigned to take charge and then to those who are directly affected by them.

6.2.8. Prolonged effects

This category is simply a more general term for the instinctive outcomes. The main properties of the instinctive outcomes were labeled as 'ad-hoc culture', 'overwhelmed with peripheral roles' 'tug of war' and 'overlooking talent'. Specifically, this category simply reflects the long drawn-out consequences of lacking a systematic PMS and sustaining a highly bureaucratic financial system that has governed the running of the public administration of Brunei for a long period of time. The results have been embedded deeply in the public sector of Brunei, wherein the existence of such conditions has been

taken for granted, without ever questioning those enduring institutional conditions that have led to their persistence.

6.2.9. Organisational synergy

There is evidence that the BSC application has brought greater benefits to the individual departments that have implemented the BSC concept, compared to the others who have not done so. However, because of the lack of corporate-like engagement between the ministry and departmental levels in BSC related affairs, it appeared that BSC in Brunei has been unsuccessful to develop and nurture greater and newer inter-departmental relations that would enable the ministry to attain the strategic objectives, as stipulated in its respective BSC strategy. It is apparent that, regardless of the strategies adopted, departments are still resolved to work in isolation from the others and to remain focused on meeting the departmental requirements.

“Our initiatives are mostly bottom-up and cooperation between departments is based on networking on routine tasks that have been [repetitively] carried out...but to have departments to work together formally to attain the strategic objectives stated in the [ministerial-level] BSC, it has never been done. ...Now we just focus on our departmental [BSC] dashboards. But it would be interesting if that [new] kind of [departmental] coordination existed” (Senior operational staff, PSD1).

“When we reviewed our BSC in 2009, we found out that there are things that we want to do more. But apparently it could not be done because it required full cooperation with other departments. For instance, there is one KPI that we set and we proposed the development of a database as the required initiative. The aim is to monitor and capture data with regard to both incoming and outgoing drug-users from prison and so on. But in order to do so we needed full cooperation from both the police and prison departments. We have had meetings with them already but it seemed that it could not materialise. Apparently, both the police and prison department are occupied with their own work, plus other outside difficulties. So for our new revised BSC strategy, we have to forgo that KPI and the intention to develop a joint database system” (Administrative staff, NCD).

All in all, the story of BSC development thus far reveals that the BSC idea has never really been able to bring a transformational, or rather evolutionary, effect to the public sector of Brunei, as had been hoped for.

6.3 Summary

This chapter has discussed the 9 main categories that are significant to the study. Through the axial coding process, these main categories have been developed from the refinement and integration of concepts, in term of properties and dimensions, captured in the 25 open categories. Because of the concurrent nature of the GT process, few main categories have been explored during the open coding process, although, the majority of them are derived from further conceptualisation of the open categories. The next chapter shall discuss and present the findings of the final coding process of this GT research.

Chapter 7: The emergence of substantive grounded theory

7.1 Introduction

After the previous chapter presented the main categories, this chapter deals with the results of the final coding stage of the Grounded Theory (GT) i.e. selective coding. Fundamentally, the purpose of selective coding is to identify the central category, that represents the main phenomenon of the study, and then to integrate the main categories in relation to the central category, so as to form a substantive grounded theory. In doing so, as suggested by Strauss and Corbin (1998), a paradigm model is employed yet is being applied flexibly by taking into consideration the analytical outcomes of the previous coding processes i.e. open and axial coding. The resulting substantive theory derived from the study is summarised in the form of a diagram and is presented in Figure 7.6.

Moreover, as mentioned in section 4.4.9.2, the theoretical scheme of this study has been verified, during the second phase of fieldwork, by narrating the storyline to the earlier respondents. The theoretical scheme is further evaluated by interviewing both the earlier and newer respondents about the recent developments pertinent to the research subject that have taken place at the research sites. In all, the feedback given by the respondents has indicated a strong support to the storyline presented and it can be argued that the theoretical scheme is therefore validated.

7.2 The application of a paradigm model

The paradigm model proposed by Strauss and Corbin (1998) allowed the researcher to integrate the main categories with the research's aim to develop a substantive theory of the study. Although the paradigm model has been referred generally within the axial categories, the components of the model are explicitly used in the selective coding.

In essence, Strauss and Corbin (1998, p. 128) explained the main components of the paradigm model as follows:

“There are *conditions*, a conceptual way of grouping answers to the questions of why, where, how come and when. They form the structure, or set of circumstances or situations, in which phenomena are embedded. There are *actions/interactions*, which are strategic or routine responses made by individuals or groups to issues, problems, happenings, or events that arise under those conditions. Actions/interactions are represented by the questions ‘by whom’ and ‘how’. There are *consequences*, which are outcomes of actions/interactions. Consequences are represented by questions, as to what happens as a result of those actions/interactions or the failure of persons or groups to respond to situations by actions/interactions...”

Having said that, the paradigm model is still applied flexibly i.e. not all features of the paradigm are necessarily carried out. This is to ensure the theory is evolving from the data itself. So the prior analysis of the present study is significant in determining the way the paradigm model is being employed.

This is explained by Strauss and Corbin (1998, p. 142) themselves:

“The paradigm is just one device... Although helpful, the paradigm never should be used in rigid ways; otherwise, it becomes the end rather than the means”.

In line with the GT approach, the theoretical output of the selective coding would be the emergence of the substantive theory that is anchored around the core category, which represents the main phenomenon of the study. The paradigm model of the study, shown in Figure 7.6, indicates the relationship of the core category with the other main categories and is the subject of the following sections.

7.3 The core category or central phenomenon: discretionary engagement

The central phenomenon represents the main theme of the research. It answers '*what is going on in the research*' or tells '*what the research is all about*'. It, then, has the explanatory power to relate to the other main categories to form the wholeness of the research (Strauss and Corbin, 1998).

In fact, Strauss and Corbin (1998) have proposed the main features of a category to be denoted as the core theme. The core category must be central, in order that it can be related to other categories in a logical manner; must occur frequently in the data; has to be abstract so that it can be used in other substantive areas; has a greater explanatory power; and is able to explain variations and the main point generated from the data (ibid). Strauss and Corbin (1998) stated that the core category should come from the existing categories. Yet, they also argued, if none can become one, "another more abstract term or phrase is needed, a conceptual idea under which all the other categories can be subsumed" (p. 146). This is the case discovered in the present study.

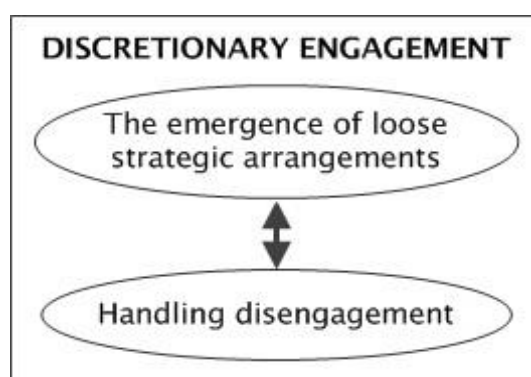
Discretionary engagement is the underlying central phenomenon that explained the progress of the BSC concept in the context of the present study. It essentially deals with the process of loose alignment or disconnection involving the higher-level directions and the respective departmental strategic responses in relation to the ministerial-level BSC strategic goals.

Fundamentally, the absence of explicit regulatory and sanctioning arrangements has hampered the progress of ministerial-level BSC strategy and, over time, has caused it to lose its significance. There is actually a lack of political will to drive the ministries forward in line with the BSC strategy formulated and therefore there are no legitimate and proper followed-up arrangements made to meet its intended outcomes. Thus, there is no real sense of pressure enforcing the departments to commit their efforts to realise the set strategic objectives. Ultimately, the ministerial-level BSC strategy, thus far, has failed to reach its strategic outcomes and has become nothing more than an open-ended document, which is open for the departments to make their own interpretations, with regards to their strategic efforts.

However, there are some departments that have taken a proactive step by pursuing their respective BSC strategic endeavours. But, despite this, there is no clear evidence that a systematic strategic alignment exists between any of the departmental strategic responses taken and the ministerial-level BSC strategic goals.

This core category is essentially characterised by the interaction between ‘the emergence of loose strategic arrangements’ and the ‘handling disengagement’ category as shown in Figure 7.1 below.

Figure 7.1: The core phenomenon; the two-ways interaction between ‘the emergence of loose strategic arrangements’ and ‘handling disengagement’ category



First and foremost, it can be argued that the initial drive of BSC development in the cases studied is simply instrumental. This is evident from the activities carried out by both ministries during the pre- and early BSC development phase that lead to the formulation of the BSC strategy map.

“We didn’t have a well-documented strategic planning before [the introduction of BSC]... We invited a university lecturer... to brief the top management on the BSC concept... My team and I also went to Shell [a multinational corporation] as BSC is like bread and butter for them... We like the BSC idea because it is easy to understand... Then the minister, permanent secretary and I discussed how to formulate the vision and mission for the ministry. The actual outcomes were discussed further among the departmental directors and the teams through workshops handled by a consultant from Shell. During the two weeks workshop, they made comments

on the vision and mission and then came up with the strategic areas and objectives that they wanted to focus on” (Adjunct Professor, UBD).

“The development of BSC strategic planning of the PMO started in December 2003 after it got a green light from all of the permanent secretaries. We hired a consultant [from a local university] to help us to formulate our strategy map. We [senior officers from PMO proper and departmental directors/representatives] meet regularly, that is according to group... at least once a week through workshops so as to formulate the strategy. Permanent secretaries also come at least once a month to give us directions. The formulation stage took 6 months to complete” (Senior administrative staff, S&ED).

Nevertheless, it turned out that the follow-up BSC strategy implementation process at both ministries has somehow become disarrayed. The ministerial-level BSC project at the PMO has become nothing more than an excuse to hold academic forums. Meanwhile at the MoE, although the ministerial-level BSC strategy has been executed and then further revised, the implementation phase tends to proceed in a rather ceremonial manner. The subsequent ministerial-level BSC reporting, as supervised by the SMO, thus far is merely on departmental- focused issues and is lacking strategic orientation.

In essence, both ministries failed to come up with clear and legitimate strategic targets to be systematically pursued by the ministerial members. Apparently, without political pressure and legally binding orders, there is a lack of urgency and readiness for both national and chief executive leaders to be accountable toward ministerial outcomes, such as are stipulated in the ministerial-level BSC strategy. With the absence of those enforced ministerial-level targets, and hence without a proper implementation arrangement being articulated, there is no sense of accountability from different level of management to instrumentally cooperate and coordinate any strategic efforts in relation to the ministerial-level BSC strategy. Evidently, the strategic direction from the top management remained ad-hoc and non-focused. There is no formal monitoring channel established and no strategic communication flow by means of a BSC strategy map from the ministerial level right the way down to the departmental level.

This loose strategic arrangement has ultimately caused the respective departments of both ministries to return to the old way of doing business and/or to pursue their own strategy. The higher-level BSC document has become a general reference that departments can loosely align to or use to facilitate their own interpretations in any way that they see fit as regards to their respective strategic efforts. Yet, there is no obligation for them to do so. The open-ended interpretations, over time, have inadvertently triggered different actions/interactions from the ministerial departments. These responsive strategies are an essential part of the core category, the direct results of ‘the emergence of loose strategic arrangements’ category.

“There must be higher level monitoring of BSC at the ministerial level... so it would be clear and we can see how and where our BSC and our work are related and truly aligned to the PMO. In the absence of that, we just focus on our own [departmental] strategy then” (Senior administrative staff, NCD).

The properties and dimensions of handling disengagement are the subject of the next section.

7.4 Strategies of the core phenomenon

The category of ‘handling disengagement’ characterises the differing types of strategic responses employed by departments in relation to the ministerial-level BSC strategy. Fundamentally, there is no systematic strategic alignment between those departmental strategies and what is required by and from the ministerial-level BSC strategy. Therefore, these strategies actively contribute to ‘the emergence of loose strategic arrangements’ category and hence reinforce the detachment of ministerial-level BSC strategy in the context of public administration in Brunei.

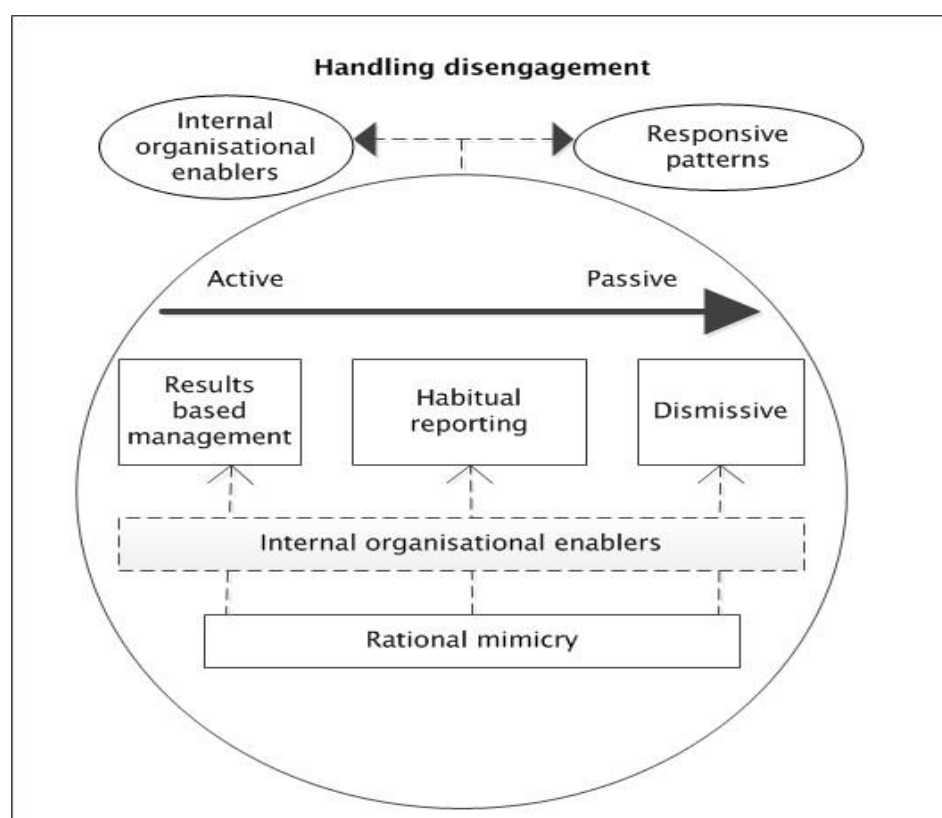
“...We just focus on our department. We don’t know how much our [departmental] BSC dashboard is aligned with or has an impact at the ministerial-level” (Educational staff, PSD1).

Handling disengagement is actually evolved from the interplay between two categories: namely ‘responsive patterns’ and ‘internal organisational

enablers'. The former describes the contextual patterns or the 'how' of the strategies; the latter acts as intervening conditions that directly facilitate or constrain the type of strategies undertaken by the departments.

Despite their distinct characters, those three responses need to be viewed as a spectrum ranging from 'active/proactive' to passive forms of strategies that are decoupled from the higher-level BSC requirements/goals. 'Results based management' is seen as the active/proactive response followed by 'Habitual reporting' and ending with 'Dismissive' as the passive one. Meanwhile, 'Rational mimicry' played a 'crossroads' role that predetermined where the BSC adopters would end up along the spectrum. This dynamic process is portrayed in Figure 7.2 below.

Figure 7.2: The dynamic process of 'handling disengagement' category



7.4.1 Results based management

This strategy is the most 'active' strategy when employing BSC application. It refers to the actions taken by departments that purposely develop and implement a department's own strategic planning via the BSC concept. The

aim is simply to move away from the 'business as usual' mode to become a more efficient organisation. The ministerial-level BSC strategy is 'graphically' coupled, so as to portray there is a general alignment between ministerial and departmental strategy, although there is no systematic strategic alignment being defined. The departmental focused BSC strategy map is effectively designed with clear pre-determined KPIs and associated initiatives to achieve the set strategic objectives.

It is significant that without a strong imposition from the ministerial level, it is the director's ambitions which provide the catalyst for the BSC effort. As the highest authoritative figure, the director personally may well possess a strong internal desire to make a meaningful impact on the organisation that he/she leads. Hence, the continuous commitment of the director is significant in executing and sustaining this strategy.

Accordingly, the BSC map in this strategy has become an active document, wherein the progress of KPIs is being monitored periodically. Yet crucially, checks and balances on the course of the action plans are also being done recurrently. This monitoring includes introducing new, non-routine yet appropriate action plans in order to attain the desired strategic objectives in the best possible way.

Furthermore, execution of the desired strategy is also not possible without the presence of internal professional know-how concerning both the substance and technicalities of the departmental BSC related strategy. This know-how takes the form of a dedicated personnel/team that is able to effectively socialise and communicate the departmental BSC strategy down to the employees' level, as well as performing advisory and mentoring roles to both the management and staff on the subject.

Besides, it has also been revealed that the ability of the adopters to deploy this strategy is facilitated by the higher degree of devolution, lower degree of intra-dependency and lower degree of regulative work possessed. These features have collectively allowed the adopters a greater flexibility to manoeuvre and ultimately use the BSC application in an instrumental

manner. These are the privileges that are apparently enjoyed only by the departments under the PMO.

7.4.2 Habitual reporting

This strategy is employed by those departments that use the BSC framework or ministerial-level BSC objectives in pursuing their own strategy. However, it seemed that any alignment between a ministerial and departmental BSC strategy is more like a symbolic gesture rather than for any instrumental reasons. Primarily, the BSC framework is merely used as a reporting mechanism to record the progress of the core routines tasks of its adopters.

Evidently, there is no recognised BSC map being formulated in this strategy. So, the basis of KPIs formulation to be pursued is actually based on core routine work that is normally being practised by the adopters, yet with no real outcomes to reflect on.

In this type of strategic context, the director seemed reluctant to take the lead and to become personally involved in the execution process. The departmental BSC related activities are actually delegated to the junior officer(s) level. This level of officer does not have sufficient authority over the department, nor do some of them have adequate professional know-how to translate the BSC idea into practice. Hence, the role performed by them is merely compiling and reporting the departmental BSC related information.

These factors explain why there is hardly any periodic evaluations of the departmental KPIs employed and yet crucially on the course of actions taken to tackle any pre-determined KPIs that could not be reached. So, the nature of established routine work remains and tends to be repetitively performed over the years. New initiatives introduced, if any, are independently managed and therefore not reflected in the departmental BSC dashboards being used.

This strategy, as supervised by the SMO, is practiced wholly by departments under the MoE, which tend to have a lower degree of decentralised power and high degrees of intra-dependency with one another⁵².

Nevertheless, it has been revealed that this strategy is also practiced by department(s) under the PMO that experienced a high degree of regulations attached to their core established routines, despite them having a higher degree of devolution and lower degree of intra-dependency. This factor actually limits its adopters to manoeuvre and emulate a 'results based management' strategy, particularly if introducing new initiatives or changes to the established action plans. To do this would require an amendment to the General Acts and the Public Sector Regulations; this can only be instigated and executed by the appointed ministerial rank committee members.

Poor cascading efforts suggest that departmental led BSC related activities are scarcely known by the majority of the department's members or are limited to those personnel who are assigned to take charge and then to those who are directly affected by such activities.

7.4.3 Dismissive

This is the third and passive form of strategic response to the ministerial-level BSC strategy. The departments who adopt this approach simply disregarded the need to implement a BSC or similar concept. Those who attempted but failed also fall into this group. The departments seem unwilling to change and hence become accustomed to and comfortable with the 'business as usual' mode.

Notably, the ministerial-level BSC strategy has never become a point of discussion. And there is no effort being made to formulate KPIs or to assess the established action plans so as to improve the organisational performance

⁵² During the second fieldwork, it was found that this type of strategy persisted and continued to be employed by the departments in the MoE, even under the new revised version of the ministerial-level BSC strategy.

and fulfil the stakeholders' needs. So, there are hardly any new action plans being designed and the established routine tasks have been taken for granted and repetitively conducted over the years. The adopters of this strategy i.e. departments under the PMO, actually have the opportunity to pursue and implement a 'results based management' strategy. This is judging from similar structural arrangements (higher degree of devolution, lower degree of intra-dependency and lower degree of regulative work) that they possess as compared with those already having adopted a 'results based management' strategy. However, it seemed that, fundamentally, the director opted not to pursue it and is rather complacent with the established way of running the business or occupied with current routine work. Accordingly, there is no serious effort being attempted to invest in professional know-how in order to make the organisation perform in a more strategised manner.

7.4.4 Rational mimicry

This refers to the actions taken by a department, under the PMO, that was keen to break away from the 'business as usual' mode and to emulate the 'results based management' strategy. Evidently, during the first fieldwork, the department concerned has taken necessary activities to come up with departmental owned BSC strategic map, although it is yet to embark into the implementation phase.

Similar to the 'results based management' strategy, the impetus for this department's actions is actually triggered by the personal predisposition of the director himself/herself. This further reinforced the importance of the director's calls that decide whether or not the department is to undertake a BSC mechanism or similar in managing its organisational strategy.

Although the process of change undertaken is yet to accomplish its purpose, the department concerned has similar structural arrangements with those already in the 'results-based management' strategy environment. So, it has the potential to emulate or to be upgraded into the world of the 'results based management' strategy. Nonetheless, the upgrade would be highly contingent upon the 'active' role taken by the director himself/herself during

the execution phase. Otherwise, the process of change could turn out to become merely another ‘habitual reporting’ strategy or, in time, end up ‘on the shelf’ with a ‘dismissive’ label altogether⁵³.

In the latest development, the above proposition was confirmed during the second fieldwork, whereby the department concerned turned out to be unsuccessful in translating its BSC strategy development into the implementation phase. Contextually, the director that initiated the departmental-owned BSC strategy had formally retired and was replaced by an outside official. Apparently, thus far, without any political enforcement, the departmental BSC project is not a matter of priority for the new director and thus never really materialised. Hence, the department seems to have returned to ‘business as usual’ mode and embraced the ‘dismissive’ strategy.

This development is confirmed by the special duties staff, PMO *“We managed to finish up our BSC strategy...with [pre-determined] KPIs and what action plans to be done and all that. Unfortunately, not long after that our [old] director has taken a long mandatory retiring leave and has eventually retired... then the directorial position has been taken over by a new person from PSD. He is still in an ‘acting’ capacity. Ever since he is here, he seemed to be pretty much occupied with the routine work and I can tell our BSC strategy implementation, thus far, seemed not a matter of priority for him to pursue... This BSC strategy [development] is like a personal thing and it depends on who the director is. If our [old] director were still here, I am sure our BSC would proceed... now [ultimately] with no new direction, we just follow the usual work that has all been done before then”*.

The next section discusses the causal conditions that led to the occurrence of the core category.

7.5 Causal conditions

⁵³ The latter outcome was actually experienced by one of the adopters of the ‘results based management’ strategy until the strategy became revived under the new leadership.

Causal conditions can be defined as the sets of events or incidents that triggered the emergence of the core phenomenon. The causal conditions in this GT study can be divided into micro and macro conditions. The former category is close to and directly caused the core phenomenon. Meanwhile, the latter significantly affects the development of the former and hence becomes part of the conditional contexts. These conditional relationships, which result in the occurrence of the core phenomenon, are explored in the next subsections.

7.5.1 Macro condition

This condition refers to the ‘hierarchical deference’ category that considers the impact of the economic and socio-cultural environments that have a direct effect on the readiness of the public sector to embrace a performance driven paradigm. Firstly, the perceived ‘comfort zone’ enjoyed by the Bruneians, as a result of the fiscal sustainability, has caused different levels of public servants to become complacent in their public affairs. Hence they, particularly the top policy makers, are under no pressure to urgently exercise a greater form of responsible accountability toward the citizens of Brunei.

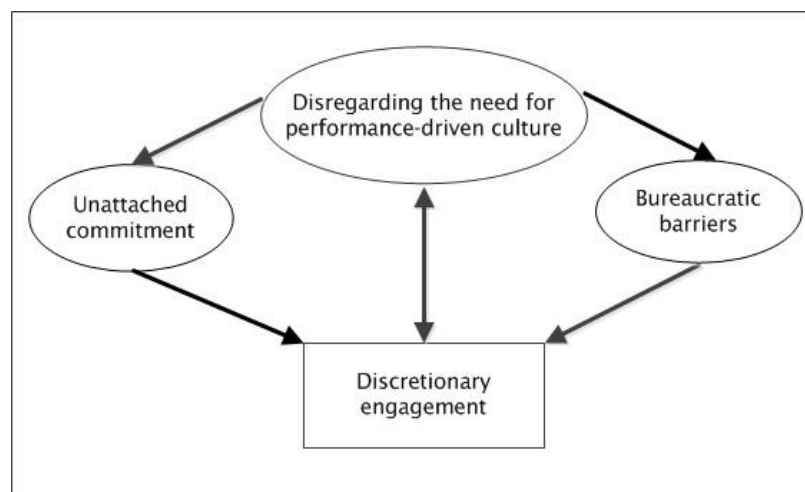
Moreover, a strong adherence to the ‘typical’ socio-cultural mores has also influenced the predominantly Malay public servants to be less inclined to take major yet risky initiatives that could potentially bring long-term benefits to the general public. Hence, without strong political orders and enforcement they, more often than not, are unwilling to take any risks and much prefer to play safe in their actions, whilst remaining in their comfort zones.

7.5.2 Micro conditions

There are three types of categories in the micro condition, which directly lead to the emergence of the core phenomenon. They are ‘disregarding the need for performance-driven culture’, ‘unattached commitment’ and ‘bureaucratic barriers’. Each of these categories is affecting the core phenomenon in one-way or another, particularly the ‘emergence of loose strategic arrangements’ category. In fact, these conditioners also tend to be related with one another, which provided contextual conditions that also form the structure in which

the core phenomenon is positioned. Figure 7.3 below shows how micro conditions interact with one another and in affecting the core phenomenon.

Figure 7.3: The interplay of micro conditioners in affecting the core phenomenon



First and foremost, the ‘disregarding the need for performance-driven culture’ category emerged to be the prime condition that caused the occurrence of the other two variables. This category, as mentioned above, is a direct result of the macro condition i.e. ‘hierarchical deference’. So, because of this, the public servants at different levels in Brunei appeared to be complacent in their work and with their current performance rates. This has caused them to become risk-averse and reluctant to change. Moreover, the insignificance of meritocracy based performance measurement, and hence the lack of any sense of performance-based accountability, simply does not facilitate the cause for the public sector in Brunei to move forward with the performance-based management culture, as advocated by the BSC approach. Fundamentally, this can be attributed to the absence of strong ministerial leaders with a strategic vision, who could otherwise provide leadership and political drive to move their ministries to work collectively towards the attainment of ministerial strategic goals. This is indeed a significant factor because, without higher- level orders and pressure to perform, there is a lack of urgency and willingness for the current top policy makers to make necessary transformational changes because of the fear of repercussions and creating a negative image, if any of the ministerial-level outcomes or targets are not attained.

Even with the change of top and executive leadership at both ministries, strategic priorities have never become a significant subject to deal with and hence have contributed directly to 'the emergence of loose strategic arrangements' category. This is evident from the unwillingness of the ministerial leadership to appreciate the need to have legal higher-level targets and to be accountable for any of the ministerial outcomes set in the ministerial-level BSC strategy. The insignificance of strategic priorities is also notable from the absence of a systematic and corporate roadmap as well as the lack of higher-level engagement in the National Vision 2035.

"In here [Brunei], there is no urgency and pressure to create higher-level KPIs as the surrounding environments do not help the cause, unlike in democratic countries. ... A good example is what happened to Malaysia, when BN [a ruling coalition political party that has ruled Malaysian since Independence in 1957 till now] lost its comfortable two- third ruling seats in the last general election [in 2008]; it was like a wake- up call for them. The situation is seen as a 'crisis' that triggered the politicians to embark into a major government [and economic] transformational programme in order to be more citizen-centric and to step up the efforts to attain [the National] Vision 2020. In that [government transformational] programme, [relevant] ministries are assigned with the respective KPIs to attain and their ministers [politicians] have to own them and ensure the ministry delivered. The ministers then would have to report the progress of KPIs to the Prime Minister. ... Here [in Brunei] if politicians [ministers] are not performing it is ok" (Adjunct Professor, UBD).

The causal condition referred to above has also inadvertently led to the reinforcement of the 'bureaucratic barriers' category. Financial and human resources are two crucial inputs to the strategy implementation, as advocated by the BSC approach. But again, with the complacent attitudes and the lack of compulsion to perform, there is no urgency for the top policy makers to flex and transform the rigid bureaucratic rules and procedures that have institutionally regulated the sector. Accordingly, public agencies simply lack the autonomy to use those two resources and to decide on their end-results. Apparently, the budgetary allocation structure is still predominantly based on the routine procedures or historical values of operations rather than on the actual outcomes. Additionally, the new

developmental projects are also still catered for through the prism of meeting the departmental strategic requirements, instead of focusing on ministerial-wide strategies as whole. Hence, the current institutional arrangement for applying these two important resources has a direct impact on the outcome-based BSC strategic planning of both ministries by preventing such plans from being effectively carried out.

Moreover, the prime causal micro condition also has a direct effect on the development of the 'unattached commitment' category. It can be expected that the lack of enforcement to perform and hence the insignificance of strategic priorities among the national leaders, has left the ministerial-level BSC strategy without a strong political drive to be moved forward. Thus, there is no sense of obligation either for the executive leaders to administer the ministries or to gear-up their efforts to attain the strategic outcomes of the ministerial-level BSC strategy in a corporate- like manner. This has led to the failure of the cascading process of ministerial level BSC strategy at the PMO and the MoE to take- off and to be performed effectively. The degree of awareness of the ministerial-level BSC strategies at the PMO and MoE then diminished and is now only a matter of concern to lower-level officers who are directly involved respectively.

Ultimately, the strategic direction given from the ministerial level remained ad-hoc and rather detached from the ministerial-level BSC strategy. Clearly, there is no systematic communication flow from the ministries, in relation to the ministerial level BSC strategy, down to the departmental level. So, there is no sense of pressure that convinced departmental leaders to specifically champion and then gear up proper actions within their department to systematically attain the strategic objectives set in the BSC strategy map of each ministry.

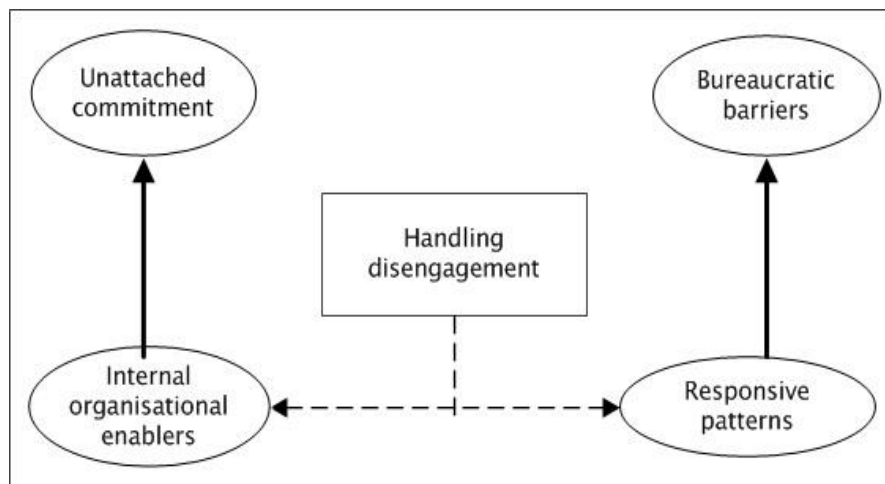
There is actually a higher expectation, or rather misconception, for the SMO to lead the way in the BSC strategy implementation for both ministries. But, without political support and commitment, the Office itself does not have a strong legitimate position within the ministry and is lacking the technical skills and experience to translate BSC concepts and ideas into practice. Consequently, the function of the SMO, particularly at the PMO, is limited to

collecting departmental owned BSC related information but with no feedback given back to the departments. Meanwhile, although the SMO at the MoE, thus far has been able to publish and disseminate quarterly BSC reports, the information gathered tends to be routine in nature and has failed to instrumentally reflect any accomplishment regarding the ministerial-level BSC strategic objectives.

"It is again back to political commitment and leadership...there is no excuse, if we've got no resources [money and people], they [minister] can say I will give you resources. So, I don't know maybe in Brunei, everything must get an order first before anything can really be moved" (Top executive officer1).

Nonetheless, the different types of responses from departments, through 'internal organisational enablers' and 'responsive patterns' categories, towards BSC development are seemingly unexpected and hence have intervened the effect of the 'unattached commitment' and 'bureaucratic barriers' categories respectively. Fundamentally, the strict rules and procedures imposed have often been perceived as an institutional barrier for the ministerial departments to secure both the finance and human resources needed for the implementation of their strategies. So, departments can be rather passive in their response in dealing with the restrictions. However, despite the control, there are also other departments that acted progressively and hence are prepared to deploy the necessary resources and/or seek other alternative means so as to attain their intended outcomes in the best possible way. Likewise, despite the general passivity toward the ministerial-level BSC strategy and the lack of political enforcement, there are, unexpectedly yet remarkably, some departmental directors who are keen to make an impact on organisational outcomes and are excited to apply the BSC mechanism instrumentally. These contextual relationships, as shown in Figure 7.4, become a significant part of the structure that led to the above-mentioned response strategies to emerge.

Figure 7.4: The intervening effects of ‘internal organisational enablers’ and ‘responsive patterns’ categories toward ‘unattached commitment’ and ‘bureaucratic barriers’ categories respectively



In all, the interaction between inter- related conditions and the core phenomenon have brought inevitable consequences, which will be discussed in the following section.

7.6 Consequences of core phenomenon

Consequences basically represented the outcomes of the core phenomenon. Just like the causal conditions, the consequences in this study can be distinguished between micro and macro consequences. The former concerns the degree of impact of the core phenomenon at the intra-departmental and inter-departmental levels within the ministries. Meanwhile, the latter relates to the effects of BSC development in the much-wider context of the public sector in Brunei.

7.6.1 Micro consequence

This level of consequence is represented by the ‘organisational synergy’ category. This category examined the resulting process of the different types of responsive strategies and the general impact of core phenomenon in terms of inter-departmental relationship within the ministry. The resulting impacts are then fed back into the core phenomenon influencing the other

underlying strategies. The relationship of core phenomenon with 'organisational synergy' is shown in Figure 7.5 below

Figure 7.5: The two-ways interaction of core phenomenon with 'organisational synergy' category



First of all, departments that do not perceive or simply choose to dismiss the needs of performance management, as advocated by the BSC mechanism, appeared to resume the 'business as usual' mode in their operation. Fundamentally, there is no proper direction and systemic planning for the departments to pursue and to arrange in a strategised manner. So, departments under this strategy tend to perform routine work annually and every so often are interrupted by ad- hoc tasks that are usually derived from the requests made at the ministerial level or from outside parties. There are also no assessments made as to whether the tasks are relevant to or meeting the stakeholders' aspirations, or even to have proper targets for those routine tasks. Therefore, there is no sense of urgency in the work performance rate within the departments and no sense of strategic accomplishment towards any outcomes among the members. It is therefore to be expected that the nature of work cooperation and coordination within the departments also appeared to be in a conventional mode.

"Without proper strategic planning and direction, our work tend to be just routine and a lot of ad-hoc. There is hardly any work prioritisation. Everything seemed to be urgent. But often, after doing the work, that's it, I meant there is no feeling of accomplishment and you don't really see how the work actually contributed to certain results or goals. There is no communication from our [top] management that this work and result would

relate to this objective and that. In fact, since I have worked here, there is no core output being discussed and expected, so obviously productivity is low where people tend to be laid back in doing the work. ...[Moreover] with the lack of common goals, there is a trend I see here that some people are more driven to pursue personal agendas... If we [department] have clear objectives and targets etc., it would be easier for us to work together to attain those goals instead of pursuing personal agendas. So that's why if we have a system like BSC, it would be great as things would become transparent and it could actually tackle many of the [organisational] issues mentioned earlier" (Senior economic staff, DoEP&D).

In another related development, the organisational effects experienced by the 'dismissive' strategists actually become organisational issues that the adopters of the 'results based management' strategy tried to tackle in the long run. Evidently, the 'results based management' strategists seem able to lessen the effects gradually and have experienced some positive organisational results in their BSC application. Meanwhile a department that embarks on a 'rational mimicry' process could potentially enjoy a higher level of positive impact, as experienced by 'results based management' strategists, if the BSC strategy is effectively implemented. Otherwise, as indicated in the study, the change process of 'rational mimicry' ends up with the 'dismissive' mode.

So, with the BSC strategy map formulation, the 'results based management' strategists are able to provide a sense of strategic direction to aim for. Subsequently, with the development of legitimate and enforced KPIs, this has created a sense of drive within the department in order to attain them. This is actually a new development that has never been experienced by the members during the pre-BSC era. In essence, the adopters have been able to prioritise the work performed in a more strategised manner and to attain a greater level of intra-departmental cooperation among the members, like never before. Besides, a greater degree of transparency is also attained in terms of the work performed and the level of performance rate. At the end, unlike other strategies, this model has been able to foster a greater sense of strategic accomplishment among its user members, knowing that the department is moving toward the attainment of its set strategic objectives.

Nonetheless, without a strategic outlook and 'active' strategy implementation, any potential BSC implements could end up merely stuck in the 'habitual reporting' phase. The 'habitual reporting' adopters, nonetheless, did experience some of the benefits earned by the 'results based management' strategists. A positive or increased result is obvious in terms of a sense of drive among the relevant members to attain the KPIs set, as well as in the degree of transparency of the work performed and on the rate of performance. However, the 'habitual reporting' strategists, as the label implied, failed to utilise the BSC model that could have provided a sense of direction to its members and to change the departmental planning and management. The adopters were unable to use the BSC model to go beyond their routine work and hence the level of cooperation rested at the conventional mode. Consequently, the members in this strategy failed to feel a greater sense of strategic achievement in their work, as was experienced by the 'results based management' strategists.

Nevertheless, having said all of the above, without political engagement, the BSC application in both the ministries has been unsuccessful in developing and nurturing a new form of inter-departmental relations and cohesion that would enable the ministry to actually attain its strategic objectives, as stipulated in its respective BSC strategy. The impact of the BSC concept is rather limited within the departments and yet they are still bound to work in relative isolation from one another.

"Targets [from the PMO] are not even clear... PMO should make interviews, questionnaires to measure and get feedbacks from the people so as to make it clear. Although we refer to the theme set [under PMO owned BSC strategy map], but to what extent is our contribution correctly aligned to what is required by them? It is kind of difficult really, as how are you going to align work and result to something that is not clear and can hardly be communicated... [So] this loose alignment explained why departments still work in compartments" (Special duties staff, PMO).

In retrospect, it can be said that BSC development is only able to bring a relatively minor evolutionary effect to either ministry.

7.6.2 Macro consequence

In relation to the above, as shown in the two case studies of the BSC development, the decoupled state has never been able to bring a transformational change as was hoped for and as advocated by the BSC concept. It appeared that the readiness of the sector to embrace the implementation of PMMS or performance driven working culture is very low. Thus, the associated long-drawn-out outcomes tend to endure and are still taken for granted. The 'ad hoc working culture' in essence has provided feedback into, and influenced the causal condition by reinforcing the insignificance of performance management culture in the sector. This scenario could recapitulate the whole process further, especially if the causal conditions persist.

In all, the well-embedded institutional conditions have diluted the potential of the BSCs that have been attempted and those conditions are still predominantly dictating the governance and the running of the public administration in Brunei as a whole.

7.7 An integrative model of discretionary engagement of BSC in the context of public sector

The above-mentioned main categories can be summarised and integrated with one another into a model as showed in figure 7.6 below. The model shows the proposed process of 'discretionary engagement' of BSC application in the context of the public sector.

As indicated in the figure below, the core category above is the resulting process of the contextual conditioners. First and foremost, the contextual condition can be traced back from the macro condition of 'hierarchical deference', which then created the micro conditions, particularly the 'disregarding the need for performance-driven culture'. The latter becomes the main micro condition that has a direct effect on bolstering the other micro conditioners i.e. 'unattached commitment' and 'bureaucratic barriers'. The loose alignment is then essentially triggered from the effect and

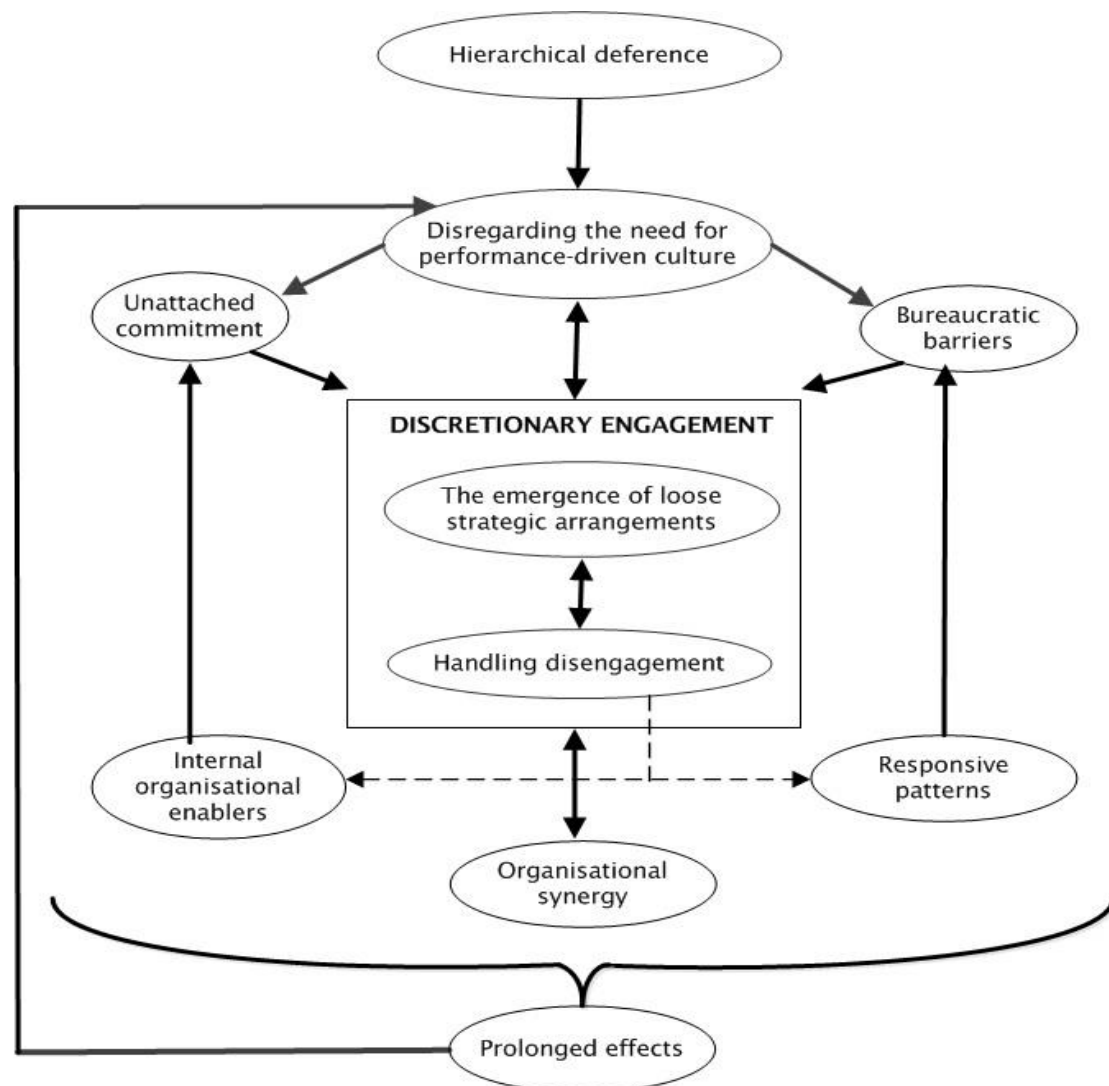
interaction of these micro conditioners, in a form of 'the emergence of loose strategic arrangements'.

The loose strategic arrangement, in relation to ministerial-level BSC strategy, has inadvertently led to different responsive strategies from the respective departments. These differing types of strategies are grouped together and deciphered as the 'handling disengagement', which, in turn, contributing back to 'the emergence of loose strategic arrangements' category and hence reinforcing and becoming an essential part of the core category process.

The different strategies deployed actually evolved from the interplay between the 'responsive patterns' and the 'internal organisational enablers' categories, which mediated the effect of the 'unattached commitment' and the 'bureaucratic barriers' categories respectively. These contextual relationships become part of the structure that led the above-mentioned strategies to emerge.

As a consequence, it is projected that the different strategies have brought varying impacts to the respective adopters, which in turn interact and influence the development of the other underlying strategies. Nonetheless, the impact of BSC application is rather micro in its proportion or failed to go beyond the intra-departmental level. It was certainly unsuccessful in bringing transformational or macro-level change to the ministries and the way the public sector in Brunei is administered. Evidently, the macro consequence was prolonged and is still taken for granted, and continues to influence the prime micro conditioner.

Figure 7.6: The paradigm model of ‘discretionary engagement’ of BSC in the context of public sector



Notes:

- ↑ - indicates one-way interaction. For example- ‘hierarchical deference’ category has an effect towards ‘disregarding the need for performance-driven culture’ category.
- ↕ - indicates two-ways interaction. For example- ‘disregarding the need for performance-driven culture’ category and the core category of ‘discretionary engagement’ have an effect on each other.
- - shows ‘handling disengagement’ category that is derived from two-ways interaction between ‘responsive patterns’ and ‘internal organisational enablers’ category.
- ⏟ - pointed out the impacts of the whole process with regard to the BSC application in Brunei’s public sector.

7.8 Summary

This chapter has discussed the analytical outcome of the final coding stage of GT analysis i.e. selective coding. Discretionary engagement appeared to be the central phenomenon that explained the progress of BSC in the context of the public sector studied. It required an outside and a more abstract category to derive the core phenomenon, which then pulled together the other categories so as to form a substantive grounded theory. In doing so, a paradigm model proposed by Strauss and Corbin (1998) has been employed flexibly, by taking into consideration the analytical outcomes of both the open and axial coding. Accordingly, the emergence of a substantive theory has been able to be summarised in a form of a diagram. The purpose of the next chapter is to corroborate the position of the emergent substantive theory in context of the relevant literature.

Chapter 8: The emergent theory within the existing literature

8.1 Introduction

The purpose of this chapter is to corroborate the emergent theory developed in chapter 7 in view of relevant existing literature. Comparing the present study with the relevant literature is an important task because it can extend, validate and refine the knowledge of the related field (Corbin and Strauss, 2008).

In accordance with the research methodology used, a general literature review has been undertaken at the beginning of the study. But clearly the earlier reviews discussed were generic and hence limited in explaining the emerging research findings. Locke (2001) remarked that the literature reviews associated with Grounded Theory (GT) might not necessarily be used in the final corroboration process. Although some of the earlier literature reviews are referred to, the main research findings have inevitably demanded in-depth analysis of new relevant publications that were not explored earlier. The literature of Decoupling/Loose coupling, in the realm of the New Institutional Sociology (NIS) of Institutional Theory (IT), is thought well-suited to be explored further, and hence discussed in corroboration with the theoretical model developed in the previous chapter⁵⁴. Specific attention is given to the concept of loose coupling of Performance Management and Measurement System (PMMS) in the public sector environment. Yet, the intra-disciplinary work in IT is also referred to in order to supplement the discussion of the main theme.

8.2 Institutional Theory (IT) in organisational studies

⁵⁴ Despite the different definitions given by some authors to both the terms, the terms decoupling and loose coupling are used interchangeably in this study, as is often the case in IT studies, which depict an element of disconnectedness found in the present context.

The development of IT can be dated back to the late 19th century and can be traced up to the middle of 20th century (Scott, 2008a). The work of early institutional theorists can be categorised into three disciplinary camps: economics, political science and sociology (ibid). But, until the 1940s and 1950s, most early institutional theorists did not focus their attention on organisational studies (Scott, 2008a). The discussion between institutional arguments and organisational studies grew in the 1970s. This development led to the emergence of neo-institutional views on those three camps in the area of organisational studies (ibid)⁵⁵. Scott (2008a) stated that an early effort to introduce neo-institutional arguments within the field of organisational studies was advocated by David Silverman (1971). He proposed a phenomenological view of organisations that gave attention to the meaning systems functioning not just in an individual's mind but also in the 'social fact' of dwelling in social customs (ibid). Silverman further specified that the organisation's external environments could also represent a meaning system that was worthy of being hypothesised (Scott, 2008a).

Since then, many theorists (e.g.: Meyer and Rowan, 1977; Zucker, 1977; DiMaggio and Powell, 1983; and etc.) entered the field in order to introduce and develop neo- institutional arguments and have progressed to become more influential in studying organisations.

Thus, as evident in Chapter 2, IT has been widely used among the public management theorists, so as to analyse managerial innovations such as the BSC (Kasperskaya, 2008; Ashworth, Boyne, and Delbridge, 2009; Arnaboldi, Azzone and Palermo, 2010). The development of PMMS or BSC is based predominantly in a technical model. IT tends to complement it by providing a broader alternative view highlighting the facets of social, political and other non-technical requirements in relation to this new system (Birkinshaw, Hamel and Mol, 2008; Modell, 2009; Arnaboldi, Azzone and Palermo, 2010). But, despite the development, both BSC in the public sector environment and IT in organisational studies, still have more room for research improvement which certainly makes it an exciting topic to be pursued further (Scott, 2008b).

⁵⁵ Please see the work of Scott (2008a) for a detailed discussion on the progress of IT from the historical and early thinking to its contemporary development, particularly in the realm of organisational studies.

Having said that, because of the diverse coverage of IT, even in organisational studies, the focus in this chapter will be to discuss the elements of IT, particularly in association with the decoupling/loose coupling, in line with the main findings of the study.

8.3 Core phenomenon and decoupling

The word *decouple* [verb] means to “*separate, disengage, or dissociate (something) from something else*” (Oxford Dictionaries, 2013).

The general definitions of decoupling given above ideally provides a snapshot of ‘*what is actually going on*’ with the BSC in Brunei’s public sector. The core phenomenon of the present study can be referred to as a decoupling (disconnection, separation, disengagement) process involving the higher-level directions and the respective departmental strategic responses in relation to the ministerial-level BSC strategic goals.

The process of decoupling of BSC in the studied ministries is characterised by the absence of legally followed-up strategic ‘coupling’ arrangements being established after the ministerial-level BSC strategy formulation. The decoupling process is further reinforced at the agency level when there is no systematic strategic alignment between the more or less proactive strategic responses employed by the respective ministerial departments with the ministerial-level BSC strategic goals.

The trend of decoupling in the IT literature seems highly relevant in explaining the core phenomenon and the theoretical relationships described in Chapter 7. This is because firstly the discussion of the main themes is able to dismiss the classical view of decoupling as a ‘given’ state in any institutionalised organisation. Yet, the core phenomenon and the theoretical relationships support the latest development of decoupling by illustrating it as a resulting process that emerged from the working out of internal institutional processes rooted in the sector.

The subsequent sections of this chapter are dedicated to a detailed discussion of the corroboration of the main findings with the relevant

literature. But attention, in line with the core theme of the findings, is given to the loose coupling of PMMS in the public sector environment. Additionally, because of the complementary nature of different disciplines of IT in organisational studies (See e.g.: Siti Nabiha and Scapens, 2005; Kasperskaya, 2008), related work from intra-disciplinary studies of IT are also inevitably referred to, so as to supplement the main theme discussion.

8.4 Theoretical foundation of decoupling in organisational studies

Decoupling is arguably one important tenet in IT, particularly in the disciplinary camp of NIS. The concept of decoupling, as classically defined by Meyer and Rowan (1977), rests on the separation of symbolic display for external, legitimacy-seeking purposes from operating-level practices and actions in an organisation. The authors elaborated further the key features of a decoupled organisation as follows:

“Activities are performed beyond the purview of managers. In particular, organizations actively encourage professionalism, and activities are delegated to professionals. Goals are made ambiguous... Data on technical performance are eliminated or rendered invisible... Integration is avoided, program implementation is neglected, and inspection and evaluation are ceremonialized... The organization cannot formally coordinate activities because its formal rules, if applied, would generate inconsistencies. Therefore, individuals are left to work out technical interdependencies informally. The ability to coordinate things in violation of the rules- that is to get along with other people- is highly valued” (p. 357).

Meyer and Rowan (1977) added that organisations tend to respond to institutional pressures by ‘ceremonial conformity’. An organisation feels compelled to adopt structural changes, in response to institutional demands, but then proceeded to ‘decouple’ them from practical realities (Scott, 2008b). It is argued that the organisation is inclined to adopt a rationalised structure and new organisational models merely for the purpose of window dressing, which could then improve the image and legitimacy of the organisation in its environment, at the expense of greater efficiency (Kasperskaya, 2008). This is because, as claimed by the author, any organisation, particularly in the

public sector environment, that could portray the 'right' image would carry with it a greater social status and hence allow the organisation to capture the required resources.

As pointed out by Bromley and Powell (2012), new policies are often adopted, yet the follow-up implementation, evaluation and monitoring processes are simply absent or are mere ceremonial acts that can hardly affect the operational routines. Thus, said Carruthers (1995), more efforts are spent on endorsing the policies or official statements of the procedure/structure than in subsequently sticking to them. For instance, many public schools in America are adopting *"formal structures such as curricula, educational philosophies, professional philosophies, organizational charts, professional credentials and budgets, yet classroom activities are nevertheless remarkably detached from all these [;] plans come and go, curricula rise and fall, budgets are made and broken [,] but there is a great degree of stability in the classroom experiences of both teachers and students"* (ibid, p. 315).

When the degree of decoupling is greater, as emphasised by Carruthers (1995), the spread of any rationalised procedures/structures is attributed more to institutional isomorphism, at the expense of technical efficiency.

8.5 The theoretical development of decoupling of PMMS in the public sector

Over the decades, there have been many exploratory studies conducted (e.g.: Johnsen *et al.*, 2001; Cavalluzzo and Ittner, 2004; Johnsson and Siverbo, 2009; etc.) affirming the view that decoupling is largely a 'given' or stable attribute to any institutionalised organisation. Nonetheless, the arguments offered by these studies on loose coupling tend to be rather ingenuous. Thus, in recent years, there have been writers who began to question and unwind the simplistic nature of this argument (Siti Nabiha and Scapens, 2005; Scott, 2008b and Modell, 2009).

In the realm of the government sector, there have been empirical studies conducted that demonstrated varying degree of decoupling of structures and

actions, in association with the PMMS, which occurred within the organisation or field (Scott, 2008b). For instance, Modell (2003) made a discovery in the PMMS of Swedish public sector, where loose coupling occurred between KPIs and organisational goals. On top of this, the author found that loose coupling of PMMS is essentially triggered because of the power struggle between multiple actors within the institutional field. Similarly, the study by Siti Nabiha and Scapens (2005) of a publicly owned company demonstrated how the new system is decoupled from the daily operations. They found that the decoupling is an outcome that emerged as a result of a complex and dynamic process involving local, operating-level resistance to change in PMMS. In another study, a coercive pressure from the main stakeholder led the managers of local health authorities in the UK to decouple the PMMS of their agencies. They did this by catering for the targets desired by the central government at the expense of local needs, in order to preserve their self-interest (Chang, 2006). These findings are some of the examples that indicate the process of decoupling can be highly contextual. Thus, there is a need to discover by closely and interpretively investigated how decoupling actually emerges within an organisation (Siti Nabiha and Scapens, 2006; Modell, 2003 and 2009).

8.6 The emergence of the decoupling of PMMS in the present context

In the context of this study, the core phenomenon can be regarded as a loose-coupling/decoupling process involving the higher-level directions and the respective departmental strategic responses in relation to ministerial-level BSC strategic goals. The in-depth study made is able to refute the universal view of decoupling as a 'given' or inevitable organisational response to institutional demands. Instead, the research findings contributed to the contemporary literature of decoupling by illustrating how decoupling is actually a process that emerged from the internal institutional processes embedded in the public sector of Brunei. Furthermore, this research, in line with the comment made by Scott (2008b), is also able to produce a systematic multi-level analysis in relation to the core theme. This could generate a greater understanding within the field, although the focus is still on the organisation as the main character of the study.

To begin with, this research is an advocate of the issues raised by the later NIS writers (e.g.: Scott and Meyer, 1991; Siti Nabiha and Scapens, 2006; Modell, 2009) concerning the strict dichotomy between legitimate (ceremonial) and efficient (instrumental) rationale in relation to PMMS application. So, this study is able to concur with the intertwining of efficiency and legitimacy seeking reasoning in the BSC venture. This dynamic phenomenon is also responding to the call made by Modell (2009) for more such studies to be produced in the literature. Indeed, based on the initial perceived belief of the benefits of the BSC concept and the early phase activities performed, it is stimulating to recognise the instrumental intention of the ministerial-level BSC strategy development. However, it turned out that the energy and mind-set have gradually declined, resulting in the followed-up BSC implementation process at both ministries to somehow become disarrayed. Despite the know-how of both ministries in formulating their respective BSC strategy maps, they tended to overlook or failed to take into consideration the institutional contexts governing the sector when executing the strategy. Norreklit (2000) actually questioned the simplistic view, wherein a BSC can function instrumentally as a generic strategic management mechanism without considering the intricacy of the organisation in which the mechanism is expected to function. In fact, based on the Western experience, the BSC adoption in the public sectors of developing countries definitely required a different approach, as well as accepting that the adoption process faced both different institutional contexts and constraints (Holmes, de Pineres and Kiel, 2006; Johnsen, 2005).

So, despite the instrumental value and intention of the ministerial-level BSC strategy during the formulation phase, however, that endeavour has turned out to be nothing more than just a symbolic window-dressing gesture. Fundamentally, the higher-level BSC strategy is used largely in a ceremonial manner. The well-embedded institutional norms and values of Brunei's public sector, as discussed further below, still predominantly dictate the public governance and administration of Brunei as a whole. This, in turn, has diluted the potential of any BSCs that were attempted as well as the higher-level strategy intended to be pursued.

The adoption of PMMS, such as the BSC, can essentially play a pivotal role in generating accountable relationships and hence encouraging personnel to reflect on the outcomes of the actions taken within the government sector (Anthony and Young, 2003; Chang, 2009). Nonetheless, Dunsire (1978, p. 41) stressed “it is the coupling of information with its evaluation and application of sanctions that gives “accountability”... [its] full sense”. In relation to the present context, however, decoupling has actually emerged when there is no well thought out follow-up strategic ‘coupling’ arrangement available right after the higher-level BSC strategy map is made. Primarily, the ministerial-level BSC strategies of both ministries are being developed without clear KPIs or set targets that could trigger explicit strategic initiatives to be systematically pursued by the ministerial members. Without those enforced and legitimate higher-level targets, the strategic directions from the top management remain ad-hoc and non-focused i.e. decoupled from the ministerial-level BSC strategic requirements. There is no clear evidence of any formal evaluation and decision-making process flow, informed by means of the ministerial-level BSC strategy map, from the ministerial level down to the departmental level. This phenomenon probably gives a different insight from what has been found in the literature. This is because most of the work found in the Western experience demonstrated how decoupling of PMM practices is triggered when the ruling government has imposed a certain set of mandatory performance targets to be met (e.g.: Chang, 2006). Decoupling can also be in response to a conflicting set of demands made by different key powerful stakeholders (e.g.: Modell, 2003; Cavalluzzo and Ittner, 2004).

The loose strategic ‘coupling’ arrangement is primarily triggered by a lack of readiness of the public sector in Brunei to embrace the performance management culture as advocated by the BSC concept. In this regard, there is a high expectation for the ministerial leaders to play a greater role and assume strategic leadership in the ministerial-level BSC strategic endeavours. However, without political pressure and legal sanction to perform, there is a lack of urgency for the top ministerial management to be accountable towards any of the ministerial outcomes. Hence, the decision-making ministers seemed disinclined and lacking any genuine appreciation of the need for legal higher-level targets to be pursued. Furthermore, it appeared

that the ministries are also lacking strong visionary leaders; the current top government officials preferred to maintain the status quo and are unwilling to take risks by making any transformational change. This is because of the fear of repercussions and the possibility of creating a negative image if any of the ministerial-level outcomes or targets set are not attained. This is aligned with the findings made by Johnsen (2005) who indicated that possessing performance indicators could bring 'creative destruction' to the status quo and hence could have an 'embarrassment effect' if they cannot be attained. So, the author concluded that, the politicians might not be so keen to be associated with such indicators. In essence, this condition has actually revealed the influential role of national state elites in determining the progress of PMMS in Brunei's public sector. This scenario is in accord with the observations made by many institutionalists (e.g.: Dimaggio and Powell, 1983; Brignall and Modell, 2000; Johnsen, 2005; and etc.) who have indicated the significant impact of power and interest of dominant actors in institutionalising the nature of PMMS in the public sector.

For a better understanding of this issue, the lack of pressure and accountability towards performance upon the government need to be traced back from the stable socio-economic and political environment surrounding the sector. These are external environmental factors; properties of the 'hierarchical deference' category that are highly contextual and influential in the governance and public administration of Brunei.

Dimaggio and Powell (1983) claimed that both the state and societal forces are arguably two of the most powerful change agents in the institutional field. But in Brunei's context, the former is simply the dominant one that can exert significantly greater power over the latter. The 'comfort zone' state, provided by the government as the major employer for most adult Bruneians, has made the public less inclined to put more pressure on the government towards public service improvement, than would otherwise be the case. On the other hand the government, particularly the top politically appointed policy-makers, do not feel indebted towards the public. Consequently, they actually have the authority to exert pressure and dictate the type of activities kept, adopted or rejected within the field. As stated by Oliver (1991),

economic accountability and rationalisation are two important objectives that could instigate institutional pressure.

On top of that, as further claimed by Oliver (1992, p. 574), any crisis experienced in the environment would often “discredit or challenge the utility of the operating assumptions of organizations”. Yet, in Brunei, there has not been any major crisis or shocking event that could otherwise shake up the primacy of the nation-state. This further inhibits the public to put legitimate demands on the government to instil a meritocratic culture and make transformational changes in the way the public service operates, such as prescribed in the ministerial level BSC manifesto.

So, without a strong external accountability mechanism, it is not out of the ordinary that prompt action from the government officials, at different levels, is triggered if there is a direct order made by the respective political appointer or immediate superior. The last statement perhaps is even more significant in Brunei’s context. This is because it is not a norm for the bureaucrats in Brunei to criticise and challenge the actions/inactions of their political superiors openly, because of their fear of potential negative consequences and so they prefer to play safe in their actions. With this in mind, the role of the nation-state *elites* in Brunei to instrumentally realise ministerial-level BSC strategy and to ultimately instigate the performance management culture is an institutional prerequisite. This is aligned with points made by Oliver, when the powerful player shifted its demand for the organisation to be driven based on technical output indicators, it “will tend to erode an organisation’s reliance on institutional definitions of appropriate practice and encourage the organisation to replace these practices with more technically precise or efficiency-oriented performance measures” (1992, p.573).

Nevertheless, the status quo prolongation of and disinclination to assume accountability towards higher-level targets from the senior ministerial leaders certainly do not help the cause for performance management culture. Hence, this reluctance has led to other related institutional activities and norms within the sector to be perpetuated. As claimed by many institutionalists (e.g.: Galaskiewicz and Wasserman 1989, Oliver, 1991, Carruthers, 1995),

institutionalised values, beliefs and means of obtaining resources tend to persist when goal ambiguity and technical uncertainty prevails and actions are not subject to public scrutiny. Perhaps, it is crucial then, as mentioned by Zucker (1988), for people representing the nation-state elites to possess entrepreneurial traits, maybe someone from beyond the institutional circle, who could drive change and be willing to shake up the status quo and the previously accepted strategies.

Therefore, the above causal condition has simply left the ministerial-level BSC strategy, which is formulated predominantly by the middle-level management, without any strong political drive and commitment to be moved forward. The involvement of the ministerial executive leaders is rather limited on the vision and mission formulation or is confined to the earlier phases of the strategic development. Yet, in time, there remains no political pressure and hence no political gain for the incumbent politically appointed executive leaders to administer the ministries in order to attain the strategic outcomes of the BSC strategy. In other words, there is no champion at the ministry who is willing to drive the ministerial-level BSC strategy forwards. Indeed, it is not surprising that the strategic directions derived from the ministerial level strategic instructions remain ad-hoc, broad and non-focused i.e. decoupled from the ministerial-level BSC strategic requirements/goals.

The unwillingness of top ministerial management to commit and get involved in the BSC implementation can be inferred from the dichotomy of policy and administration. Policy is often developed by the politicians or senior ministerial management, whereas administration involving the operational aspects to fulfill the policy, are handled by the civil servants (Dunsire, 1973, p. 91)⁵⁶. So, basically administration comes after the policy decision is made. The ‘politicians’ traditionally tend to stick to the “policy-determining sphere and leave [the administrators to work out] the technical process free from the blight of political meddling” (ibid, p.91).

⁵⁶ Policy might be a subjective concept. But according to Wikipedia (2013a), policy basically refers to “a statement of intent”. Meanwhile, BusinessDictionary.com (2013) defined policy as the stated objectives that a government or party intended to attain.

Regarding the above, the role of policy makers and administrators in Brunei, as evidenced in the ministerial-level BSC development, is still at the traditional administration stage, instead of embracing NPM or Network governance (See Hartley, 2005). Yet, this is a sign of poor management, as stressed further by Dr. Mahathir Mohammad⁵⁷. In Malaysia he explained that many cabinet decisions were not properly implemented because his ministers tended to leave such matters to their public officers. The civil servants, on the other hand, are handicapped by the lack of access to the ministers and on how much they can modify the cabinet decisions to suit the situation in hand (Mahathir, 2011). In consequence, in 1990, he made it mandatory for his ministers to be hands-on and oversee the implementation of cabinet decisions (ibid). In this way, any modification and new direction can be made rapidly yet, at the same time, ensuring that the public officials are on their toes and the work can be done properly.

With regards to Brunei, it is indeed crucial that the political commitment is attached to the ministerial-level BSC strategy implementation. When the policy makers are actively involved, they can definitely provide strategic leadership for the strategy implementation. This could also instill a sense of obligation for different levels of management towards the attainment of strategic objectives set in the BSC strategy map of the ministry. This proposition is significant as pointed out by Fryer, Antony and Ogden (2009, p. 488) who claimed that the problem of PMMS actually starts to occur when senior management formulate policies or rules “and then leave it to run, rather than take a hands on operational approach, and use leadership skills to” bring the best out of people’s performance that would create impact for the stakeholders.

Moreover, the prime causal condition also influenced why the senior ministerial management, even with the change in personnel, are less concerned to bend the rigid bureaucratic rules and procedures that have

⁵⁷ Dr. Mahathir Mohammad is the former Prime Minister of Malaysia. He is known to be responsible for transforming Malaysia from an agricultural to a modern and industrialised nation. Malaysia has been one of the best economic performers in Asia with GDP growth averaging 6.5% annually (Wikipedia, 2013b). Malaysia is a neighbouring democratic state, wherein Malays (50.4%) represent the majority, followed by the Chinese (27%), Indian (7.1%) and other indigenous groups (11%) (ibid).

institutionally regulated the sector. Indeed, the institutional arrangements in force when applying for both funds and human resources remained; yet, as perceived by many, have hampered outcome-based BSC strategic planning of both ministries from being effectively carried out. Chesley and Wenger (1999) similarly pointed out how strict government regulations and institutionalised budget procedures become constraints for the public sector, when attempting to implement a strategically oriented BSC. Powell (1991) and Scott (2008b) further stressed the point that practices and structures become institutionalised because of their legal bindings and eventually are perceived to be natural; a perception that leads their existence to be unquestionable and difficult to be replaced by other options. Obviously, there is no one at the top level of Brunei government who is 'brave' enough to raise the issues of, and give order to minimise and transform, the bureaucratic rules and procedures because of the fear of negative consequences. Furthermore, the fact that it is common for the senior management to come up through the ranks of the public service, so the passive adherence to the institutional activities and mores is to be expected. In the absence of 'external' pressure for change, it is doubtful that the previously agreed taken-for-granted arrangements would be questioned and changed (Burns and Scapens, 2000).

So, as explained above, the decoupling process actually started to emerge at the ministerial-level as a result of the internal working out process of resistance to change i.e. change that is not aligned with the existing institutions or is not how things are done in the public sector of Brunei. Nonetheless, the discoveries found actually challenged findings made by some institutionalists (e.g.: Meyer and Rowan, 1997; Oliver, 1991; Johansson and Siverbo, 2009) who claimed that the rationale for decoupling in institutionalised organisations is contingent upon its interdependency on external support. And such support is easier to acquire and maintain if the organisation can portray the right 'image'. Instead, the present study is aligned with the work of Modell (2003) that depicted how loose coupling can be originated from the impassive role of the centrally located actors toward reforms. Contextually in Brunei, a strong hierarchical deference has always gripped the public governance and has caused an unintended effect on the readiness of the sector to be performance- determined. The insignificance of

performance- driven culture, in turn, has caused any ministerial-level BSC strategy that does not have the benefit of a strong supporting political will to stagnate and become a matter of less or even no concern at the ministerial-level. In consequence, the BSE strategy implementation has never become the prerequisite or deciding factor in the performance of the public sector in Brunei. Furthermore, the institutional arrangements for the governmental ministries to acquire the necessary resources persist and are mainly unchanged.

All in all, the well-embedded institutional actors, norms and values of the public sector in Brunei still dictate the running of the public administration. Hence, this has diluted the potential of any attempted BSCs as well as the higher-level strategy intended to be pursued.

In relation to above, the decoupling process of BSC at the ministerial-level clearly has its effects at the departmental level. As stated by Powell (1991), when the senior management does not require the information generated, this leads the actual implementation of the practice to be unsystematically done and “become weakly institutionalized” (p.199). Fundamentally, the loose follow-up strategic arrangement towards the ministerial-level BSC strategy has ultimately led the ministerial departments to return to the old ways of doing business and to pursuing their own strategies. There is apparently a lack of legal coercion and sanctions/rewards that could force the ministerial departments to comply with the higher-level BSC strategy requirements/goals. Oliver (1991) and Powell (1991) affirmed that when the mechanism for enforcing compliance is low, organisations seem, indeed are, unwilling to comply with the new reforms. In effect, despite the “symbolic compliance” stance by some, there is actually no systematic strategic alignment existing between responsive strategies taken by departments with what is required in the ministerial-level BSC strategic goals. This development partially confirms the conjecture made by Modell (2003) wherein the passivity of the central government, in meeting its reform goals, could potentially lead to the ‘given’ loose-coupling state to be transplanted

further into the micro-level⁵⁸. But, the present study further challenged this simplistic portrayal of decoupling by confirming that the loose-coupling PMMS needs to be examined closely, since it can also emerge, as explained below, from the working out of more or less pro-active responses at the agency level (Modell, 2003 and 2009). In other words, the pro-active/passive strategic responses by the ministerial departments have further reinforced the loose coupling, as instigated by the central-level, of ministerial BSC strategy requirements and goals in the context of public administration in Brunei.

8.7 Strategies of decoupling

There are three strategic responses outlined in the previous chapter namely: 'dismissive', 'habitual reporting' and 'results based management'. Despite their distinct characters, these responses can be viewed as a spectrum of 'active/proactive – passive' forms of strategies that are decoupled from the higher-level BSC requirement/goals. 'results based management' is seen as the active/proactive response, followed by 'habitual reporting' and then ending up with 'dismissive' as the most passive one. Although 'dismissive' response might not be directly associated with the higher-level BSC strategy, but it is part of the process and is crucial to understand the dynamics, contagious nature of the various strategies. This is where the 'rational mimicry' plays its role in the process; it could determine whether the adopters would eventually employ 'results based management' strategy or return to a 'dismissive' mode or even merely become a 'habitual reporting' strategist. These details are discussed further below.

First and foremost, it is expected that the lack of coercive pressure has led some departments to take a rather dismissive approach toward the ministerial-level BSC strategic alignment when applying a BSC technique or similar to their operations. Oliver (1991) mentioned and categorised this tactic, under the 'defiance' strategy, as one of the most active forms of resistance to institutional demands. In this strategy, the adopters appear to

⁵⁸ Modell (2003) did not manage to follow up on the related works with deeper case studies at the agency (university) level.

be complacent or are in a 'mental allegiance' state in maintaining the normal way of doing business (Burns and Scapens, 2000).

Nevertheless, this does not necessarily deter other departments from actually proceeding and thereby using a BSC mechanism in their operations. The decentralised utilisation of BSC among some departments certainly cannot be explained through coercive pressure. Rather, the BSC approach has been voluntarily diffused across the departments, stemming largely through mimetic isomorphism (DiMaggio and Powell, 1983)⁵⁹. But, the degree of voluntary diffusion of BSC tends to be only on a moderate scale. This is because, according to Oliver (1991), when the voluntary diffusion of the reforms and values is higher, all organisations would be willing to abide by it; when the level of diffusion is low then reluctance would be in evidence. However, the decentralised utilisation has inevitably triggered different actions/interactions from the ministerial departments. This is aligned with the work of Johansson and Siverbo (2009, p. 198), who stated that the decentralised utilisation and non-mandatory features of any managerial innovations would lead to "somewhat differentiated and heterogeneous practices".

In the context of the present study, the decentralised utilisation of BSC is apparently attained and then becomes routinised, by the decoupling of the ministerial-level BSC strategy requirements from the daily operational activities. To start off, despite the initial belief the BSC may be based on efficient criteria, its implementation practice under the 'habitual reporting' strategy has rendered it to become nothing more than just a convenient reporting document for existing routines. The so-called change, as indicated in the work of Burns and Scapens (2000, p. 12), has inadvertently followed a path-dependent process; "the existing routines and institutions will shape the selection and implementation process".

⁵⁹ Mimetic isomorphism is one of three means of institutional isomorphism advocated by DiMaggio and Powell (1983). They argued that this mechanism is derived from the uncertain conditions faced by the organisation that forces the leader to imitate the practices of other organisations in the institutional fields, especially the successful ones. The other two means are *coercive isomorphism* and *normative isomorphism*.

It is interesting to note that for the main adopters of this strategy, i.e. the MoE's departments, the response seemed to be acquiescent to the higher-level goals. This is actually similar to the acquiescers' *habitual* tactic suggested by Oliver (1991) towards institutional reform. However, this study is able to corroborate that the alignment between the responses i.e. KPIs produced and ministerial-level goals is merely a symbolic gesture. The adopters basically develop and report the progress of the KPIs in accordance with the actions and practices that become repeated and conventionally done by them; yet without any strategic evaluations and outcomes derived from it. This finding is in agreement with the statement made by Johnsen (2005); despite the passive acquiescence toward the reform, the effective implementation process would have to be made by decoupling the higher goals from the KPIs produced.

Above all, it is also evident that the KPI-related information produced does not have a legitimate stance in the decision-making process nor does it have a bearing on operational improvements in the adopted departments. Clearly, there is no strong economic gain or other reason for the management to pursue or use the KPI-related information in an instrumental and strategic manner. This position is actually contradicted with Oliver's work (1991) by putting the *habitual* tactic under the acquiescence strategy yet predicting that a lower level of social legitimacy and economic benefits, to be attained from institutional reforms, would lead to a non- acquiescent response. This contradiction is actually indicated by Hynoven *et al.* (2009) with specific regard to Oliver's (1991) responses. In their empirical works, Hynoven *et al.* claimed that despite the acquiescent response, the new information generated from the new system implemented was not really acted upon, which indicated a poor legitimacy of the information from the management. Hence, the 'habitual reporting' tactic can be understood as part of 'sagacious conformity' responses (as named by Rautiainen and Jarvenpaa, 2012), instead of acquiescence⁶⁰. Specifically, with a symbolic gesture to the tactic, habitual reporting should fit well under the defiance strategy.

⁶⁰ Rautiainen and Jarvenpaa (2012) indicated that sagacious conformity is similar to the Oliver's (1991) compromise, buffering and manipulation responses.

A relatively similar trend is found with the remaining adopter of 'habitual reporting' strategy at the PMO. In this instance, the existing routines are actually shaped by the enforced rules that dictated the conduct of those routines performed by the adopter. Thus, it is difficult for the adopter to be able to change the routines without changes in the rules and hence to be able to use BSC beyond the habitual reporting⁶¹.

Nonetheless, there are some departments under the PMO that are able and can afford to use BSC beyond the 'habitual reporting' tactic and to engage in 'results-oriented management' strategy. This strategy can be seen as a 'proactive decoupling' tactic, wherein the adopters/management are determined to pioneer the BSC approach rationally and as part of an intentional change to the system. This was done despite the lack of legitimate pressure and positive economic gestures from the central-level to do so. This strategy is also relatively similar to the buffering tactic as described by Oliver (1991) whereby, without public or central-level scrutiny, the adopters have decoupled the ministerial-level BSC requirements so they can routinise their internal BSC related activities. The ministerial-level BSC strategy is merely 'graphically' coupled so as to portray there is some sort of relationship existing with the departmental strategy; even though, in reality, there is no systematic strategic alignment being defined. Instead, these adopters are focusing the BSC application in accordance with and for their own internal operational improvement, and hence manage to go beyond what the 'habitual reporting' strategists have done. In this way, the adopters manage to chart its own strategy map with its own objectives, and couple those with their own KPIs and action plans, so as to attain them. On top of this, the adopting departments are able to monitor the progress of their KPIs and willingly shed the old routines in order to come up with the new ones, so as to realise the set goals. Essentially, an intentional change indeed occurred via the BSC system. Burns and Scapens (2000) confirmed that planned change is made when the organisational actors are able to construct logics to discard the existing routines and to deploy necessary resources so as to come up desired new routines.

⁶¹ Burns and Scapens (2000, p. 10) differentiate rules as the "formalized statements of procedures, whereas routines are the procedures habitually in use".

Having discussed the strategic responses above, it is worth mentioning the 'rational mimicry' process that is also found in the study. 'Rational mimicry' refers to the process of change undertaken by a department that was keen to break away from the 'business as usual' mode and to emulate the 'results based management' strategy. Essentially, the department concerned has taken the necessary activities to come up with departmental owned BSC strategic map. Although the BSC application is yet to be implemented, it has the potential to become part of the 'results-based management' strategy. Furthermore, the inclusion of this process would show the change dynamics of the three above-mentioned strategic responses from one another. For instance, as shown in the study, when departmental owned BSC strategy is failed to be executed, the change process of 'rational mimicry', rather than becoming part of the 'results based management' strategy, has actually returned to be in a '*dismissive*' mode. In fact, as the trend indicated, it is predicted the 'rational mimicry' process could also end up in the 'habitual reporting' if the BSC strategy development is not pursued in an instrumental manner.

This above discussion leads to the intervening conditions that introduce the variations in the strategic responses in relation to the BSC application.

First and foremost, the role of the departmental leaders has become paramount in determining which strategies the departments would ultimately end up with. Again, it is not surprising to find that with the lack of coercive pressure, some directors are unenthusiastic and rather dismissive about leading their departments to use any form of PMMS. These directors are rather comfortable with the normal way of doing business. So, despite the moderate voluntary diffusion, as stressed by Oliver (1991), these leaders are seemingly reluctant to comply with any new reforms when there are no legal punitive actions applied for not doing so. Thus, this study is emphasising the necessity of legal coercion over voluntary diffusion, in order to make departmental leaders become receptive towards PMMS or any other reforms introduced by the top management (Modell, 2001).

On the other hand, this does not stop other departmental leaders who proactively use BSC as a medium of change. Lounsbury (2008) claimed how

the practice variation is triggered by the key organisational actors who are keened on to act strategically or pretending to 'symbolically' comply with the reform yet instrumentally continue pursuing their own agendas. However, it seemed that contextually the motivation for BSC implementation is not so much for self-interest. Clearly there is neither personal economic gain to be realised directly nor legal standing to be associated with the BSC implementation. Rather, it is more from a strong internal desire of these directors to use and routinise BSC for managing organisational outcomes in a more strategised manner. Moynihan and Pandey (2010, p. 852) referred this kind of behaviour as being driven by "altruistic motives". They stated that this type of public official is motivated to use performance information as a means to attain organisational objectives, which in turn would satisfy "their desire to serve" (ibid, p. 853). Similarly, Oliver (1992) also mentioned the role and power of the intra-organisational entrepreneur who is keen to break the status quo and move away from the previously accepted routines. Accordingly, these directors tend to be actively involved with their departments and demonstrate strong commitment during the BSC strategy development and implementation process respectively. This so-called 'entrepreneurial' spirit among the directors is particularly important because without that energy, one department from the PMO, returned to a 'dismissive' mode, despite the formulation of BSC strategy being strongly endorsed by the current director's predecessor. Likewise, the absence of the above criterion has also caused other departments to use BSC merely as a reporting mechanism for the existing routines. Notably, with a lack of political commitment, this has led the departmental BSC implementation process to become a matter of less concern for the directors and hence is delegated to the junior members of staff.

In relation to above, the departments that use BSC for results-based management also tend to have recognised and dedicated personnel/teams and who have built up competency in applying BSC in an operational strategy. Significantly, the team members are able to effectively educate and communicate their departmental BSC strategy to the units' employees and gain their 'buy in' toward the strategy implementation. This is indeed crucial because a higher degree of administrative capability leads to more developed communication channels and then to a better arrangement and more

intensive use of the PMMS (Johansson and Siverbo (2009). Unlike in both 'habitual reporting' and 'dismissive' strategies, the required level of capability in implementing outcome-based BSC strategy is rather limited, or even absent.

On top of this, it appears that the degree of decentralisation and work inter-relatedness also plays a crucial role in determining the type of strategic responses employed by the departments. Firstly, it was found that departments under the MoE, where the degree of decentralisation is reasonably limited and where their work is highly interconnected with one another, are more prone to employ the same strategic response. This is in accordance with the conjecture of DiMaggio and Powell (1983) where higher degrees of interrelatedness in an institutional environment, would lead to institutional isomorphism⁶². However, without political intervention from the higher-level actors towards change, the higher interconnectedness has been taken for granted. This has made it difficult for the departments to instigate a new form of intra-cooperation and intra-coordination in their BSC related activities, which could potentially attain the higher-level goals. In effect, the departments opted for events or activities that they can control and hence use BSC mainly to sustain their 'habitual reporting' strategy. This development is confirmed by Modell (2001) who argued that the traditional mode of relationships or functional barriers can limit cooperation and integration amongst departments and hence hamper the PMMS attempted. So, despite the higher institutional isomorphism advocated by DiMaggio and Powell (1983) above, this study also confirmed that higher intra-connectedness does not necessarily foster greater coordination and collectivisation in the same institutional environment, as was predicted by Oliver (1991).

On the other hand, departments under the PMO, which have a higher degree of decentralisation yet a lower degree of interconnectedness from one another, appeared to have a greater flexibility to deploy different types of response strategies. Moynihan and Pandey (2010) stated that flexibility is

⁶² Institutional isomorphism, famously advocated by DiMaggio and Powell (1983), can refer to organisations, facing parallel institutional environments and/or fall within the same field, come to emulate similar features but not necessarily make them act more efficiently.

one organisational factor that could shape the use of performance information. Obviously, this knowledge is being utilised greatly by some directors to lead and use BSC in managing the operational outcomes. Moynihan and Pandey further stated that the higher autonomy that the manager has in leading the change process or experimentation, the greater the encouragement to “examine performance data to find rationales for innovations” (p. 855). But this is again highly contingent on the discretion of the departmental leaders, as the main agents of change at the departmental-level. Otherwise, departments can be expected to dismiss the incorporation of PMMS into the operation. However, the effect of higher degrees of devolvement and lower degrees of interconnectedness with some of the PMO’s departments is somewhat moderated by the higher degree of regulative works performed. As explained by Bromley and Powell (2012, p. 515), all organisations might be seen as institutionalised, but the extent of institutionalised rules bound the organisations, “does not mean that all organisational decoupling is similarly institutional”. Clearly, this also explained why the relevant department only used BSC for reporting highly regulated existing routines. This perhaps explained why this department’s director is unwilling to get involved in the BSC implementation process. This point is further supported via the supposition of Moynihan and Pandey (2010) that if there is a higher degree of direct control over the process, managers tend to be disinclined to use performance data in a strategised manner.

The above explanation demonstrates, as pointed by Bromley and Powell (2012), how the lack of institutional pressures lead to different unintended strategic responses. In consequence, this has reinforced the loose coupling of the ministerial-level BSC strategic requirement/goals from the daily operations of ministerial departments. Specifically, this study has contributed to the literature by revealing how, even in a highly regulated environment, the conditions and contexts of certain agencies enabled them to engage in a more pro-active role. They did it by changing the higher order BSC templates to complement their own meanings and/or by fine-tuning the templates to their own specific settings so they can use them in an instrumental manner (Modell, 2009). Moreover, the contagious nature of the

strategic responses embedded in the present context has yet to be reported and explored in the literature to date.

Furthermore, in following-up the earlier discussion, this study is countering the prior institutional findings (e.g. Meyer and Rowan, 1977, Powell, 1991, Carruthers, 1995) on the 'given' legitimate purpose for adopting a rational procedure or structure at the expense of efficiency. Rather, this research is aligned with recent discoveries (e.g.: Moynihan, 2004, Scott, 2008b, Modell, 2009) on how the emergence of symbolic gestures implicated with higher-level BSC strategy, are not necessarily inconsistent with their subsequent instrumental use by the departments. This, ultimately, has a profound effect on the process and the extent or success of the implementation of the overall reforms undertaken (Kennedy and Fiss (2009).

In another related matter, by treating both the 'result-based management' and 'habitual reporting' response as part of Oliver's (1991) avoidance strategy, this has affirmed the inclination revealed in this study towards policy-practices decoupling, instead of mean-ends decoupling as advocated by Bromley and Powell (2012). This refutes their claim that policy-practice decoupling is on the decline in contemporary organisations⁶³. Likewise, as indicated under the 'dismissive' strategy label above, they also asserted that any tactics falling under Oliver's (1991) defiance strategy should not be viewed as a direct response to institutional decoupling.

In all, the above discussion has dismissed the loose coupling of PMMS as a simplistic or automatic organisational response of an institutional organisation. Rather, the study has confirmed that decoupling is, or can be, a resulting process implicated by the working out of institutional processes

⁶³ In their review on relevant literature, Bromley and Powell (2012) have distinguished two types of decoupling, namely policy-practice decoupling and means-ends decoupling. The former occurs when the policies adopted are unimplemented or only ceremonially done and hence routinely violated (ibid). The authors have basically associated the former with the classical or common definition of decoupling. Meanwhile, the latter happens when the policies are actually implemented and even evaluated, where operational activities are also altered yet there seems to be an opaque link between those activities and the organisational effectiveness and results (Bromley and Powell, 2012). Please see their works for a detailed discussion between policy-practice decoupling and means-ends decoupling.

well-embedded in the sector. On top of this, the research findings are also responding to the recent calls in the literature by providing more understanding of the “multi-level dynamics involved in loosely coupled PMM practices, as these are institutionalized in a particular field over time” (Modell, 2009, p. 284).

8.8 The outcomes of loose-coupling PMMS

Having mentioned all the above, another big question is ‘what are the outcomes of the loose coupling of BSC implementation upon the public sector of Brunei?’ This study has indicated that the presence of loose strategic arrangements has given some degree of leeway for the departments to ‘act’ on their own. This scenario has somehow brought unintended implications for the BSC implementation process for the ministries studied and has actually undermined the initial purpose of the overall BSC strategy development. Nonetheless, to conclude that the BSC journey in the public sector of Brunei has been unsuccessful is also likely to be seen as unjust. Apparently, departments that have utilised BSC mechanism, even as an ‘habitual reporting’ strategy, have experienced some positive organisational results. This showed that the BSC strategy implementation practiced, particularly by those departments that used it to support and strengthen results-based management, does bring some degree of change to their operations; even though the process of change experienced, appeared to be in the form of an evolutionary mode, instead of a revolutionary change⁶⁴. This is evidently because the BSC implementation process practiced, even by those utilising BSC for result- based management, is still following a path dependent process i.e. mediated or dictated by the bigger and existing institutions governing the public sector in Brunei⁶⁵. For instance, the BSC implementation practiced by departments are still bound by the institutional arrangements of acquiring both financial and human resources. This has caused some of the initiatives not to be carried out and hence the selected

⁶⁴ Burns and Scapens (2000, p. 20) have dichotomised evolutionary and revolutionary change as “incremental with minor disruption to” and involving “a fundamental disruption to existing routines and institutions” respectively.

⁶⁵ The path dependency process is related to the “historical, political and institutional facts that constrain and mediate the choice and implementation of novel control practices” (Modell, Jacobs and Wiesel, 2007, p 454).

KPIs cannot be attained effectively. As illustrated by Siti Nabiha and Scapens (2005) on the work of Klien, Ralls, and Carter (1989) on how a new technology adopted cannot be implemented effectively in the organisation because it is predominantly governed by the central norms and values.

The overall BSC strategy implementation might potentially bring a relatively revolutionary change that leads both ministries to be seen as a high performance and strategised organisation. However, the major change and results appear not to materialise. Modell (2009) stated that this is not surprising because radical change in highly institutionalised fields is rather unusual and is likely to face certain resistance. Burns and Scapens (2000) and Scott (2008b) claimed that a revolutionary change can be triggered as a result of a major external change in the environments surrounding the organisations. But in the absence of those 'shocking' events, as indicated in the present study, the institutional actors, norms and values governing the sector still continue to exert dominant forces. Consequently, with an attempt to introduce a revolutionary change, such as the ministerial-level BSC strategy featured in this research, the existing norms and institutions apparently still have greater influence on the process of change finally undertaken (Burns and Scapens, 2000).

8.9 Summary

This chapter has explored the relevant literature so as to corroborate and extend the discussion of the emerging substantive theory. Issues related to the core category, strategic responses, structural and intervening conditions, the consequences of the core phenomenon have all been systematically addressed. The literature development of decoupling/loose coupling and IT, particularly in the area of PMMS in the context of the public sector, have proved very useful and well suited to explain the phenomenon found in the study. This discussion continues in the next chapter by addressing the main contributions and overall conclusions of the study.

Chapter 9: Conclusions and Contributions

9.1 Introduction

This chapter marks the concluding part of the thesis. The chapter begins with the summation of the main research findings, which is then followed by reflections of the research methodology employed in the project. This chapter also discusses both the theoretical and practical contributions of this present study. The chapter ends with proposals for future research.

9.2 Revisiting the main research findings

This thesis has explored the development of BSC in the context of the public sector in Brunei. The core phenomenon revealed is the process of decoupling/loose-coupling involving the higher-level directions and the respective departmental strategic responses with regards to the ministerial-level BSC strategic requirements/goals.

Fundamentally, the process of decoupling emerges when there is no follow-up strategic ‘coupling’ arrangement being established and agreed upon, at the ministries studied, after the ministerial-level BSC strategy map had been formulated. Eventually the ministerial-level BSC strategy map document became merely a general reference open to departments to make their own interpretations in any way that they see fit, relative to their respective strategic efforts. This open-ended interpretation has inadvertently led departments to undertake different responsive strategies/actions. There are three types of strategies labeled as ‘results based management’, ‘habitual reporting’ and ‘dismissive’. In addition, it is also worth mentioning the change process of ‘rational mimicry’ that played a ‘crossroads’ role that determined which strategic response the BSC adopters would end up with. Essentially, when grouped together they create what has been labeled as ‘handling disengagement’. This category in turn contributed directly to ‘the emergence of loose strategic arrangements’ and hence became an essential part of the decoupling process.

The core phenomenon of the study is essentially the resulting process of the contextual conditioners. The first contextual relationship can be identified from the interaction of causal conditions. This interaction can be traced back from the macro condition of 'hierarchical deference', which then created the main micro condition of 'disregarding the need for a performance-driven culture'. The latter then influenced the development of the other micro conditioners i.e. 'unattached commitment' and 'bureaucratic barriers', which led to the 'the emergence of loose strategic arrangements'. At the same time, there are also 'responsive patterns' and 'internal organisational enablers', which have mediated the effect of the 'unattached commitment' and the 'bureaucratic barriers' categories. The 'responsive patterns' refers to the contextual patterns or the 'how' of the strategies. And the 'internal organisational enablers' acted as intervening conditions that directly facilitate or constrain the type of strategies undertaken by the departments. The contextual relationships between 'responsive patterns' and 'internal organisational enablers' categories in turn became part of the structure that led to the above-mentioned strategies of decoupling to emerge.

Ultimately, the process of decoupling has produced outcomes which can be separated into micro and macro consequences. It is fair to suggest that the different strategies of decoupling have brought varying impacts to the respective adopters, which in turn interact and influence the development of the other underlying strategies. Overall, the impact of BSC application is small scale and has failed to go beyond the intra-departmental-level. It has been unsuccessful in bringing transformational or macro-level change to the ministries and the ways the public sector in Brunei is administered. Evidently, the macro 'taken for granted' consequence still persists within the sector and continues to influence the prime micro conditioner.

The aforementioned main research findings have become a centre for the emergent substantive theory mentioned in Chapter 7. The position of the emergent theory is subsequently compared and corroborated further with the literature in Chapter 8. But, before outlining the theoretical contributions of the thesis, reflection on the research methodology employed in this project are addressed first in the next section.

9.3 Reflections on the GT research methodology

In addition to the above, the research project has also been able to demonstrate the developmental process of substantive GT by employing Strauss and Corbin's approach. The approach allowed the researcher to make research arrangements at the outset, which enabled the emerging main themes to develop within the predetermined scope of the research domain (Parker and Roffey, 1997; Strauss and Corbin, 1998 and Fendt and Sachs, 2008). This approach also tended to be more structured and prescriptive in its coding procedures than the competing Glaser and Strauss model (Parker and Roffey, 1997; Strauss and Corbin, 1998; Charmaz, 2006). The Strauss and Corbin's approach is seemingly suitable for a novice researcher who has to finish a research project, just like the present one, within a certain allowed time. Nonetheless, based on the researcher's experience, by following the procedures rigidly such a commitment inhibited the researcher, to a certain extent, from capturing the dynamic of the phenomenon being studied (Eisenhardt, 1989 and Fendt and Sachs, 2008). Thus the researcher, particularly during the course of data collection and analysis, was obliged to be flexible by allowing the data to dictate the research flow. Yet, at the same time, the researcher was obliged to follow the prescribed research procedures so as to produce a theory that is well grounded in the data (Strauss and Corbin, 1998).

The flexibility of GT strategy is notable in the application of its analytical tools. For instance, although Strauss and Corbin (1998) encouraged GT researchers to apply a paradigm model during the axial analysis, the application of its major components are merely used as guidance when developing each of the main categories in chapter 6. Moreover, the paradigm model is also being altered and contextually conceptualised during the selective coding. This is to give way for the emergent theoretical framework to evolve from the data, instead of following the features of the model itself.

On a different note, various analytical tools offered by GT such as the use of questioning, constant comparison method, line-by-line analysis, and the use of memos have been applied during the data collection and data analysis process, which have proven to be very reliable.

Overall, the application of GT procedures has contributed towards the systematic empirical evidences and understanding of the phenomenon under study. This is in line with the stated research objective and hence it is hoped this research would be highly relevant and useful for the academic and non-academic communities.

9.4 Reflections on PhD process

The whole PhD process in general, had taught the author various lessons that could prove relevant and valuable if the author is to progress in academic world. Some of the lessons include: -

(a) A PhD is a long research process, providing the opportunity for the author to be trained as a research apprentice, towards becoming an independent researcher.

(b) The PhD experience has also proven to be intellectually challenging, as it trained the author to be critical on his thought process throughout the duration of the research.

(c) Undertaking a PhD also required a perseverance attribute especially in completing the necessary tasks in a timely fashion. This is perhaps even more so in a qualitative research, whereby the GT procedures applied in this study could become an overwhelming, wearying and time-consuming process.

(d) It can be of an advantage to select a research topic/area at which one has a personal attachment to, or that is derived from a practical experience. This provides the author with a higher degree of excitement and motivation during the lengthy research process in a quest towards discovery. It is hoped that the analytical findings could then provide both theoretical and practical implications.

(e) Having an interest in writing could also alleviate the 'pain' during the writing-up stage of the research work, that demanded substantial amount of words as per required in the PhD.

(f) The PhD process also required the author to keep up to date with the literature related to the research phenomenon under study. In effect, reading should become a lifelong habit that is upheld. This, in turn, would enable the

author to identify research gaps and produce more research, contributing to the existing body of knowledge.

(g) Having a good support system, apart from the supervisor, while undertaking a PhD is vital. This support could come from fellow PhD students, at which the author often exchanges ideas and shares experiences with, in addition to discussing one's findings and forming a social network. Continuous support, be it direct or indirect, as well as understanding from spouse and immediate family members must also be appreciated and not overlooked. This has allowed the author to devote full attention in carrying out PhD-related activities, especially those tasks performed at home.

(h) In accessing the research sites, apart from relying on a formal channel, the author also found that having a personal contact or network could prove highly useful in a time-constricted research project like a PhD, especially during the data collection stage. This has enabled the author to gain access to the relevant respondents, notably those in high ranked positions, meeting them much quicker than would otherwise have been the case.

(i) Last but not least, establishing a good rapport with the respondents is also vital as there is a high possibility that the author might require their assistance or participation in future research projects. Likewise, maintaining good relationships with the supervisor, fellow PhD students and other acquaintances in academia is also beneficial so as to develop future academic collaboration especially in joint paper publications and the like.

9.5 Theoretical contributions of the research

The completion of this research can be translated into several theoretical contributions. The contributions, which covered the body of BSC/PMMS literature, Neo-Institutional Theory of Sociology in the domain of PMMS and interpretive literature are discussed below:

9.5.1 BSC in the public sector

First and foremost, despite the popularity of the BSC concept in international settings, there is room for empirical research into areas of the BSC idea that are yet to be investigated. Based on the literature review, it can be seen there is a significant lack of empirical research located in non-local government

and in developing countries. Although increasing attempts have been made in recent years, there is still a dearth of detailed empirical studies concerning the application of BSC in the developing economies (de Waal, 2007; Ruzita, Azhar and Abu Hasan, 2012 and Hoque, 2014). This study is arguably one of the first empirical evidences regarding BSC development in the context of the public sector in one of the developing nations in South East Asia. This study is also probably one of the few studies on BSC in the context of an absolute monarchy style of governance. The rich insights yielded from the case studies of Brunei's public sector, are partially filling the research gap in a social setting that is not in any way fully explored. Besides, this study is also responding to the call for more researches to be done in the public sector, other than in local government settings in the West (Greatbank and Tapp, 2007; Modell, 2009).

Nonetheless, similar to the lessons learned from the West; this study supported the significance of the incorporation of the institutional framework of the sector, as advocated by Holmes, de Pineres and Kiel (2006) and Johnsen (2005), in implementing the BSC, even in a developing nation. If the institutional aspects are not dealt with intelligently, as shown in this study, the BSC endeavour and good idea that it might be, may not be able to achieve its intended purpose (Johnson, 2001).

One notable contextual element identified affecting the governance and administration of the public sector, that is probably unique to Brunei, concerns the 'hierarchical deference' category. The institutional properties of this category have a profound effect on the style and progress of the BSC implementation process in Brunei's public sector.

The stable political and economic environment in Brunei has, to a large extent, made the government invulnerable and immune from any real public questioning and accountability. This condition has also hampered the readiness of the public sector to embrace any form of performance management culture. Besides, members of the public are disinclined to make legitimate demands for their government to become more responsibly accountable and to make necessary change such as prescribed in the ministerial level BSC manifesto. Notably, the state is simply the dominant

institutional authority that can exert great power over the public. This is clearly unlike the situation in democratic nations, in which pressure to perform is acknowledged by the government; otherwise the public can eventually have their say in the upcoming election. There is no general election in Brunei, as the laws prohibit such. Besides, in Brunei, there are no other notable powerful stakeholders, such as labour unions, non-government organisations or business associations that could put any discernible pressure on, or influence the rulings of, the government.

Thus, the strategic leadership and personal commitment of the national leaders to drive the higher-level BSC strategy and to spark the conception of performance management culture in their respective ministries is arguably even more critical than in the West. Based on the preliminary findings in developing economies, continuous support and commitment from national leaders including those in executive leadership, was also found to be significant and arguably a key factor that determined the type and extent, or success on the implementation of BSC projects especially in relation to the national performance measures (Edward, *et al.*, 2011; Ruzita, Azhar and Abu Hasan, 2012 and Elbanna, 2013). Similarly, it is one of the key factors that is often overlooked or taken for granted in Brunei's context. This is vital because acquiring a top-level 'ownership' on any change initiatives, such as BSC project, could "strengthen the advantages of alignment" so as to attain overall organisational effectiveness (Andrews, *et al.*, 2012, p.91). Besides, it is also not a norm for the bureaucrats in Brunei to challenge the actions/inactions of their political superiors openly, because they no doubt fear the consequences of such behaviour. So, without any formal political orders or even informal nudges made upon them, more often than not, the civil servants at different levels prefer to play safe in their actions.

Nevertheless, when given discretion towards strategy implementation, as indicated in this study too, departmental teams tend to act in isolation and make decisions "on the basis of their own assessment of operating circumstances" (Andrews, *et al.*, 2012, p. 78). So, the coupling alignment between top and lower levels of management is crucial, because it could foster shared understanding, co-operative behaviour and avoid

communication breakdown, thus easing the process of planning, implementation and evaluation of BSC related strategies.

Eventually, the BSC journey could become a lesson learnt, especially for the top policy makers and public executive officers in Brunei. The incumbent and future leaders must essentially grasp a new style of governance, such as NPM or Network governance, instead of the traditional way (See Hartley, 2005), in order to ensure the success of any NPM reforms introduced.

In other developments, the identification of macro and micro causal conditions, and their systematic relationships with one another, have proved useful in understanding factors that influenced the current decoupled state of the BSC in Brunei's public sector. This is indeed a significant contribution to the BSC literature, as many studies tend to be rather discrete in presenting conditions that led to either successful or failed BSC endeavours.

Moreover, this study has also contributed to the BSC literature by collectively capturing and developing the interpretive views of different group of organisational actors at different levels of management. Much of the research published in the literature leans towards the senior and/or middle management (Geuser, Mooraj and Oyon, 2009). There are few studies that explore BSC application based on non-managerial level perspectives (Otley, 2003 and Chen and Jones, 2009). Thus, the in-depth ministerial-departmental level analysis has allowed the researcher to make comparisons between the studied ministries and different departments under their jurisdiction, as pleaded for by Verbeeten (2008).

On top of that, ministerial-departmental level relationships pursued in this study have led the researcher to recognise the core category that characterised what is actually going on with the BSC in Brunei's public sector thus far. Contextually, many studies found in BSC literature tend to either neglect or were unable to follow through a detailed ministerial-departmental analysis. But, this type of analysis could, as indicated in this study, provide a more accurate picture of the role and outcomes of the BSC implementation as a whole.

In consequence, the core identified category of Discretionary Engagement is arguably a new concept that adds to the body of BSC literature. The core category emerges, at the ministerial-level, when there is no legal follow-up strategic 'coupling' arrangement being established after the ministerial-level BSC strategy has been formulated. The ministerial-level actors seemed reluctant, or even extremely reluctant, to drive the BSC changes and to use BSC related philosophies which are not aligned with the norms, values and practices that are well- embedded in Brunei's public sector. Accordingly, the decoupling state at the ministerial-level toward higher-level BSC strategy brought unintended effects to the strategic responses taken by the respective ministerial departments. These strategies/actions, in turn, have reinforced further the decoupled state of the ministerial-level BSC strategic requirements/goals from the agencies' daily operations.

The study has also presented details of the characteristics of the strategic responses made by the departments and importantly the contextual conditions that led to their presence and differences. Despite fall in the same institutional fields, the varying responses and their respective outcomes are still possible, particularly those that are generated by departments under the PMO. Moreover, the contagious nature of the strategic responses embedded in the present context, has yet to be explored extensively in the BSC literature to date.

Last but not least, the interpretive study pursued has demonstrated that despite the decoupled state of the BSC, it does not mean that it could not bring any instrumental results. Hence, the study contested the simplistic dichotomy of success and failure in BSC application, commonly reported in the literature. As a matter of fact, although the BSC application could not bring transformational, ministerial-wide change, to a certain extent it did produce some positive results that the adopting departments had never experienced before. So the BSC's journey in Brunei's public sector, thus far, cannot be perceived or labeled as a 'complete' failure.

9.5.2 New institutional theory of sociology

As discussed in chapter 8, the resulting substantive GT has also essentially managed to contribute mostly to the theorising of loose coupling of PMMS in the context of the public sector, in the realm of NIS of IT. These theoretical developments are addressed below.

First and foremost, this research simply dismissed the view that the decoupling is a 'given' state of any institutionalised organisation. Instead, this research contributed to the recent understanding of decoupling by illustrating it as a resulting process that emerged from the working out of internal institutional processes rooted in the sector. Fundamentally, this study refuted the rationale of decoupling commonly indicated in the literature as a social image adopted so as to gain access to external support/resources. Rather, in this context, the process of decoupling of the BSC primarily emerges when there is no follow-up strategic 'coupling' arrangement being formally established after the ministerial-level BSC strategy formulation. This is actually triggered by the impassive role of ministerial-level actors toward BSC changes that are not aligned with the normal way of doing business in the public sector of Brunei. In effect, the decoupling process is further reinforced at the agency level, when there is no systematic strategic alignment existing between the proactive/passive strategic responses employed by the respective ministerial departments with the ministerial-level BSC strategic goals.

Eventually, this study is simply countering the paucity of relevant papers found in the literature, by conducting a multi-level examination involving "loosely-coupled PMMS, as these are institutionalized in a particular field over time" (Modell, 2009, p. 283). The multi-level analysis has also enabled this research to make other related contributions as follows:

This study has provided evidence that lends support to the concerns of Neo-NIS theorists; the intertwining of efficiency and legitimacy-seeking purposes of adopting rational procedure such as BSC practice. Thus, this study is responding to a call made by Modell (2009) for such an issue to be crystalised further in the literature.

The intra-organisational examination of the dynamics of different departmental strategic responses allows for a more accurate explanation of the patterns and enabling factors of the strategies. Therefore, the systematic explanation provided in this thesis simply bypasses the theoretical work of Oliver (1991) who provided broad predictions of the antecedents in deciding the type of strategic responses undertaken by an organisation. Besides, this study also provided more “insights into the role of embedded agency in effecting tight and loose couplings over time” which is a topic that is also found to be scant in the literature relating to decoupled PMMS (Modell, 2009, p. 283).

Furthermore, this study also contributed to the literature by demonstrating that results-based management strategists are capable of proactively changing the higher order BSC templates and constructing a novel PMMS better adjusted to organisation-specific settings (Modell, 2009) and “in anticipation of future [instrumental] benefits” (Model, 2001, p. 459). Moreover, the study also rejects Oliver’s (1991) habitual reporting tactic as part of acquiescence strategy, but rather suggest it belongs to avoidance strategy. Eventually, this study confirms, in line with Modell (2001), the necessity of legal coercion over voluntary diffusion to really make departmental leaders become receptive towards PMMS or any other reforms introduced by the top level.

In another related development, Bromley and Powell (2012) predicted that the policy-practice decoupling might be declining and the means-ends decoupling might become more widespread in the future. But this study gives an indication that the former is still relevant in certain contexts.

The theorising of decoupling is arguably one of the important theories informed by NIS (Meyer and Scott, 1983; Kasperskaya, 2008; Modell, 2009). But, in addition to the above discussion, this study has also been able to extend this theoretical development with other related supporting theories such as path-dependencies. This study, thus, has supported the findings made by Modell (2009) who claimed that, in recent years, the explicit utilisation of such supporting theories “has been proliferated and helped

advancing theoretical insights in line with more general developments in the NIS literature” (p. 286).

9.5.3 Methodological contributions

The GT approach pursued in this present study has also made several contributions to the body of interpretive literature. Firstly, the closer interpretive examination is responding to calls made by many authors (e.g.: Bourne *et al.*, 2002; Atkinson, 2006; Piotrowski and Ansah, 2010; Ruzita, Azhar and Abu Hasan, 2012, Hoque, 2014) for more qualitative studies in order to generate a deeper understanding of the reaction to, and impact of, the BSC from the organisational members. A closer interpretative examination provides the means to discover more variables in relation to the BSC or other organisational contexts that might not be revealed by the quantitative research (DiMaggio and Powell, 1983; Decoene and Bruggeman, 2006). The research, thus, has extended the interpretive paradigm where such research is lacking and also contributed to the GT literature by adopting this research strategy with an unexplored population.

Specifically, GT has been useful for the researcher to reveal and “focus on the contextual and processual elements” that are pertinent to the study (Orlikowski, 1993, p. 310). This research strategy has also enabled the researcher to capture data from key players that slice vertically across the organisation. Moreover, the systematic approach advocated by the GT strategy and applied in this research is also responding to the lack of systematic empirical research reported in the BSC literature. Jennings (2010) argued that systematic empirical evidence is vital so as to reveal what actually works, how it works, in what conditions it works and also with respect to its consequences if it works.

Besides, the resulting outcome of the study could contribute to the logic of the “middle” range of prior theory as highly regarded by Laughlin (1995)⁶⁶. The emergence theoretical framework shown in chapter 7 could become the

⁶⁶ A “middle” range position of prior theorisation, according to Laughlin (1995), calls for the design and use of “skeletal” theory, which further requires empirical studies to make it meaningful and complete in a particular context. Please see Laughlin (1995) for details discussion of different range [High/Medium/Low] of prior theorisation.

foundation block of a 'skeletal' theory that leads to a certain degree of generality when further empirical studies are made in similar or even in different contexts⁶⁷.

9.6 Practical contributions of the research

The worth of any academic work can essentially be judged by the degree of impact it has on the real world (Elbanna, 2013). Accordingly, this current research also seemed able to offer valuable insights and implications to the practitioners, especially for the studied cases and for the public sector in Brunei in general. As claimed by Strauss and Corbin (1998, p. 12), the theory generated is "likely to offer insight, enhance understanding and provide a meaningful guide to action".

Firstly, the adoption of a BSC could potentially play a decisive role in generating accountability relationships within, and hence to reflect the outcomes of the actions taken by, the government sector. But, before ever getting to that, this study inferred that the roles played by the central-level actors to drive the BSC change process, and hence to initiate the performance management culture, has become the first prerequisite.

Primarily, it is important for the national leaders to identify key issues and legitimise national agendas for the nation to focus on. These agendas then need to be broken down into measurable goals, which are then pursued in a corporate like manner. This simply raises the importance of having top national cum ministerial leaders with strategic vision and who possess the 'bull dozer' character to drive the ministry to accomplish higher goals, as stipulated in the BSC strategy map.

This is even so in the context of this study, where the new innovations introduced is often made in a bottom-up manner; the realisation of the mission and detailed programmes were tasked to and formulated by departmental-level personnel. This decision can be understood in that it is commonly expected that people at the operational- level know most about

⁶⁷ Laughlin signifies that the metaphor of 'skeletal' as a meant "to paint a picture of incompleteness yet also reasonable stability" (1995, p 81).

their programmes, possess specialised skills and know their clients well. But eventually, without top-level intervention, the bottom-up strategies pursued are notably decoupled from the strategic goals stipulated in the ministerial-level BSC strategy. Consequently, this minimised the impact of higher-level strategies to a small-scale, failing to meet their intended outcomes.

Instead, if the top management has a direct concern and knowledge about the BSC related strategy, this could generate a sense of urgency and political support for it. This in turn could give a chance for approval of the follow-up action plans proposed at the departmental-level. Additionally, top-level actors could also secure open cooperation and integrate the work of different parties/departments, so as to ensure the strategic priorities are set. This includes breaking barriers between departmental structures and operations and to make the 'final call' on any conflict that may have arisen.

In a related development, this study also revealed that Brunei's public sector budgetary system and practice needed to be fundamentally transformed if the sector is really serious about implementing its strategic planning in a timely and an outcome-oriented manner. Ideally, it is imperative that the budgetary allocation must move away from traditional and routine procedures to reflect on the improvement of the actual outcomes.

Moreover, this study also implied that, in order to nurture a greater accountability and celebrate a performance-driven culture, it is essential for the sector to start executing a meritocratic performance measurement. This is also to ensure that the public sector is embracing a performance-based promotion; the performance-driven civil servants are to be rewarded accordingly and ultimately could fill-up the ministerial executives' positions in the future. Perhaps, in order to generate a sense of urgency, it is also wise for those occupying executive positions at the ministerial-level to be hired on a contractual basis, instead of on a permanent one, which is contingent upon the realisation of ministerial results.

Most, if not all of the initiatives above could, in time, assist the concept of performance management to be readily developed and routinised in Brunei's public sector, starting from the ministerial level and then moving down to

the departmental level.

9.7 Implications for future research

The extent to which the substantive GT can be generalised to other studies might be limited; nonetheless, there are many of this study's main findings that are applicable and can be employed in future research.

First and foremost, the emergent GT has managed to identify various conditions, both macro and micro, which are likely to influence other ministries and public agencies in Brunei. Thus, the relationships identified in the thesis can also be tested in public organisations in other nations, such as those that are also ruled based on the monarchy system or perhaps to those that possess different administrative and political settings and contexts.

Additionally, the theoretical framework formulated for the BSC application could also be tested for other forms of performance management or referred to in any type of managerial innovations introduced in public organisations.

Furthermore, future research can also be conducted that extends the present model. For instance, instead of internal actors, a related study could be made of those result-based management strategists by capturing the views of their main stakeholders. So, perhaps we can determine whether actions undertaken via a BSC strategy, by these agencies, really does contribute to the real outcomes. There are simply no better respondents from whom to get the answers than those who are on the receiving end of the agency's services. This focus could also provide empirical studies on the means-ends decoupling, as advocated by Bromley and Powell (2012).

Besides, a different set of studies could also be made to include different variables such as age, academic background, work experience, training levels, etc. that differentiate departmental directors who embraced BSC in their departments from those who did not. An interesting study can also be made in the future on the impact of performance management practice, whether those directors who have embraced BSC at the departmental level

can actually commence a similar working practice at the ministerial-level, if and when they are promoted to ministerial executive positions.

Last but not least, this study has been able to relate NIS with other related supporting theories. This combination might be the way to move forward in the future, so as to achieve a better understanding of institutional research in general.

Appendices

Appendix A: List of Interviewees

| Prime Minister's Office (PMO) | | |
|-------------------------------|--|-----------------------------|
| <u>Position</u> | <u>Division/Department</u> | <u>Number of interviews</u> |
| Permanent Secretary | Division1 | 1 |
| Permanent Secretary | Division2 | 1 |
| Executive committee member | Public Service Commission (PSC) | 1 |
| Senior Director | Department1 | 1 |
| Deputy Senior Director | Department1 | 1 |
| Director | Department2 | 2 |
| Director | Department3 | 1 |
| Director | Department4 | 1 |
| Director | Department5 | 1 |
| Director | Department6 | 1 |
| Director | Department7 | 1 |
| Senior Operational Staff | Royal Customs and Traditions Department (RC&TD) | 1 |
| Senior Administrative Staff | Security & Enforcement Division (S&ED) | 1 |
| Senior Administrative Staff | Corporate & Governance Division (C&GD) | 1 |
| Administrative Staff | Economy, Finance, Research & Development Division (EFR&DD) | 1 |
| Special Duties Staff | Law & Welfare Division (L&WD) | 1 |
| Special Duties Staff | Security & Enforcement Division (S&ED) | 1 |
| Senior Operational Staff | Anti- Corruption Department (ACD) | 1 |
| Senior Management Staff | Management Service Department (MSD) | 1 |

| | | |
|------------------------------------|---|---|
| Senior Administrative Staff | State <i>Mufti</i> Department (SMD) | 1 |
| Head of Section | State <i>Mufti</i> Department (SMD) | 3 |
| Senior Economics Staff | Department of Economic Planning And Development (DoEP&D) | 3 |
| Senior Administrative Staff | Narcotics Control Department (NCD) | 3 |
| Senior Administrative Staff | Public Service Department (PSD) | 1 |
| Senior Administrative Staff | Management Service Department (MSD) | 1 |
| Senior Quality Staff | Management Service Department (MSD) | 2 |
| Special Duties Staff | Information Department | 2 |
| Special Investigator | Anti-Corruption Department (ACD) | 1 |
| Project Staff | Department of Economic Planning And Development (DoEP&D) | 1 |
| Administrative staff | Narcotics Control Department (NCD) | 1 |
| Economics Staff | Department of Economic Planning And Development (DoEP&D) | 2 |
| Administrative Staff | Anti-Corruption Department (ACD) | 1 |
| Research Staff | Information Department | 1 |
| Personnel Staff | Public Service Department (PSD) | 1 |
| Research staff | Research & Planning Section, Public Service Department (PSD) | 1 |
| Management Staff | Management Service Department (MSD) | 1 |
| Project Staff | Energy Department | 1 |
| Ministry of Education (MoE) | | |
| Permanent Secretary | Division1 | 1 |
| Adjunct Professor | University of Brunei Darussalam (UBD) | 1 |
| Director | Department1 | 2 |
| Director | Department2 | 2 |

| | | |
|-----------------------------|---|---|
| Director | Department3 | 1 |
| Senior Operational Staff | Private Schools Department (PSD1) | 1 |
| Senior Operational Staff | Secretariat, Brunei Darussalam National Accreditation Council (BDNAC) | 1 |
| Senior Operational Staff1 | Secondary Education Section, Department of Schools (DoS) | 1 |
| Senior Operational Staff2 | Primary Education Section, Department of Schools (DoS) | 1 |
| Senior Operational Staff | Department of Planning, Development & Research (DoPD&R) | 1 |
| Senior Operational Staff | Department of Planning, Development & Research (DoPD&R) | 2 |
| Senior Operational Staff | Curriculum Department | 2 |
| Head of Section | Curriculum Department | 1 |
| Head of Section | Department of Estate Planning & Management (DoEP&M) | 1 |
| Senior Administrative Staff | Department of Estate Planning & Management (DoEP&M) | 1 |
| Senior Education Staff | Human Resource Department (HRD) | 2 |
| Senior Education Staff | Department of Schools (DoS) | 1 |
| Senior Education Staff | Private School Department (PSD1) | 1 |
| Senior Education Staff | Department of Technical Education (DoTE) | 1 |
| Senior Education Staff | Higher Education Section (HES) | 1 |
| Senior Administrative Staff | Department of Administration & Services (DoA&S) | 1 |
| Specialist | Inspectorate Department | 1 |
| Special Duties Staff | Department of Administration & Services (DoA&S) | 2 |
| Special Duties Staff | Secretariat, Brunei Darussalam National Accreditation Council (BDNAC) | 1 |
| Education Staff | Private School Department (PSD1) | 1 |

| | | |
|-----------------|---|---|
| Education Staff | Department of Planning, Development & Research (DoPD&R) | 3 |
| | Other relevant ministry | |
| Financial staff | Secretariat of State Tender Board, Ministry of Finance (MoF) | 1 |

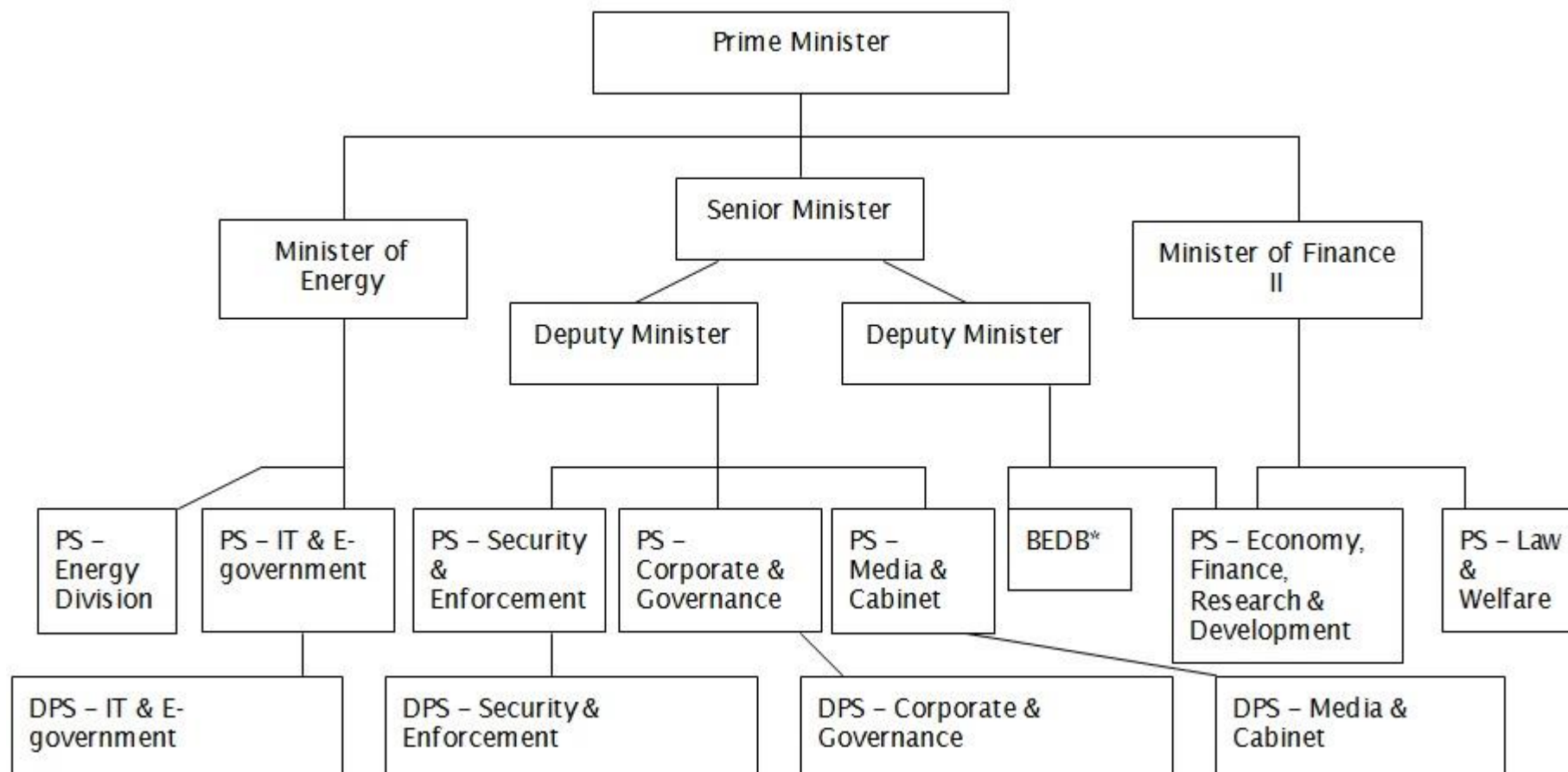
| | | |
|--------------|-------------------------------|-----------|
| TOTAL | Number of formal interviewees | 64 |
| TOTAL | Number of formal interviews | 82 |

Appendix B: List of documents analysed

| <u>Internal Documents</u> | <u>Dates</u> |
|--|---------------------|
| <ul style="list-style-type: none"> - Departmental Balanced Scorecards Dashboards for departments under the MoE used in this study | 2009- 2011 |
| <ul style="list-style-type: none"> - Departmental Balanced Scorecards Dashboards for departments under the MoE used in this study | 2012- 2013 |
| <ul style="list-style-type: none"> - Annual Balanced Scorecard Report for the MoE | 2010- 2011 |
| <ul style="list-style-type: none"> - Balanced Scorecards Report for first half year for the MoE | 2011- 2012 |
| <ul style="list-style-type: none"> - Departmental Balanced Scorecards for departments under the PMO used in this study | 2009-2012 |
| <ul style="list-style-type: none"> - Preliminary Balanced Scorecards strategic planning for Information department, PMO | 2011 |
| <ul style="list-style-type: none"> - <i>Brunei Darussalam Key Indicators</i>, Brunei: Department of Economics Planning and Development (<i>Not yet published</i>) | 2012 |
| <ul style="list-style-type: none"> - The preliminary Balance Scorecards implementation dashboards for the Strategy map of theme 3: To modernize the Civil Service, PMO | 2007 |
| <ul style="list-style-type: none"> - Sample of application forms for 9th NDP projects | |
| <u>External Documents</u> | |
| <ul style="list-style-type: none"> - Ministry of Education. <i>The Ministry of Education Strategic Plan 2007 – 2011</i>. Brunei Darussalam: Ministry of Education. | 2007 |
| <ul style="list-style-type: none"> - Ministry of Education. <i>The Ministry of Education Strategic Plan 2012 – 2017</i>. Brunei Darussalam: Ministry of Education. | 2013 |
| <ul style="list-style-type: none"> - Prime Minister’s Office. <i>A Strategic Planning Framework for the Prime Minister’s Office, Brunei Darussalam (2005 – 2014) – Full Report</i>. Brunei Darussalam: Printing Department. | 2004a |
| <ul style="list-style-type: none"> - Prime Minister’s Office. <i>Strategic plan of the Prime Minister’s Office</i>, [Lecture Slides]. Brunei Darussalam: Printing Department. | 2004b |
| <ul style="list-style-type: none"> - Strategic Planning for departments under PMO under | |

| | |
|---|--|
| <p>this study</p> <ul style="list-style-type: none"> - Department of Economics Planning and Development, Prime Minister's Office, <i>Brunei Darussalam Long-term Development Plan</i>, Brunei: Government Printing Department, Prime Minister's Office. - Department of Economics Planning and Development, Prime Minister's Office <i>Brunei Darussalam Key Indicators</i>, Brunei: Department of Economics Planning and Development. - Labour Force Survey 2008: Preliminary Tables, Brunei Darussalam: Department of Economic Planning And Development, Prime Minister's Office - General Orders and Rules and Regulations in the public sector administration, Brunei Darussalam: Public Service Department, Prime Minister's Office - Meludin, A., <i>Taklimat... (Workshop...)</i>, [online], Available:http://www.jpa.gov.bn/go/download/tatatertib-dis-2011.pdf - Panduan Pelaksanaan...(Implementation Manuals...) [online], Available: http://www.psd.gov.bn/JPAnewWeb%202.1/panduanUrusStaf/prestasi.htm - Ministry of Finance, State Tender Board [online]. Available:http://www.mof.gov.bn/English/StateTenderBoard/TenderProcess/Pages/default.aspx - Taklimat Wang Pendahuluan Rampaian (<i>Workshop on Advance Funds Miscellaneous</i>) [Lecture Slides], Brunei Darussalam: Treasury, Ministry of Finance. - Taklimat Budget (<i>Workshop on Budget</i>) [Lecture slides], Brunei Darussalam: Expenditure, Ministry of Finance. - Taklimat Peraturan- Peraturan Kewangan (<i>Workshop on Financial Regulations</i>) [Lecture slides], Brunei Darussalam: State Tender Board, Ministry of Finance. - Online newspapers/articles | <p>2008- 2011</p> <p>2007</p> <p>2009, 2010 and 2011</p> <p>2008</p> <p>2011</p> <p>2011</p> <p>2011</p> <p>2011</p> <p>2011</p> <p>2011</p> <p>2011</p> |
|---|--|

Appendix C: The organisational chart of the top management at the Prime Minister's Office

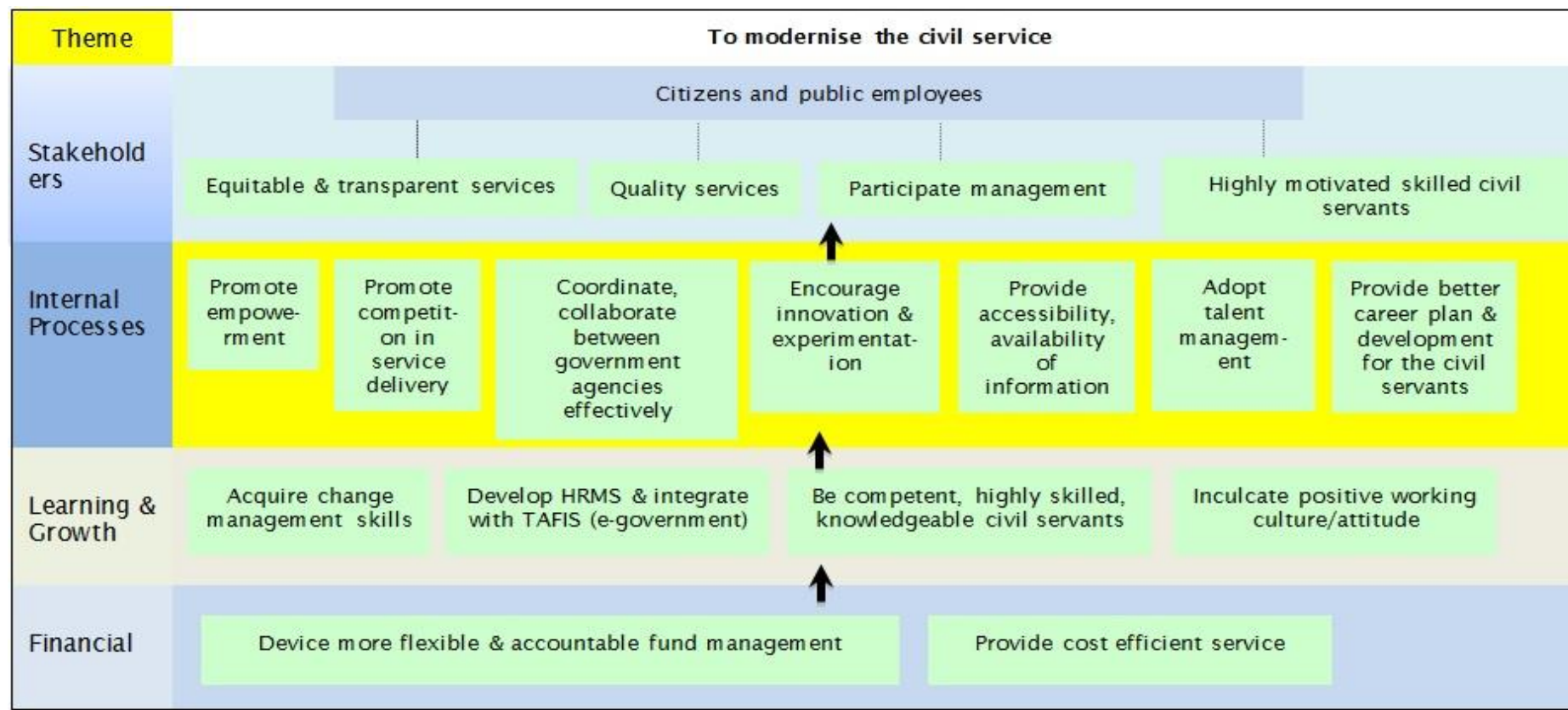


Source: Organization structure of the Prime Minister's Office, [online], (2009), Available: <http://www.ipm.gov.bn/>, [Accessed: 15th November 2010].

Notes:

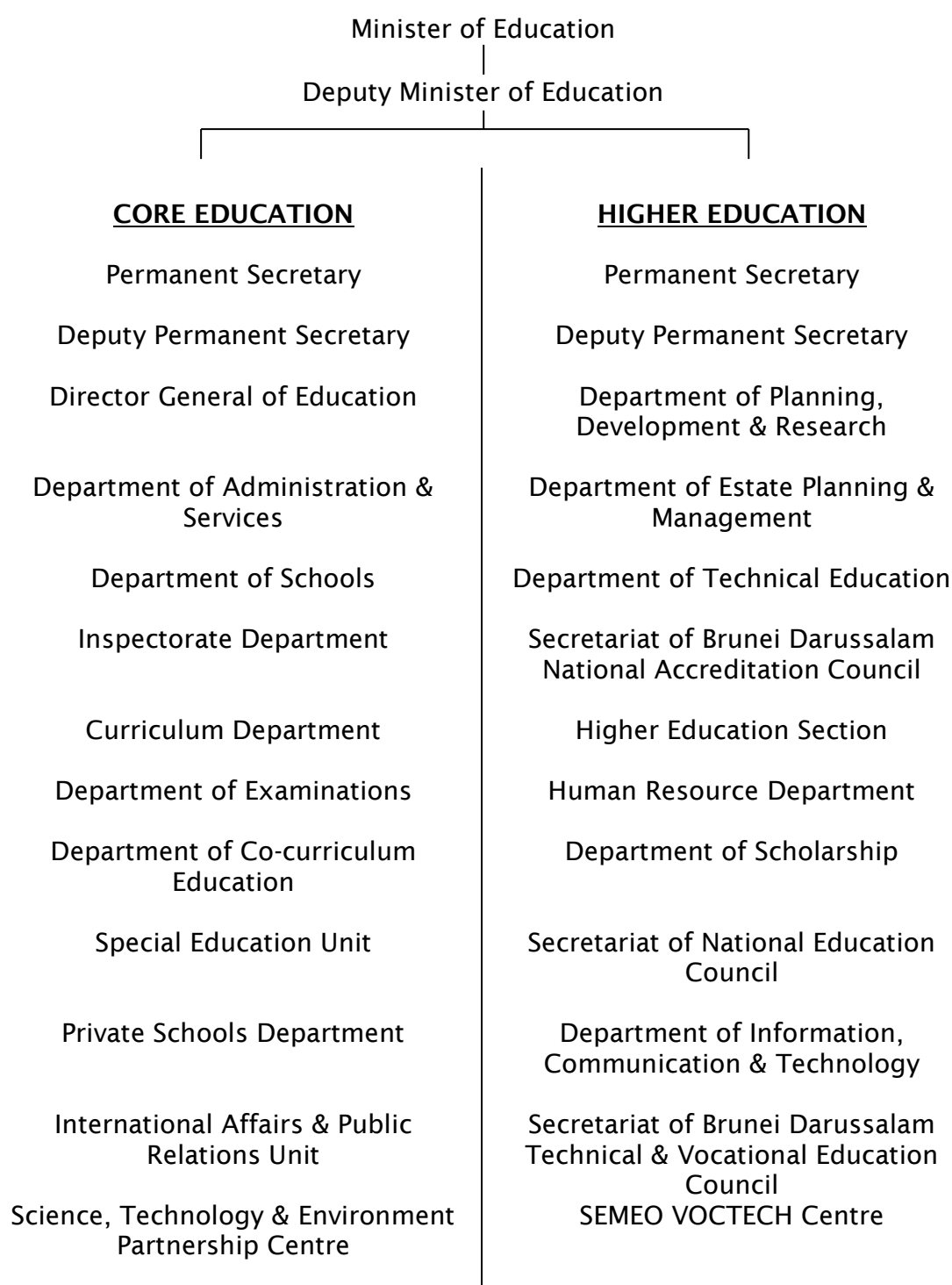
- PS – Permanent Secretary
- DPS – Deputy Permanent Secretary
- The Strategic Management Office (SMO) is currently administered by the Permanent Secretary at the Media and Cabinet Division.
- *BEDB stands for Brunei Economics Development Board and is a non-governmental agency
- The organisational structure of PMO has been changing and evolving in over times. For instance, during the higher-level BSC strategy formulation, PMO was only headed by one deputy minister, who reported directly to His Majesty who also acts as the Prime Minister (Senior administrative staff, Security and Enforcement Division). The above structure is the latest one on date.

Appendix D: The strategy map of theme 3- To modernise the civil service



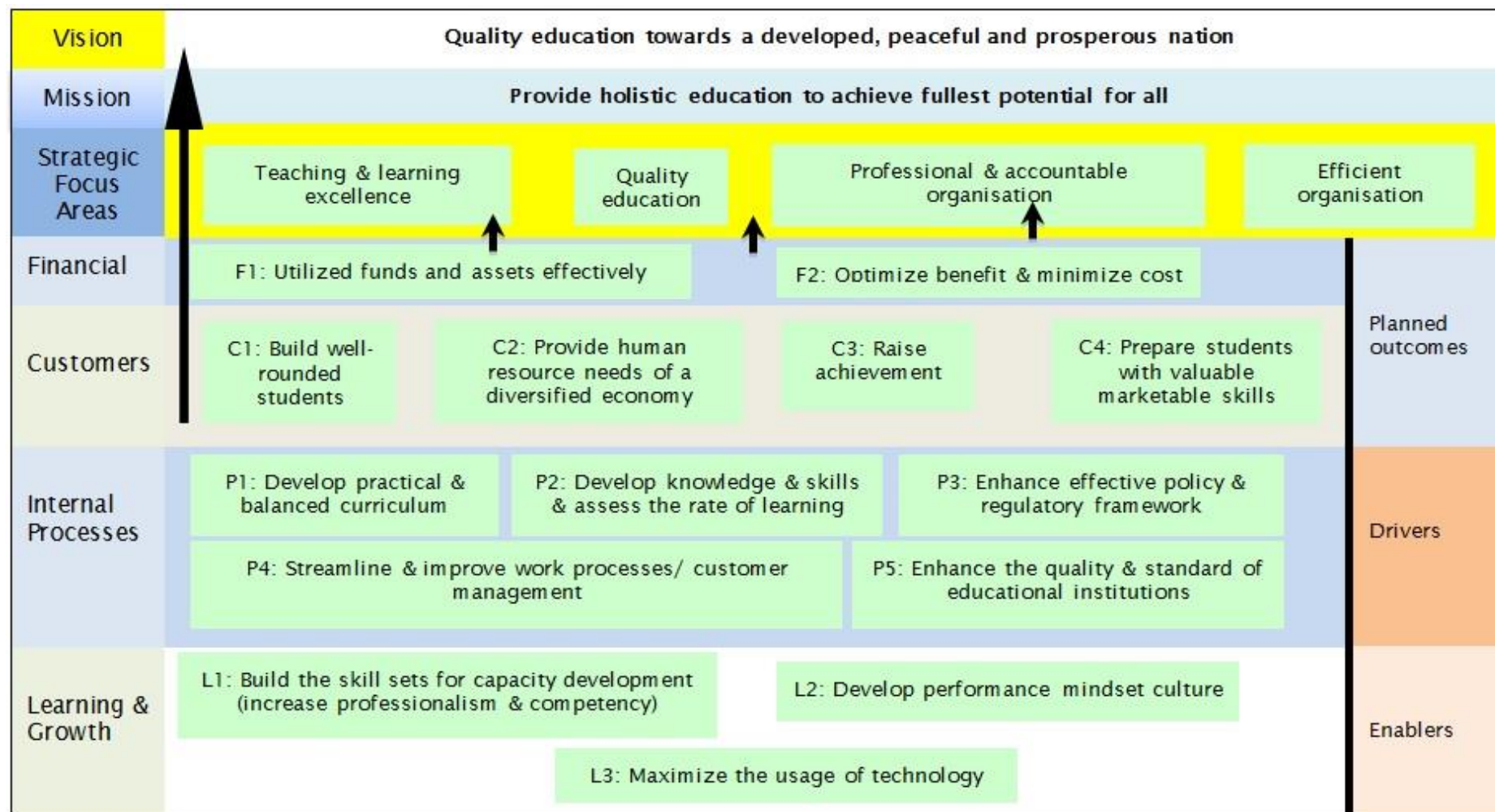
Source: Prime Minister's Office (2004a). *A Strategic Planning Framework for the Prime Minister's Office, Brunei Darussalam (2005 - 2014) - Full Report*. Brunei Darussalam: Printing Department, p. 26.

Appendix E: The organisational chart of the Ministry of Education



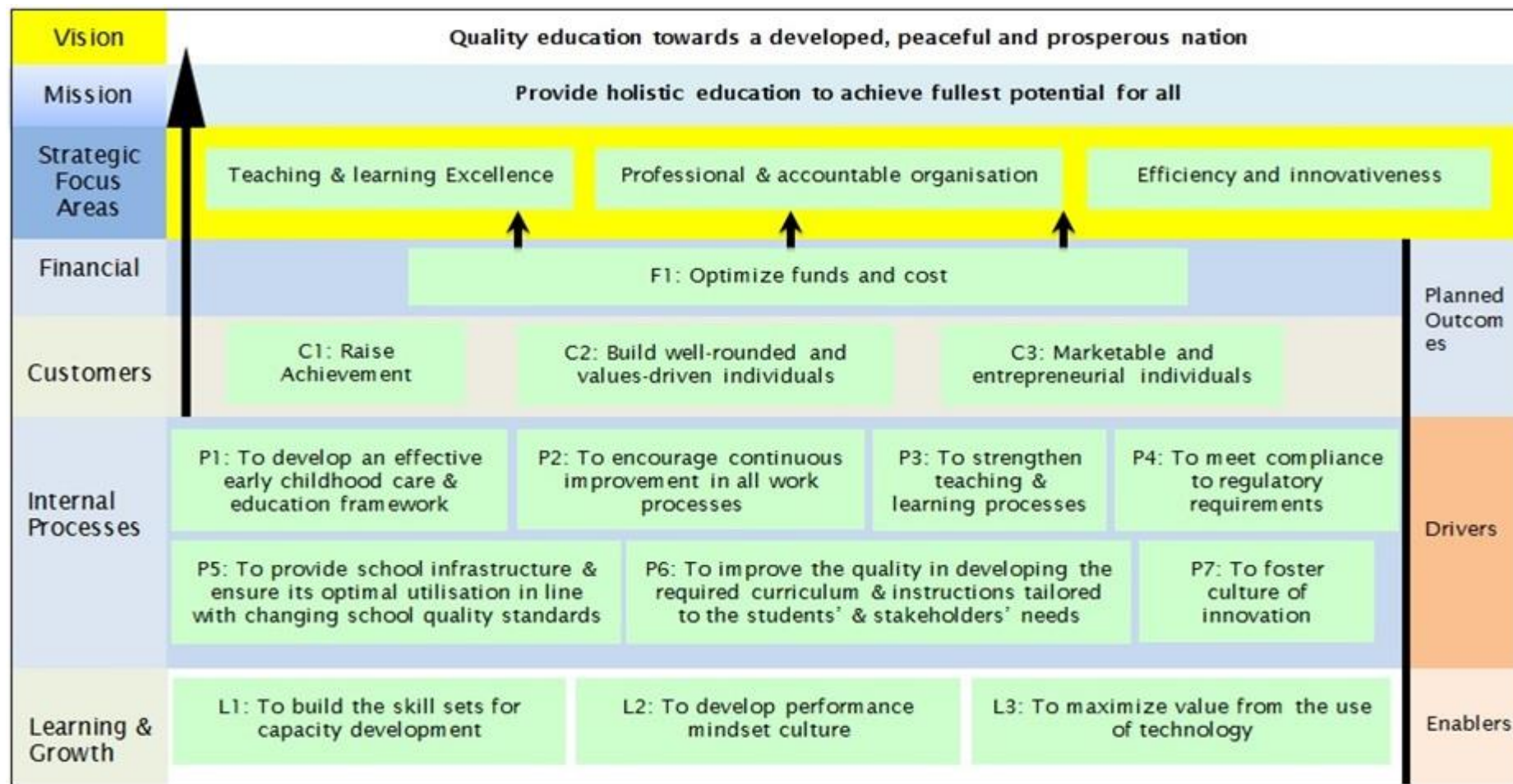
Source: Ministry of Education (2008b). *Organisational structure* [online]. Available: http://www.moe.edu.bn/web/moe/aboutus/orgstructure?p_p_id=15&p_p_action=1&p_p_state=normal&p_p_mode=view&p_p_col_id=&p_p_col_pos=0&p_p_col_count=1&#p_56_INSTANCE_6Gu, [Accessed: 16th November 2010].

Appendix F: The strategy map of the Ministry of Education for the period 2007 – 2011



Source: Ministry of Education (2007). *The Ministry of Education Strategic Plan 2007 – 2011*. Brunei Darussalam: Ministry of Education, p. 1.

Appendix G: The strategy map of the Ministry of the Education for the period 2012 – 2017



Source: Ministry of Education (2013). *The Ministry of Education Strategic Plan 2012 – 2017*. Brunei Darussalam: Ministry of Education, p. 22.

Appendix H: List of Open concepts

| 111 OPEN CONCEPTS | | |
|---|---|--|
| <ul style="list-style-type: none"> • The authority of the representatives • The implication of unstructured policy-making process • Public disengagement • Lack of common purpose • Immaterialised milestones • Sense of difficulty of strategic measures • Mimetic isomorphism • No shocking event • Public sector driven nation • Laid- back culture • Monarchy based ruling system • Horizontal appointment of national leaders • Government immunity • Symbolic revival of legislative council • Responsible public accountability • Public employment preference and reliance • Feudal(ism) customs • Older generation reinforcement • Performance appraisal process • Forgiving culture | <ul style="list-style-type: none"> • Poor succession plan • Leaving legacy • Different 'schools of thought' • Conflicting comprehension of BSC knowledge • Limited involvement of consultants • Unstructured follow-up training • Indistinctive 'carrot and stick' on performance • Perceived insignificance of performance management culture • Tactical inability • Problem 'fixing' • Inattentive to strategic priorities • Political enforcement and interference • Advisory and mentoring roles • Administrative and reporting roles • Sense of commitment on higher-level strategy from different level of leadership (low) • BSC technical knowledge and experience • Legitimate position • The perceived needs of government-wide BSC framework | <ul style="list-style-type: none"> • Directors' involvement in departmental BSC development • Intra-departmental BSC socialisation • Directors' commitment to departmental BSC implementation • Intra-departmental cooperation • Departmental strategic achievement • Departmental direction and planning • Directors' involvement in ministerial-level strategy development • Level of management skills • Target driven • Work transparency • Work prioritisation • Change effect • Working in isolation • Inter-departmental coordination and cooperation • Overwhelmed with peripheral roles • Disincentive for innovation and risk-taking • Overlooking talent |

| | | |
|---|---|--|
| <ul style="list-style-type: none"> • Real work dissociation • Broad job description • Formality • Tug of war • Non-merit based promotion • The consequences of non-performance based promotion • Fear of bad assessment • Playing safe attitude • Politically held accountable • Multi-tasking • The implications of centralised budgeting system • Vague developmental budgetary outcomes • 'Black hole' state tendering process • 'Ping-pong' process • Inadequate manpower and experts • Unattractive professional career scheme • Vision 2035 development process • Different interpretations • Broad scoring criteria • National leaders' disengagement in strategy development and implementation • Limited (early stage) involvement from chief executives in strategy development and implementation | <ul style="list-style-type: none"> • Ministerial owned strategy cascading process • Strategic feedback and outcomes' evaluation • Perceived purposes of implementation • Implementation arrangements • The visibility of strategic outcomes • The perceived needs of legal decree • The importance of business model • The visibility of official ownership (low) • Information flow via BSC (poor) • Ad hoc working culture • Higher-level strategy map reference • Nature of alignment • Departmental strategy map • Departmental KPIs development • Higher-level submission • KPIs review and evaluation • Project based planning • Degree of action plan assessment • Level of established routines occurrence • Level of new action plans performed • Perceived predisposition of directors | <ul style="list-style-type: none"> • Performance based accountability • Maintaining the status quo • Typical 'Malay' mind-set and attitudes • Fiscal sustainability • Complacency • Budgetary system • Adherence to financial regulations and procedures • Recruitment practices • Cost-cutting mentality • Unpredicted change in executive leadership • Decentralisation of power • The impact of change in top ministerial leadership • Structural reporting • Nature of operation |
|---|---|--|

Appendix I: List of open categories with their associated open concepts

The following table depicted the open categories with their associated open concepts. Because of the iterative and concurrent nature of the Grounded theory analytical approach, some of the open concepts are subsumed into more than one category.

| <u>Open Category</u> | <u>Open Concepts</u> | <u>Open Category</u> | <u>Open Concepts</u> |
|-------------------------------------|--|--|--|
| Continued prosperity | <ul style="list-style-type: none"> • Fiscal sustainability • Public sector driven nation • No Shocking event • Complacency • Laid- back culture | 'Malay' cultural influences | <ul style="list-style-type: none"> • Public employment preference and reliance • Feudal(ism) customs • Older generation reinforcement • 'Typical' Malay mind-set and attitudes |
| General political landscape | <ul style="list-style-type: none"> • Monarchy based ruling system • Horizontal appointment of national leaders • Government immunity • Maintaining Status quo • Symbolic revival of legislative council • Public Disengagement • Lack of responsible public accountability • Politically based accountable | Participants' perception on performance measurement practices | <ul style="list-style-type: none"> • Performance appraisal process • Forgiving culture. • Real work dissociation • Broad job description • Ad-hoc working culture • Indistinctive 'carrot and stick' on performance • Formality • Non-merit based promotion • The consequences of non-performance based promotion |
| Attitudes toward performance | <ul style="list-style-type: none"> • Responsible public accountability • Fear of bad assessment • Performance based accountability • Complacency | Budgetary processes | <ul style="list-style-type: none"> • Budgetary system • Adherence to financial regulations and procedures • Cost- cutting mentality |

| | | | |
|---|--|--|--|
| based accountability | <ul style="list-style-type: none"> • Disincentive for innovation and risk taking • Playing safe attitude | | <ul style="list-style-type: none"> • The implications of centralised budgeting system • <i>Vague</i> developmental budgetary outcomes • 'Black hole' State tendering process • 'Ping- pong' process |
| Recruitment policies | <ul style="list-style-type: none"> • Adherence to financial regulations and procedures • Recruitment practices • 'Ping-Pong' process • Inadequate manpower and experts • <i>Unattractive</i> professional career scheme | Intra-departmental results | <ul style="list-style-type: none"> • Intra-departmental cooperation • Departmental direction and planning • Departmental strategic achievement • Target driven • Work Transparency • Work prioritisation |
| The perceived functioning of SMO | <ul style="list-style-type: none"> • Administrative and reporting function • Advisory and mentoring roles • Multi-tasking. • BSC technical knowledge and experience • Legitimacy position (weak) | Departmental relationships | <ul style="list-style-type: none"> • Working in isolation • Inter-departmental coordination and cooperation • Change effect |
| Managing by problem | <ul style="list-style-type: none"> • Overwhelmed with peripheral roles • Working in isolation • Tactical inability • Perceived insignificance of performance management culture • Problem 'fixing' • Inattentive to strategic priorities | Professional know-how and socialisation | <ul style="list-style-type: none"> • Advisory and mentoring role • BSC technical knowledge and experience • Administrative and reporting role • Intra-departmental BSC socialisation |
| Impromptu Vision 2035 | <ul style="list-style-type: none"> • Vision 2035 development process • Legitimacy position (weak) • The importance of business model | Leadership custodianship | <ul style="list-style-type: none"> • National leaders' disengagement in strategy development and implementation • Limited (early stage) involvement from chief |

| | | | |
|-----------------------------------|--|---|---|
| roadmap | <ul style="list-style-type: none"> • Strategic feedback and evaluation • Political enforcement and interference (weak) • Inattentive to strategic priorities • The visibility of official ownership (Low) • Different interpretations • Inadequate manpower and experts • Broad scoring criteria • Nature of alignment • Cost-cutting mentality • Working in isolation | | <p>executives in strategy development and implementation</p> <ul style="list-style-type: none"> • Directors' involvement in ministerial-level strategy development • The impact of change in top ministerial leadership • Political enforcement and interference (weak) • Unpredicted change in executive leadership • Poor succession plan • Leaving legacy • Sense of commitment on higher-level strategy from different level of leadership (Low) |
| Organisational control | <ul style="list-style-type: none"> • Structural reporting • Nature of operation • Decentralisation power | Instinctive outcomes | <ul style="list-style-type: none"> • Ad-hoc culture • Overwhelming with peripheral roles • Overlooking talent • Tug of war |
| Top-down cascading process | <ul style="list-style-type: none"> • Limited involvement from consultants • Inadequate manpower and experts • Unstructured follow-up trainings • Conflicting comprehension on BSC knowledge • Strategic feedback and evaluation • Ministerial owned strategy cascading process • Sense of commitment on higher-level strategy from different level of leadership (Low) | Disintegrated 'bottom-up' implementation | <ul style="list-style-type: none"> • Higher-level Strategy map reference • Implementation arrangements • Perceived Purposes of implementation • The authority of the representatives • BSC technical knowledge and experience • Strategic feedback and outcomes' evaluation • The visibility of official ownership (Low) • Nature of alignment |

| | | | |
|--------------------------------------|---|---|--|
| Diverging strategic direction | <ul style="list-style-type: none"> • The implication of unstructured policy-making process • Public disengagement • Perceived purposes of implementation • information flow via BSC (poor) • Ad-hoc working culture • Lack of common purpose | Functional visibility of strategic outcomes | <ul style="list-style-type: none"> • The Visibility of strategic outcomes • Inattentive to strategic priorities • Immaterialised milestones • Sense of difficulty of strategic measures • The perceived needs of legal decree |
| Roles play of directors | <ul style="list-style-type: none"> • Perceived predisposition of directors • Level of Management skills • BSC technical knowledge and experience • Directors' involvement in Departmental strategy development • Directors' commitment in Departmental strategy implementation | Interchange between established and new actions plan | <ul style="list-style-type: none"> • Project based planning • Degree of action plan assessment • Level of established routines occurrence • Level of new action plans performed • The implications of centralized budgeting system • Inadequate manpower and experts |
| Shaping departmental KPIs | <ul style="list-style-type: none"> • Departmental KPIs development • Higher-level submission • KPIs review and evaluation • Departmental strategy map | The importance of knowledge synchronisation | <ul style="list-style-type: none"> • Different 'schools of taught' • Working in silos • Legitimate position • Conflicting comprehension on BSC knowledge • The perceived needs of government-wide BSC framework • Political enforcement and interference (weak) |
| Meanings of existence | <ul style="list-style-type: none"> • Mimetic isomorphism • Perceived purposes of implementation • Higher-level Strategy map reference • Nature of alignment | | |

Appendix J: List of 9 axial categories with their associated open sub-categories i.e. in terms of their related properties and dimensions

| 1. <i>Hierarchical deference</i> | <u>Open sub- categories</u> | | 2. <i>Bureaucratic barriers</i> | <u>Open sub- categories</u> | | 3. <i>Prolonged effects</i> | <u>Open sub- categories</u> | |
|--|---|----------------------|--|--|-------------------------|---|---------------------------------|-------------------|
| | - Continued prosperity - General political landscape - ‘Malay’ cultural influence | | | - Recruitment practices - Budgetary processes | | | -Instinctive outcomes | |
| Properties | Dimensions | | Properties | Dimensions | | Properties | Dimensions | |
| - Maintaining status quo - Complacency - Typical ‘Malay’ mind-set and attitudes - Fiscal sustainability | Level of inclination- | High. | - Budgetary system - Financial regulations and procedures - Recruitment practices - Cost cutting mentality - Developmental budget allocation | Nature of provision- | Centralise- d (MoF). | - Ad-hoc culture - Overwhelmed with peripheral roles - Overlooking talent | Strategic management | Nonexis- tent. |
| | Degree of self satisfaction- | Strong. | | Basis of annual provision- | Historical. | | system- | |
| | Level of influence- | High. | | Level of adherence- | High (by law). | | Nature of relatedness- | Loose. |
| | ‘Baby sitting’ the citizens- | Non- interrupted. | | Duration of approval- | Lengthy. | | Degree of recognition- | Low. |
| | Level of continuity- | High. | | Outcome of approval- | Vague. | | | |
| | | | | Nature of practice- | Norm. | | | |
| | | | | Outcome of approval- | Vague. | | | |

| 4. <i>Disregarding the needs for performance- driven culture</i> | <u>Open sub- categories</u> | | 5. <i>Internal organisational enablers</i> | <u>Open sub- categories</u> | |
|---|---|--|---|--|---|
| | - Managing by Problem - Attitudes toward performance based accountability - Participants' perception on performance measurement practices | | | - Roles play of Director - Professional know-how and socialisation - Organisational control | |
| <u>Properties</u> | <u>Dimensions</u> | | <u>Properties</u> | <u>Dimensions</u> | |
| - Performance based accountability - Complacency - 'Carrot and stick' on performance - Perceived insignificance of performance management culture - Tactical ability - Overwhelmed with peripheral roles - Problem 'fixing' - Attentive to strategic priorities - Innovation and risk-taking - Playing safe attitude | Leadership responsibility- Degree of readiness- Degree of self-satisfaction- Degree of distinction- Perceived insignificant- Level of skilled- Nature of relatedness- Nature of solution- Level of attention- Incentive mode- Nature of occurrence- | <i>Absent.</i> <i>Poor.</i> <i>Strong.</i> <i>Unclear.</i> <i>Strong.</i> <i>Low.</i> <i>Loose.</i> <i>Short-term.</i> <i>Low.</i> <i>Absent.</i> <i>Norm.</i> | - Perceived predisposition of director - Management skills - Directors' involvement in departmental BSC development - Directors' commitment in departmental BSC implementation - Structural reporting - Nature of operation - Decentralisation power - BSC technical knowledge and capacity - Intra-departmental BSC socialisation - Compiling and reporting role - Advising and mentoring role | Desire for impact- Degree of possession- Degree of self- involvement- Degree of dedication- Type of structure- Level of diversity- Degree of intra-connectedness- Degree of regulative works- Degree of Decentralisation- Level of expertise- Degree of occurrence- The presence of in house expert- Frequency of feedback- Degree of capability- | <i>Low- high.</i> <i>Weak- Strong.</i> <i>Active- passive.</i> <i>Weak – Strong.</i> <i>Focus – Broad.</i> <i>Low – High.</i> <i>Low – High.</i> <i>Weak –Strong.</i> <i>Low- High.</i> <i>Weak – Strong.</i> <i>Lacking - Constant.</i> <i>Nonexistence – Functioning.</i> <i>Periodic.</i> <i>Weak – Strong.</i> |

| 6. <i>The emergence of loose strategic arrangement</i> | <u>Open sub- categories</u> | | 7. <i>Organisational synergy</i> | <u>Open sub- categories</u> | |
|---|--|---|---|--|------------------------------------|
| | - Disintegrated ‘bottom-up’ implementation - Diverging strategic direction - Functional visibility of strategic outcomes - Impromptu ‘Vision 2035’ road map | | | - Intra-departmental results - Departmental relationships | |
| <u>Properties</u> | <u>Dimensions</u> | | <u>Properties</u> | <u>Dimensions</u> | |
| - Strategic feedback and outcomes evaluation - Perceived purpose of implementation (<i>Ministerial level</i>) - Implementation arrangement (<i>Ministerial level</i>) | Frequency of feedback- | <i>Absent.</i> | - Intra-departmental cooperation - Strategic achievement - Departmental direction and planning Target driven Work transparency Work prioritisation Change Effect Work in isolation | Type of teamwork- | <i>Conventional – Progressive.</i> |
| | Developmental intention- | <i>Efficiency.</i> | | Sense of accomplishment- | <i>Low – High.</i> |
| | Nature of Progress- | <i>Inactive – Ceremonial.</i> | | Degree of manifestation- | <i>Low- High.</i> |
| | Outcomes of implementation- | <i>Forums – Strategic disorientation.</i> | | Sense of impetus- | <i>Low- high.</i> |
| | Approach in Implementation- | <i>Bottom-up.</i> | | Degree of clarity- | <i>Low- high.</i> |
| - The visibility of strategic outcomes - The perceived needs of legal decree - The importance of business model - The visibility of official ownership - Information flow via BSC - Ad-hoc culture | The presence of higher-level targets- | <i>None.</i> | Inter-departmental coordination and cooperation | Degree of focus- | <i>Low- High.</i> |
| | Level of perceived needs- | <i>Strong.</i> | | Nature of change- | <i>Evolutionary.</i> |
| | The presence of national-level targets- | <i>None.</i> | | Degree of emphasise- | <i>High.</i> |
| | Accountability structure- | <i>Absent.</i> | | Nature of relationship- | <i>Conventional.</i> |
| | Systematic communication- | <i>Absent.</i> | | | |
| - Nature of alignment | Unplanned high-level direction- | <i>Constant. Random.</i> | | | |
| | Ministry to Vision 2035- | <i>Undetected -</i> | | | |
| | Departmental to ministerial –level BSC strategy- | <i>Symbolic.</i> | | | |

| 8. <i>Responsive patterns</i> | <u>Open sub- categories</u> | | 9. <i>Unattached commitment</i> | <u>Open sub- categories</u> | |
|---|---|---|---|---|--|
| | - Meanings of existence - Shaping departmental KPIs - Interchange between established and new actions plans | | | The perceived functioning of SMO - Leadership custodianship - The importance of knowledge synchronisation - Top-down cascading process | |
| <u>Properties</u> | <u>Dimensions</u> | | <u>Properties</u> | <u>Dimensions</u> | |
| - Perceived purposes of implementation <i>(Departmental level)</i> - Higher-level Strategy map reference - Nature of alignment | Type of purposes- | <i>Business as usual – Managing for results.</i> | - Political enforcement and interference | Degree of higher-level support- | <i>Weak.</i> |
| | Degree of reference- | <i>Lacking– Generic.</i> | - Advisory and mentoring roles | Degree of capability- | <i>Weak.</i> |
| | Departmental to ministerial- level BSC strategy- | <i>Undetected- Symbolic.</i> | - Administrative and reporting function | Frequency of feedback- Nature of information- | <i>Lacking – Periodic. Non- strategic (Routine).</i> |
| - Departmental strategy map development - Departmental KPIs development | The presence of strategy map- | <i>Nonexistent – Functioning.</i> | - Sense of commitment on higher-level strategy from different level of leadership | Degree of commitment- | <i>Low.</i> |
| | The presence of higher-level targets- | <i>Absent – Present.</i> | - BSC technical knowledge and experience <i>(for SMO)</i> | Level of expertise- | <i>Weak.</i> |
| | Basis of KPIs formulation- Number of KPIs- | <i>Routines- Outcomes. Segregated – Focus. Absent – Periodic.</i> | - Legitimacy position <i>(for SMO)</i> | Level of positioning- | <i>Weak.</i> |
| - Higher-level submission - KPIs review and evaluation - Project based planning | Frequency of reporting- | <i>One off – periodic. Narrow – Extensive. New – Customary. Loose – Relevant.</i> | - The perceived needs of government-wide BSC framework | Needs for guidance- | <i>Strongly needed.</i> |
| | Frequency of meetings- Agendas of discussion- | <i>One off – periodic. Narrow – Extensive. New – Customary. Loose – Relevant.</i> | - Ministerial owned strategy cascading process | Degree of socialisation- | <i>Absent – Inadequate.</i> |
| | Nature of projects- | <i>One off – periodic. Narrow – Extensive. New – Customary. Loose – Relevant.</i> | | Degree of awareness- | <i>Diminishing – Limited.</i> |
| - Action plan assessment - Established routines occurrence - New action plans | Degree of strategic alignment- | <i>Absent – Periodic. Intermittent – Constant. Static – Dynamic.</i> | | | |
| | Degree of occurrence- | <i>Absent – Periodic. Intermittent – Constant. Static – Dynamic.</i> | | | |
| | Level of repetitiveness- | <i>Absent – Periodic. Intermittent – Constant. Static – Dynamic.</i> | | | |

Appendix K: Brunei Darussalam government revenue and expenditure (April 2001 – March 2011)

(Brunei Dollar [BND] Million)

| | April 2001 - March 2002 | April 2002 - March 2003 | April 2003 - March 2004 | April 2004 - March 2005 | April 2005 - March 2006 | April 2006 - March 2007 | April 2007 - March 2008 | April 2008 - March 2009 | April 2009 - March 2010 | Apr 2010 - March 2011 |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Tax revenue | 2306.4 | 2331.7 | 3426.1 | 3685.1 | 5251.6 | 5514.2 | 6345.4 | 7433.6 | 3739.5 | 6118.1 |
| Taxes on net income & profits | 2203.4 | 2208.9 | 3283.1 | 3562.8 | 5111.0 | 5395.6 | 6175.8 | 7274.9 | 3579.1 | 5946.3 |
| Taxes on international trade | 92.4 | 111.2 | 127.0 | 107.9 | 124.9 | 101.6 | 150.8 | 139.6 | 140.8 | 152.6 |
| Taxes on goods and services | 10.6 | 11.6 | 16.0 | 14.4 | 15.7 | 17.0 | 18.6 | 19.2 | 19.7 | 19.1 |
| Non-tax revenue | 1926.2 | 1936.1 | 2943.4 | 2717.0 | 3189.5 | 3673.5 | 3696.2 | 3925.3 | 2653.3 | 2043.7 |
| Property income | 1629.9 | 1631.0 | 2569.4 | 2418.0 | 2868.2 | 3416.6 | 3234.5 | 3668.5 | 2358.6 | 1734.5 |
| Others | 296.3 | 305.1 | 394.0 | 299 | 321.3 | 256.9 | 461.7 | 275.8 | 294.7 | 309.2 |
| TOTAL REVENUE | 4232.6 | 4267.8 | 6369.5 | 6402.1 | 8441.1 | 9187.7 | 10041.6 | 11358.0 | 6392.8 | 8161.8 |
| Current | 2745.2 | 3776.6 | 4596.5 | 4005.1 | 4086.4 | 4015.9 | 4877.7 | 4956.7 | 4684.7 | 4983.9 |
| Personal emoluments | 1285.9 | 1318.8 | 1784.7 | 1420.1 | 1475.7 | 1618.4 | 1683.1 | 1718.5 | 1749.7 | 1814.1 |
| Other charges annually recurrent | 1178.4 | 1231.4 | 1751.5 | 1365.5 | 1422.1 | 1090.4 | 1776.0 | 1689.0 | 1722.2 | 1785.0 |
| Charged expenditure | 280.9 | 1226.4 | 1060.3 | 1219.5 | 1188.6 | 1307.1 | 1418.6 | 1549.2 | 1212.8 | 1384.8 |
| Capital | 1111.1 | 959.5 | 1125.1 | 863.4 | 1012.5 | 1257.1 | 1141.9 | 1017.9 | 1954.1 | 1367.2 |
| Other charges special | | | | | | | | | | |
| expenditures | 901.2 | 524.2 | 764.9 | 508.3 | 525.5 | 588.2 | 533.5 | 422.5 | 1057.4 | 496.1 |
| Developmental expenditure | 209.9 | 435.3 | 360.2 | 355.1 | 487.0 | 668.9 | 608.4 | 595.4 | 896.7 | 871.1 |
| TOTAL EXPENDITURE | 3856.3 | 4736.1 | 5721.6 | 4868.5 | 5098.9 | 5273.0 | 6019.6 | 5974.2 | 6638.8 | 6351.1 |
| Budget Surplus/Deficit | 376.3 | (468.3) | 647.9 | 1533.6 | 3342.2 | 3914.7 | 4022.0 | 5383.8 | (246.0) | 1810.7 |

Notes:

- Foreign investment incomes do not included in the total revenue
- **Taxes on net income and profits** – Taxes from oil and gas
- **Personal Emoluments** – Salary of the civil servants; basic salary, living allowance, His Majesty's special allowance and other related allowances.
- **Other charges annually recurrent** – Allocation given to departments and ministries used in one financial year such as service operation maintenance, building maintenance, car maintenance, utility bills payment, etc.
- **Charged expenditure** – Allocation in accordance to Brunei Constitution 1959; pension, government tip, special allowances for special posts such as Auditor-General, Attorney Chamber, Chairman of Public Service Commission, etc.
- **Other charges special expenditures** – A one-off capital expenditure in one financial year such as purchasing computers, cars, machines, etc.
- **Developmental expenditure** – Allocation for projects under National Development Plan, which is under the supervision of Department of Economic Planning and Development (DEPD), Prime Minister's Office.

Sources:

- Department of Economics Planning and Development, Prime Minister's Office (2009, 2010 and 2011) *Brunei Darussalam Key Indicators*, Brunei: Department of Economics Planning and Development. p.8.
- Department of Economics Planning and Development, Prime Minister's Office (2007) *Brunei Darussalam Long-term Development Plan*, Brunei: Government Printing Department, Prime Minister's Office. p. 54.

Appendix L: The compilation of the performance rating system, bonus allocation rate and the maximum bonus allocation for job divisions in Brunei's public sector - in accordance to Prime Minister Office Circular letter n. 7/1992.

- The performance rating system with a full- bonus allocation rate

| <u>Grade</u> | <u>Level</u> | <u>Grade rating</u> | <u>Full Bonus allocation rate</u> |
|---------------------|----------------------|----------------------------|--|
| A | Excellent | 91% and above | 100% |
| B | Very Good | 80 - 90% | 100% |
| C | Good | 66% - 79% | 100% |
| D | Satisfactory | 50% - 65% | 100% |
| E | Need for improvement | 30% - 49% | 50% |
| F | Unsatisfactory | 29% and below | 0% |

Notes:

- **Excellent** – Achieving an exemplary work performance consistently throughout the year
- **Very Good** – Achieving a great work performance with a rare mistake or failure
- **Good** – Achieving a fine work performance with a low mistake or failure
- **Satisfactory** – Achieving a work performance standard as required with a moderate mistake or failure.
- **Need for Improvement** – Inconsistent performance in meeting the work standard required.
- **Unsatisfactory** – A recurrent mistake and failure in meeting the work performance standard required.
- Annual Bonus will not be given for those civil servants:
 - Under disciplinary action
 - Found guilty by court
 - Found guilty for not following government's regulations
 - Sent 3 warning letters in accordance to Section 53: Volume B.

- The maximum bonus allocation for job divisions in Brunei's public sector

| <u>Division</u> | <u>Maximum bonus allocation</u> |
|-----------------|---|
| I | ½ month basic salary (50%) |
| II | 1 month basic salary (100%) |
| III, IV & V | 1 ½ month basic salary (150%) |
| Open Vote | 1 ½ month basic salary (150%) |
| Daily paid | 1 ½ month basic salary (150%) (26 days) |

Notes:

- Division I - leads by the Permanent Secretaries, followed by the Deputy Permanent Secretaries and Departmental Directors/Heads
- Division II - comprises of the executives and officers
- Division III - comprises of supervisory staff
- Division IV and V - consist of support staff

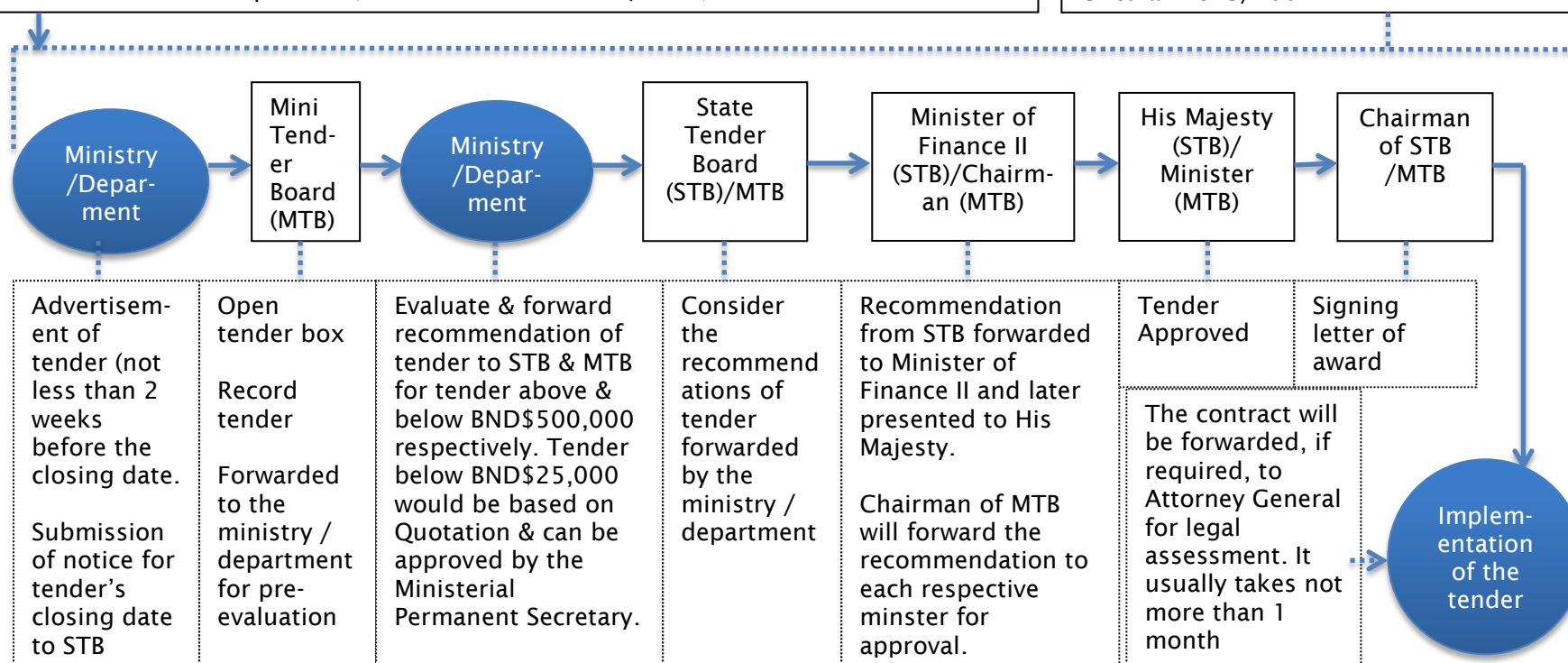
Sources:

- Meludin, A. (n.d.), *Taklimat... (Workshop...)*, [online], Available: <http://www.jpa.gov.bn/go/download/tatatertib-dis-2011.pdf> [Accessed: 25th January 2012].
- Panduan Pelaksanaan...(*Implementation Manuals...*) (n.d.), [online], Available: <http://www.psd.gov.bn/JPANewWeb%202.1/panduanUrusStaf/prestasi.htm> [Accessed: 27th January 2012].
- *The Brunei Civil Service, An Introduction*, [online], (2005), Available: <http://www.bruneresources.com/civilservicebackground.html> [Accessed: 20th January 2010].

Appendix M: The invitation for tender process in the public sector of Brunei Darussalam

All projects under the National Development Plan are approved by DoEP&D. E-government projects will be forwarded first to E-government National Centre for approval. Ministerial & departmental expenditures over BND\$25,000 are subject to the Invitation for Tender process (Financial Circular No. 3/2004).

The whole process, provided no query, from STB or MTB, takes no more than 90 days from tender's closing date (Financial Circular No. 3/2004)



Note: £1 = BND\$2 based on the currency exchange rate on January 15th, 2011.

Sources – Ministry of Finance (2011b), State Tender Board [online]. Available:

<http://www.mof.gov.bn/English/StateTenderBoard/TenderProcess/pages/default.aspx> [Access 29th July 2011].

- Interview session with the financial staff, State Tender Board Division, MoF and the project staff, DoEP&D, PMO.

**Appendix N: The financial status of the developmental expenditures
2001-2011**

(BND million)

| <u>Financial Year</u> | <u>Allocation</u> | <u>Actual Expenditure</u> | <u>Percentage</u> |
|------------------------------|--------------------------|--------------------------------------|--------------------------|
| 2001 | 550 | 202 | 36.7 |
| 2002 | 1,000 | 435 | 43.5 |
| January 2003 - March 2004 | 1,000 | 360 | 36.6 |
| April 2004 - March 2005 | 900 | 355 | 39.4 |
| April 2005 - March 2006 | 900 | 487 | 54.1 |
| April 2006 - March 2007 | 900 | 669 | 74.3 |
| April 2007 - March 2008 | 900 | 608 | 67.5 |
| April 2008 - March 2009 | 1,050 | 595 | 56.7 |
| April 2009 - March 2010 | 1,050 | 898 | 85.5 |
| April 2010 - March 2011 | 1,050 | 871 | 82.9 |

Additional information:

- The 8th National Development Plan (NDP) is for the period of 2001 – 2005/6 with the total budget allocation of BND\$7.5 billion
- The 9th National Development Plan (NDP) is for the period of 2007 – 2012 with the total budget allocation of BND\$9.5 billion
- Any unfinished projects in 8th NDP are brought forward and tend to overlap with projects proposed at the 9th NDP. This explained the proportioned increased in actual expenditures spent in the 9th NDP.
- The Developmental Expenditures, as seen in Appendix K, often represents the lowest or among the lowest amount of expenditures spent by the government annually.

Sources:

- Department of Economics Planning and Development, Prime Minister's Office (2007) *Brunei Darussalam Long-term Development Plan*, Brunei: Government Printing Department, Prime Minister's Office. p. 54.
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