



# **Evaluating Balanced Scorecard as A Tool for Institutional Change in Jakarta Subdistricts Level**

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# Contents

<i>List of Tables</i>	<i>iv</i>
<i>List of Figures</i>	<i>iv</i>
<i>Acknowledgment</i>	<i>v</i>
<i>Abstract</i>	<i>v</i>
<i>Relevance to Development Studies</i>	<i>v</i>
<i>Keywords</i>	<i>v</i>
<b>Chapter 1 Introduction</b>	<b>1</b>
1.1 Background of The Study	<b>Error! Bookmark not defined.</b>
1.2 Relevance and Justification of Research	2
1.3 Research Objectives	3
1.4 Research Question	3
1.5 Research Paper Structures	4
<b>Chapter 2 Theoretical Framework</b>	<b>5</b>
2.1 New Public Management	5
2.2 Institutional Changes	7
2.3 Balanced Scorecard	8
<b>Chapter 3 Methodology</b>	<b>10</b>
3.1 Data Collection and Analysis Method	10
3.2 Researcher Positionality	12
3.3 Limitation and Challenges	13
<b>Chapter 4 Findings and Analysis</b>	<b>14</b>
4.1 Scorecard Planning, Implementation, and Evaluation	14
4.2 Analysis: Scorecard on Improving Working Performance Quality in Jakarta Subdistrict	24
4.3 Analysis: Scorecard on Promoting Accountable and Transparency in Subdistrict	26
4.4 Analysis: Scorecard on Extracting Out Non-Quantifiable Indicators	28
<b>Chapter 5 Conclusion</b>	<b>31</b>
5.1 Reflection	31
5.2 Recommendation for Future Policy	32
5.3 Recommendation for Future Study	33
<i>References</i>	<i>34</i>
<i>Notes</i>	<i>35</i>

## List of Tables

Table 2.3 Different Perspective of Balanced Scorecard	9
Table 3.1.1 Three Subdistricts whom The Heads were Interviewed	10
Table 3.1.2 List of Interviewees	12
Table 4.1.1 Balanced Scorecard Indicators	17
Table 4.1.2 Complete Matrix Measurement of Balanced Scorecard	18
Table 4.1.3 Scorecard for Jakarta Subdistrict Heads	19
Table 4.3.1 Validation from District	27
Table 4.3.2 Examples of Matrix Measurement in Balanced Scorecard	27

## List of Figures

Figure 1.1 Hierarchy Level in Jakarta Provincial Government	<b>Error!</b>	<b>Bookmark</b>	<b>not defined.</b>
Figure 4.1.1 Questionnaire for Jakarta Subdistrict Heads			14
Figure 4.1.2 Balanced Scorecard Coordination Process			22

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## **Abstract**

This research paper evaluates balanced scorecard implementation which is claimed to be a tool of institutional change in Jakarta subdistrict level. Even though balanced scorecard gives impacts on improving working performance quality within Jakarta subdistrict heads and promoting accountable and transparent measurement system, the changes happened in subdistrict level is still being questioned. It is because scorecard in Jakarta subdistricts only measuring quantifiable indicators. Scorecard is extracted out non-quantifiable elements, such as quality of life, communication skill, and human rights-based approach, to be measured.

Using qualitative interviews, as the main data collection method, combined with Jakarta policy documents as secondary data, this research paper argues that developing scorecard is a long time process which needs continuous action of evaluation and self-awareness from government officials to keep updating the indicators so that there is always new discovery which brings Jakarta provincial government be better on delivering public service to society.

## **Relevance to Development Studies**

Government as public sector institution are often being criticized for not having clear standard measurement system on their officials working performances which resulted on ineffective and inefficient public service delivery. Therefore, this research on how Jakarta provincial government implement balanced scorecard as their measurement system can be added value to development studies as it expected to break the stereotype on public sector institution as well as learn from the given examples with the hope to be adapted and implemented in other public sector institutions.

## **Keywords**

new public management, balanced scorecard, institutional changes, working performance, measurement system, Jakarta, subdistricts

# Chapter 1 Introduction

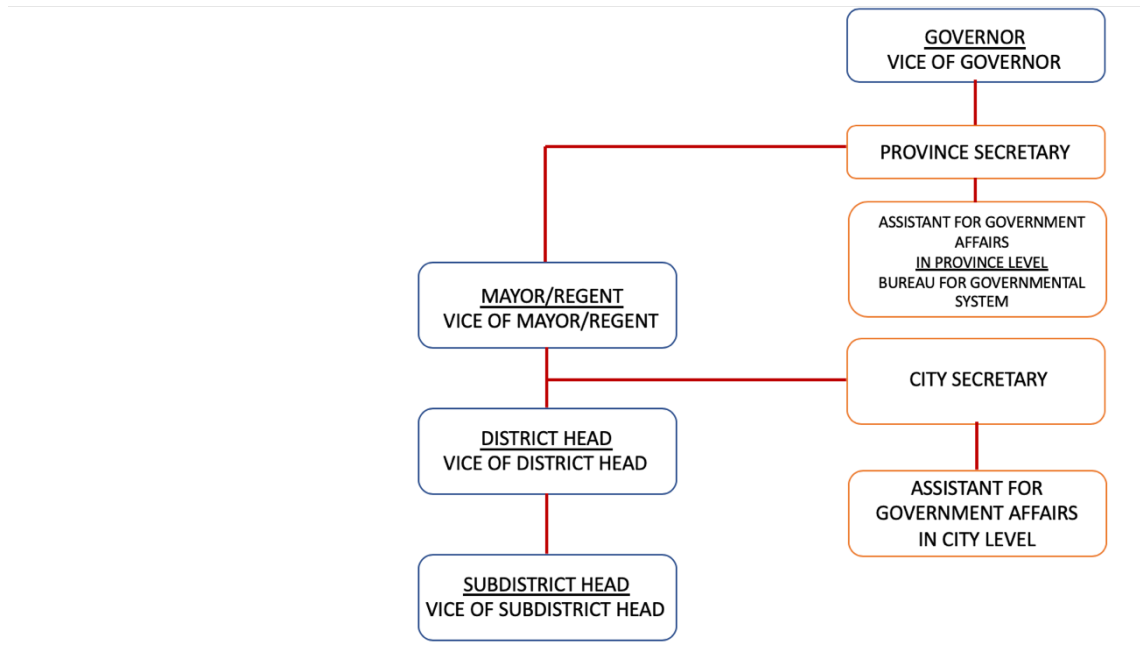
## 1.1 Background of The Study

There are many programs of Jakarta provincial government to restructure its body to be more effective and efficient at work. Designing a report made up by key performance indicators for the high-level bureaucrats in Jakarta government is one way to ensure the public servants work based on the target to achieve all indicators. If they meet all the target given, they will be given an incentive (Maulidar 2016). However, the governor does not want to stop only for high-level bureaucrats since the civil servants whom the public will meet for the first time are those lower-level bureaucrats in subdistrict level area. There has been many complaints coming in through the digital canals that the government provide for the public to give their aspirations or critics to the government. Maulidar (2016) continues, there are 60 percent of the complaints addressed to the head of subdistricts in Jakarta for them being slow in public services or taking bribes to do some services. There are also complaints about bad neighborhood environment related to waste management, water channels, streetlights, and potholes which are supposed to be tackled within certain period of time, but there has nothing to be done. When the internal evaluation and observation is done, it is found that most the subdistricts heads do not have adequate plans to manage their areas. They just work based on what they find in the neighborhood, but they do not have clear output target to get done with the works. All the issues are becoming main challenge for the Jakarta government to promote its good governance values. Therefore, measuring the subdistrict heads' work by giving indicators and output target help them to prioritize the problems and plan their programs better (Maulidar 2016).

Jakarta, as the state capital of Indonesia, has a special status and special autonomy granted under Law Number 29 Year 2007. By having the special status, the whole policy of government and the budget is determined at the provincial level. The executive branch is headed by an elected governor and vice governor, with deputy governors who help with the work. Besides, there is the DPRD (Dewan Perwakilan Rakyat Daerah), a legislative branch with 106 directly elected members who monitor and evaluate the executive's performance. There are almost 70,000 civil servants in Jakarta now (Central Statistics Agency 2017). In addition, Jakarta provincial government also manages 5 administrative cities and 1 administrative regency under its structure of administrative areas. Unlike other cities and regencies in Indonesia where the mayor or regent are directly elected, Jakarta's mayors and the regents are civil servants who pass the selection test, then being approved by the governor.

Under those 6 administrative areas there are 44 districts and 267 subdistricts, and all of the heads are selected with the same process as mayor and regent (*see figure 1.1*). The heads of subdistrict are being seen as estate managers who are expected to be able to manage the area well. Basuki Tjahaja Purnama, former Jakarta governor (2015) states that the heads of subdistricts have to maintain their regions well, are able to do problem-solution mapping, and manage the resources wisely. However, based on field survey and observation done by the internal team in Jakarta government towards 190 subdistricts, it is found that most subdistrict heads do not have clear planning on running programs or solving issues in the livelihood of communities. There is also no clear measurement on reviewing the performance of subdistrict heads since the performance review usually bases on clientelism and cronyism (Maulidar 2016). Maulidar continued, those issues lead to the lack of management system of subdistricts in Jakarta, as well as a lot of complaints from communities which expect the bureaucrats to provide public services for them.

Figure 1.1  
Hierarchy Level in Jakarta Provincial Government



On 2016, Jakarta government established key performance indicators in subdistrict level area to create better livelihood communities (Jakarta Governance Bureau 2016). There are five categories with 16 indicators that are selected based on the problems on each area compiled. The categories are: **5 codes of conduct in subdistrict level area** (slum settlement, illegal parking, illegal street vendors, waste management), **public facilities** (parks and green open spaces, streets, water channels, street lights, government assets), **social welfare** (education subsidy, healthcare subsidy, dengue fever prevention, social issues management), **public complaints**, **budget spending**, and **property tax income**. These categories are inserted to subdistrict head report, added with realization target as their basic key performance indicators for their works. The subdistrict head report will be used to review the performance of higher-level bureaucrats such as district heads, regents, and mayors. It is planned that all the performance reports will lead to money incentives which the bureaucrats can get after they achieve the target realization from the indicators. As such, the indicators make the subdistrict heads (and the bureaucrats on top) work more effective as the communities also get the benefits of getting more public services through the performances of bureaucrats in subdistrict level area (interview SA).

## 1.2 Relevance and Justification of Research

Public sector reform has been first established as a grand design of Indonesia bureaucracy restructuring since 2010. The objective of Indonesia government to reform its public sector is to run the government based on good governance system which prioritize transparency, effectiveness, efficiency, and accountability. However, Indonesia government faces challenges of doing the reform within five years of implementation. Lack of transparency and accountability, lack of commitment from political leaders, corruption, inefficiency in managerial system, inefficiency of state budget allocation, lack of technical skills for civil servants, low rate of public service satisfaction index, and lack of law enforcement are factors that hinder public reform implementation.

In 2015, President Indonesia, Joko Widodo, launched his priority programs which one of them showing his commitment to ensure an improvement in public sector reform especially in Indonesia government administrative system to promote open governance. Jokowi committed to develop working ethic within civil servants through performance report from indicators set by agencies, ministries, and local government in Indonesia and public information display through Indonesia government official website so that public can monitor and evaluate civil servants' performances as well. Through President Regulation 2/2015 which states about National Medium-Term Development Plan (RPJMN), Indonesia government has five objectives for the country's development. Two of them represents the president priority to tackle those issues that existed before his presidency related to lack of commitment from the bureaucrats to perform open governance system.

Hence, Jakarta government is one of the local governments who commits to implement the president regulation of public sector reform in government body. There have been changes in Jakarta administrative for the past five years. Establishing e-governance system, controlling recruitment system, opening all government data to the public through official website, and implementing key performance indicators to measure working performance are things that have been done by Jakarta government. Performing public sector reform in Jakarta government body has been Jakarta Governor 2014-2017 Basuki Tjahaja Purnama's main idea. He believes that inefficiency and ineffectiveness in bureaucracy system can be solved by having good quality of people as civil servants. Subdistrict level becomes Jakarta government main focus to do public sector reform because the government representative that the public can firstly meet are those civil servants who work in subdistrict level areas.

Thus, this research will help to analyze public sector reform, done by Jakarta government in subdistrict level area to change the working culture in Jakarta bureaucracy system. The government applies key performance indicators report to measure and evaluate working performances of the heads of subdistricts. As each province in Indonesia has bureaucrats in district level areas, it can be a benchmark for other provinces to restructure their bureaucracy systems based on the indicators to measure working performances. The process of defining the indicators by analyzing the problems within the society can help other provinces to ensure they have good program planning and indicators working performances based on the issues in their own communities. Therefore, it may contribute to the nation target to achieve more effective and efficient government body, as well as transparent and accountable.

### **1.3 Research Objectives**

The main objective of this study is to assess how balanced scorecard play its role as a tool of institutional changes in Jakarta subdistrict areas. As Jakarta government claims their success on reforming their system especially among Jakarta subdistrict heads, thus, this research has specific objectives such as:

1. To analyze the process of designing balanced scorecard at subdistrict level.
2. To identify factors that support and hinder public sector reform in subdistrict level area.
3. To identify the response from subdistrict heads on balanced scorecard.
4. To prove the claim of Jakarta government on their success delivering balanced scorecard system in subdistrict level.
5. To share knowledge to the public that there is an assessment needed in public sector so that they can join to do the monitoring and evaluation as a part of the society.

### **1.4 Research Question**

On analyzing the topic, there are research question and four sub-questions to guide researcher writing and structuring the research.

**Research Question:**

**How does balanced scorecard play role as a tool of institutional change in Jakarta subdistrict areas?**

**Sub questions:**

1. How is balanced scorecard measured?
2. How do subdistrict heads respond to balanced scorecard implementation?
3. Who do perceive the institutional changes in Jakarta government?

## **1.5 Research Paper Structures**

This paper is divided into five chapters. Chapter 1 will focus on introduction: background, relevance and justification of research, research objectives, research questions, and research paper structures. Chapter 2 will focus on the theoretical frameworks used to analyse the research: New Public Management, Institutional Changes, and Balanced Scorecard. Chapter 3 will discuss on the research methodology used on this paper and data collected to answer research questions and accomplish research objectives. It will also explain the research limitation and challenges during the process of writing this paper. Chapter 4 will deliver the findings and analysis by dividing it into four sub-chapters: scorecard planning, scorecard implementation, and evaluation, analysis 1 on scorecard improving quality of working performance in Jakarta subdistricts, analysis 2 on scorecard promoting accountable and transparent measurement system, analysis 3 on scorecard extracting out non quantifiable indicators. As the last chapter, chapter 5 will tell on writer reflection, recommendation for future policy and future study.

## Chapter 2 Theoretical Framework

In order to support the study, theoretical frameworks are needed. Those theories and concepts are the base of analysing the problems conducted by the research. As designing balanced scorecard to measure public servants working performance being counted for new method from new public administration, this part will explain development of new public administration. This approach then was developed by scholars and created new term called New Public Management which emphasizes on reform based on pay for performances, crowding-out behaviour, and public service motivation. Another framework that uses on this research paper is institutional changes as a way to understand type of institutions and the approach to do reform or changes in different type of institution. Last, but most important framework is balanced scorecard as the main tool which is evaluated on this research paper. This framework will help to understand the concept of balanced scorecard and how it can be rolled out in public sector institution.

### 2.1 New Public Management

#### Pay for Performance, Crowding-out, and Public Service Motivation

For Nungki et al. (2018), employees' performance is not only influenced by their working skills, but also strongly influenced by the motivation at a workplace. Therefore, performance can show the real condition that is displayed by every person as workers in relation with their roles in organizations. Nungki et al. (2018) mentioned that performance appraisal can motivate employees to achieve the objectives and produce desired outcomes. Therefore, it is common that in wide circle of business and academia, organizations just set the goals without any further discussion with employees and raise their appraisal in order for them to achieve higher performance at work (Frey 2017: 1). The more they exceed the targets, the higher amount of incentives they get. Frey (2017) added, this system goes after relative-price effect which involve individuals to put more effort (Becker 1976, Frey 1999 in Frey 2017). The concept believes that the higher monetary incentives offered, the higher supply of goods and services will be. In the public sector reform, this concept is also called pay-for-performance in New Public Management.

NPM (New Public Management) is identified by a strong emphasis on measuring output efficiency and monetary incentives according to output indicators. The main focus of the theory is standard economics, especially related to the agency relation among organizational members in institution (Jensen&Meckling 1976; Kaboolian 1998; Arellano-Gault 2000), as proposed by Jensen and Murphy (1990) as stated by Frey (2017). These theories believe that cash compensation should be applied to give big rewards for great performance and meaningful punishments for poor performances (Jensen & Murphy 1990: 141). Frey (2017) emphasized pay-for-performance as a vital point in New Public Management because it has been introduced widely in public sector to increase efficiency. It becomes fashionable (Rost and Osterloh 2009, Frey, Homberg, and Osterloh 2013). Most governments apply pay-for-performance concept for their agencies. In addition, pay-for-performance has also been introduced to educational system and humanitarian sector, including church services. For instances, at German universities, professorship scholars must agree to achieve specific objectives such as publishing certain amount of papers in scholarly publications (whose quality is determined by an official ranking) and obtaining financing from outside campus for a particular amount of money. Those who reach targets will get salary raised (Frey 2017: 2). There

are also some churches which will give greater income for their pastors who exceeds the number of children they baptize.

However, many behavior economists argue that giving monetary incentives may crowd out employees' intrinsic motivation. They will be only driven by external factors, i.e money, bonuses, awards, etc. Frey (2017) added, the workers are no longer paying attention to their internal motivation, but rather pursuing outside intervention to be controlled. As such, intrinsic motivation is not having influence on working performance. The workers will have monetary intervention as their main motivation, thus crowding effect pushes them to extrinsic motivation. The crowding-out effect was first presented into economics by the current author (Frey 1992, 1997, Frey and Oberholzer 1997, Bohnet, Huck, and Frey 2001 in Frey 2017), who used it to different cases in economics, especially those relate to improve employees' performance by raising the salary. From that moment, many scholars analyse the effects.

Bénabou and Tirole (2003, 2006) analysed that individual cannot reveal their intrinsic motivation as implementing extrinsic incentive as the same time (as stated in Frey 2017). Therefore, applying pay for performance approach will diminish internal willingness to work. Frey (2017) added, crowding-out effect is different from relative-price effect from Becker (1976). While relative-price effect performs more activities when the price increases, crowding-out effect reduces activities as corresponding price rises since the intrinsic motivation is decreasing. Recently, research from Murayama et al. (2010 as stated in Frey 2017) showed that intrinsic motivation will drop by implementing performance-based monetary rewards.

Yet, crowding-out effect may not happen in pay-for-performance application when the goals are set by both employees and their superiors. Frey (2017) noted, managers who monitor their employees work and decision to set their performance indicators may bring the result differently. However, those time and efforts to set the criteria together cannot be put as indicators to measure working performance because it is difficult to define and assess. For example, helping colleagues discussing and working on some projects may not take into account to get money incentives, unless it is formally ordered by their bosses (Bakema 1995 and Osterloh and Frey 2000 in Frey 2017). Thus, clearly, there are loopholes on some aspect of works which will not be included when organizations or institutions apply pay-for-performance concept.

#### Public Sector Keeps Using NPM

Even though there are debates on New Public Management approach both in private and public sector, studies find that government keeps using the method to improve public officials' performance. Frey and Osterloh (2002) argued, there is an empirical research which shows that New Public Management approach will not eliminate intrinsic motivation. Frey (2017) continued that many employees still find their way to develop themselves and make their work more rewarding. Therefore, the employees do not only aim for incentives, but also their personal development. For example, there is a cashier in shopping centre who is friendlier than their job requires to the customer. This case shows pay-for-performance failed to diminish personal intrinsic motivation because friendliness is out of the formal indicators which the superior set.

Frey (2017) added, there are also some companies or organizations which have the goals set by superior but the employees have been given chance to check them out before everyone is agree. However, there are times when the employees find it difficult to set objectives by themselves. In that case, the managers may step up to help solve the tasks and give the employees guidance. In addition, goal setting is helping managers to identify best and worst employees and giving them reward-punishment based on their performances. Another

reason for public sector keeps using NPM approach because they do not see crowding-out effect happening within public officials (Frey 2017: 4). Even though many researches had been done, the relative size that captures as a result in laboratory experiment towards crowding-out behavior always doubtful (Frey and Jegen 2001 in Frey 2017). Moreover, intrinsic motivation from the employees may not get affected by pay-for-performance method if the intrinsic motivation is firmly established. For public officials, their motivation is clear and remains constant (Frey 2017). There is even possibility that they are more strongly intrinsically motivated by doing public services.

Keeping pay-for-performance as method to boost working performance in public sector may also bring other effects to the public officials. Their salaries may vary from time to time based on indicators achieved and evaluation done by the superiors based on goal setting. If the evaluation result is good, they may get raised in salaries. However, giving monetary incentives is not enough (Frey 2017: 5). There are needs from public officials for recognition from superiors or societies. Awards, trophies, certificates or badges are well-suited means to express appreciation and satisfaction for achieving the targets (Frey and Gallus 2015). By giving them publication on news or promoting videos will also make the public officials getting an honor on delivering public services. Thus, it brings out public officials to work harder and engage themselves not only to get monetary incentives, but also engage themselves to perform public goods (Frey 2017: 5).

## 2.2 Institutional Changes

Institutional changes are characterized by the intertwined interaction between slow-moving and fast-moving institutions (Roland 2004: 18). However, both types of institution are moving slowly and autonomous. Roland (2004) stated that there are two type of institutions: fast-moving and slow-moving institutions. Fast-moving institutions is an institution which can change rapidly in large steps and nearly overnight when there is reform condition happened, for example political institutions. While slow-moving institutions change slowly, gradually, continuously, and it is usually deeply rooted as social norms and values. For instance, attitude towards death penalty or acceptance of corruption tend to change slowly because attitude comes from norms which are rooted in religions whose have changed little for centuries.

Political institution can change quickly. In addition, Roland (2004) wrote that the changes may only little in a period of time, but it can be very diverse from before. The steps that are taken are large but rarely because it is all depending on the political leaders who rule the institution. This may cause the changes more discontinuously. However, compared to slow-moving institution, fast-moving institution creates more pressure for change. Roland (2004) also stated, the changes will rely on how powerful the reinforcement from the ruling parties. It also depends on how leaders help or hinder groups in solving their collective problem, and on how representative the political institution are.

On the other hand, legal system considers moving faster than social norms even though it requires some time to change. Different from law or regulation, a given law from top management level can be changed overnight depending on the political leaders. However, Roland added, the effectiveness of legal system and law enforcement in society depend on the acceptance and legitimacy. Political leaders may face failure on imposing the law when the society resist. Government as institution also need to speculate stakeholder expectation, both internal and external ones. Similar to social norms, legal system needs long adjustment to be adapted in the society. However, in this case, government can be more flexible on imposing law by reward and punishment that legally written and can be changed immediately. Therefore, legal arrangements are somewhat in between.

Applying institutional changes in government, Roland pointed out that the leaders should find a way to understand more on reforming the institution, such as better knowledge on the values, norms, and the role of organization members. After all, government is viewed as interaction between both fast-moving (political) and slow-moving (cultural) institutions. There is the political leader who rules the government. Yet, there are also the civil servants and the society who applies the social norms for times already. Therefore, the reform should start and develop based on these local conditions. For example, if there is a government which has a lot of cultural and historical background within the provinces, the leaders need to find the roots for changes beneath their existing slow-moving institutions (norms, values, ideas) then move forward to change the fast-moving institutions (government, civil servants).

Furthermore, Roland (2004) mentioned, even though power was concentrated in the hands of political leaders and high officials in an organization, the reform can be potentially designed to facilitate a more sustainable change. Therefore, organizational members do not have any hesitation on implementing the changes even the political leaders may change. On reforming the institution, the stakeholders need to design a comprehensive code of conduct for the public officials applying the new regulation immediately. The reform may not include changing the value that is taken place for a long time in one organization. Yet, Roland (2004) added, reform may include changing behavior.

The optimal approach to reform the institution is by implementing gradual changes. For example, reform in a given country which considers as both fast-moving and slow-moving institution, need to take gradual steps as an option. Roland (2004) mentioned, if the prospects look bad after the introduction of first reform, political leaders still have time and opportunity to revise the reform then makes it easier for them to gain political support and build constituencies for institutional change. One thing to be noted is on doing the reform, political leaders must include slow-moving institutions which already exist, like different cultural and historical pasts. Conducting policy dialogue can be one way to share the political leaders' strategy to reform the institution. Policy dialogue is not just be done within government but also with different stakeholders in civil society.

## 2.3 Balanced Scorecard

Kaplan and Norton (1996) first established the term of balanced scorecard to measure employees' performance as company's strategy to improve their productions. It is called 'balanced' because the measurements will consist of two criteria from financial and non-financial performance measures. Balanced scorecards also considering both past experience in the companies and future objectives to measure the employees. Therefore, there are some indicators related to customer's perspective, internal business processes, learned, and company growth (Kaplan and Norton 1996). Hence, balanced scorecard gives the company media to distribute their vision and mission into action towards their workers. There are four measurements in Balance Scorecard implementation: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. The first criteria, financial perspective, is used to assess past performance, while other three criteria are considered as future performance measurement for workers (Kaplan and Norton 1996).

As the time passes, balanced scorecard is widely used as assessment method in public and private sectors. Mahsum (2006) stated, modern enterprises see four criteria of measurement as interconnected indicators which will be monitored continuously as part of strategy translation desired by company in the long term. Many companies believe that balanced scorecard help them to have clear perspective that can be understood by their employees. In public sector, Kaplan and Norton (2004) noted that Balanced Scorecard used to impose the clear mission of public organization: delivering public services. Public organization,

government and other non-profit organizations, are not looking for profits. However, their works are still needed to be measured. Applying balanced scorecard can assess public organization' effectiveness and efficiency in providing services to the community. As such, public officials need to prepare themselves to improve their performances based on target set through scorecard (Kaplan and Norton 2004).

There are also challenges on maintaining public demands which are the main stakeholders in public organizations while implementing efficiency and accountability in the organizations. Eagle (2004 as stated by Nungki 2018) argued Balanced Scorecard can be implemented at all levels of government organizations as long as government can make sure to have clear indicators related to priority allocation and limited resources to achieve government objectives on certain period of time. In addition, the government needs to maintain public expectations and the public services provided. Since society is the main customer of government, government should set its target and indicators based on social needs. Hence, there are different perspective of balanced scorecard for profit-oriented (private sector) and public service oriented (public sector). Gasperz (2002) showed the perspective in table below:

Table 2.3 Different Perspective of Balanced Scorecard

<b>Perspective</b>	<b>Private Sector</b>	<b>Public Sector</b>
Financial/Operational Efficiency	How do we see and give value to shareholders?	How do we see and value people and/or taxpayers?
Customer	How do customers see and evaluate our performance?	How do people using public services perceive and evaluate our performance?
Learning and Growth	Can we continue to improve and create to our customers, shareholders, employees, and management and organization?	Can we continue to improve and create value for the community/ taxpayers, government officials and officials, and other stakeholders?
Internal Process	What should be featured from word processes and products?	Have the development programs implemented provide the desired outcomes?

Even though there are different perspective among those sectors, modification that has been made in public sector area still have similarities with balanced scorecard for business purposes. From this point of view, balanced scorecard can be used not only to measure financial succeed but also the results achieved from the public officials' performances on delivering public services.

## Chapter 3 Methodology

### 3.1 Data Collection and Analysis Method

This research paper seeks to explore on how Jakarta provincial government applies balanced scorecard as a tool of institutional changes in subdistrict level management. Jakarta Governor 2014-2017 Basuki Tjahaja Purnama stated that the scorecard will help subdistrict heads to work more effective and efficient based on the targets provided on the scorecard (Maulidar 2016). The paper will observe and analyse the claim made by Jakarta government on balanced scorecard implementation and its effect on reforming public sector in subdistrict areas. This research will use qualitative methods by combining qualitative interview and secondary data review as methods to collect data from the field.

#### *1. Qualitative Interview*

In order to analyze the role of balanced scorecard in Jakarta subdistrict management, qualitative interview is needed to gather information from the people who develop balanced scorecard. Jakarta Governance Bureau is the stakeholder in Jakarta provincial government who is responsible to the planning, implementation, and evaluation of balanced scorecard. Therefore, the writer interviewed two public servants from the bureau to help completing the series of data needed for this research paper. There are two interviewees from this bureau: the former head of Jakarta Government System division and his staff. There is also former Jakarta Governor staff who were working along together with the bureau to develop balanced scorecard for Jakarta subdistrict heads. Hence, collecting the information, the writer also interviewed three former Jakarta Governor staffs. This interview will be beneficial for the research because this paper also aims to analyze balanced scorecard starting from the very beginning to the policy which was finally implemented in 2016-2017. Another important interview was with Jakarta subdistrict heads. As they are the one who carried out scorecard in their areas, Jakarta subdistrict heads are the key persons to this research. They contribute the most on how the research is conducting. The interview helps the writer to answer the research question on how balanced scorecard is perceived by Jakarta subdistrict heads.

There are three subdistrict areas whom the heads were interviewed. The areas are selected based on three criteria: location, economic development, and neighborhood condition. Having these criteria will help the research to analyze how the scorecard affects these areas despite of the factors and challenges they have on the neighborhood. Those three areas are:

Table 3.1.1  
Three Subdistricts whom The Heads were Interviewed

CRITERIA	SUBDISTRICTS		
	Tanah Tinggi	Semper Barat	Meruya Utara
Location	Central Jakarta (located near the center of administration in Indonesia does not guarantee the area is free from poverty. It is even considered as	North Jakarta (15 km to the northern part of city center makes the area need more attention and improvement from	West Jakarta (15km to the western part of city center)

	one of the highest density population in Southeast Asia (Media Indonesia 2016))	Jakarta provincial government)	
Area Development	There has been lack of development in the area in ten years. However, for the past five years, Jakarta provincial government tries to develop an open space near the area so the people can interact with each other in an adequate place.	Considered as one of the poor subdistricts in Jakarta with most of the people work as blue-collar workers, farmers, street hawkers, and fisherman. Even though this subdistrict is also close to the port of Jakarta which can be potential for its economic development, there has been further discussion about it.	There are some business centers spread around the area of this subdistrict. Also, there are residential for both poor and rich people in the neighborhood. Due to the poor drainage system, it gets flooded when the heavy rains come.
Neighborhood Condition	The poor neighborhood makes the subdistrict faces some problems related to urban slum settlement and social welfare. Based on published document of Jakarta Governance Bureau, there are at least 8 people in a not more than 11,3m <sup>2</sup> house (standard house is around 33m <sup>2</sup> ). Bad sanitation and bad air ventilation make the people prone to plenty diseases, like tuberculosis, diarrhea, and air respiration disease.	Conservative community which challenge the subdistrict head to implement the policies within the neighborhood.	More than half of the citizens are Indonesian with Chinese descent. The rest of the population are locals with Betawi as their ethnic. For the past two years, the people in this subdistrict initiate to develop their own waste management system with their own money. Thus, their subdistrict and the subdistrict head received an award from Jakarta provincial government.

Conducting this research also requires information from national media journalists whom are reporting on Jakarta condition, especially the area and human development in Jakarta subdistricts. The report from national media help this paper to complete and match the data gathered from Jakarta provincial government and Jakarta subdistrict heads. The interview done with journalist also helps the researcher to have wider knowledge and another perspective on how Jakarta subdistrict heads work on delivering public services in the areas.

Here is the list of interviewees for this paper:

Table 3.1.2  
List of Interviewees

No.	Interviewees	Position/Organization
1.	Santoso	Former Head of Jakarta Government Management System Department, under Jakarta Governance Bureau
2.	Adam	Staff of Jakarta Government Management System Department, under Jakarta Governance Bureau
3.	Idris Ahmad	Former Jakarta Governor Staff
4.	Arief Biki	Former Head of Subdistrict Tanah Tinggi, Central Jakarta
5.	Pangestu Aji	Former Head of Subdistrict Meruya Utara, West Jakarta
6.	Benhard Sihotang	Former Head of Subdistrict Semper Barat, North Jakarta

## *2. Secondary Data Review*

The research will also use secondary data in supporting the findings from qualitative interviews. This paper will use information gathered from academic journals, Jakarta Provincial Government policy documents/regulation, and online publications (news, articles, working paper, etc) to help analyzing the role of balanced scorecard in Jakarta subdistrict management system, as well as its impact on Jakarta subdistrict head performances. The data gathered from Jakarta Provincial Government policy documents and regulation will help this paper to breakdown and analyze the development of balanced scorecard concept in Jakarta subdistricts. Some online publications on the news and online articles will help the researcher to do media analysis on how balanced scorecard perceived in the society. Lastly, academic journals will help the research to find similar studies which assessed on balanced scorecard implementation for public sector reform.

## **3.2 Positionality**

On this paper, the writer is positioning herself as a researcher who is doing a master program in development studies at International Institute of Social Studies (ISS) Erasmus University. As a Governance and Development Policy student who has specialization in Public Policy Management, the writer wants to analyze public sector reform in Jakarta provincial government. Even though the writer had worked with former Jakarta governor on 2015-2017 as personal aide and had projects together with Jakarta public servants, there is no special relation between the writer and the respondent of this paper during conducting the research. In addition, the idea of writing the research paper comes from an early observation during the

writer working in Jakarta provincial government. The early observation is justified and brought as a background and research questions which need to be answered by the writer.

### **3.3 Limitation and Challenge**

When the writer conducts this research, there are some changes in balanced scorecard implementation as there is the new governor elected since October 2017. As the former Jakarta governor played important role to push scorecard implementation in Jakarta subdistricts, personal leadership related to the former governor will not be the part of the analysis. The analysis will focus on the role of balanced scorecard as a tool or mechanism which support institutional changes. In addition, there are some challenges on researching for this paper because not all of the stakeholders who involved in the balanced scorecard project are able to be interviewed. There are rejections from some of the public servants due to political tension between former and new governor which make them afraid to talk unless they are given permission by the new governor.

## Chapter 4 Findings and Analysis

### 4.1 Finding: Scorecard Planning, Implementation, and Evaluation

Eagle et al. (2004 in Rohm 2008) stated that Balanced Scorecard implementation in public sector need to be done due to public rights as public is the highest stakeholder on public sector accountability and efficiency. Similar to this scholar, Jakarta provincial government had the same mission on measuring public servant performances on delivering public service in the province. Their aim is to implement transparency and accountability as part of good governance policies by Jakarta provincial government. Therefore, in 2016, former Jakarta Governor Basuki Tjahaja Purnama urged his subordinates to set the targets on measuring civil servant performances. Jakarta Subdistricts heads becoming the main target from the governor because subdistricts are the first government representatives that people will seek when they have problems related to administrative and public services in their neighbourhood.

In Jakarta provincial government organization structure, subdistricts are under supervision of Jakarta Governance Bureau. Thus, this bureau was assigned to plan a strategy to measure Jakarta subdistrict heads' working performance. Together with Jakarta governor executive staffs, this department started to plan the concept of measuring civil servants' performances. They formulated a standard to change working behaviour in Jakarta subdistrict's offices. Based on the interview with former staff of Jakarta Governance Bureau and former executive staff of Jakarta governor, the initiation was firstly coming from Jakarta subdistrict heads. Through their answers on the questionnaires distributed to all 267 subdistrict heads in Jakarta, it was found out that subdistrict heads needed a decent standard which would make their jobs as well as their boundaries from other departments clearer.

The questionnaires were set up with open-answered questions which would make the bureau understand the problems faced by Jakarta subdistrict heads. The questions were based on randomized field observation done a week earlier to 10 subdistricts in five cities of Jakarta province. It was distributed using google form to get the answers faster. Here are the questions:

Figure 4.1.1 Questionnaires for Jakarta Subdistrict Heads

<p>1. How you define Jakarta subdistrict heads as <i>estate manager</i>?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>2. What are the common problems in your subdistricts? (Put the checklist mark)</p> <p><input type="checkbox"/> Flood, main cause: _____</p> <p><input type="checkbox"/> Illegal street vendors, main cause: _____</p> <p><input type="checkbox"/> Traffic jam, main cause: _____</p> <p><input type="checkbox"/> Illegal parking, main cause: _____</p> <p><input type="checkbox"/> Others _____, main cause: _____</p> <p><input type="checkbox"/> _____, main cause: _____</p> <p><input type="checkbox"/> _____, main cause: _____</p> <p>3. What are the priority programs in your subdistricts? (Mention three of them)</p> <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul> <p>4. How do you measure the success and failure of the programs?</p> <ul style="list-style-type: none"><li>• Program 1: _____</li><li>• Program 2: _____</li><li>• Program 3: _____</li></ul> <p>5. How do you manage Jakarta Public Facility Maintenance Agency?</p> <p>_____</p>	<p>a. How many Jakarta Public Facility Maintenance Agency who work at your subdistrict? _____</p> <p>b. How many zones do you have in your subdistrict? How many Jakarta Public Facility Maintenance Agency work on each zone? _____</p> <p>c. From where do you get the information related to current problems in your subdistrict? _____</p> <p>d. How do you divide the job for each Jakarta Public Facility Maintenance Agency in your subdistrict? _____</p> <p>e. How do you monitor the works of Jakarta Public Facility Maintenance Agency in your subdistrict? _____</p> <p>6. How do you manage outsourcing staffs in your subdistrict?</p> <p>a. How many outsourcing staffs from Hygiene Agency work in your subdistrict? _____</p> <p>b. How many outsourcing staffs from Forestry Agency work in your subdistrict? _____</p> <p>c. How do you divide the job for each outsourcing staff in your subdistrict? _____</p> <p>d. How do you differentiate the job descriptions between Jakarta Public Facility Maintenance Agency and outsourcing staffs? _____</p> <p>e. How do you monitor the works of outsourcing staffs in your subdistrict? _____</p>
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source: Jakarta

Governance Burau (unpublished)

The answers became the entry point for Focus Group Discussion (FGD) held by Jakarta Governance Bureau to Jakarta subdistrict heads and other departments which the works closely relate to subdistrict's offices. The FGD result was surprising (*interview SA*). Most of 267 Jakarta subdistrict heads were expressing their current workloads as heavily-loaded one and full of confusion. They knew already their job descriptions which are written on Governor Regulation Number 251 Year 2014. However, they kept having confusion on delivering public services. Their reasons were most cases they found in their subdistricts require plenty stakeholders to solve the problems. It is becoming complicated when other agencies do not respond to Jakarta subdistrict heads to share and discuss the problem together due to the differentiation of their employee's rank. For example, there is one subdistrict which received a lot of complaints related to Jakarta Smart Card distribution. Jakarta Smart Card is Jakarta provincial government program to subsidize education fees for children from poor families. The children were given cards which can be used to buy school utensils and books. However, there were overdue distribution of the cards which made the children cannot buy their school needs on time. Many parents complained to subdistrict head while in fact Jakarta Education Agency which had to be responsible for it.

Another problem that usually occur is monotonous activities each year which ended up of them copying the same programs on their annual budget plan. Based on the interview with three Jakarta subdistrict heads, there have been long period of time which they just put same programs and same amount of budget (with 10 percent budget raised each year due to inflation), without clear outputs. The monotonous programs that keeps occurring every single year are youth empowerment, coaching management skills for housewives, public training on preserving Jakarta's arts and culture, and safety skill training. It is hard for subdistrict heads to have strategic plan on their subdistricts because they do not get use to manage their programs well and they do not have enough data which tell them generic problems in their subdistricts (*interview SA*). All the issues they know are only based on people's complaints every day. Another issue occurs when there is turnover among subdistrict heads. There is no transfer knowledge from the old subdistrict heads to the current subdistrict heads which make the new leaders have to find their own ways to manage the areas.

Monitoring and evaluation framework from Jakarta government do not work. The current regulation (Governor Regulation Number 141 Year 2011) on evaluating Jakarta subdistrict and district heads was not enough to measure objectively on their performances. It stated on the regulation that to measure the performance, Jakarta government need to set an award and choose three best subdistricts among 267 subdistricts in Jakarta. However, there was no clear measurement to assess and pick the best among them. Based on the interviews, subdistrict heads told that the assessment would be based on closed connection between subdistrict heads and their superiors. Hence, there are a lot of subdistrict heads disappointed due to the issue. They do not find motivation be innovative public servants because they will not get attention if they are not close enough with the mayors, for example. This corruptive behaviour also makes subdistrict heads anxious because they can get shifted away easily if they do not have good relations with their superiors.

The subdistrict heads also listed out their current problems while delivering public services in their areas. There were subdistricts which mostly have infrastructure problems, such as bad road condition, bad water channels, and slum areas. Yet, there were also subdistricts which have social problems the most, like residents' brawl in the neighbourhood, drugs sweeping, and lack of youth empowering programs. The subdistrict heads also expressed on how difficult they are on prioritizing their own programs. There were often other distractions which made them to stop continuing their on-going activities for the areas. For example, the national government had universal health coverage program in 2016 which require every province in Indonesia to make sure everyone had National Health Card for them in order to

get subsidy for health care. The main stakeholder to run the program were supposed to be Health Care and Social Security Agency. However, subdistrict heads were given tasks to also print out the cards for the people on their neighbourhoods. This made subdistricts needed to cut their spending on other programs and move the budget for printing and laminating.

All the problems were collected by Jakarta Governance Bureau as a consideration to formulate performance measurement for Jakarta subdistrict heads. Besides inviting Jakarta subdistrict heads to participate on the FGD session, the bureau also asked other 13 agencies which coordinated often with subdistricts to join the discussion. They were Sanitation Agency, Water Management Agency, Health Agency, Transportation Agency, Forestry Agency, Education Agency, Small Medium Enterprise Agency, Industrial and Energy Agency, Public Works and Road Agency, Housing and Government Building Agency, Tax Agency, Communication and Technology Agency, and Social Agency. Each agency was asked to give inputs and insights related to the programs they have which need subdistrict heads to be involved with. This session was done as a part of subdistrict heads input on other agencies in Jakarta which often delegate the tasks to subdistrict without having proper coordination.

In fact, Jakarta Governance Bureau also had their evaluation notes on subdistrict heads performance based on how they manage Jakarta Public Facility Maintenance Agency in their area. Jakarta Public Facility Maintenance Agency (or orange troopers) is group of people who are outsourced to work cleaning the neighbourhood area in each subdistrict. Their jobs are sweeping the neighbourhood street, cleaning the water channel, taking care of gardens, and helping subdistrict heads if there are any urgent matters related to hygiene and security in the area. These orange troopers were formed and officiated by Former Jakarta Governor Basuki Tjahaja Purnama on early 2016. By having these troopers, the governor wanted subdistricts heads to have their own troopers so that they can achieve Jakarta provincial government mission on subdistrict heads to become good estate managers (*interview SA*). Being a good estate manager means that one should meet criteria on: having well-known knowledge on the area and the people they manage, being able to do networking with other civil servants in Jakarta provincial government and within civil society, being able to communicate their programs well to other agencies and to the public (*interview SA*).

Another evaluation that the Bureau did was monitoring the area and doing random samplings to areas in Jakarta subdistricts. The evaluation was based on Governor Regulation Number 251 Year 2014 which administered Jakarta subdistrict' organizational system and its function. From random samplings evaluation done by the bureau, it was found that Jakarta subdistrict heads have common issues on lack of knowledge in managing area, maintaining the resources, and mapping problem and solution for the subdistricts (*interview LA*). For instance, there were many Jakarta subdistrict heads who did not know how many potholes exist on their own areas, how many government properties in the neighbourhoods, how many slum settlements in the subdistricts, and how many illegal street vendors are on the street every day. Those examples were the mandatory data that needs to be gathered by Jakarta subdistrict heads according to the Governor Regulation. Based on this observation, it was also noted that there was lack of control on implementing Government Regulation because there was no reward and punishment approach to impose the rules (*interview SA*).

After finished gathering data needed to formulate the strategy on measuring Jakarta subdistrict heads' working performances, Jakarta Governance Bureau and Jakarta governor's executive staffs held several meetings to prepare for presenting the concept to Jakarta governor. Their main agenda is to deliver a tool which could change Jakarta subdistrict head's working pattern and create new working standard to be more effective and efficient. Based on the discussion during FGD session with Jakarta subdistrict heads and other relevant agencies, the bureau was planning to have long term strategy on institutional changes in

subdistricts. As Roland (2004: 22) stated, the optimal approach to reform government institution is by implementing gradual changes. Therefore, they also made clear timeline on planning, implementation, and evaluation on which the concept should be delivered. However, they had not found the right concept to measure the working performance (*interview 1A*).

Then the head of Jakarta Governance Bureau suggested balanced scorecard to the table. It is a concept by Kaplan and Norton (1996) stated that scorecard is the term to measure performance as organization's strategy to improve the productions or outputs. On 2004, Kaplan and Norton wrote on balanced scorecard as a tool to implement clear mission on public sector which is delivering public services equally. Therefore, there are targets and realization that are needed to be set in order to apply scorecard to achieve effectiveness and efficiency in providing public services. Through this concept, the team adapted and combined the strategy with current Jakarta regulation to put balanced scorecard on paper as a tool for institutional changes in Jakarta subdistrict. They tried to develop the scorecard based on the local conditions apply on Jakarta subdistricts. It was also added with Rohm (2008) concept on designing scorecard which usually has **objectives** as strategy components to achieve success, **measurement formula** on how the strategy will be measured and tracked, **targets** as the level of performance improvement needed, and **initiative** on programs that are required to achieve the objectives. To set all the indicators, they also looked at the budget planning that the subdistricts had as a basis. There were three components involved: operational cost, area development cost, and activities cost. Operational cost is the required components in subdistrict budget planning to make sure all administrative affairs work well. Area development cost is the budget component which relate to Jakarta subdistrict head function as estate manager to maintain and improve the neighbourhood, not only infrastructure but also social development. Activities cost involves all the fees related to the programs suggested by the society as a part of society empowerment in subdistricts.

From all the considerations and data that the bureau had, they came up with five main points which would be the starting point to measure Jakarta subdistrict heads' working performances: **5 code of conducts, public facilities, social welfare, public complaints, budget spending, and property tax income**. All indicators had also been mentioned in Jakarta Governor Regulation Number 251 Year 2014 on subdistrict organization and its function.

Table 4.1.1  
Balanced Scorecard Indicators

5 CODES OF CONDUCT	PUBLIC FACILITIES	SOCIAL WELFARE	PUBLIC COMPLAINTS	BUDGET SPENDING	PROPERTY TAX INCOME
Slum settlement	Parks	Education subsidy			
Illegal parking	Streets	Healthcare subsidy			
Illegal street vendors	Water Channels	Dengue fever prevention			
Waste Management	Street lights	Social issue management			
	Government assets				

Although these indicators were the responsibilities for Jakarta subdistrict heads, it has never been a standard to measure the works. Therefore, the bureau and Jakarta governor executive staffs formulated the standard definition, unit of measurement, target achievement, alternative solution, data sources, and job division between subdistrict and district.

Table 4.1.2  
Complete Matrix Measurement of Balanced Scorecard

Number	Indicators	Definitions	Unit of Measurement	Achievement	Alternative Solutions	Sources	Job Division	
							Subdistrict	District
1	Slum Settlement	houses who are built on stated-owned lands	number of houses which are relocated	Fulfill the target number of houses which are relocated	Relocated to public housings	subdistrict, validated by district	relocate max 10 houses	- relocate more than 10 up to 50 houses - Supervise subdistrict
2	Illegal Street Vendors	street vendors which are taken place in non commercial areas	number of street vendors which are relocated	Fulfill the target number of street vendors which are relocated	Relocated to commercial areas owned by Jakarta provincial government	subdistrict, validated by district	relocate max 5 street vendors	- relocate more than 5 to 10 street vendors - Supervise subdistrict
3	Illegal Parking	non parking zone	number of non parking zone	Fulfill the target number of non parking zone which are relocated	Relocated to nearest parking zone	subdistrict, validated by district	relocate illegal parking in neighborhood streets	- relocate illegal parking in main streets - Supervise subdistrict
4	Waste Management	Ability to manage dumpsites in the neighborhood	number of illegal dumpsite	Fulfill the target number of illegal dumpsite which are moved away	3R: reduce, reuse, recycle	subdistrict, validated by district	manage household waste to local dumpsite	- manage waste from local dumpsite to city dumpsite - manage the schedule on waste management - Supervise subdistrict
5	Water Channel	all the water channels and river basins that are under responsibility of Jakarta provincial government	number of water channel segments	Fulfill target number of water channel segments which are flowing	drainage method, crossing, river normalization	subdistrict, validated by district	- maintain neighborhood water chanel - do drainage method for water channels not more than 60cm width - report the problems on water channels with more than 60cm width	- maintain water channels more than 60cm width - Supervise subdistrict
6	Parks and green open spaces	Green open spaces are open spaces to do outdoor activities, owned by Jakarta provincial government which classify as green zone in Jakarta urban planning guidelines.  Parks are lands, filled with plants and trees which can support greening programs by Jakarta provincial government.	number of green open spaces and parks	Fulfill target number of green open spaces and parks which can manage and maintain properly, based on Government Regulation related to parks and green open spaces preservation	regular monitoring, engage with other agencies to preserve together	subdistrict, validated by district	cleaning the parks in subdistrict	- make sure the public facilities in green open space are well maintained - Supervise subdistrict
7	Streets	all the streets in subdistrict areas, including pavements and side streets	number of streets, based on the namings they have	Fulfill target number of well-maintained streets, based on Government Regulation related to infrastructure and public facilities maintenance	immediate action, regular monitoring	subdistrict, validated by district	a. immediate action to work on potholes with 2m2 broad b. report the street damage with more than 2m2 broad	supervise and help subdistrict maintain the neighborhood streets
8	Street Lights	all street lights owned by Jakarta provincial government	number of street lights	Fulfill target numbers of street lights	follow up actions	subdistrict, validated by district	gather data on the number of street lights in subdistrict and follow up the problems	help and supervise subdistrict on data gathering and follow up actions
9	Government Assets	province-owned lands or buildings	number of province-owned lands or buildings	Complete gathering the data on province-owned lands or buildings		subdistrict, validated by district	gather data and do monitoring	gather data and do monitoring
10	Health Subsidy	all Jakarta citizens are registered to health subsidy program	number of Jakarta citizens who are registered	Fulfill target number of Jakarta citizens who are registered to health subsidy program	follow up actions	subdistrict, validated by district	gather data and help to register	help and supervise subdistrict on registering and follow up actions
11	Education Subsidy	all kids whose parents are Jakarta citizens are registered to education subsidy program	number of children who are registered	Fulfill target number of childre who are registered to education subsidy program	Follow up actions	subdistrict, validated by district	gather data and help to register	help and supervise subdistrict on registering and follow up actions
12	Dengue Fever Prevention	prevent dengue fever breakout by checking all possibility spots which are full of mosquitos after rainy season	number of dengue fever cases	Fulfill target number of dengue fever cases	Fogging	subdistrict, validated by district	employ people to monitor the potential spots which are full of mosquitos after rainy season	follow up on fogging
13	Social Issue Management	All social problems like street brawl, street kids, homeless, drugs, beggers, etc	type of social problems	Fulfill target number of reducing social problems in subdistrict		subdistrict, validated by district	prioritize one social problem -> gather data -> find solution	help and supervise subdistrict on data gathering and follow up actions

14	Property Tax Income	Achievement of tax revenue compared to the monthly tax target		Fulfill target number of tax revenue		district	gather data and give advice/insight	
15	Public Complaints		response to complaints on Jakarta Smart City application	Response Time to solve complaints on Jakarta Smart City application		Jakarta Smart City		
16	Budget Spending		budget spending percentage	Fulfill target of budget spending		Jakarta Development Planning Board		

source: Jakarta Governance Bureau (unpublished)

This measurement formulation was delivered to 267 Jakarta subdistrict heads and 44 district heads to be discussed. They needed to put insight and advice as their performances were going to be measured. The bureau had to also make sure subdistrict heads and district heads aware of getting coordination together to gathering and validating data which they were going to fill on those 16 indicators. Before this matrix measurement was shown, not many Jakarta subdistricts and district heads knew their areas precisely. They were often guessing on the number of water channels, streets, illegal street vendors, and even illegal slum settlements which they needed to relocate (*interview SA*). After two weeks of discussion and set all the agreements within subdistrict heads, the bureau and Jakarta governor executive staffs made a simple guideline on how to fill the scorecard. This is how the scorecard looks like:

Table 4.1.3  
Scorecard for Jakarta Subdistrict Heads

Number	Indicators	Target Activity in 2016							
		Existed Number (based on data gathering in 2016)		Achievement Target		Unit of Measurement			
1	Slum Settlement					number of houses which are relocated			

	Target Activity for 6 months in 2016									Assistance Needed (need to be filled if the achievement is under 50%)	
	Jul	Aug	Sep	Quarter III	Oct	Nov	Dec	Quarter IV	Total 2016	Stakeholder	Details of Assistance
TARGET				0				0	0		
REALIZATION				0				0	0		
PERCENTAGE (REALIZATION:TARGET * 100%)											

source: Jakarta Governance Bureau (unpublished)

For example, if Jakarta subdistrict heads want to fill indicator 'slum settlement', they have to first completely understand that slum settlement is houses who are built on stated-owned lands. On the 'Target Activity in 2016' table, Jakarta subdistrict heads need to fill the number of existing slum houses in their area. Then they need to fill their achievement target.

The target is based on the number of houses which they think they are able to be relocated in a certain period of time. Then on the 'Target Activity for 6 months in 2016' table, subdistrict heads have to fill the target and the realization they do on each month. They also need to fill the percentage which is resulted from the number of realizations divided by the number of targets then multiply with 100%. After three months, they will sum all the numbers. By the end of the year, they will have the total percentage of the realization performance that they achieve for 6 months. The result will be followed by assistance if their working performance measured is under 50% in total. They need to fill which stakeholders they think will help them improve their working performance and on which indicators that they need to be assisted. They had to fill up until 16 indicators that have been agreed as the standard to measure their working performances. Jakarta subdistrict heads were encouraged to complete all the data together with their staffs who work in subdistrict, so all of people who work for Jakarta subdistrict have the same knowledge on how to measure Jakarta subdistrict working performance (*interview SA*).

Before scorecard was implemented in 267 subdistricts in Jakarta, Jakarta Governance Bureau decided to do pilot project in three Jakarta subdistricts: Tanah Tinggi, Petojo Selatan, and Senen. Those subdistricts were selected because the bureau wanted to see how the scorecard would be implemented on the area which need more improvement in infrastructure (subdistrict: Petojo Selatan), social issues (subdistrict: Tanah Tinggi), and urban management (subdistrict: Senen). Furthermore, each selected subdistrict also has different type of area. Subdistrict Petojo Selatan had more well-managed neighbourhood, some government buildings, but not well-maintained water channels and other infrastructure and public facilities. Subdistrict Tanah Tinggi was one of the most-dense neighbourhood in Jakarta. There were up to 8 people living in one house not more than 24m<sup>2</sup>. Subdistrict Senen had more mixed type of area because it had housings, business center, and offices. In Senen, there were a lot of issues on how hard it was to manage illegal street vendors in business centres which made road jams in the area.

Doing the pilot project, three Jakarta subdistrict heads had a month to finish completing all the data for 16 indicators on balanced scorecard. By doing so, it meant that the subdistrict heads in those areas needed to set their own planning, goals, and target realization to complete the scorecard list. They also had to prioritize which indicators that they would be put their time more to solve the problems. Based on the interview with Tanah Tinggi subdistrict head at that time, it was hard for him to be well-managed leader. Even though he got use to do the all the works on the scorecard indicators, he tended to be more laid back. He said that there have not been bureau or agencies which really check on what he was doing in the area. There was monitoring and evaluation each month in mayor's office but it was not looking into details. It was just quick update without any measuring system on the working performances (*interview AB*). On the pilot project, balanced scorecard for subdistrict head was put into one of main agenda that were needed to discuss in monthly meeting with mayor, all districts, and all subdistricts in one city. For example, the three subdistricts for pilot project are located in the city of Central Jakarta. It meant that on the monthly meeting with Mayor of Central Jakarta, balanced scorecard for the three subdistricts had to be presented and discussed with all of meeting participants (*interview SA*).

There were take-away keys from the pilot project. Based on the unpublished documents by Jakarta Governance Bureau, Subdistrict Tanah Tinggi reported there are some notes they have while doing data gathering on the area. On 'slum settlement' indicator, they would prefer to define it as poor houses in their neighbourhood instead of houses who are built in state-owned land. Their reason was most of the houses in Tanah Tinggi are considered poor houses with high-dense population. Therefore, they also formulated different solution from the alternative solution that the bureau gave to relocate houses. They came up with the term

'kampung deret' or village of row houses which they would renovate the houses and the area to have more spaces, ventilation, and rooms for the people who live inside. Tanah Tinggi subdistrict head also pointed out that data gathering on the neighbourhood made the people have expectation on upcoming project that the government had. It was common for Jakarta people to get excited when the surveyor came to their houses because they used to get some money or other benefits for answering the question. With the balanced scorecard data gathering, they hoped that they would get the same incentives. This added the work to subdistrict staffs because they also need to explain that the government was trying to do institutional change in subdistrict so that the subdistrict office could deliver public service much better. The people may not get paid but they will be benefited from the standardized work done by Jakarta subdistrict head. It was also difficult for the subdistrict to complete the data on indicator 'health subsidy' because they did not have the access from Health Care and Social Security Agency to have the number of people on their subdistrict which had not been registered to the program.

Another note came from Subdistrict Senen. On indicator 'waste management', they found out that it was not only dumpsites they had to manage, but also waste bank, public trash bin, and illegal dump site. When they needed to prioritize among the issues, Senen subdistrict head selected illegal dump site. Based on unpublished document from Jakarta Governance Bureau, illegal dump site became major issues because most of the people, street vendors, and anyone who were passing the site, they would throw away their waste to the site which were not supposed to be the dump site. Therefore, the subdistrict was keen to relocate the site to the legal dump site which they had already. Legal dump sites meant some areas or lands in the neighbourhood which are in the right zone to throw the garbage, according to the Jakarta Governor Regulation, before they would be taken away by the dump trucks. On this pilot project, Senen subdistrict head also prioritized on illegal parking and illegal street vendors. Both indicators were becoming the focus because Senen has business centre with huge market, some office buildings, and big main roads which caused trafficjam a lot because the areas are surrounding by illegal street vendors and illegal parking. The subdistrict head had coordinated with other related stakeholders to be together solve the issues.

In Petojo Selatan Subdistrict, infrastructure became the major issue. There were water channels which were not maintained well then made them clogged. There were also some public facilities which supposed to be used for children and mothers playing around and do gathering but they were not functioning due to broken facilities. These made the subdistrict head and his staffs to engage with the society for them to help locate clogged water channel near their houses. They also needed to take pictures as a report to district head and city mayor. All the data gathered by the three subdistrict heads and their subordinates would be validated and assessed by district head as their superior. Subdistrict heads had to submit their target and its realization to the district head and city mayor. After a month working on the pilot project, three subdistrict heads did presentation in mayor office then they also met with Jakarta Governor to report and tell their experience on being involved in balanced scorecard pilot project.

Discussing the result of balanced scorecard pilot project together with other Jakarta subdistrict heads, district heads, mayor in a big weekly meeting, Jakarta Governor decided to implement the scorecard to all 267 subdistricts in Jakarta. He also asked for other agencies in Jakarta province government to fully support this project as his vision to empower Jakarta subdistrict heads to be well-skilled and knowledgeable estate manager for each area in Jakarta. He also appointed Civil Service Agency to put balanced scorecard as one of key performance indicators of Jakarta city mayors that are going to be assessed by the governor himself (*interview SA*). In 2016, higher level officials in Jakarta province government, include city mayors had been given three key performance indicators to measure their working performances. It

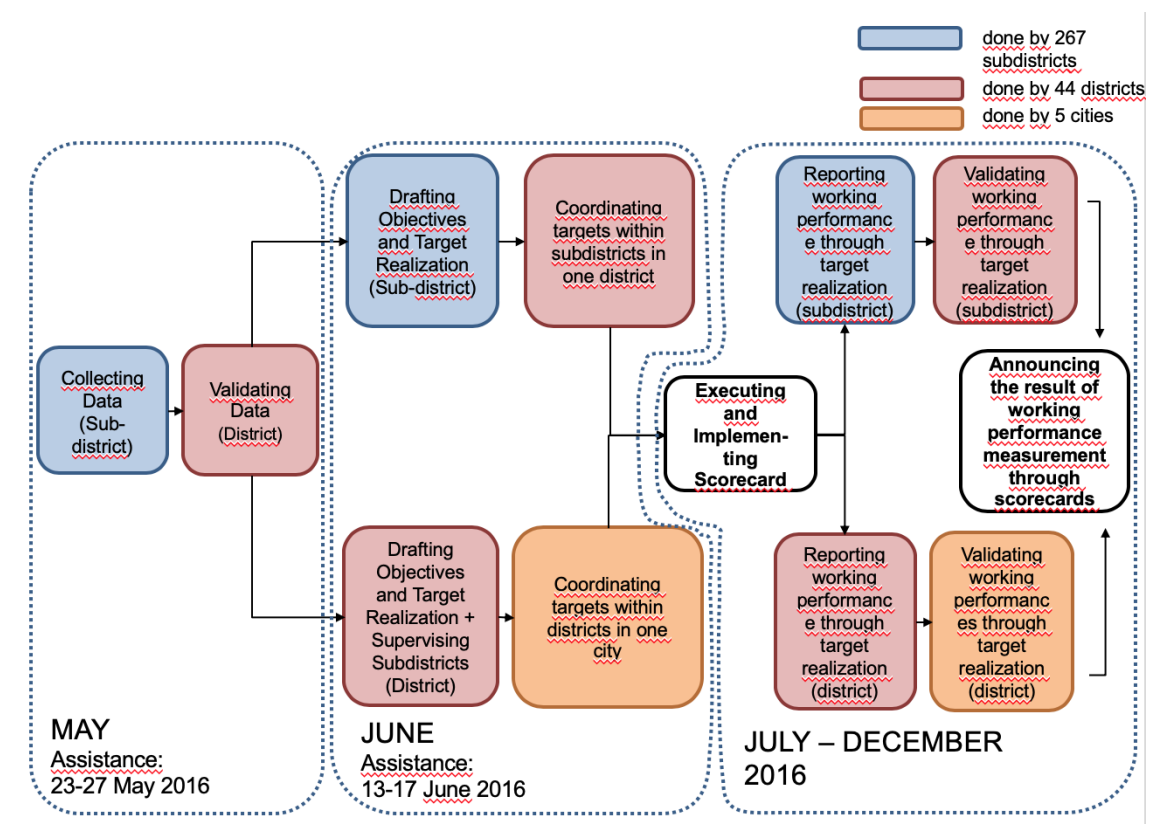
had been linked also to the incentives that they would get if they achieved the target. Therefore, having balanced scorecard as one of the measurements for Jakarta city mayor would automatically empower all the public officials in the city to do their best meet the standard (*interview LA*).

Balanced scorecard project started rolling out on May 2016, with data collection as the starting point. Jakarta Governor ruled the scorecard on Jakarta Governor Instruction Number 158 Year 2016. Jakarta Governance Bureau were fully responsible on the project, assisted by Jakarta Governor executive staffs. During the implementation, the bureau also asked sub-district heads to send regular updates through WhatsApp chat and pictures in a group made by the bureau so that the bureau know what had been going through in the areas (*interview SA*). It followed by random field observation in the subdistricts by the civil servants who worked in the bureau to recheck the pictures taken and sent to the WhatsApp group were the real condition or just a made up (*interview SA*). Furthermore, Jakarta Governance Bureau encouraged district heads and city mayors to do the same as the bureau done so that the monitoring would be exercised at all levels. This changed the rhythm and behaviour of civil servants who worked at subdistricts, districts, and mayor's office (*interview AB*). They had to be more organized, responsible, and actively seeking and observing for issues or problems on the areas which need to be put in the balanced scorecard list. Yet, the project also helped them to rearrange their priority programs in each area so that they have well-planned programs and target realization (*interview AB*).

Here is the chart on how it had been implemented on the first phase:

Figure 4.1.2

#### Balanced Scorecard Coordination Process



source: Jakarta Governance Bureau (unpublished)

After 6 months doing the first phase of balanced scorecard project, Jakarta Governance Bureau held another FGD for all Jakarta subdistrict heads, district heads, city mayor,

and other related agencies. The discussion was divided to several session starting early of January 2017 until the end of the month. Each subdistrict heads also handed out a complete set of 16 indicators from their data collection with the validation from district heads and city mayors. Based on the unpublished document by Jakarta Governance Bureau, most of the Jakarta subdistrict heads faced the same problems: difficult to gather the first data for balanced scorecard indicators because they did not get use to ask other related agencies or even the people in neighbourhood related to the details that they needed to fill in each indicator. Yet, most of the heads said that they felt like having new standard of working and they were motivated to do better because there were achievement target, realization, and the total percentage which determined their working performances (*interview SA*). Based on the interview with Head of Subdistrict Semper Barat, Benhard Sihotang, balanced scorecard made him relieve because he would not be scored based on his close relation with his superiors, but through his performances when delivering public service on his subdistrict. Another insight came from Pangestu Aji, who were the head of Subdistrict Meruya Utara at that time, which told that balanced scorecard was like real follow up of Jakarta Governance Regulation on subdistricts function and responsibilities in society.

The implementation of balanced scorecard was continued on 2017 with the second phase. On this phase, Jakarta Governance Bureau coordinated with Jakarta Smart City department to develop website called *kinerja.jakarta.go.id* so that each subdistrict did not have to manually fill the target on excel and print out all the data into thick books (*interview AA*). On the website, they could directly link all the data collection to the balanced scorecard table and fill their priority list to the 16 indicators they had. The website interface was exactly the same as those tables they had been seen before on the first phase. This website also linked to the application they could download on their phones so that they could monitor which indicators that they had been achieved each week (*interview AA*). The application helped Jakarta subdistrict heads and the superiors (district heads and city mayors) to do real-time monitoring and evaluation (*interview LA*). However, during the first development on website and application, there had been issues on the link site between data collection and priority list so that Jakarta subdistrict heads still manually did their table on excel for some time (*interview AB*).

Jakarta Governance Bureau also engaged with Jakarta Civil Servant Training Agency to draft balanced scorecard as one of the training courses for Jakarta civil servants, especially those who worked in subdistricts, districts, and mayor's office (*interview SA*). There were two type of courses: online courses and in-class training. It needed a full month to collect all the materials from the first FGD session in 2016 until the first phase of scorecard implementation then compile them into one complete set of balanced scorecard guidelines for Jakarta civil servants. It could be directly downloaded from the employee management system. There were also some exercises and tests for Jakarta subdistrict heads, district heads, and city mayors who were taken the courses. If they passed all the tests, they would get a certificate and recommendation to the Civil Service Agency which were responsible for promotion, demotion, and mutation of each civil servant in Jakarta (*interview SA*). In fact, the tests, together with the evaluation from first phase of balanced scorecard implementation had been already legit source for Jakarta Governor to change some of the position in Jakarta subdistrict heads and Jakarta district heads. There were those who were getting promoted and demoted (*interview LA*).

## 4.2 Analysis: Scorecard on Improving Working Performance Quality in Jakarta Subdistrict

Related to the theory of New Public Management, Nungki et al. (2018) mentioned that working performance may reveal the real skill and behaviour of people who are working in the organization. Some changes that happened may also affect to the people and how they work after the implementation of changes. It also happens in Jakarta subdistricts after balanced scorecard implementation. Based on interview with three Jakarta subdistrict heads, they had to change their working behaviour to meet all the 16 indicators target in scorecard. Former Head of Subdistrict Meruya Utara, Pangestu Aji, said that he did not have clear and standard guideline to work and deliver public services on his area before scorecard implementation. Therefore, he just did his best by his own knowledge and experience then hoped people would like it. Rolling out scorecard in his area, he needed to be a fast-learner leader in order to give examples to his subordinates that all of the staffs need to work faster to achieve the target in a given time. Even though he set the target by himself, he found scorecard a good measurement because the target still needs to be validated by his superiors. Therefore, he could not manipulate the data collection. He needed to be really details on gathering the data in the neighbourhood because he could be given punishment if he was doing it wrong.

As it has been listed on *Figure 4.1.2 Balanced Scorecard Coordination Process*, there was one month of data gathering and data validation which had to been done by Jakarta subdistrict heads on May 2016. For most of Jakarta subdistrict heads which were not getting use collecting comprehensive data as it had been asked for balanced scorecard table, this project was considered major change. Within a month, subdistrict head had to list out the number of slum settlement, illegal parking, illegal street vendors, and other indicators which had been put in scorecard table. On this stage, subdistrict heads might challenge themselves to reach out to other agencies which have related responsibilities with subdistricts. For example, Jakarta subdistrict heads needed to collect data on the number of Jakarta children who had been or had not been registered with education subsidy program. The data would not be completed in a month if the heads did not ask help for Jakarta Education Agency to share their data on this subsidy program. They needed to go out from their comfort zone, behind their desk, to go meet other stakeholders so that he could fill in the target precisely. Former Head of Subdistrict Tanah Tinggi, Arief Biki, stated that he would not easily go to other agencies office to asking for data because it is not common to do in the institution. He used to work on himself with the assistance from his staffs to solve the problems. Implementing scorecard in the subdistrict made him connect better with other stakeholders which he believed can bring more positive impact and collaboration in the future.

For Head of Subdistrict Semper Barat Benhard Sihotang, scorecard helped him to reflect back on what he has been planned for his subdistrict a year ahead. Even though it was already more than three years he has been in the position, he realized that there were still a lot of data that his subdistrict had not collected yet, such as government assets, streetlights, parks and open green spaces. He was focused on social issue problems which had been priority issues to be solved in his area. Implementing balanced scorecard in his subdistrict had been widening his eyes on seeing issues in the neighbourhood. Then it helped him to be well managed on budget planning, resources allocation, and goal setting for his subdistrict. The quality improvement on subdistrict heads working behaviour is because Jakarta provincial government formulated balanced scorecard based on four criteria in ruling out scorecard, written by Howard Rohm. Rohm (2008) stated that an ideal balanced scorecard has four

elements inside: objectives, measurement, target, and initiative. On the scorecard table that Jakarta provincial government had, it fulfilled all the elements.

Scorecard as working performance measurement came from Jakarta Governance Bureau who was appointed by the Governor to assist subdistrict heads on becoming well managed and problem solver estate manager. Therefore, implementing scorecard has clear objectives on pushing subdistrict heads give their best shot at work. Another objective for having scorecard in Jakarta provincial government is standardizing working pattern in subdistricts so that there will not be any evaluation based on close relationship between superiors and the subordinates. Then these objectives turned into a concept of having measurement system but there is no clear concept yet. Right after the FGD session with Jakarta subdistrict heads and other related agencies, the initiative action started to be obvious: using balanced scorecard for the measurement. Together with Jakarta Governor executive staffs, Jakarta Governance bureau continued the concept by adding indicator measurement and achievement target to be discussed and shared by subdistrict heads. It resulted on *table 4.1.2 Complete Matrix Measurement of Balanced Scorecard* and *table 4.1.3 Scorecard for Jakarta Subdistrict Heads* which were new things for subdistrict heads because they had not seen a very comprehensive standardization of working performance measurement system. Former Head of Subdistrict Tanah Tinggi, Arief Biki, said that it made him feel like the real employee because his performance is finally having fair measurement and being recognized transparently up to the governor. These indicators and targets are the key to achieve the biggest objective. By completely having these four elements on the scorecard, Jakarta provincial government was able to rule out institutional changes in subdistrict level.

Implementing balanced scorecard in Jakarta subdistrict also develop motivation of Jakarta subdistrict heads. Head of Subdistrict Semper Barat, Benhard Sihotang, said that he was favour a lot on this new concept of measurement because he compared to the previous evaluation done by the province which were using public complaints and budget spending as the only sources. There were some bad experiences on his evaluation performance because the evaluator (staffs from district and mayor's office as his superiors) take it for granted on public's opinion at Qlue. Qlue is an application which people can put their comments, opinion, critics, appreciation on Jakarta provincial government delivering public service in the province. However, there are often times when people just randomly input their opinion without rechecking on the existed condition or communicating with civil servants in the subdistrict to get clearer information. These opinions made Benhard feel burdened because Qlue does not have filter for people commenting on the application. There is always possibility which people subjectively giving critics or giving credits. Therefore, using scorecard gave his motivation back to work fully on his area because he knew he would be measured through detail indicators and target that he was set by himself.

There are always some scholars who will think that New Public Management approach like measuring performance through some indicators and incentives may crowding out people's motivation at work. However, as Frey and Osterloh (2002) argued, there is research shown that the approach will not eliminate internal motivation. In fact, Frey (2017) stated, many employees find this approach as a way to develop themselves and make them more rewarding. This is exactly what Benhard felt after implementing the scorecard. He even got an award from National Media, Jawa Pos, in 2018 due to his work on maintaining the neighbourhood to be well-managed and homey for people living there. Benhard is able to improve his personal development throughout the target achievement from 16 indicators that he is working on. Growing back subdistrict heads motivation is also the result from participatory approach that Jakarta Governance Bureau set to plan balanced scorecard concept before it got implemented. Most policies for civil servants are top-down approach. There is lack of participation among civil servants to share and discuss their own views

related to the personal development or area development in the province. Yet, all the indicators, unit of measurement, and achievement target in scorecard table are resulted from discussion, sharing, data collection, validation, and evaluation from different level of civil servants. Frey (2017) called it as the way to keep the motivation at work high because the subordinates are given chance to work closely together with their superiors on big project, like setting goals and objectives for their own areas. If this behaviour is continued, there is even more possibility that civil servants will find their fullness by doing public services; the dream that all public sector institutions want to achieve.

### 4.3 Analysis: Scorecard on Promoting Accountability and Transparency in Subdistrict

When the first time Kaplan and Norton established balanced scorecard concept in 1996, they were on their halfway project to think on how to build an accountable and transparent organization. They mentioned that by using working performance measurement for the employees, it would make the companies reach out more production because their works would have better standard and management system. Therefore, they created the term 'balanced' to measure financial matters and non-financial matters. There are four indicators in Balance Scorecard implementation: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective. In public sector, Kaplan and Norton (2004) noted that Balanced Scorecard used to impose the clear mission of public organization: delivering public services. Applying balanced scorecard can assess public organization's effectiveness and efficiency in providing services to the community. As such, public officials need to prepare themselves to improve their performances based on target set through scorecard (Kaplan and Norton 2004).

Jakarta Governance Bureau also had the same vision as balanced scorecard concept established by Kaplan and Norton. Since the first time of this idea being discussed within internal staffs in the bureau, this measurement system was already informed to all related stakeholders from the very beginning. Having the same information made this project getting closer to be transparent and accountable. Former Head of Subdistrict Tanah Tinggi, Arief Biki, shared his experience on how relieved he was to have the same information with some agencies that he had been closely working with. He said that having the same starting point will make everyone has the same level of information so there would not be any agencies which feel more important or higher on this project. There is definitely different level of hierarchy in Jakarta province bureaucracy system but sharing same information would eliminate those civil servants who wanted to manipulate other staffs and give all the working responsibilities to certain people (*interview SA*). Transparent measuring system also makes Jakarta subdistrict heads work easier because all the guidelines and indicators has been opened to every stakeholder in Jakarta provincial government. Therefore, all of people can see how hard they have been working on the neighbourhood and giving appreciation for the working performances.

Validation process for Jakarta subdistrict heads working performance by the superiors (district heads) in balanced scorecard concept also performs transparent system in public sector institution. Jakarta subdistrict heads as the subordinates can see the validation prove and the reason on why the superiors validate each achievement target through the balanced scorecard table. Subdistrict heads can also see the comments and insight from their superiors on the unachieved targets so that they can be better on the next phase of balanced scorecard implementation. All the validated mark and the comments are just one column added next to the **Quarter III** or **Quarter IV** column from the previous balanced scorecard table on the finding section.

Table 4.3.1  
Validation from District

	Target Activity for 6 months in 2016												Assistance Needed (need to be filled if the achievement is under 50%)	
	Jul	Aug	Sep	Quarter III	Validation from District	Oct	Nov	Dec	Quarter IV	Validation from District	Total 2016	Validation from District	Stakeholder	Details of Assistance
TARGET				0					0		0			
REALIZATION				0					0		0			
PERCENTAGE (REALIZATION:TARGET * 100%)														

source: Jakarta Governance Bureau unpublished document

District heads as the superiors can also help subdistrict heads to connect them with other stakeholders which may assist them to improve the working performance. All the notes and assistance from other stakeholder column are also provided on the balanced scorecard table. This result will be delivered to the Governor as regular report of Jakarta subdistrict heads. Therefore, there is no single person can hide the good or bad result from scorecard implementation.

On the accountability matter, Eagle et al. (2004) noted that balanced scorecard can help government to define and justify their works. He continued, by having measurement, government can also have clear indicators to prioritize allocation and manage limited resources to achieve government objectives on certain period of time. Likewise, balanced scorecard for Jakarta subdistrict heads was designed to have clear indicators, followed by clear definition so that subdistrict heads would not find any confusion when measuring the target. There are some examples of how Jakarta provincial government was trying to make the scorecard as much as accountable as they could to be a good measurement system:

Table 4.3.2  
Examples of Matrix Measurement in Balanced Scorecard

Indicators	Definitions	Unit of Measurement	Achievement	Alternative Solutions	Sources	Job Division	
						Subdistrict	District
Illegal Street Vendors	street vendors which are taken place in non commercial areas	number of street vendors which are relocated	Fulfill the target number of street vendors which are relocated	Relocated to commercial areas owned by Jakarta provincial government	subdistrict, validated by district	relocate max 5 street vendors	- relocate more than 5 to 10 street vendors - Supervise subdistrict
Illegal Parking	non parking zone	number of non parking zone	Fulfill the target number of non parking zone which are relocated	Relocated to nearest parking zone	subdistrict, validated by district	relocate illegal parking in neighborhood streets	- relocate illegal parking in main streets - Supervise subdistrict
Waste Management	Ability to manage dumpsites in the neighborhood	number of illegal dumpsite	Fulfill the target number of illegal dumpsite which are moved away	3R: reduce, reuse, recycle	subdistrict, validated by district	manage household waste to local dumpsite	- manage waste from local dumpsite to city dumpsite - manage the schedule on waste management - Supervise subdistrict

On the *table 4.3.2 Examples of Matrix Measurement in Balanced Scorecard*, there are three indicators out of 16 indicators in the scorecard table for Jakarta subdistrict heads. Those three indicators, illegal street vendors, illegal parking, and waste management have their own definition, unit of measurement, and target achievement. As Eagle et al. said on the article *Translating Strategy Into Result (Public Sector Applications of the Balanced Scorecard)*, definition, unit of measurement, and achievement target are the main components to ensure the works can be justified well. Former Head Subdistrict of Tanah Tinggi, Arief Biki, said that he used to solve the problems which were reported by the citizens. Even though there might be potential problem on his area, he tended not to look over it and do a lot more on the administrative work

at the office. For example, on the waste management indicator, before there was a scorecard, Arief did not have any idea on how to define waste problem in the neighbourhood. Using the definition from scorecard table, he then knew on how to prioritize problem as well as gathering the data on the number of illegal dumpsites in his subdistrict. He also added that the job division between subdistrict and district also help both stakeholders to measure their own works so that there would not be overlapping tasks. Furthermore, the detailed targets and unit of measurement also prove that Jakarta provincial government had clear goals on improving its public service delivery because one can measure performance with good indicators because there had been clear objectives which had been shared and discussed before formulating the indicators. Without goals and targets, the performance cannot be calculated because there will be no exact standard (Mahsun 2016).

Having accountable measurement system has impacted positive outcomes on employees' promotion. Before balanced scorecard was implemented, there were only one Jakarta Governor Regulation Number 141 Year 2011 to evaluate subdistrict and district heads working performances. In fact, there is no clear standard to measure the performance provided in the regulation. It is only written there will be the best five subdistricts and five districts each year to be awarded with city mayors and Jakarta governor as the appreciation of their works. However, there is no clear indicators on how to decide good subdistrict/district and bad subdistrict/district. There are evaluators to assess subdistrict/district heads, but there is no clear definition on the standard and job description of the evaluators. There is also no further follow up after the award is given. Furthermore, there is no further discussion on how to improve subdistricts/districts which have not performed well each year. Former Head of Jakarta Government Management System Department (under Jakarta Governance Bureau), Santoso, said that there are rooms for the superiors to measure their subordinates subjectively because there is no list of measurement system. In addition, this kind of evaluation system made Jakarta subdistrict/district heads had huge burden because they needed to super kind and nice with their superiors unless they wanted to be shifted to other positions.

Santoso continued, after implementing scorecard for a year, there have been people being promoted and demoted from the evaluation of balanced scorecard table. Based on the unpublished document from Jakarta Governance Bureau, there are some district heads who had been demoted because they did not achieve the target realization they set before. In addition, it had been known those people did not perform well on their areas because their data collection did not match with the current condition on the neighborhood. The demotion had been done by Jakarta Governor because he received complete report on Jakarta subdistricts/districts head working performance on each area. The numbers which were written and the notes which were given from the superiors becoming basic reason to do the demotion. On the other hand, there were also Jakarta subdistrict heads who were promoted because the report on their scorecard was meet up all the target realization, validated by their superiors, and they had complete set of data collection on 16 indicators of their works in their areas. Based on the interview with three Jakarta subdistrict heads, they favored the working performance evaluation through scorecard the most, compared to the previous evaluation. Clear indicators, unit of measurement, job division, and well-planned target to be achieved makes scorecard to be the accountable measurement performance system which are much fair on evaluating civil servants' position in the bureaucracy.

#### **4.4 Analysis: Scorecard on Extracting Out Non-Quantifiable Indicators**

Eagle (2004) argued that as public sector institution, government should set its target and indicators based on society needs. Based on the interview with Former Jakarta Governor

executive staff, Idris Ahmad, he claimed that Jakarta provincial government already set the scorecard indicators based on society needs. The reason is they read all the public complaints from any platforms that the province has in order to the society to deliver their opinion/critics/appreciation. Therefore, they engaged with Jakarta Smart City Agency which gathered all the complaints and extracted them into points which were given to the Jakarta subdistrict heads to be discussed on their first FGD session in early 2016. However, based on the final indicators that the province ruled out, there are still problems left behind. For example, on social issue management indicators, the definition is still too broad. Jakarta Governance Bureau asked subdistrict/district heads to define themselves social problems that happened in their neighbourhood. Moreover, they only had 'type of social problem' as the unit of measurement which seems vague. For the bureau which had known the major problem of subdistrict/district heads is on determining the details, they supposed not to let subdistrict/districts head to set their own definition of social issue management indicators. It will flaw the measurement because this indicator will not have standardized definition and tools to be measured.

Former Subdistrict Head of Tanah Tinggi, Arief Biki, had similar opinion on indicators which were hard to be measured. He pointed, for instance, there were often street brawlers in his subdistrict. He could right away put street brawlers as the definition of social issue management indicator in scorecard. However, he became confused when he had to measure achievement target of the problem. He had dilemma. He could put the unit of measurement as 'number of street brawlers being tackled', but it did not mean that the problem would be over when he stopped the brawlers. There are always other reasons for people brawling on the street. Most of them are teenagers and youth who do not have enough spaces to do their activities outside their houses because Tanah Tinggi is subdistrict with the highest density population in Jakarta. Therefore, having brawlers on street is one of their ways to have 'outdoor activities'. This was approved by Jakarta Governance Bureau as well. They ever had survey on street brawlers in Jakarta and one of the reasons is lack of space to do activities. By only having scorecard will not fix the problem. There are non-quantifiable factors such as human approach, communication, youth empowerment programs which has to be considered as working performance evaluation.

Subdistrict Head of Semper Barat Benhard Sihotang had the same experience related to non-quantifiable factors which are not included in the scorecard. Based on the interview session with him, he said that he had difficult time on being subdistrict head in Semper Barat because he is different from most of citizens who are living there. Most of the citizens are Moslems and coming from Javanese/Betawi ethnic group, while Benhard is Christian and coming from Batak ethnic group. It needed almost a year to have countless communication and social approach to the society. He was also trying hard to be on the neighbourhood every day to understand people's condition and how they are living their lives. Most of the people in Semper Barat are considered as middle-lower class so Benhard was trying to give a lot of empowerment program to help them having more income. As Eagle (2004) argued, these social skills are hard to be measured because they are beyond numbers. Therefore, there supposed to be alternative measurement which can support the existing balanced scorecard. However, Jakarta province government chose to extract out these factors and more focus on the quantifiable indicators.

Former Subdistrict Head of Tanah Tinggi, Arief Biki, also mentioned that Jakarta Governance Bureau supposed to put child-friendly public spaces maintenance in scorecard indicators. Before scorecard implementation on April 2016, Jakarta Governor was pushed Jakarta province government officials, especially subdistrict heads, to prioritize their works on child-friendly public spaces development and maintenance. Therefore, all Jakarta subdistrict heads put their times a lot on ensuring they have adequate number of child-friendly

public spaces, engaging with other agencies which are related to the development and maintenance, as well as doing public communication with society to gather their insight on how they were going to manage the spaces (*interview AB*). The development of child-friendly spaces finished right before Jakarta Governance Bureau announced balanced scorecard concept. Arief understood that it was hard to quantify child-friendly spaces maintenance because the responsibilities are being taken by multi-stakeholders, but he had hoped that the bureau aware of the hard works and amount of time they spent to this priority program of Jakarta Governor. This case indicated that there is a tendency from the bureau to simplify works that require a lot of stakeholders working on it. However, it left question marks among Jakarta subdistrict heads because then they did not know what to do after they finished the development. They supposed to start maintaining and managing it by doing public activities but they might not do it because there are more urgent works on scorecard indicators that they need to achieve to get good scores on their performances.

Former Jakarta Governor executive staff, Idris Ahmad acknowledged those concerns. However, at that time, he continued, the bureau needed to prioritize more on which indicators and issues that happened the most in the subdistricts. Moreover, he believed that the scorecard was favour a lot to change the working pattern in subdistrict. Therefore, they focused a lot on data collection and target planning because those two were subdistrict heads need the most to manage their areas better (*interview LA*). However, taking out non quantifiable elements affected on some on-going projects which needed to be stop at the moment because subdistrict heads need to focus more on the quantifiable indicators. Not having public activities in child-friendly spaces, for example, is unfortunate because the spaces are there for the subdistricts to manage. Jakarta provincial government also gave some budgets and some CSR (Corporate Social Responsibility) companies to help subdistrict on making creative programs for children and their parents. By extracting out these components, it will disadvantage most citizens because they have their rights to have good public facilities with excellent public service delivery but it is postponed because the government officials more busy with data collection and infrastructure improvement which can be easily measured.

## Chapter 5 Conclusion

### 5.1 Reflection

As Madiasmo (2009) noted, government is famous for its ineffective and inefficient working pattern. Therefore, performance measurement system is needed for this public sector institution to be more focus on their objectives and target planning to achieve the big goals. However, changing big and dynamic institution like government has never been easy. Government is both fast-moving and slow-moving institution because there is certainly political interest inside but there are also social norms and values which are already deeply rooted within the officials. Therefore, changing working pattern or behaviour needs well planned strategy and well discussed concept so that it will get fail on implementation. It also requires participatory discussion from related stakeholders to develop belongingness on the concept so that government officials are more willing to accept the changes in the institution. Jakarta Governance Bureau put their efforts on creating these changes to be happened. Together with Jakarta Governor executive staffs, they collected all the sources needed to formulate the measurement. They were also inviting subdistrict heads, district heads, city mayor, and other relevant agencies in order to set transparent environment since the very first beginning. Having government officials to be actively participating on formulating new projects is not common in Jakarta province government. Therefore, this effort needs to be appreciated.

Balanced scorecard then appeared as the concept which was selected by Jakarta Governance Bureau to rule out the performance measurement. Knowing that it would not succeed on the first trial, the bureau decided to do pilot project on three subdistricts then reported it to Governor. Receiving positive result from pilot project report, Governor asked scorecard to be implemented right away on all 267 subdistricts in Jakarta. He also ensured this project would be prioritized so Jakarta subdistrict heads would not be worried on distraction from other agencies to help on some public works which happened frequently. In addition, the Governor promised subdistrict heads to be more accountable and transparent on measuring working performances so that they have fair scores which can help them get promotion on their position. Having leader who fully supported on the effort to improve government officials working performance could create better environment on institutional communication as well. There was trust from superior to subordinates and the other way around on making each other works better. This trust is important in bureaucracy system because there is usually stiff relation due to different hierarchical level which makes the government officials do not really belong to do their works. Their motivation grows less and less, affecting less efficient and less effective on delivering public services. Justifying working performance on clear measurement also created more happiness within subdistrict heads because they would not be subjectively treated by their superior. Having fair measurement motivates them to work more willingly because they did not worry anymore on clientelism in the institution.

However, Jakarta provincial government still extracted out non quantifiable indicators measurement on balanced scorecard. The social skills of Jakarta subdistrict heads did not count. As a matter of fact, there are a lot of moments when subdistrict heads have to be more engaging with the communities and citizens who live on the area to be able to get attention when they have to deliver public service from the province. There are also moments when Jakarta subdistrict heads need to negotiate with other stakeholders to support their empowerment program in subdistricts. Those skills are not measured on the existing scorecard table. This build some disappointment among subdistrict heads because sometimes they have to put extra work, time, and energy to perform their social skills in society. Unfortunately, the current balanced scorecard only measured quantifiable works which can be counted easily by numbers. Jakarta provincial government has not considered non

quantifiable elements such as quality of life, human-right basic approach, and communication skill to be put in performance measurement.

All in all, balanced scorecard had been succeed to be a tool of institutional changes in Jakarta subdistricts since it makes Jakarta subdistrict heads improve their quality on working performances, it creates more accountable and transparent system for Jakarta province government to decide employees promotion, demotion, and mutation, and it receives well-respond from the Jakarta subdistrict heads as the main stakeholder. Scorecard also helps subdistrict to plan better programs and allocate resource more effectively because the indicators has been becoming the standard of planning programs for the society. In addition, it makes the work of Jakarta subdistrict heads clearer because the indicators prevent them from overlapping works between one agency to another. However, scorecard could be better performance measurement if it is also included social elements which have been left out before. Developing scorecard is a long-time process which needs continuous action of evaluation and self-awareness from government officials to keep updating the indicators so that there is always new discovery which brings the Jakarta provincial government be better and better on delivering public service to society.

## 5.2 Recommendation for Future Policy

It is common issue in the government when the political leader changes, the objectives from the government also changes. It happens in Jakarta provincial government. Starting October 2017, Basuki Tjahaja Purnama (Jakarta Governor who fully supports balanced scorecard program) was not being governor anymore. The position is changed. At first, Jakarta Governance Bureau still rolled out balanced scorecard program in subdistricts (*interview SA*). However, early 2018, the bureau realized that the new governor did not favour a lot on this program. He had never pointed out scorecard on every meeting. He also never mentioned the scorecard report in front of other agencies. It raised problems among subdistricts heads. They have been used to have scorecard as their standard of work. They also got benefit from having complete data collection of the problems in their areas. Their programs are more manageable on solving the issues and they can allocate their resources well. Since the governor changed, they felt like they were back to square one. Everything was so slow and ineffective. The neighbourhood situation is not any better as well. It is started to raise public complaints on how subdistrict delivering public services (*interview AB*). Thus, Jakarta subdistrict heads decided to just work on their regular basis, without listing out on scorecard table, but they still implement the achievement target. Even though it is not being forced as before, Jakarta subdistrict heads try to be more independent at work, without much support from the superior again (*interview BS*).

It is really unfortunate to find out that scorecard is not being implemented anymore. Even though there are still some flaws on developing the indicators, scorecard needs to be continued and implemented again as a standard of work in subdistricts. From this research, it is shown that scorecard keeps Jakarta subdistrict heads to work effective and efficient. It is because they need to meet achievement target on 16 indicators to get good scores on their working performances. Having this scorecard report pushes Jakarta subdistrict heads to improve their working performances quality and change them from being laid back leaders into fast-learner ones. Scorecard also proves to be an accountable and transparent measurement system which can prevent any superiors to act subjectively to their subordinates. It needs to be implemented again in order to create a fair system on measuring government officials working performances. However, Jakarta Governance Bureau also needs to update the indicators and held another FGD session to find out whether the indicators still reliable or not. It can be also added with non-quantifiable elements which were taken out before. The bureau may need to formulate another unit of measurement for these elements. In addition, Jakarta

provincial government can also have another appreciation to support scorecard report, such as giving awards. Sometimes, employees need to be called out and appreciated publicly to boost up their motivation and their confidence at work.

Lastly, Jakarta Smart City Agency can continue their works on developing scorecard application in order to make the report easily to be filled in. The application needs to be able to download by each related stakeholder in scorecard implementation. They may have different dashboard, depending on the hierarchical level, but they have to have same information on the indicators, measurement, and achievement target. There may be Jakarta sub-district heads who are not familiar with the application and how to use it, the agency can also give training for them. For Jakarta Civil Service Agency, they need to get along well with Jakarta Governance Bureau and update the online and offline course on scorecard so that Jakarta subdistrict heads and other related agencies can always have updated materials related to scorecard as performance measurement system.

### **5.3 Recommendation for Future Study**

This research can be supported by further study on observing ideal measurement system in public sector institution which includes both quantifiable and non-quantifiable elements. It is also important to observe more on the role of political leader to support the institutional changes in public sector institution. Having these studies in the future will help a lot to complete the study and analysis done on this research.

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## Notes

*Interview SA*: Interview Santoso

*Interview LA*: Interview Idris Ahmad

*Interview AB*: Interview Arief Biki

*Interview BS*: Interview Benhard Sihotang

*Interview PA*: Interview Pangestu Aji

*Interview AA*: Interview Adam