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The Effects of Competence, Leadership Style, and Remuneration on Bureaucratic Reform Implementation at The Supreme Court of The Republic of Indonesia

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ABSTRACT

This study analyzes the effects of competence, leadership style, and remuneration on the implementation of bureaucratic reform within the Planning and Organization Bureau of the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia. The study employed a quantitative approach with a cross-sectional survey design. The analysis was based on 60 complete questionnaires that measured competence using five items, leadership style using five items, remuneration using four items, and bureaucratic reform implementation using five items, all rated on a five-point Likert scale. Instrument quality was assessed through item-total correlations and Cronbach's alpha, while the hypotheses were tested using multiple linear regression. To ensure that the inferences were robust to potential heteroskedasticity, the coefficient tests were supplemented with HC3 robust standard errors. The results show that the model explained 86.9% of the variance in bureaucratic reform implementation and was jointly significant ($F = 123.757$; $p < 0.001$). Partially, competence had a positive but statistically nonsignificant effect ($B = 0.156$; $p = 0.295$), and leadership style also had a positive but nonsignificant effect ($B = 0.234$; $p = 0.121$). Remuneration had a positive and significant effect ($B = 0.625$; $p < 0.001$) and was the strongest relative predictor. These findings indicate that bureaucratic reform requires integrated human resource management, with an emphasis on a fair, transparent, predictable, and performance-linked remuneration system, without neglecting competence development and change-oriented leadership. The findings should be generalized cautiously because the study focused on a single organizational unit and used perceptual data collected during one observation period.

Keywords: Competence, Leadership Style, Remuneration, Bureaucratic Reform, Supreme.

I. Introduction



Bureaucratic reform is a process of change intended to build public organizations that are effective, accountable, adaptive, and oriented toward service quality. Such change cannot be achieved solely by drafting regulations or restructuring the organization; it also requires public officials to translate policies into workplace behavior, business processes, and service outcomes. The public management reform literature emphasizes that reform success is strongly influenced by institutional context, organizational capacity, leadership quality, and implementation consistency at the operational level (Pollitt & Bouckaert, 2017). Bureaucratic reform should therefore be understood as both a system transformation and a change in organizational behavior. In Indonesia, the bureaucratic reform agenda for 2020-2024 was established through Minister of Administrative and Bureaucratic Reform Regulation No. 25 of 2020 and refined through Ministerial Regulation No. 3 of 2023. For the subsequent period, Circular Letter No. 6 of 2025 issued by the Minister of Administrative and Bureaucratic Reform serves as implementation guidance during the transition toward the 2025-2045 National Grand Design for Bureaucratic Reform and the 2025-2029 National Bureaucratic Reform Road Map. This new direction emphasizes a bureaucracy that is increasingly digital, collaborative, adaptive, and focused on development outcomes. Consequently, government agencies must connect institutional improvements with human resource management, change leadership, and credible reward systems.

The Supreme Court of the Republic of Indonesia occupies a strategic position as the highest judicial authority and as a public organization that manages a nationwide court system. In addition to performing judicial functions, the Supreme Court requires administrative governance capable of supporting case resolution, oversight and development of the courts, resource management, performance accountability, and services for members of the public seeking justice. Within this structure, the Administrative Affairs Agency serves as the institution's administrative backbone, while the Planning and Organization Bureau is responsible for strategic planning, organizational and procedural arrangements, performance indicator development, and coordination of the bureaucratic reform agenda. The cross-functional nature of these responsibilities makes the bureau a relevant setting in which to examine internal factors that support or hinder change implementation. Competence is a prerequisite for public officials to perform their duties professionally. It encompasses knowledge, skills, attitudes, values, work behaviors, and the ability to adapt to technological and policy changes (Armstrong & Taylor, 2023). Officials who understand their duties, can analyze problems, assume responsibility, adhere consistently to standards, and effectively use information systems are expected to be better prepared to implement new procedures and meet accountability requirements. Nevertheless, competence does not automatically produce organizational change. Individual capacity has an impact only when authority, incentives, coordination, and work systems allow that capacity to be used productively.

Leadership style also determines how employees understand and implement change. Effective leadership involves more than giving orders; it requires communicating a vision, providing feedback, involving subordinates, setting an example, and building trust (Northouse, 2022). Research in public organizations indicates that transformational and change leadership can strengthen employee readiness and commitment through high-quality communication and participation in change implementation (van der Voet, 2014, 2016). Bellé (2014) also found that the effect of leadership on public-sector performance becomes stronger when employees understand the social value of their work. These findings suggest that leadership effects may be indirect and dependent on the organizational context. Remuneration is an important instrument in a performance management system. Within the Supreme Court and the courts under its authority, performance allowances are governed by Presidential Regulation No. 8 of 2020. Conceptually, remuneration that is fair, transparent, consistent, and linked to performance can strengthen perceptions of fairness and promote discipline and accountability. Performance-based compensation systems in the public sector, however, also have

limitations. Weibel, Rost, and Osterloh (2010) showed that performance incentives can improve results for certain types of tasks but may generate hidden costs when they crowd out intrinsic motivation. OECD/SIGMA (2024) emphasizes that public-sector salary reform must consider affordability, transparency, internal equity, performance evaluation capacity, and policy legitimacy.

Most previous studies have treated competence, leadership, or compensation as predictors of employee performance, job satisfaction, and service quality. Studies that directly examine bureaucratic reform implementation as an outcome variable, particularly within the administrative units of judicial institutions, remain limited. Testing the three variables simultaneously is also important because competence, leadership, and remuneration do not operate independently. Competence provides capacity, leadership provides direction and support, and remuneration signals rewards and performance consequences. This study analyzes the effects of competence, leadership style, and remuneration on bureaucratic reform implementation within the Planning and Organization Bureau of the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia. It tests four hypotheses: competence positively affects bureaucratic reform implementation; leadership style positively affects bureaucratic reform implementation; remuneration positively affects bureaucratic reform implementation; and the three variables simultaneously affect bureaucratic reform implementation. The study contributes empirical evidence from the context of judicial administration and develops implications for integrated human resource management to support bureaucratic change.

II. Research Method

The study used a quantitative approach with a descriptive-explanatory design and cross-sectional data collection. It was conducted within the Planning and Organization Bureau of the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia in Jakarta. An online questionnaire was distributed to officials in the study unit, and 60 complete questionnaires were included in the analysis. A survey design was selected because it enables standardized measurement of respondents' perceptions and statistical testing of relationships among variables (Creswell & Creswell, 2023; Sekaran & Bougie, 2020). The instrument consisted of 19 statements rated on a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Competence was measured using five items representing task comprehension, analytical ability, responsibility, consistency in adhering to standards, and the use of information systems. Leadership style was measured using five items representing exemplary behavior, performance feedback, delegation of trust, consistency between words and actions, and openness to input. Remuneration was measured using four items concerning the alignment of income with responsibilities, the relationship between performance and remuneration, access to information about remuneration calculations, and certainty of entitlements. Bureaucratic reform implementation was measured using five items covering structural clarity, compliance with standard operating procedures, objectivity in performance appraisal, clarity of service standards, and employee integrity.

Instrument quality was evaluated using item-total correlations and internal consistency reliability. With 60 observations, an item met the validity criterion when its correlation exceeded the critical r value of 0.254. Reliability was assessed using Cronbach's alpha, with a minimum acceptable threshold of 0.70. Descriptive analysis was used to summarize respondent characteristics and variable score patterns. The hypotheses were tested using multiple linear regression based on the total score for each construct. The research model was specified as $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$, where Y represents bureaucratic reform implementation, X_1 represents competence, X_2 represents leadership style, and X_3 represents remuneration. Model diagnostics included residual normality, multicollinearity, and

heteroskedasticity. Because the Glejser test reported in the source manuscript indicated potential heteroskedasticity for one predictor, HC3 robust standard errors were used as a robustness check for statistical inference. The coefficient of determination and F test were retained to evaluate the model's explanatory power and overall fit. Initial data processing was conducted using IBM SPSS Statistics version 27, and the robustness analysis was performed through ordinary least squares estimation with an HC3 covariance matrix.

III. Result and Discussion

3.1. Respondent Characteristics

The gender distribution of respondents was relatively balanced, with a slightly higher proportion of men. The largest age group was 35-40 years, while years of service showed two dominant groups: 0-2 years and more than 15 years. This distribution indicates that the data included employees with both limited and extensive organizational experience.

Table 1. Respondent Characteristics

Characteristic	Category	n	%
Gender	Male	35	58.3
Gender	Female	25	41.7
Age	25-30 years	9	15.0
Age	30-35 years	12	20.0
Age	35-40 years	16	26.7
Age	40-45 years	15	25.0
Age	>45 years	8	13.3
Years of service	0-2 years	17	28.3
Years of service	2-5 years	8	13.3
Years of service	5-10 years	10	16.7
Years of service	10-15 years	9	15.0
Years of service	> 15 years	16	26.7

3.2. Descriptive Statistics and Instrument Quality

The mean score for every variable exceeded 4.00 on the five-point scale. Remuneration had the highest mean score, followed by bureaucratic reform implementation, leadership style, and competence. All items had item-total correlations above the critical value, and all constructs had Cronbach's alpha values above 0.87, indicating good internal consistency.

Table 2. Descriptive Statistics, Validity, and Reliability

Variable	Number of Items	Mean	SD	Item-Total Correlation Range	Cronbach's Alpha
Competence	5	4.103	0.677	0.753-0.891	0.890
Leadership Style	5	4.120	0.656	0.783-0.880	0.889
Remuneration	4	4.188	0.720	0.836-0.900	0.897
Bureaucratic Reform Implementation	5	4.187	0.645	0.798-0.847	0.874

3.3. Regression Model Diagnostics

The model residuals satisfied the normality assumption based on the Kolmogorov-Smirnov test. The VIF values were below the threshold of 10, but all exceeded 5, indicating strong relationships among the predictors. This condition is consistent with the high correlations among the constructs and warrants caution when interpreting partial contributions. The Glejser test for one predictor produced a significance value below 0.05, whereas an alternative residual assessment did not reveal a strong heteroskedasticity pattern. The coefficient results are therefore reported using HC3 robust standard errors as a more conservative approach.

Table 3. Summary of Assumption Tests and Model Diagnostics

Diagnostic	Indicator	Result	Interpretation
Residual Normality	K-S Asymp. Sig.	0.200	Residuals satisfy the normality assumption
Multicollinearity	Competence VIF	9.486	Below 10, but high
Multicollinearity	Leadership Style VIF	7.512	Below 10, but high
Multicollinearity	Remuneration VIF	6.288	Below 10, but high
Heteroskedasticity	Competence Glejser Test	p = 0.040	Potential heteroskedasticity
Robustness of Inference	Standard Error	HC3	Used for coefficient tests

3.4. Hypothesis Testing

The regression model yielded $R = 0.932$, $R\text{-squared} = 0.869$, and adjusted $R\text{-squared} = 0.862$. Thus, competence, leadership style, and remuneration jointly explained 86.9% of the variance in bureaucratic reform implementation. The simultaneous test yielded $F = 123.757$ with $p < 0.001$, indicating that the overall model was statistically significant. Based on the unstandardized coefficients, the regression equation was $Y = 2.436 + 0.156X_1 + 0.234X_2 + 0.625X_3$.

Table 4. Multiple Linear Regression Results Using HC3 Robust Standard Errors

Predictor	B	HC3 SE	Beta	t	p	95% CI for B
Constant	2.436	0.890	-	2.737	0.006	0.691-4.181
Competence	0.156	0.149	0.164	1.047	0.295	-0.136-0.449
Leadership Style	0.234	0.151	0.238	1.550	0.121	-0.062-0.531
Remuneration	0.625	0.138	0.558	4.523	<0.001	0.354-0.895

Table 5. Hypothesis Testing Decisions

Hyp.	Statement	Statistical Result	Decision
H1	Competence positively affects bureaucratic reform implementation	$B = 0.156$; $p = 0.295$	Not supported
H2	Leadership style positively affects bureaucratic reform implementation	$B = 0.234$; $p = 0.121$	Not supported

H3	Remuneration positively affects bureaucratic reform implementation	$B = 0.625; p < 0.001$	Supported
H4	Competence, leadership style, and remuneration simultaneously affect bureaucratic reform implementation	$F = 123.757; p < 0.001$	Supported

3.5. Discussion

a. Effect of Competence on Bureaucratic Reform Implementation

The results show that competence had a positive coefficient, but its contribution was not statistically significant after leadership style and remuneration were controlled. The positive direction indicates that stronger task comprehension, analytical ability, responsibility, consistency, and digital capability remained associated with improved bureaucratic reform implementation. However, the statistical evidence was insufficient to conclude that competence independently served as a primary determinant of change within the study unit. This finding can be explained by the highly institutional nature of bureaucratic reform. Competent public officials may still be unable to change procedures, structures, or workplace culture when authority, coordination systems, and reward mechanisms do not provide adequate support. Competence represents potential capacity, whereas implementation requires organizational opportunities and support that allow this capacity to be used. In formal, multilayered public organizations, the effect of individual competence may be absorbed by rules, divisions of authority, interunit dependencies, and collective decision-making.

The high mean competence score also indicates relatively limited response variation. When most respondents perceive themselves as competent, the statistical ability to distinguish respondents by competence level decreases. In addition, competence was highly correlated with leadership style and remuneration. This condition indicates that the three predictors shared substantial variance, making it more difficult to isolate the unique contribution of competence in the regression model. Accordingly, the result should not be interpreted as evidence that competence is unimportant. Instead, its effect may operate through other mechanisms, such as task execution quality, commitment to change, workplace innovation, or interaction with leadership support. The implication is that competence development programs should address concrete reform needs. Training should not merely measure attendance or completion but should assess the transfer of learning to process simplification, analytical quality, data use, coordination, and problem-solving. The organization should also connect competency mapping results with job assignments, performance targets, career development, and impact evaluation so that competence does not remain merely an individual attribute.

b. Effect of Leadership Style on Bureaucratic Reform Implementation

Leadership style had a positive but statistically nonsignificant effect. The positive coefficient indicates that exemplary behavior, feedback, delegation of trust, behavioral consistency, and leader openness remained associated with a tendency toward stronger reform implementation. However, after competence and remuneration were taken into account, the direct effect of leadership was not sufficiently strong at the selected significance level. This result is consistent with the view that change leadership often does not exert its effects directly. Van der Voet (2016) showed that leadership can build commitment to change through the quality of communication and employee participation. Bellé (2014) also demonstrated that the effect of leadership on performance becomes stronger when employees understand the social meaning of their work. Leadership may therefore be better conceptualized as a factor that shapes psychological and organizational conditions, including clarity of direction, a sense of ownership, trust, and readiness for change, which subsequently influence implementation.

In bureaucracies characterized by formal rules and clearly divided authority, the actions of an individual leader may also be constrained by cross-unit processes and decisions made at higher organizational levels. Variations in leadership style within a single unit may be insufficient to produce substantial implementation differences when policies, procedures, and resources are relatively uniform. The high correlations with other predictors also reduced the unique contribution of leadership in the model. A practical implication is that leadership development should extend beyond the ability to provide direction. Leaders must translate the reform agenda into specific work objectives, explain the reasons for and benefits of change, create opportunities for feedback, delegate proportionate authority, and ensure follow-up on implementation barriers. Exemplary integrity and consistency between words and actions are essential because the legitimacy of change is strongly influenced by employees' trust in their leaders.

c. Effect of Remuneration on Bureaucratic Reform Implementation

Remuneration had a positive and statistically significant effect on bureaucratic reform implementation and had the largest standardized coefficient. This finding indicates that perceptions of income fairness, the relationship between performance and rewards, information transparency, and certainty of entitlements were strongly associated with employees' willingness to comply with work standards and support organizational change. From a performance management perspective, remuneration signals the behaviors and outcomes valued by the organization. When employees perceive a clear relationship among responsibilities, achievements, and rewards, the reward system can strengthen discipline, accountability, and commitment to organizational targets. Within the Supreme Court, the performance allowance policy has a formal basis in Presidential Regulation No. 8 of 2020. The primary challenge therefore concerns not only the amount of compensation but also implementation quality, indicator clarity, consistency, and perceptions of fairness.

Nevertheless, remuneration should not be understood as the sole driver of reform. Weibel et al. (2010) warned that performance-based pay can generate hidden costs when it is designed mechanically or crowds out public service motivation. A system that places excessive emphasis on quantitative indicators may also encourage employees to pursue numerical targets without improving process quality. Remuneration must therefore be linked to relevant and verifiable performance measures, balance outcomes with behavior, and reflect the characteristics of public-sector work. The managerial implications include strengthening formula transparency, target measurability, grievance mechanisms, appraisal consistency, and communication of remuneration policies. Appraisal should not be merely administrative; it should reflect output quality, timeliness, integrity, contributions to process improvement, and support for reform objectives. Improved remuneration should also be accompanied by higher accountability expectations.

d. Simultaneous Effects and Implications for Integrated Human Resource Management

The three variables simultaneously had a statistically significant effect and explained a very large proportion of the variance in bureaucratic reform implementation. This result confirms that bureaucratic change cannot be achieved through a single stand-alone intervention. Competence provides the capacity to implement change, leadership provides direction and social support, and remuneration signals rewards and performance consequences. Reform becomes more effective when these three elements are designed as one consistent system. The high R-squared value should also be interpreted critically. All variables were measured from the same respondents at the same time using similar perceptual scales, which may introduce common method variance. In addition, the high VIF values indicate conceptual and empirical overlap among the predictors. The model's substantial explanatory power should therefore not be treated automatically as strong causal evidence. The findings are better

interpreted as empirical relationships that require confirmation through objective data, longitudinal designs, or testing in other organizational units.

For the Planning and Organization Bureau, the findings indicate a need to build a human resource management architecture that connects competency profiles, performance objectives, leadership behaviors, outcome evaluation, and remuneration. Each employee should understand the competencies to be developed, the targets to be achieved, the expected standards of behavior, and the reward consequences of those achievements. At the same time, leaders need a dashboard that links individual accomplishments with organizational reform indicators. Strengthening an evaluation culture is equally important. Bureaucratic reform should not be evaluated solely on the completeness of documents, implementation of activities, or submission of reports. Evaluation should assess actual changes in process completion time, coordination quality, technology use, data accuracy, decision accountability, and service quality. Evaluation results should subsequently be used to update competence development programs, improve leadership practices, and adjust the reward system.

IV. Conclusion

The study concludes that competence, leadership style, and remuneration jointly had a strong and statistically significant relationship with bureaucratic reform implementation within the Planning and Organization Bureau of the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia. Partially, competence and leadership style had positive effects, but neither was statistically significant after controlling for the variation in the other predictors. Remuneration had a positive and significant effect and was relatively the strongest variable. These findings indicate that improvements in bureaucratic reform implementation should be pursued through integrated human resource management. The organization should ensure that competence development focuses on changes in work processes and outcomes; leadership emphasizes communication, participation, exemplary conduct, and the resolution of barriers; and remuneration is administered fairly, transparently, predictably, and on the basis of credible performance indicators. The emphasis on remuneration should not replace public service motivation, integrity, or workplace culture. Instead, remuneration should reinforce consistency among organizational objectives, employee behavior, and rewards.

This study is limited because it was conducted in a single organizational unit, used perceptual measures, and employed a cross-sectional design. The high correlations among predictors also limited the precision with which each variable's contribution could be separated. Future research should include multiple units or judicial bodies, use objective measures of bureaucratic reform implementation, adopt longitudinal designs, and test mediating variables such as commitment to change, public service motivation, organizational justice, and workplace culture. Structural equation modeling or multilevel models may also help explain the relationships among individual factors, unit-level leadership, and organizational characteristics.

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