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PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR OF BRUNEI  
DARUSSALAM

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**ABSTRACT:**

The article intends to explore the implementation and result of Performance Management System in the public sector of Brunei. This research is guided by an interpretive methodology and is done through a case study approach in a selected government ministry. The main instrument used is face-to-face interviews with personnel at different levels of management. Documents analysis is also conducted to complement the interviews' findings. The study indicates that the discretionary engagement is the core activity underpinning the implementation of performance management process. The phenomenon essentially deals with the loose alignment process involving the ministerial-level directions and departmental strategic response toward the higher-level goals. The causal conditions that lead to the emergence of the phenomenon are also discussed comprehensively. Finally, the impact of this core activity has undermined the initial purpose of Performance Management system and has caused unintended consequences.

The rich insights from the study is primarily filling the research gap in performance management knowledge in the public sector environment by conducting the research in unexplored social setting. This study fundamentally contributed to the theorizing of decoupling of Performance Management System in the public sector in the realm of New Institutional Theory of Sociology. This research also provide insightful lesson for governmental ministries in developing countries, when embarking onto Performance Management System.

**INTRODUCTION**

Over the years, despite the universal trend on the Performance Management System (PMS), notably in Western developed world, there is a perception that PMS varies across countries and organizations (Pollitt, 2005). It is likely, if the

PMS is applied in another region that may have a different cultural and political system and even in different levels of governmental structure (ibid). Yet, in relative terms, PMS in the public sector is still has a lot to learn from the private sector's experiences (The Centre for Business Performance, 2006). Many authors (Cavalluzzo and Ittner, 2004; Van Helden, 2005 and Verbeeten, 2008), thus, suggested that more empirical evidences are required in order to understand the impact of PMS activities on the actual outcomes. Apparently, many PMS reported works in the public sector of developing economies are still at the framework phase and any empirical studies done are lack of details and often focus merely on the performance measurement facets. This actually offers opportunity for a great deal of research works in PMS in which this study intends to contribute further.

Primarily, this research keen to understand how PMS is adopted and the outcomes resulted in one of the ministries in Brunei. The study is using Neo-Institutional Sociology of Institutional Theory particularly on the literature of Decoupling to discuss the key research's findings. This paper is intended to provide in-depth insights by apprehending collective interpretive views of multi-level actors of the studied ministry, which is apparently still scarce in the literature (Ruzita, Azhar and Abu Hasan, 2012 and Hoque, 2014). The different level respondents involved would provide a more accurate picture of what is actually happening to the PMS in the case studied. Besides, the contextual nature of Brunei's public sector would add to relevant literature in an unexplored social and administrative setting.

### **LITERATURE REVIEW**

Performance management (PM) can be referred to as a collection of activities that include the development of strategy and objectives, the selection and execution of action plans/initiatives and the creation of measurement mechanisms so as to ensure the objectives/strategies are attained (The Centre for Business Performance, 2006). Apparently many academic scholars often use the concept of performance management and performance measurement interchangeably, they are in fact not the same; a difference which is worth mentioning (Chan, 2004). Despite that, performance measurement is the central component of performance management. It can be referred to as a process of quantifying and evaluating the efficiency and effectiveness of action plans executed to attain the objectives (Radnor and Barnes, 2007). It is essentially the information system, within the performance management sphere, that acts as a monitoring and communication mechanism (The Centre for Business Performance, 2006). Performance management simply uses the information supplied by the performance measurement, to produce actions that are required to improve performance needed to attain the desired outcomes (Fryer, Antony and Ogden, 2009).

### **WHY PERFORMANCE MANGEMENT IS IMPORTANT?**

The Centre for Business Performance (2006) identified the works of many authors (e.g.: Neely, Gregory and Platts, 1995; Kaplan and Norton, 1992 and 2001b) and came up with many reasons why PM is important, especially in the private sector domain. Induced by the perceived functionality, it seemed to be a good justification for public sector organisations to implement PMS as well (Diefenbach, 2009). Verbeeten (2008) argued that PM enabled public servants

to be focused on the operations [*communication purpose*]; accountable to the public or taxpayers [*transparency/accountability purpose*]; to learn and improve performance [*learning purpose*]; to be assessed and compensated accordingly [*appraising purpose*]. Overall, the PMS would offer public organisations a fairer mechanism to move forward than the traditional bureaucratic system (Diefenbach, 2009). So, many Western nations have encouraged their respective public sectors to implement PMS (Verbeeten, 2008).

### **THE ISSUES AND DEVIANT BEHAVIOURS OF PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR**

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

Moreover, there are also many authors (e.g.: Adcroft and Willis, 2005; Chang, 2006; Modell, 2009 and etc.) who have addressed the deviant behaviours of PMS. For instance, Fryer, Antony and Ogden (2009) reported that various governmental agencies which have adopted a performance assessment system have encountered various forms of unintended behaviours which include concentrating on meeting targets at the expense of other (unmeasured) factors; performance clustering around the target, either through deliberately underperforming or manipulating the data; choosing 'easy' indicators and targets so as to influence the results. Hoggett (1996) added that many public servants have become skilful engaging in impression management at the expense of performing the right work. Adcroft and Willis (2005) argued that "the increased use of performance measurement...will have the dual effect of commodifying services and deprofessionalizing public sectors workers" (p. 396).

In consequence, some authors (e.g.: Jones, 2000; Kaplan and Norton, 2001a; Cavalluzzo and Ittner, 2004; Moynihan, 2004; Verbeeten, 2008; Yang and Kassekert, 2009; Arnaboldi, Giovanni and Palermo, 2010; and etc.) have come up with key elements required for success for the implementation of an outcome-oriented PMS.

### **PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR OF DEVELOPING ECONOMIES**

In over the years, there have been many researches on PMS done in different public agencies. At first, many earlier works reported are based on local governments' experiences. Then, research other types and levels of government and public organizations started to emerge; such as in federal government, universities, and hospitals. Although the earlier studies reported are dominantly based on public sector of developed nations. But, in recent years, there have been increasing attempts reported on PMS, particularly via Balanced Scorecard (BSC) approach, in the context of public sector in developing economies (De Waal, 2007). Karuhanga and Werner (2013) claimed that performance

management within developing economies can be regarded as one theoretical area that worth to be researched further.

The work carried out seemed to cover different types of public agencies and levels of government. For instance, Surveys were also undertaken at federal agencies in Malaysia (Ruzita, Azhar and Abu Hasan, 2012). Elbanna (2013) touches on the measures, process and results of PMS in the public organizations at both federal and local government levels in Dubai and Abu Dhabi. There are also attempts study on PMS by incorporating the conceptual framework of BSC and its preliminary managerial implications in the public universities and educational institutions in countries such as India, South Africa, Turkey, Lebanon and Iran, among others (e.g. Negash, 2008; Tohidi, Jafari and Afshar (2010); Yuksel and Coskun, 2013). Meanwhile, other authors (e.g. Cronje and Vermaak, 2004; Weerasooriya, 2013) have managed to test PMS within academic departments of public universities in Sri Lanka and South Africa. More empirical researches on PMS were also found in the public health service organizations in countries such as Afghanistan, Bangladesh, Vietnam and Zambia (e.g. Edward, *et al.*, 2011; Khan *et al.*, 2013, Mutale *et al.*, 2014). Most of the authors believe that PMS provides potential benefits such as increased transparency in decision-making process; enhanced accountability culture; improvement in strategic two-ways communications and performance (e.g. Edward, *et al.*, 2011; Ruzita, Azhar and Abu Hasan, 2012; Elbanna, 2013). However, some authors (e.g. Tuan, 2012; Karuhanga and Werner, 2013) also warned on numerous impeding factors, such as funds limitation; poor information systems; lack of accountability culture; and lack of expertise which pose difficulties to implement performance management. Accordingly, there are increasing attempts too to come up with key enabling factors of PMS implementation in the public sector of the developing world particularly on BSC approach. These include top management commitment; the availability of experts in managing performance; clear accountability and governance structure; existence of financial autonomy; reliable information systems and employee involvement in PMS (e.g.: Negash, 2008; Edward, *et al.*, 2011; El-jadarli, *et al.*, 2011).

Nonetheless, in relative terms, even with the increasing works of PMS in the public sector, The Centre for Business Performance (2006) asserted that there is still room for the government sector to learn from the private sector's experiences. Moreover, despite the universal trend on the performance measurement activities in Northwest Europe, there is a perception that PMS application varies across countries and organisations (Pollitt, 2005). This is even more so if the PMS is to be applied in another region or context that may have a different cultural and political system. In fact, the PMS practices would also be different when applied to different levels of government (central, state or local level) and to different forms of public agencies (Christensen and Laegreid 2008). Thus, effective implementation of PMS is seemed to be highly dependent on the cultural features, leadership style, task characteristics and other institutional features of the organisation (*ibid*). "Unfortunately, many organizations do not have time to review objectively the situation, or else have to make do with a standard solution that does not address their individual problems" (Fryer, Antony and Ogden, 2009, p. 491).

Hence, in retrospect, it is suggested that more empirical evidence is required in order to understand the impact of various PMS activities on the actual outcomes of public organisations (Cavalluzzo and Ittner, 2004; Van Helden, 2005 and Verbeeten, 2008). In fact, there are still scant empirical studies on the implementation of PM on the public sector in the developing nations. Most of works undertaken is apparently still at the framework and initial phase. Despite few empirical studies done, practically they contain lack details and often focus merely on the performance measurement facets. More comprehensive empirical evidences are indeed required, preferably in qualitative exploratory scene (Ruzita, Azhar and Abu Hasan, 2012 and Hoque, 2014). In consequence, the study on the PM in the public sector of Brunei is keen to fill in the gap.

### **DECOUPLING IN PERFORMANCE MANAGEMENT**

The literature of Decoupling/Loose coupling is thought well-suited to explain the research work. Focus is given to the theoretical facets of decoupling of PMS in the public sector, yet, related intra-disciplinary work in Institutional Theory (IT) is also referred to in order to supplement the discussion of the main theme. Decoupling is arguably one of the key concepts in IT particularly in the realm of the New Institutional Sociology (NIS). Meyer and Rowan (1977) characteristically set the notion of decoupling in organizational improvement merely as symbolic gesture for legitimacy- seeking image, instead of aiming for efficient practice. Kasperskaya (2008) added that organizations tend to respond to institutional pressures by 'ceremonial conformity'. That is any organization that could portray the 'right' image would carry with it a greater social status and hence enable the entity to capture the required resources. An organization simply feels compelled to adopt structural changes, in response to institutional demands, but then proceeded to 'decouple' them from practical realities (Scott, 2008b).

In over the years, many exploratory studies (e.g. Carruther, 1995; Johnsen *et al.*, 2001; Johnsson and Siverbo, 2009) supported the idea that decoupling is in effect a 'given' or stable attribute in any institutionalized organization. So, Bromley and Powell (2012) claimed that more efforts are spent on endorsing the policies of the new practices than in subsequently implementing them instrumentally. When the degree of decoupling is greater, the spread of any rationalized procedures/structures is ascribed more toward institutional isomorphism, instead of attaining technical efficiency (Carruthers, 1995).

Nevertheless, the arguments offered by the above studies on decoupling tend to be rather ingenuous, since, there have been writers, in recent years, who began to question the simplistic nature of this argument (Siti Nabiha and Scapens, 2005; Modell, 2009 and Rashid and Said, 2018). As in the government sector, there have been empirical studies demonstrated varying degree of decoupling of structures and actions, with regards to the PMS, which occurred within the organization or field (Scott, 2008b). For instance, Modell (2003) made a discovery in the PMS of Swedish public sector, where decoupling occurred between key performance indicators (KPIs) and organizational goals. The author meaningfully found that decoupling of PMS is triggered because of the power struggle between multiple actors within the institutional field. In another study, a coercive pressure from the main stakeholder led the managers of local health authorities in United Kingdom taking in the targets desired by the central

government and decoupling the PMS of their agencies, in order to preserve their self-interest (Chang, 2006). A study has also been conducted at the devolved public agencies in Brunei, despite in a highly regulated environment, different strategic responses toward PMS were possible, which each characteristically suggests a decoupling between the agencies-level KPIs and the ministerial-level required goals (Rashid and Said, 2018). These findings are some of the examples that indicate the decoupling process can be highly contextual. Thus, there is further needs for profound interpretively investigation on how decoupling in the realm of PMS actually emerges within an organization (Siti Nabihah and Scapens, 2006; Modell, 2009).

## RESEARCH METHODOLOGY

A qualitative case study approach in one government ministry in Brunei is selected for this research project. The studied ministry is purposely chosen because it is one of the earliest adopters of PMS by using BSC approach. The case study methodology, as pointed by Yin (2009), would hopefully enable the researcher to critically examine and unravel the dynamics of the underlying phenomenon.

The primary instrument used in this research is face-to-face interviews. A total of 37 interviews sessions were carried out with 34 respondents. The interviewees comprise of different levels of ministerial personnel; up from the permanent secretaries down to the directors and pertinent departmental officers across the ministry. Documentation analysis was also deployed that complement the findings of the main research instrument. Both publically available documents and 'for my eyes-only' manuscripts that are deemed relevant to the case and Brunei civil service were studied. If any relevant data found deemed significant, they were further cross-checked with the interviewees.

Meanwhile, to safeguard validity and reliability of the research, firstly, interviews, mostly, were recorded with the audiences' consent and important data is further jotted down. Yet, respondents' identities; their name, job designation and department remained anonymous even when they quotes are used. In fact, the name of the ministry would remain confidential too, so as to honor the management's request. Moreover, emerging concepts and categories are cross-validated among interviewees so as to verify their exact meanings (Locke, 2001). Finally, the emerging theoretical development is further clarified and confirmed by telling the storyline to the later interviewees.

The top management of the studied ministry is comprised of a Minister who is assisted by a deputy minister and two permanent secretaries. The two permanent secretaries, assisted by their respective deputies, are directly administrating the two ministerial divisions. There are 22 departments altogether headed by its respective director level officials. Collectively, 20 departments were visited in order to explore the aim of the study.

The ministry has officially adopted PMS using BSC approach in 2008 and has seemed ran for many years now. This initiative is in response to calls made by the Monarch, in his capacity as the Prime Minister, for the government

ministries to measure the effectiveness of their respective strategic initiatives that are aligned with the nation's aspirations.

However, the real question is '*what progress has been made and what are the outcomes?*' Seemingly, not much have been reported, over the years, how the PMS is implemented and perceived by the members.

## RESULT & DISCUSSION

Discretionary engagement is the underlying main phenomenon that explained the progress of the PMS implementation in the case studied. It essentially referred to a decoupling state, which deals with the process of loose alignment involving the higher-level directions and the respective departmental strategic response in relation to the ministerial-level strategic goals. Some institutionalists (E.g.: Oliver, 1991; Scott, 2008a; Johansson and Siverbo, 2009) claimed that the rationale for decoupling in any institutionalized organization is contingent to its interdependency to external support in order to function and such support is easier to acquire and maintain if the organization can portray the right 'image'. But, this study reject this finding by illustrating how decoupling is actually a resulting process that emerged from the internal institutional processes embedded in the public sector of Brunei.

Firstly, it can be argued that the initial drive of PMS development in the ministry is simply instrumental. This is evident from the activities done during the development phase that lead to the formulation of the ministry's strategic planning. The ultimate aim is to systematically strategize the ministry forward and to drive the ministerial-wide performance.

*"We didn't have a well-documented systematic planning before... My team and I went to Company X [a multinational corporation]... We like the BSC idea presented because it is easy to understand... The minister, permanent secretary then and I discussed how to formulate the ministry's vision and mission. The outcomes were further discussed among the departmental directors and the teams through workshops where they made comments on the vision and mission and then came up with the strategic areas and objectives that they wanted to focus on"* (Official 1, Division 1).

However, it turned out that the follow-up implementation process has somehow become disjointed. Fundamentally, it was found that the absence of explicit regulatory arrangement has hampered the progress of PMS endeavor. The well-embedded institutional norms and values that have been rooted in the public sector of Brunei, as discussed further below, are still predominantly dictated the governance and administration of the ministry. In consequence, the PMS is seemingly used in a ceremonial fashion rather than become how things are actually done. This, in over times, has diluted the potentials of PMS attempted.

The phenomenon simply advocating the issue, raised by the later NIS writers (e.g.: Siti Nabiha and Scapens, 2006 and Modell, 2009), concerning the strict dichotomy between legitimate and efficient rationale in relation to PMS application. This study is able to concur with the intertwining of both reasoning in the PMS venture. Norreklit (2000) actually questioned the simplistic view, wherein the PMS using BSC mechanism can function instrumentally without considering the intricacy of the organization.

It is found that there is seemingly lack of will and sense of accountability from top management to drive and coordinate initiatives toward the attainment of strategic outcomes. So, decoupling has actually emerged when there is no follow-up strategic ‘coupling’ arrangement being well thought out after the PMS is developed. In fact, the PMS are being developed without clear higher-level targets that could trigger explicit strategic initiatives to be systematically pursued by the ministerial members. Powell (1991) claimed that when the senior management does not require the information generated, this lead the actual implementation of the practice to be unstated and becomes poorly institutionalized. Hence, the strategic directions from the top management appear to remain ad-hoc and non-focused i.e. decoupled from the ministerial-level goals. There is no clear evidence for formal evaluation and decision-making process flow by the means of PMS from the ministerial down to the departmental level. This phenomenon gives a different insight because many works in the literature demonstrated how decoupling of PMS is triggered when the ruling government exercises its political authority by imposing mandatory performance targets and also in response to the conflicting demands of different key stakeholders (see e.g.: Modell, 2003; Cavalluzzo and Ittner, 2004 and Chang, 2006).

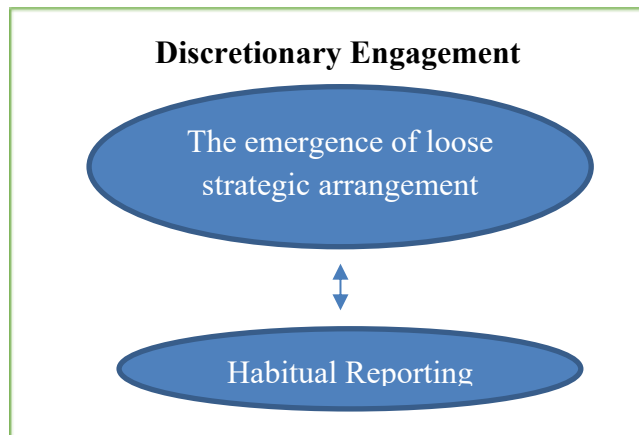
In consequence, the emergence of loose strategic arrangement has ultimately caused the ministerial departments to return to the old way of doing business and to pursue their own strategy. This development is partially confirming the conjecture made by Modell (2003) wherein the passivity of the central government in fulfilling the goals of reform could potentially lead the decoupling state to be transplanted further onto the micro-level.

There is, essentially, no sense of pressure enforcing the departments to commit their efforts to realize the stipulated strategic goals. Eventually, PMS document has become a general reference, which is open for the departments to make their own interpretations, with regards to their strategic efforts.

*“There must be higher level monitoring on PMS at the ministerial level... so it would be clear and we can see how and where our dashboards and works are aligned to. Without that, we just focus on our own [departmental] strategy then”* (Staff 1, Department B).

In over times, the open-ended interpretation has unintendedly triggered a common strategic response from the ministerial departments, which is named as *Habitual Reporting*. This responsive strategy, which is the direct results of the emergence of loose strategic arrangement, is reinforced further the decoupling process of BSC strategy map in the ministry. The interplay between those two sub- categories to constitute an essential part of the discretionary engagement category is shown in **Figure 1** below.





**Figure 1.** Discretionary Engagement

### **Habitual Reporting**

In essence, through this strategic response, there is no strong evidence that strategic and systematic alignment is being defined between departmental related activities with the ministerial-level endorsed PMS. The strategy can be characterised through two sub-categories namely *responsive patterns* and *departmental role play*. The former described the ‘how’ of the strategy and the latter refers to the enabling factors that led to the emergence of strategy that are explained below.

#### *Responsive patterns*

From the outset, the departments appeared to utilize the ministerial-wide endorsed PMS document in pursuing their own strategy. The response seemed to be acquiescent to the higher-level goals requirements. This looks similar to the acquiescence’s *habitual* tactic as advocated by Oliver (1991) toward institutional reform. However, when explored deeper, the alignment between the ministerial-level strategic goals and departmental Key Performance Indicators (KPIs) is just ‘graphically’ coupled and seen as a symbolic gesture instead of instrumental reason. This finding is in line with the statement by Johnsen (2005); despite the passive acquiescence toward the reform, yet the effective implementation process would have to be done by decoupling the higher goals from the KPIs produced.

Fundamentally, there is no departmental strategy map and the BSC dashboard is merely used as a reporting mechanism to record the progress of core routines tasks, where the KPIs pursued are based on, yet, with no real outcomes to reflect on. The established routine works, thus, remain and tend to be repetitively performed over the years. This phenomenon, as indicated by Burns and Scapens (2000, p. 12), has inadvertently somewhat followed a path dependent process; “the existing routines and institutions will shape the selection and implementation process”. So, there is hardly any periodic evaluations of the departmental KPIs employed and hence no proper actions taken to tackle any unattained pre-determined KPIs. New initiatives introduced, if any, are independently managed and therefore not reflected in the departmental BSC dashboards being used.

The KPIs produced also seemingly do not have a legitimate stance in the decision- making process since there is no strong economic gain for the

departmental management to use the KPIs related information in an instrumental manner. This is contradicted with the assumptions of Oliver (1991) that a low social legitimacy and economic gain toward institutional reforms would lead to non-acquiescence's response. As pointed by Rautiainen and Jarvenpaa (2012), despite the acquiescence's response, the new information generated from the reform was not really used systematically, which indicated a poor legitimacy of the information on the management's priority. Hence, the habitual reporting tactic shall be comprehended as part of, as named by Rautiainen and Jarvenpaa (2012), 'sagacious conformity' responses instead of acquiescence's; sagacious conformity is similar to the Oliver's (1991) compromise, buffering and manipulation responses.

#### *Departmental role play*

Since there is no coercive pressure toward the outcome accomplishment on the extant PMS led arrangement, the departmental directors seemed indifferent to take the lead and to become personally involved in the related activities. Similar remark made by Oliver (1991) who stated that organizational leaders reluctant to comply with the new reforms when there is no punitive actions applied for not doing so. Thus, this study stressed, as stated by Modell (2001), the necessity of legal coercion to really make departmental leaders to be receptive towards PMS. In over times, the departmental PMS implementation process to be a matter of less concerned for the departmental bosses and the tasks are then delegated to the officer ranked individual(s). This level of officers, apparently, do not have sufficient authority over the department nor have adequate professional know-how to translate the PMS idea into practice. Thus, the role performed by them is merely compiling and reporting the departmental related information. Besides, poor cascading and socialization efforts also made the departmental led PMS related activities are scarcely known by the majority of the departments' members. This unintended development is uncalled-for yet expected, as pointed out by Johansson and Siverbo (2009), on how a higher degree of administrative competence and capabilities is required to develop better communication channels and more intensive use of PMS.

Furthermore, it appeared that the degree of decentralization and work interrelatedness also played an influential role in this strategic response. Firstly, ministerial departments, where the degree of decentralization is reasonably limited and where their works are highly interconnected with one another, are more prone to employ the same strategic response. This is in accordance with the conjecture of DiMaggio and Powell (1983) where higher degree of structuration and interrelatedness in an institutional environment would lead to institutional isomorphism. However, without top political intervention toward change, the higher interconnectedness has actually made it difficult for the departments to foster a new form of intra-cooperation in their PMS related activities. In effect, the departments opted for activities that they can control and hence use ministerial-level endorsed PMS documents mainly for habitual reporting strategy. This development is concurred by Modell (2001) who argued that traditional mode of relationships can limiting the cooperation amongst departments and hence hampered the integration of the PMS attempted.

### Causal Conditions

The loose strategic ‘coupling’ arrangement is primarily triggered from the lack of readiness of the ministry to embrace the performance-driven culture. It seemed that without legal sanction and political pressure to perform, there is a lack of urgency for the top management to drive the ministerial outcomes and prefers to maintain the status quo instead.

*“When you compare us with Singapore, their policy makers are performing because they are being assessed and used to it. So they have to strive for improvement... Unlike us... Without this aspect, you can’t really tell much from our strategic initiative”* (Executive 1, department 5).

This is aligned with Johnsen’s findings who indicated that possessing performance indicators could bring ‘creative destruction’ to the status quo and hence could have an ‘embarrassment effect’ if they cannot be attained and hence the leaders are not so keen to be associated with it (2005).

For a better understanding, the lack of pressure and accountability toward performance upon the government need to be, arguably, traced back into the stable socio-economic and political environment surrounding the sector.

Dimaggio and Powell (1983) stated that both the state and societal forces are two powerful change agents in the institutional field. But in Brunei’s context, the former is the dominant player over the latter. Specifically, the ‘comfort zone’ state provided by the government, arguably, has made the public to be less inclined to put greater pressure toward the government such as to accelerate public services innovation. Then again, the government does not feel indebted towards the public and hence can dictate the type of activities remained or rejected within the field. Oliver (1991) claimed that economic rationalisation is imperative that could otherwise instigate institutional pressure. Yet, in Brunei, there has not been any major shocking event experienced that could otherwise empowered the public to make legitimate demands.

Therefore, without a strong external accountability mechanism, it is common that the prompted actions from the government officials, even at different levels, are primarily triggered by legitimate order made by their respective political appointer. This is highly contextual because it is not a norm for the public servants in Brunei to criticize and challenge the actions or inactions of their superiors openly, thus, they prefer to play safe in their actions.

The role of the nation-state *elites* in Brunei, thus, to realizing outcomes based PMS and to ultimately instigate the performance management culture is simply a prerequisite. This is in agreement with many institutionalists (e.g. Brignall and Modell, 2000; Johnsen, 2005; Scott, 2008) who indicated the significant impact of power and interest of dominant actors in defining the nature of PMS in the public sector.

*“Leadership is crucial. We never dare to criticize our leaders publicly as it is not in our culture. Therefore, it is important for the leaders to lead by example, dynamic and bold to make decisions. Otherwise, we will never see any major changes”* (Executive 1, Department 3).

Accordingly, the unwillingness to assume accountability toward higher-level targets from the senior management do not help the cause and would lead other related institutional activities and norms seemed to be perpetuated. Many institutionalists (e.g.: Oliver, 1991 and Carruthers, 1995) claimed that institutionalized values, beliefs and means of obtaining resources tend to persist when goal ambiguity and technical uncertainty prevailed and are not subject to public scrutiny.

So, the PMS, which are formulated predominantly by the middle-level management, presumably proceed without a strong political commitment attached. The involvements of the senior leaders are rather limited on vision and mission identification and during the earlier stage of development. Yet, in times, there is seemingly neither political pressure nor gain for top management to administer the ministry toward the strategic outcomes. Thus, it is not surprising that the strategic directions remained ad-hoc, broad and non-focused i.e. decoupled from the stipulated higher goals.

This proposition is significant as pointed out by Fryer, Antony and Ogden (2009, p. 488) who claimed that the problem of PMS started to occur when senior management formulate policies “and then leave it to run, rather than take a hands on operational approach, and use leadership skills to” bring the best out of people and then create impact to the stakeholders.

*“...Top- level commitment toward our BSC project is central if we really want to see the impact... without it, the commitment from the others is not really serious”* (Staff 1, Department 6).

The prime causal condition also explained why senior management, even with the change in personnel, are less concerned to flex the bureaucratic rules and procedures that have institutionally regulated the sector. Apparently, the budgetary allocation structure is still predominantly based on the routine procedures and historical values of operations rather than on the actual outcomes. Besides, the new developmental projects are still mainly catered for meeting the departmental strategic requirements instead of focusing on ministerial-wide strategy as whole. Ultimately, the institutional arrangement for applying both fund and human resources remained, yet, have hampered outcome based PMS efforts.

McAdam and Walker (2003) similarly pointed out how insituationalized budget regulations and procedures become constraints for the public sector to implement outcome-based PMS. Powell (1991) and Scott (2008a) stressed that practices and structures become institutionalized because of its legal bindings and, in times, lead its existence to be unquestionable. Besides, since it is common for the senior management to come up the rank from the public servants themselves, the passive adherence to the institutional activities is expected. So, in the absent of ‘external’ pressure for change, it is improbable that the previously agreed taken- for- granted arrangements would be questioned and changed (Burns and Scapens, 2000).

### **The Results of Decoupling PMS**

The decoupling of PMS implementation has seemingly brought unintended implications for the ministry and has somewhat undermined its developmental purpose. Although the departments might experience the benefits of having departmental KPIs set, but the departmental members seemed unable to use the BSC model to go beyond the routines and failed to capture a greater sense of strategic achievement.

*“Honestly, there is no change when planning our departmental work. It [PMS implementation via BSC] also does not mean much to me. Because what we do is just the same as before and we just report it at our [departmental] dashboards... Like me giving 10 talks this year then when I achieved it, what does it mean to the department? The real issue is what is the outcome [of PMS implementation]? Sorry to say it is missing” (Staff 1, Department 7).*

Moreover, the PMS attempted also appeared to be unsuccessful to nurture a new form of inter-departmental cooperation that would otherwise enable the ministry to attain the stipulated strategic goals

*“Our initiatives are mostly bottom-up and cooperation between departments is based on networking on routines that have been [repetitively] done...but to have departments to work together formally to attain the strategic objectives stated [from the ministerial-level PMS via BSC], it has never been done. ...Now we just focus on our departmental dashboards. But it would be interesting if that [new] kind of [departmental] coordination existed” (Staff 1, Department 9).*

In retrospect, the implementation of PMS only able to bring a relatively evolutionary effect instead of a revolutionary change. This is evidently because the implementation process is still followed a path-dependent process i.e. mediated by existing institutions governing the public sector in Brunei. The implementation process could have potentially leads to a greater ministerial-wide performance and becomes a highly strategized organization, yet it does not materialized fully.

Modell (2009) explained that this development is not surprising because radical change in highly institutionalized fields is rather unusual and may face certain resistance. Burns and Scapens (2000) and Scott (2008b) suggested that revolutionize change can be triggered because of major external change in the environments surrounding the organizations. Otherwise, the institutional actors, norms and values governing the sector would still exerting dominant forces. Consequently, even an attempt to introduce the revolutionized effort such as PMS, the existing norms and institutions apparently still have greater influence on the process of change undertaken (Burns and Scapens, 2000 and Siti Nabiha and Scapens, 2005).

## **CONCLUSION AND RECOMMENDATION**

### **CONCLUSION**

In contrast to the universal view that decoupling is a ‘given’ organizational response to institutional demands, this study contributes to the extant literature by depicting how decoupling process can be contextually emerged from the institutional processes embedded in the organization and its field. So, at the case

studied, the decoupling process started to emerge, at the ministerial-level, as a result of internal working out process of resistance to change i.e. change that is not aligned with the existing institutions at the ministry and public sector in general. A strong hierarchical deference has gripped on the governance of the ministry and has caused an unintended effect on the readiness to be performance- determined. The insignificance of performance- driven culture, in turn, has caused the implementation of PMS without a strong political will to move forward and hence has never become the deciding factor in the performance at the ministerial level. Moreover, the institutional arrangement to acquire the necessary resources persisted and is mainly unchanged too. Clearly, the decoupling process of PMS attempted at the ministerial level has its effects at the departmental level. The loose follow-up strategic arrangement toward the PMS has ultimately lead the ministerial departments to merely use the PMS documentation to report on their routine works. There is actually no systematic strategic alignment existed between departmental responses with the ministerial-level strategic goals and hence has reinforced further the decoupling process.

### **RECOMMENDATION**

The adoption of a PMS could potentially play a decisive role in generating accountability relationships within, and hence to reflect the outcomes of the actions taken by, the government sector. But, before ever getting to that, this study inferred that the roles played by the central-level actors to drive the change process, and hence to initiate the performance management culture, has become the first prerequisite.

Primarily, it is important for the national leaders to identify key issues and legitimize national agendas for the nation to focus on. These agendas then need to be broken down into measurable goals, which are then pursued in a corporate like manner. This simply raises the importance of having ministerial leaders with strategic vision and who possess the ‘bull dozer’ character to drive the ministry to accomplish higher goals.

This is even so in the context of this study, where the new innovations introduced are often made in a bottom-up manner; the realization of the mission and detailed programmes were tasked to and formulated by departmental-level personnel. This decision can be understood in that it is commonly expected that people at the operational- level know most about their programmes, possess specialised skills and know their clients well. But eventually, without top-level intervention, the bottom-up strategies pursued are notably decoupled from the stipulated strategic goals. Consequently, this minimized the impact of higher-level strategies to a small-scale, failing to meet their intended outcomes.

Instead, if the top management has a direct concern and knowledge about the implementation of PMS, this could generate a sense of urgency and political support for it. This in turn could give a chance for approval of the follow-up action plans proposed at the departmental-level. Additionally, top-level actors could also secure open cooperation and integrate the work of different parties/departments, so as to ensure the strategic priorities are set. This includes breaking barriers between departmental structures and operations and to make the ‘final call’ on any conflict that may have arisen.

In a related development, this study also revealed that Brunei's public sector budgetary system and practice needed to be fundamentally transformed if the sector is really serious about the implementation of PMS in a timely and an outcome-oriented manner. Ideally, it is imperative that the budgetary allocation must move away from traditional and routine procedures to reflect on the improvement of the actual outcomes.

Moreover, this study also implied that, in order to nurture a greater accountability and celebrate a performance-driven culture, it is essential for the sector to start executing a meritocratic performance measurement. This is also to ensure that the public sector is embracing a performance-based promotion; the performance-driven civil servants are to be rewarded accordingly and ultimately could fill-up the ministerial executives' positions in the future. Perhaps, in order to generate a sense of urgency, it is also wise for those occupying executive positions at the ministerial-level to be hired on a contractual basis, instead of on a permanent one, which is contingent upon the realisation of ministerial results.

Most, if not all of the initiatives above could, in time, assist the concept of performance management to be readily developed and routinized in Brunei's public sector, starting from the ministerial level and then moving down to the departmental level.

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