



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Evaluation of the success of management accounting innovations

- A study of the use of the balanced scorecard

Bachelor thesis in Management Accounting
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ABSTRACT

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Title: Evaluation of the success of management accounting innovations – A study of the use of the balanced scorecard

Background and problem: The Balanced Scorecard (BSC) was developed with intentions to provide a more balanced management in organisations. Since its invention in the 1990s, this management accounting innovation (MAI) has gained a large acceptance in both research and practice and been adopted by both public and private organisations. Previous researches argue that the adoption of the BSC has to some extent become a fashion and that the choice may not consider the nature of the organisation. An adoption and implementation of the BSC does not necessarily imply benefits for the organisation and the change evokes a need for assessing its effectiveness. It is therefore of importance to further investigate this matter by questioning: *How and why do organisations measure the success of their use of the Balanced Scorecard?*

Purpose: The purpose of this thesis is to through an empirical study contribute to an expanded knowledge of the MAI evaluations conducted by organisations. By providing examples on how theoretical methods are applied in organisations, we wish to give further guidance in the practice in evaluations of MAIs and contribute to a greater appraisal of how to measure its success.

Method: This thesis is based on semi-structured interviews with six organisations, which have carried out evaluation of their BSC. The interviews were conducted in person or over the telephone.

Result and conclusions: Our findings suggest that the definition of success to a large extent is individual for the organisation. It is furthermore suggested that the definition often lacks a direct link to the method of evaluation and that the complexity of measuring success has led to a frequent use of subjective measures of success. This implies that the choice of method of evaluation does not always consider the nature of success according to the MAI itself. Furthermore, developing the model is shown to be the most common purpose of evaluation.

Key words: Management Accounting Innovations, The Balanced Scorecard, evaluation, success



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Sanna Gustavsson

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1 Introduction

This chapter aims to provide an understanding to the background of the research problem of this thesis. The presentation of the background is followed by a problem discussion, research question and the purpose of the study. We wish thus to give the reader an introduction to our subject in order to better be able to absorb this thesis's contribution to the field of research.

1.1 Background

How to design an efficient management accounting system has been a topic for discussion and research for more than twenty years. At the end of the 1980's, Johnson and Kaplan (1987) initiated the *Relevance lost* debate where critique against management accounting practice, research and education was presented. They argued that management accounting systems had not kept up with changes in the environment. Therefore, the management accounting information had become too short term focused, too aggregated and was produced too late to be useful for decision making. Spurred by this, several new management accounting innovations (MAI), such as Activity Based Costing (ABC), the Balanced Scorecard (BSC) and Target costing (TG) were introduced. These innovations have gained large acceptance and been adopted by numerous companies in different sectors. They have also initiated much research activity, including attempts to identify motives for the adoption of MAIs. This thesis will put focus on the use of the BSC. To provide a larger understanding of the BSC as an MAI, this chapter introduces the background to the MAIs. Drawing on for example contingency theory (Al-Omini & Drury, 2007) and management fashion theory (Malmi, 1999; Ax & Bjørnenak, 2005), different organisational and contextual factors as well as popularising activities performed by fashion setters have been elaborated in order to explain adoption of the innovations.

1.2 Diffusion of an MAI

As MAIs typically have a very vague description of how they should be designed, they can be interpreted and adopted in different ways depending on the organisation and context (Ax & Bjørnenak, 2005). A decision to adopt a certain MAI is not necessarily based on the nature of the organisation itself, but may be largely influenced by external factors. Some researchers claim that an MAI can be seen as a fashion (Abrahamson, 1991, 1996). The motives to adopt an MAI may be to signal innovativeness and modernization or to increase the legitimacy towards external stakeholders (Abrahamson, 1996). Some researchers stress that organisations jump to new fashions too rapidly with the result that they do not work (Hackman, 1975; Lawler & Mohrman, 1985). Still, certain fashions are efficient for some organisations, but not for all (Abrahamson, 1991).

Since the MAIs reach such large variety of companies with different history and culture, finding a correct way to carry out the implementation has not been evident. Studies have tried to identify conditions that optimise the implementation so that companies get the best adaption and output from the new MAI (Anderson & Young, 1999; Shields, 1995; Malmi, 1997).

1.3 Implementation of an MAI

A study by Gosselin (1997) shows that organisational structure has a great influence on the outcome of the implementation process. Further research, contributing to this area examines organisational factors and develops a notion of the impact of cultural factors (Baird, Harrison & Reeve, 2007; Velmurugan, 2010). Other studies draw on the importance of technical and behavioural factors for a successful outcome in an implementation process (Shields, 1995; McGowan 1998; Al-Omiri & Drury, 2007). Thus, implementation of a new MAI is thus a complex process, and not a one-off action. In this study, focus will be put on the success of use of the MAI and not of the implementation process.

1.4 Evaluation of an MAI

The practice of change related to the implementation of a new MAI has evoked a need for assessing its efficacy and organisational impact (Cinquini & Mitchell, 2005). Due to an increased implementation of the BSC in the last decades, (Ax & Bjørnenak, 2005; Kaplan & Norton, 2001) this study examines organisations' evaluation processes of the use of the BSC.

A fully integrated MAI is thus preceded by a sequence of different steps (visualised in Figure 1.1). The process begins by the decision whether to adopt or to reject the MAI, followed by the implementation resulting in an integrated system here expressed as the *use*. These steps are all possible subjects for evaluation (Krumwiede, 1998). This thesis focuses on evaluation of the *use* of the MAI.

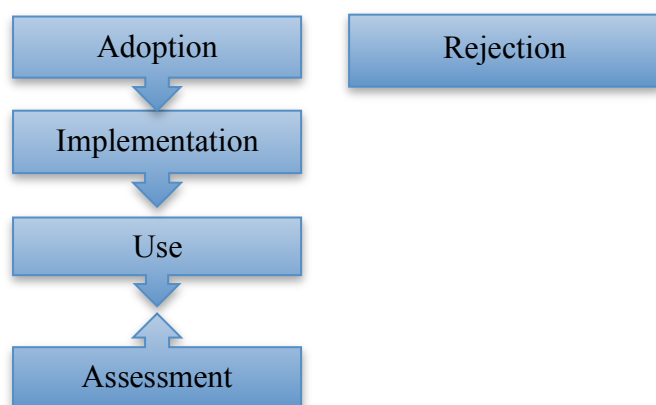


Figure 1.1 *The sequence of the integration of an MAI*



1.5 Problem statement

The determination of success depends on the nature and meaning of success. Due to the complexity in this issue, very little research has been done in this domain of the management accounting. Nevertheless, this is a topic of great importance, both for the implementing organisations and for future research. Studying this topic has a practical importance for adopting organisations, as the evaluation of the use of the model and its potential success can guide the practice of the systems. With an appraisal for the success, the organisation receive information which makes it possible for them to make more relevant decisions relating to the exercise of the innovation – whether to preserve, introduce or to dispense. The question is also of importance for researchers since it contributes to a theoretical appraisal of the practice and can thus determine a somewhat prescription to the practice of management accounting. Furthermore, as management control systems (as a phenomena) are in constant movement, a conception of the measurement of success can lead to a more profound understanding of the MAIs as to why the systems are used and how to improve them (Cinquini & Mitchell, 2005). Previous research has been done to develop the notion of success (Cinquini and Mitchell, 2005; Moisello, 2012; Foster and Swenson, 1997; Shields 1995; McGowan & Klammer, 1997; Velmurugan, 2010). It is therefore relevant to examine how those approaches are composited in organisations to develop the knowledge about the set of evidence organisations use to assess their success of MAIs. Consequently, this study aims to investigate the practical evaluation process using approaches developed in earlier research of evaluation and definitions of success.

With background in earlier approaches of defining success and evaluating MAI, this study will further explore the knowledge about how organisations define success and how it is determined in practice. An increased understanding about the definition of success and the practical application of earlier approaches will develop the accuracy of the organisations' evaluation process.



1.7 Research question

The research question is stated as follows;

How and why do organisations measure the success of their use of the Balanced Scorecard?

The research question is further broken down into five underlying questions;

- How do organisations define the success of the BSC?
- Which method/-s is/are used to measure success of the BSC?
- Why is/are this/these method/-s used?

- What is the objective of measuring the success of the BSC?
- In what processes is the outcome of the measuring used?

1.8 Purpose

The overall purpose of this study is to contribute to the literature about the success of management accounting innovations. Specifically, we attempt to provide knowledge about how organisations define and measure the notion of success of management accounting innovations, perceive methods of evaluation, and use of results from assessing success.

2 Theoretical Framework

To answer the research question, the theoretical framework is constructed to give an entry to the theoretical perspectives of success. The perspective of focus in this thesis is further clarified by a presentation of potential methods of evaluation developed in earlier research.

Two different perspectives (visualised in Figure 2.1) represent different possible perspectives of evaluation of an MAI. The external perspective includes evaluations performed from the outside of the organisation. Methods applicable within this perspective are presented in section 2.1. The second perspective, and the main focus of this thesis, considers evaluations carried out by the organisation itself, i.e. the organisational perspective. Different approaches developed in previous research, applicable in this type of evaluation are presented in section 2.2.

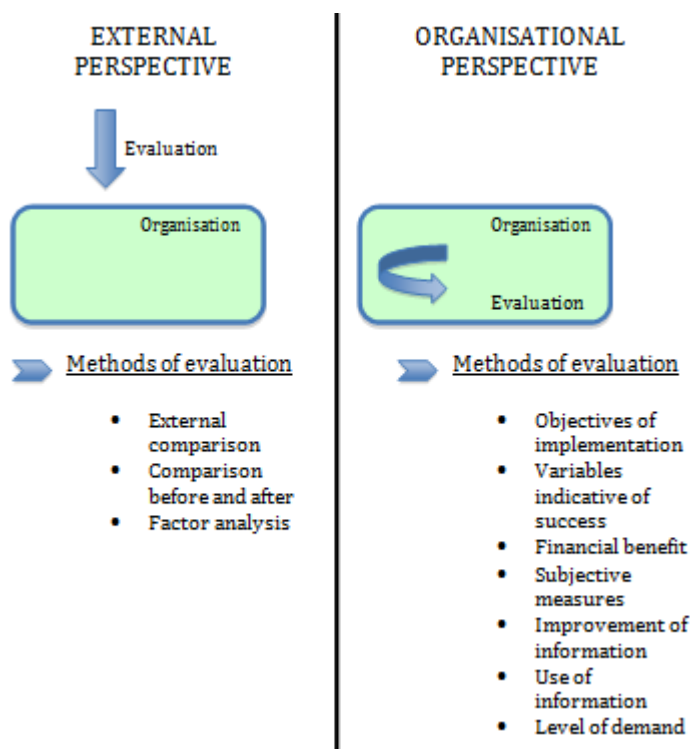


Figure 2.1 *The evaluation perspectives*

2.1 The external perspective

2.1.1 External comparisons

This perspective focus on a relative measure based on a comparison between two similar organisations, where one organisation has adopted the MAI and the others have not (Crabtree & DeBusk, 2008). To assure a good benchmarking, the comparing units should have similar environment and the evaluation should consider differences in organisational architecture (Dopuch & Gupta, 1997). The effects from the MAI are assessed from the contrasts in the comparison between the organisations' performances (visualised in Figure 2.2). The effects represent consequently the result of the MAI (Crabtree & DeBusk, 2008). This interest for relative performance measures and benchmarking has lately increased (Dopuch & Gupta, 1997) and this perspective of evaluation of the BSC has therefore become increasingly of interest for research (Crabtree & DeBusk, 2008; Kennedy & Affleck-Graves, 2001).

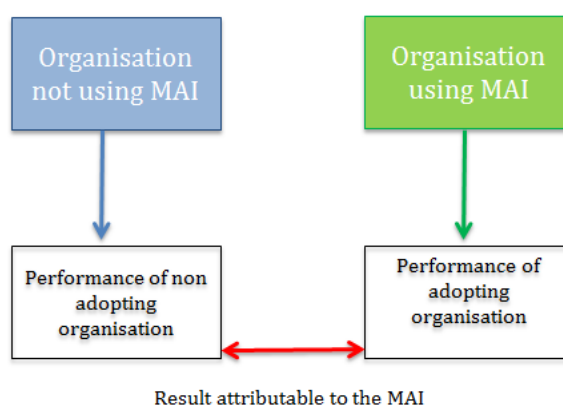


Figure 2.2 External comparisons

2.1.2 Comparisons of before and after

This perspective focus on the MAI impact on the organisation from a “before and after” point of view (visualised in Figure 2.3). Dopuch (1993) labels studies using this perspective *materiality studies*. He here refers to studies defining improvement as increased accounting numbers generated from better managerial decisions attributable to the new MAI.

Even though BSC primary should be used as a tool to maximise shareholder value relatively little research has been done to examine the actual financial performance improvement attributable to its application (Crabtree & DeBusk, 2008). One attempt is, however done by Ittner, Larcker and Randall (2003) who examine to what extent a new MAI increases the financial outcome (accounting and stock returns) in the organisation. They examine in their study the relationship between satisfaction with measurement system, economic performance and two approaches to measure strategic performance.

This perspective of success has also been used by Cagwin and Bouwman (2002) in a study aimed to investigate improvement in financial performance resulting from adoption of ABC. This research contains two important features. First, internal auditors without personal involvement in the ABC were employed to obtain an objective measure. Second, this study measured *actual* financial performance as opposed to many other constructions of financial measures, such as perceptions of financial benefits.

Financial performance

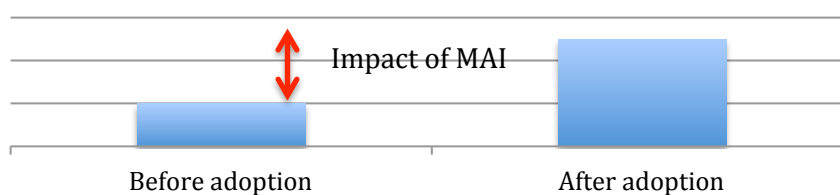


Figure 2.3 Comparisons of before and after

2.1.3 Factor analysis

Success can also be measured by determining different factors acting as drivers for the organisational improvement resulted by an MAI. De Geuser, Mooraj and Oyon (2009) use this perspective in an attempt to examine *if* the BSC adds value and *how* it contributes to organisational performance. Through the use of already existing variables, developed in earlier studies, they perform a formal analyse of the impact of the BSC. The results distinguished the extent of the impact from the BSC and more specifically the types of sources of performance derived from the BSC. These sources are viewed as factors essential for success of an MAI and conditions thus its success.

2.2 The organisational perspective

This section concerns the fourth approach of success, where the evaluations are carried out from the organisations' perspective. This perspective of success is the main focus of this thesis and evaluations can be done by using following methods;

2.2.1 Objectives of the implementation of an MAI

McGowan (1998) argues that the primary consideration in MAI evaluations has been to assess the effectiveness of the model, where effectiveness of the MAI is defined as the achievement of the objectives set for the performance of the MAI. The level of achievement of the stated objectives acts consequently as a determinant for success (Hamilton & Chervany, 1981). Hamilton and Chervany (1981) furthermore claim that effectiveness can be viewed either as goal-centred or system-resource-centred. The goal-centred view focus on the outcome and uses final criterions to assess how well the objectives are achieved. The system-resource-centred view, on the other hand,



focus on the process to evaluate and to aid the interpretation of the goal-centred view. In practice, the two views should come together.

Criticism has been presented to this perspective, as it is difficult to measure. The definition of the objectives is often diffuse and not mutual between evaluators (Hamilton & Chervany, 1981). Therefore, for this measure to be trustworthy, certain factors have been presented. First, the objectives have to be clearly defined and the attainment has to be possible to identify. Second, the attainment of an objective does not necessarily have to be complete to be considered successful. An objective that is partly achieved makes the level of effectiveness hard to determine, and therefore complicate the measure of success even further. Third, even though the predetermined objectives are not reached, the MAI does not have to be a failure per se. It is highly possible that the MAI brings other consequences beneficial for the organisation and thereby leads to success of the MAI (Hamilton & Chervany, 1981).

Further critique is remarked by Cinquini and Mitchell (2005) who states that objectives can be appraised differently in different parts of the organisation. They further discuss the subjective aspect of this measure, as the measure is exposed to somewhat individual assessments. The view of success can therefore depend on where in the organisation, when the objectives are set and by whom they are measured.

2.2.2 Variables indicative of success

One approach to assess success is to identify variables, which acts as indicators for success. The existence of these variables is then suggested to be evidence for success. This is however not a guarantee for success but only a circumstantial proof and can only support the level of certainty of the success assessment (Cinquini & Mitchell, 2005). Innes, Mitchell and Sinclair (2000) let respondents rate different variables in order to explain the overall perception of success resulting from the use of ABC. They suggest that top management support is the most important explanation of variations in overall success assessments in organisations.

Malmi (1997) argues that this approach has some shortcomings as a measure and doubts that the identified list of variables is complete as there it is unlikely that there is a limit to factors possibly influencing the success of MAI. She further states that although many factors can be identified they do not take into account the influence of other sources of information and the impact of different interests of all the different stakeholders during the implementation. It exists, for these reasons, a need for additional approaches to identify other influences of the success to execute a correct measure of the performance of the MAI.



2.2.3 Financial Benefits

From this point of view, success is defined as the financial improvement attributable to the use of the MAI and has been used in numerous studies to evaluate success (Shields, 1995; Foster & Swenson, 1997; Ines et al., 2000; Kennedy and Afflek-Graves, 2001). The financial improvement has been verified in research in several ways, such as benefits over cost, stock market performance or accounting performance (Kennedy & Afflek-Graves, 2001; Shields, 1995; Cinquini & Mitchell, 2005). This approach has been used to study the success of an MAI by Foster and Swenson (1997). They let respondents appreciate “dollar improvements resulting from ABC/M” on a scale from 1 to 5 in their paper where they compared measures to determine success of ABC management.

However, this approach has certain practical shortcomings as costs and benefits of information are shown to be difficult to identify and measure (Cinquini & Mitchell, 2005). Using financial benefits to measure success is problematic, as so many other factors can influence the financial situation. The measurement can also be perceived as somewhat subjective as the perception of which costs and benefits can be attributed to the MAI can be appreciated differently by different individuals at different levels of the organisation. Due to the multiple factors effecting result, the process of finding what impact is attributable to the MAI uniquely, is a complex task. (Cinquini & Mitchell, 2005).

2.2.4 Subjective measures of success

This method has been frequently used in various researches (Shields, 1995; Swenson, 1995; McGowan, 1998) and is based on an overall assessment of success from the employees who have a relation to the MAI in the organisation. This means that the evaluation is based on the employees’ ratings of the success of the MAI. These ratings are influenced of respondents’ personal opinions, impressions and attitudes prior to the change (Shields, 1995; Swenson, 1995; Innes et al., 2000). According to Cinquini and Mitchell (2005) a reason for the large interest of this method in research is the fact that the information is provided from a source with direct experience of the MAI.

However, this way of assessing success has been criticised of being too narrow. The approach is completely based on respondent’s subjective perceptions and a clear overall definition of success is not created, which limits capacity to measure success (Cinquini & Mitchell, 2005). To address this critique, researchers have tried to identify more specific variables to be rated by participants. In a study of Swenson (1995), individuals were asked to rate their satisfaction of various factors, such as its performance measurement, in the MAI. These ratings were then used to assess the overall level of success. This way of defining success by more specific combinations has since then been used in a number of other studies (McGowan & Klammer, 1997; Anderson & Young, 1999). These studies all conclude that the result from a success evaluation will vary depending on the respondent chosen for the evaluation.



2.2.5 Improvement of information

Success in this definition is based on a comparison with prior system, making success a relative measure. As the BSC has a larger view of the organisation when including a future perspective, the use of the BSC will provide new sorts of information prior to traditional reporting systems (Nørreklit, 2000). This new information can be of great importance for various levels in the organisations and give information that is more relevant for decision making (Cinquini & Mitchell, 2005). Improvement in information can be observed in various ways, such as improvement in relevance, accuracy, reliability and timeliness, all contributing to a larger understanding of the situation (McGowan, 1998). No matter what criteria lead to the improvement, the existence of a progress can be referred to as some measure of success (Cinquini & Mitchell, 2005).

Cinquini and Mitchell (2005) explain the importance of understanding the limit in this measure. As the measure of success becomes subjective and depends on evaluator's perceptions, an improvement itself does not necessarily mean success (Cinquini & Mitchell, 2005). Nevertheless, improved information can lead to an advantage in its application, which constitute a comparative advantage to prior system (Kaplan & Johnson, 1987) and therefore give light to success. Swenson (1995) defines a larger view on the comparative definition when observing a positive correlation between improved information and employees' perception of the MAI. He argues that the improved information that helps the employees to do the work would improve their perception of the MAI and also its success. The definition of success based on perceptions of success has earlier been described in part 2.2.4.

2.2.6 Use of information

The use of information from the MAI when making decisions can vary widely. Foster and Swenson (1997) argue that the wider the information from the MAI is used in decisions, the more successful is the adoption. This success is related to the larger influence on the decision, and that the MAI receives a larger role in the operations of the organisations. A larger impact on the operational decisions is one way to connect the strategy to the operation and can be used as a measure of success. Foster and Swenson (1997) sort three categories concerning the impact from MAI information on decisions. These categories are consequently three different manners to verify the success of MAI by measuring its impact on decisions. The first category constitutes measures of the increase of MAI information use in the decisions compared to prior system. This is an "a priori"-measure, where the quantity of MAI information in the decisions is compared to prior system. The second category is also based on an "a priori"-measure as it compares the frequency of information from the MAI used in different decision-makings prior to earlier system. Third category focuses on the changes in decisions that come from the information from the MAI, and is thus not a "a-priori measure". These measures are not mutually exclusive and can therefore be applied parallel (Foster & Swenson, 1997).



Malmi (1997) extends a wider conception of the success in the domain of MAI use by stressing that the information is not obligated to lead to concrete actions or decisions to be successful. Alternatively, success can be evaluated on the MAIs ability to provide information that gives the decision makers an ameliorated understanding of the situation, and a greater ability to make more correct diagnosis. Malmi accentuates that the measure of success of an MAI should be assembled depending on its purpose and that success therefore should contain a greater notion of information value. This information value can then lead to reduced strategic uncertainty or act as support for decisions (Malmi, 1997).

2.2.7 Level of demand and continued use

Early research by Robey (1979) defines the success of MAI in its acceptance and use. He argues that the evaluation of success of the use therefore should focus on the organisation's actual use of the system. If the MAI is used in the organisation and therefore pertained, it should be considered successful. This method requires however a continuous review of the information provided to make sure that a continued provision is needed (Cinquini & Mitchell, 2005).

Cinquini and Mitchell (2005) have lifted certain critique against this approach, as it does not include the impacts of changes over time. Information provided from the MAI can, due to changes become inaccurate or unreliable. These shortcomings have been addressed with findings that the system therefore needs to be overviewed to secure the relevance for the users. Existence of active reviews to ensure that the MAI stays user-oriented and stays needed would ameliorate this definition to include a greater evidence of success (Friedman & Lyne, 1999). To avoid information to become irrelevant for the users, the level of demand can be used as indicator for the measure of success of the MAI. Further research has tried to identify ways to measure the demand. Cinquini and Mitchell (2005) suggest users to justify the usefulness of the systems through descriptions and examples to outline the demand. A more radical suggestion is to cease the information and monitor the demand that occur. Further studies about how to measure the user demand explore the idea of using an intern pricing where the information from the MAI is priced. Setting a price on the information will make the users weigh the benefits and costs, making it possible to measure the demand of the information. A result of this intern market, a continued use of MAI implies the existence of user demand, and thus success (Cinquini & Mitchell, 2005).



3 Method

This chapter intends to describe the planning of this thesis as well as its progression. Furthermore, it motivates choices made and clarifies the research approach.

3.1 The choice of MAI

The BSC was introduced in 1992 by Kaplan and Norton (Kaplan & Norton, 1992). This MAI has become well known and is adopted by both private and public organisations of various sizes (Ax & Bjørnenak, 2005). This thesis focuses on evaluation of the use of the MAI, which means that more recent introduced MAIs had to be excluded, as the number of organisations that have used and evaluated this MAI might be too limited. However, as the BSC is widely spread and applied in various organisations, it is favourable for this study, due to the large supply of potential respondents.

3.2 Sample

The first step in the identification of potential respondents was to find organisations using the BSC. This was accomplished by studying previous studies including organisations using balanced scorecard, the organisations' homepages and through contact with a consulting firm working with the BSC. Search words in open search motors were "Balanced scorecard" and "Balanserat styrkort" to find these sources. After the identification of organisations said to use the BSC, contact was established with twenty organisations. Three of these had abandoned their BSC due to various factors and had not carried out any evaluation of their BSC before the abandon. Eight organisations still used their BSC actively, but had not done any evaluations and could therefore not contribute. The existence of an evaluation was secured by asking the potential respondent from the organisation whether an analysis or evaluation of their current MAI had been carried out and if the respondent had had any relation to this evaluation. As the evaluation is not obligated to be a one-off action, analysis concerning the success of the use of the BSC was assumed to represent the existence of a sort of evaluation. If the respondent could identify why their BSC was considered successful, the existence of an analysis was presumed. The entire process is visualised in figure 3.1. Of the remaining organisations, nine agreed to participate in an interview. During the interviews, we could nevertheless identify that an accurate evaluation had not been done in three of the organisations. In summary, six organisations were appropriate for this thesis. A summary of the interviewed organisations is presented in appendix 1. At the time of the interviews, all responding organisations had used the BSC for at least one year and it had become a routine in the operational work. The organisations operate in either the private or the public sector and are all situated in Sweden.

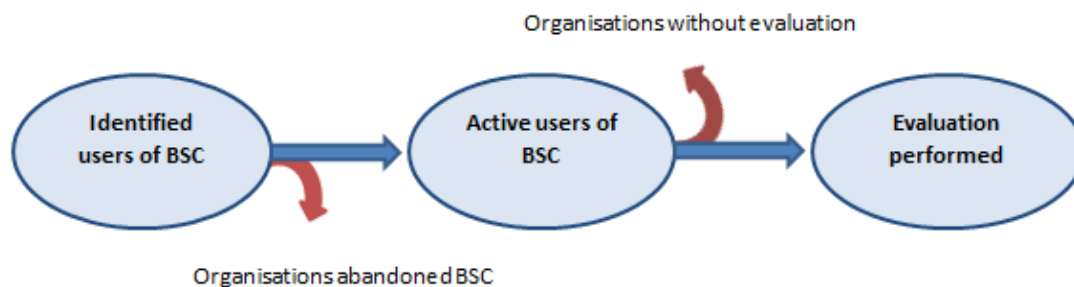


Figure 3.1 Sample selection

3.3 Semi-structured interviews

To obtain the primary data on how and why the evaluations of the BSC are carried out in the organisations, we were to identify and interview individuals involved in the evaluations. Semi-structured interviews were therefore chosen as method for the gathering of the empirical data. The questions in the interview template given to all respondents were established based on prior studies of definitions of success of MAIs. The question template is presented in Swedish in appendix 2. To secure the understanding of each organisation's method and to clarify the organisations' responses, questions were asked outside the template depending on the received answers. Each interview lasted for about one hour. Due to budget limitations, the interviews were conducted either in person or over telephone and additions were received through e-mails. To provide background information about organisations, the organisations' website have been used as source.

3.4 Structure for research results and analysis

When assembling the results from the interviews, we have aimed to express the organisations' experiences from their perspective and clarify which method of evaluation that has been used. As the organisations do not have the same perspective on theoretical methods presented in the theoretical framework and use different labelling, an interpretation was required to correspond practice to theory in order to give a larger overall comprehension. The methods applied in the different organisations are gathered in table 4.1 presented in the end of section 4.

From the result obtained, our analysis focuses on the relations between definition of success, method of evaluation and purpose of evaluation. The analysis of the alignment connecting these three components aims to increase the comprehension of the organisations' evaluations and clarify their reasoning of this issue. We have categorised similar definitions of success, methods and purposes of evaluation to assist in the overall analysis. Our findings are then further discussed and compiled in a conclusion, presented in the section "Discussion and conclusion" together with limitations and suggestions for further research.



4 Result

The purpose of this chapter is to illustrate how the six organisations have evaluated their BSC and how the information has been applied i.e. we describe how and why the organisations have conducted their evaluation.

4.1 City of Gothenburg

City of Gothenburg is a public organisation consisting of district administration, tray management and various corporations in Gothenburg. The most important responsibilities for the organisation are education, social care and elderly care (Goteborg.se).

In 2011, City of Gothenburg initiated a project with intention to improve the integration in the city. As the BSC was the management control system recommended to be used in the organisation, this MAI was consequently chosen also for this project. Pia Borg was chosen as project manager and has since its initiation led the project. The BSC is strongly tied to the municipal budget and according to the budget's objectives, the BSC is built on four perspectives; Living, Employment, Children's possibility for education and Diversity in recruitments. All together, the BSC currently has a total of eleven measurements. The purpose of the BSC is to gain relevant and trustful information on how the integration in the city is advancing. Obtained information from the BSC is used as foundation in decisions related to integration and thus to achieve the project's purpose. As the organisation is large and complex, the BSC is only a part of the overall assessments provided to the decision makers together with other reports.

4.1.1 How the MAI is evaluated

4.1.1.1 Definition of success

Success resulting from the use of the BSC is according to Borg to obtain information that describes the reality in an accurate way and that therefore is relevant foundation for decision makers on various levels. The information obtained from the BSC should be applicable for decisions and create a larger understanding of the progress of the project.

4.1.1.2 Method of evaluation

The evaluation process had a large focus on evaluating whether the BSC gives the relevant and understandable information desired. This was assessed through discussions with individuals who use the information and who are expected to provide it. Since obtaining relevant information was the main purpose of the implementation, the fulfilment of the purpose has consequently been investigated. This achievement has primarily been evaluated through the users perception of the BSC in different levels



of the organisation. Furthermore, it has been investigated more physically by assessing the impacts and changes achieved within integration in the city and comparing them to the objectives expressed in the budget, thus how well the objectives are attained.

Borg describes that since the BSC not has been active for very long, the evaluation of the system has so far been focused on the perceptions of the fulfilment of its purpose. In the future, further evaluations are planned to occur. Borg suggests that these future evaluations could include engaging an external party to evaluate the use of the system from an objective and critical view. She says that it in this type of evaluation could be interesting to do a larger assessment of the users' overall satisfaction with the model. Even though the BSC is fully implemented in the project, the use of it is still developing and Borg therefore wishes to wait with this external evaluation.

4.1.2 Why the MAI is evaluated

As the importance of the BSC is to contribute relevant information, analysing the BSC users' opinion of the relevance in the system is essential for the continual use. The information from the evaluation acts thus as guidelines for the future decisions regarding the use of the BSC.

4.2 Municipality of Lidköping

The municipality of Lidköping is a public organisation in the southwest part of Sweden and has as overall vision to be "a hospitable and sustainable municipality for its citizens" (www.lidkoping.se).

In 1996 the organisation started a pilot-project of balanced management, which since then has developed into their current version of the BSC. As the focus of the MAI lies in improving the dialogue within the organisation, their version of the BSC is named Dialogue Based Scorecard (DBS). The decision to implement DBS was taken in 2002 and the project was rolled out during 2003. The reason to adopt DBS was to decrease the goal focus in the organisation and instead turn the focus to dialogue and interaction. Through an increased dialogue, the DBS is intended to improve the politicians' influence and presence in the organisation's management. Together with politicians' improved presence, a further intention was an increased participation by the employees. Carolina Espling works, as quality manager in the municipality and Kurth Johansson was one of the two representatives from the municipality during the large evaluation in 2008.



4.2.1 How the MAI is evaluated

4.2.1.1 Definition of success

The municipality has no official definition of success related to the use of the DBS. However, Johansson and Espling state that a successful use is associated with the politicians' perception that the model provides a successful management and that it contributes to an increased participation through improved dialogue. Success also includes anchoring the organisation's vision throughout the entire organisation.

4.2.1.2 Method of evaluation

In 2008, the municipality of Lidköping decided to do a large evaluation of their DBS. It was decided to use an external party to obtain an objective view and because it was expected that the evaluation would be easier to accept by the organisation. The evaluation was based on studies of documents and interviews. During the interviews, managers and politicians using the BSC on various levels were asked to give their perception of the overall use of the model. The study of documents examined how much the BSC had been used. Johansson explains that the result was analysed to identify if there existed any differences between different kinds of positions in the organisation. Furthermore, interviews with lower positioned persons addressed whether the politicians had become more prominent in the management or not and how the dialogue had advanced. These interviews focused thus on the employees' perception on the achievement of one of the implementation objectives. Furthermore, the second objective of the implementation, that all employees should have knowledge of the organisation's vision is continuously measured every two years through surveys to individuals from all levels in the organisation.

Apart from the chosen methods, the respondents have no knowledge of other possible ways to evaluate. However, they find that further deep in the reports could potentially be obtained by using written investigation instead of oral interviews. As the evaluations have given a satisfying result for the organisation, this type of written evaluation has not been done.

4.2.2 Why the MAI is evaluated

The large evaluation in 2008 was according to Johansson done to identify if the application of the DBS was optimised. Since it was suspected that the management control contained weaknesses, it was decided to investigate this issue. In accordance to the result from the evaluation, improvements in the application of the DBS have been done. Examples of changes directly linked to the evaluations are the increase of perspectives and the development of an aggregation of the measures in the DBS on different levels.



4.3 Ericsson

Ericsson operates in the sector of mobile and fixed networks, multimedia solutions and telecom services and works on a global basis (www.ericsson.com).

Ericsson started using their BSC around the year 1998. The implementation was meant to provide a more future-oriented management in the organisation. The financial function in the organisation was given the responsibility for the implementation of the MAI and the process proceeded without complications. Tomas Svanfeldt is, together with a team, coordinating the global goal process of the BSC in the group. As the Ericsson organisation is large and has a complex structure, the challenge in the goal setting is to align all units' measurements. Initially the BSC had five perspectives, which later has been reduced to the three perspectives used today; Customer/Markets, Shareholders/Financials and Employee/Capabilities/Organisation. The reduction of perspectives was carried out since it was experienced that certain sets of perspectives were hard to separate and were therefore united to clarify the model. The main purpose of the BSC is to provide a management that contributes to fulfilling both the short-term operational goals and the long-term goals directed from the strategy and to provide a more future-oriented perspective in the organisation. The measures in the BSC vary between levels in the organisation but the overall aim is that each employee's individual goals align with the mutual objectives. Additionally, the BSC also works as a motivation tool in the organisation and is linked to incentive programs.

4.3.1 How the MAI is evaluated

4.3.1.1 Success definition

A successful use of the BSC is, according to Svanfeldt, when the model holds the capability to translate the long-term, strategic objectives into short-term goals in an efficient manner, where resources are well used. Furthermore, an alignment should link the two time perspectives together for optimal use.

4.3.1.2 Method of evaluation

Through a survey conducted every year, the internal stakeholders' opinions of the value from the BSC are evaluated. This survey is thus sent to individuals who use information gathered from the BSC or work with its process on different levels and positions in the organisation. The respondents are asked to evaluate their appreciation of the *value* the BSC creates on a scale from "not at all" to "significant". Svanfeldt stresses the complexity to measure the value of the MAI in absolute values and states that the success therefore is assessed by the subjective, overall, perceptions. The result from the survey is thus used as a base for the overall assessment of the BSC's success. Together with the appreciation of the value, the employees are asked to identify im-



provement areas. As the survey asks the respondent to identify its position, differences in the appreciation of the BSC in different positions in the organisation can be charted.

A possible evaluation method suggested by Svanfeldt is to verify how well the long-term objectives are achieved as a result from the fulfilment of the short-term goals expressed in the BSC. Since the long-term objectives are influenced by a large amount of factors, this method is however not considered to give a fair evaluation of the BSC.

4.3.2 Why the MAI is evaluated

This recurrent evaluation is carried out to easily identify improvement areas in the use of the BSC and in the meantime to develop the model. Through this dialogue, suggestions of improvements are presented and investigated to obtain an improved use of the BSC.

4.4 Region of Västra Götaland

Region of Västra Götaland is a public organisation, which primary is operated to contribute to a “good life for the people in the region of Västra Götaland”. The main areas of responsibility are health care, growth- and development and public transport (www.vgregion.se)

The Balanced Scorecard was first introduced in 2001 to develop an improved control of the several activities managed by the organisation. The BSC was adopted in certain areas as a test after a comparison of different models. The test of adoption was recognised to provide positive result and therefore, the BSC was recommended to be applied in all areas of the organisation. The measurements applied in the BSC vary between different units in the organisation. Nevertheless, the one common point is the relation to the overall budget. The BSC was adopted with intentions to achieve an improved control with an increased goal-orientation in the organisation. A geographical widely spread region with numerous units and activities requires a method, which can create an alignment of the overall interests. The scorecard is consequently used as a mean to achieve the mutual ambition to strive towards the same goals. The BSC does so by augmenting each unit’s ability to reach its goals. Sara Armander is in charge of the BSC in the region of Västra Götaland. An external party in form of a consulting firm called *Balanced Scorecard Collaborative* carried out the evaluation. This firm is the Scandinavian part of the Kaplan and Norton firm *Palladium Group* and is specialised in the use of the BSC. Questions regarding the method of evaluation have therefore been addressed to the responsible consultants from this firm, Carl-Fredrik Helgegren.



4.4.1 How the MAI is evaluated

4.4.1.1 Success definition

A successful use of the scorecard is not formally stated but according to Armander, a successful use of the BSC leads to an improved fulfilment of the goals stated for the scorecard in an efficient manner i.e. without consuming too much time and resources. She further states that a successful BSC also should provide the possibility to identify where to allocate the resources.

4.4.1.2 Method of evaluation

The evaluation was conducted through interviews with three units and through a survey with the other units in the organisation in order to get a broader sample. This information was also complemented by a study of the management process and of different documents and plans. The evaluation was based on five different variables stated as follow; *Leadership to mobilise change*, *The strategy translated into operational terms (strategy map and scorecard)*, *Alignment with strategy*, *Making the strategy operative for everybody in the organisation* and *Making the strategy to a continuous process*. These variables are, according to Balanced Scorecard Collaborative, essential for a successful use of the BSC. An evaluation with respect to these variables will thus reveal how well the BSC is used in the organisations. Once information was gathered, the result was compared to best practice to distinguish, in relative measures, the success of the use of the scorecard.

4.4.2 Why the MAI is evaluated

The reason behind the initiative to carry out the evaluation was to find out if the BSC was a successful management system for the organisation and to secure that set goals were reached in an efficient way. The result would then act as a guideline in order to decide the continued existence of the BSC. According to Armander, the external party was engaged in order to ensure the evaluation was done without any subjective motives.

4.5 Nordea

Nordea operates in the financial sector with products for both private persons and corporates in Scandinavia (www.nordea.com).

In 2001, Nordea was founded as a result of four banks merged to one. During this merger, a common MAI was needed to integrate the management. The BSC was initiated in the group as a part of the complete management system, Planning & Performance Management Model (PPMM). Together with the BSC, the PPMM also include Service Level Agreements and Rolling Financial Forecasts. The reason behind the



adoption of the BSC was to receive a positive relation between the model's different perspectives. By focusing on the non-financial aspects, the financial measures were likewise expected to improve through the theoretical balance. Anders Benteby is currently working as Group Planner Controller and works, besides his personal BSC, also with the improvement and development of the entire organisation's scorecard and therefore has a role in evaluation of the model.

4.5.1 How the MAI is evaluated

4.5.1.1 Success definition

Benteby explains that the success in the use of the BSC is achieving a uniform management aiming in the same direction and that the employees accordingly have an understanding of the use of the model. The model should be monitored in a mutual manner and provide an aggregated result to achieve this common direction.

4.5.1.2 Method of evaluation

The evaluation does not only include the BSC, but is carried out on the overall management system, PPMM. Head controllers in all business areas in the organisation are every year asked to assess their experience with the PPMM and to provide ideas on how it can be developed. The collection of opinions is done through interviews, which are conducted primarily in order to develop the PPMM. This is done by focusing on the different components included in the PPMM, thus the BSC. Through ratings and suggestions of improvement, an appreciation of the model is obtained. Thus, the method used in the evaluation is assessing the employees' perception of success of the model.

Benteby has a couple of ideas of other methods to evaluate the MAI, but has the overall opinion that they include large difficulties in the practical conduct. He suggests isolating different factors and relating the development of these factors to the use of MAI. As the isolation would be an enormous undertaking, he considers it to be inefficient and too complex. One specific factor he identifies interesting to analyse separately is the organisation's financial improvement due to the MAI. As this development is influenced by a large number of other effects than purely the MAI, he does not favour the practical application of this specific method.

4.5.2 Why the MAI is evaluated

The aim of the evaluation was to enable an optimisation of the MAI with regard to Nordea's business mix and goals. The development of the model is desirable as new issues continually are identified and require adjustments. The information obtained from the continuous evaluations is used for both the development of the content in the MAI and the model in total.



4.6 Swedbank

Swedbank operates in the financial sector with private, corporate and organisational customers. The bank is active in Scandinavia, Estonia, Latvia and Lithuania (www.swedbank.se).

The BSC was initiated in Swedbank in the beginning of 2004. The implementation started on the highest level of the organisation and was then successively diffused through the rest of the organisation during 2005 and 2006. The reason behind the implementation was to achieve the balance between the relations to customers, employees and the financial position. The BSC contains 3 financial and 2 non-financial overall measures. Each office has depending on its geographical location different conditions. To avoid biased benchmark between offices, the five measures focus on the development relative to previous period. Kristina Åberg is controller in the West-region head office and works with the mediation of the BSC between the offices and the group executives. She explains that the BSC is mainly applied in Swedbank to inform the employees of their performance. The comparison between offices is supposed to contribute to a larger employee motivation and thus yield a common ambition in the directions indicated by the BSC.

4.6.1 How the MAI is evaluated

4.6.1.1 Success definition

A successful use of the scorecard is, according to Åberg, when the BSC contributes to motivation for a continued striving in the direction of the organisation's strategy. The model should also give an overview of the organisation, which is easy to understand and interpret.

4.6.1.2 Method of evaluation

Swedbank has done three evaluations of their BSC all together. All of them have focused on the assessment of the employees' satisfaction with the BSC. The first evaluation was completed in the end of 2004, when the implementation was partly achieved and examined the progress of the implementation. The evaluation contained surveys sent to all office managers, asking them to rate their opinion of the model. The result was then used as a support for the decision whether to continue the implementation of the BSC in other parts of the organisation. In the end of 2005, when the implementation was completely carried out in all levels in the organisation, the second evaluation was performed. The ratings from this survey were also examined together with the respondents' suggestions of improvement in order to decide if the model should be pertained. Both evaluations were thus based on the office managers' (i.e. the decision makers) opinions of the BSC. The final evaluation is a continuous



evaluation conducted in the fourth quarter every year. This evaluation contains a follow up of the strategic measurements in the BSC. Opinions regarding the success of the use of the model and suggestions of changes are thus evaluated. Positive attitudes of the model are seen as evidence for success. Swedbank uses thus the employees' perception of the overall success as a determinant for the success of the BSC but also includes in their evaluation further discussion about model improvement.

Åberg suggests that a more profound evaluation could have been carried out by conducting individual interviews, but states that by using a survey, the evaluation was more cost effective could assess more opinions over a shorter period of time. Any interviews were therefore not conducted.

4.6.2 Why the MAI is evaluated

The evaluations in Swedbank have had different purposes. The evaluations carried out during the implementation process, evaluation 1 and 2 in table 5.3, investigated the future use of the model. The yearly evaluation, evaluation 3 in table 5.3, has for purpose to follow up a continued satisfaction with the BSC in order to evaluate its success and to develop the application of the model by reflections from the users.

5 Analysis

This chapter provides an analysis of the connections between the definition of success, methods of evaluation and purposes of evaluation presented by the organisations in the previous chapter. This analysis aims to provide a deeper understanding of how the organisations reason when evaluating their BSC.

5.1 Analysis

Based on our results, we have created categories containing similar definitions of success, methods or purposes of evaluation (visualised in Tables 5.1, 5.2, 5.3). These categories will assist in the analysis to clarify connections between organisations' definition of success, method of evaluation and purpose of evaluation. To receive an overview of the regularity of the different groups among the respondents, the frequency of the groups is presented.

Table 5.1 shows a summary of the definitions stated by the organisations. First, it can be derived from the table that some organisations have stated more than one definition. Second, it has been shown that the definitions are to a large extent individual for the organisations but three of them are shown to have a slightly higher frequency. These were used by two of six organisations and were, *Communication of the strategy*, *Improved Management* and *Better overview of the organisation*.

Definition of success	Organisation/ -s	Proportion
Communication of strategy	Lidköping**, Ericsson	2/6
Operational goal achievement	Region V-G***	1/6
Motivate employees	Swedbank	1/6
Improved management	Lidköping**, Nordea	2/6
Obtain relevant information	Gothenburg*	1/6
Better overview of the organisation	Swedbank, Region V-G***	2/6

Table 5.1 Summary of success definitions

Method of evaluation	Organisation/ -s	Proportion
Subjective measures of success	Ericsson, Nordea, Swedbank	3/6
Objectives of the implementation	Gothenburg* Lidköping**	2/6
Level of demand	Lidköping**	1/6
Variables indicative of success	Region V-G***	1/6

Table 5.2 Summary of evaluation method

As shown in table 5.2 the method of evaluation most frequently used by the organisations were *Subjective measure of success*, used by three of six organisations. Moreover two of six organisations measured the success of the MAI by the attainment of the objectives of the implementations.

Table 5.3 summarises the purpose of the evaluations, i.e. why the evaluation was carried out. It was shown that a majority of the organisations performed their evaluations to *develop the model*. After development, evaluation for the *continual use* of the model was stated as purpose by the organisations.

Purpose of evaluation	Organisation/ -s	Proportion
Continual use	Gothenburg*, Swedbank (evaluation 1&2)	2/6
Develop the model	Lidköping**, Ericsson, Nordea, Swedbank (evaluation 3)	4/6
Evaluate employees' satisfaction	Swedbank (evaluation 3)	1/6
Verify operational goal achievement	Region V-G***	1/6

Table 5.3 Summary of evaluation purpose

*City of Gothenburg ** Municipality of Lidköping *** Region Västra Götaland

The link between the definition of success, the method of evaluation and the purpose of evaluation will be analysed. This is accomplished by associate the different components of the organisation. These associations are represented in the figures on page 30 and are analysed separately in the following section. Our finding suggest that the consideration regarding this link is weak or in some cases non-existent. The definition of success, method of evaluation and purpose of evaluation are thus poorly connected in the evaluations.

Figure 5.1. The strength of the link *I-A* is dependent on the objectives stated for the implementation. In this case, the objective of implementation was to achieve an improved communication, thus identical with definition *I*. An evaluation of the achievement of this objective consequently contributes to an assessment in accord

Figure 5.1, Communication of strategy

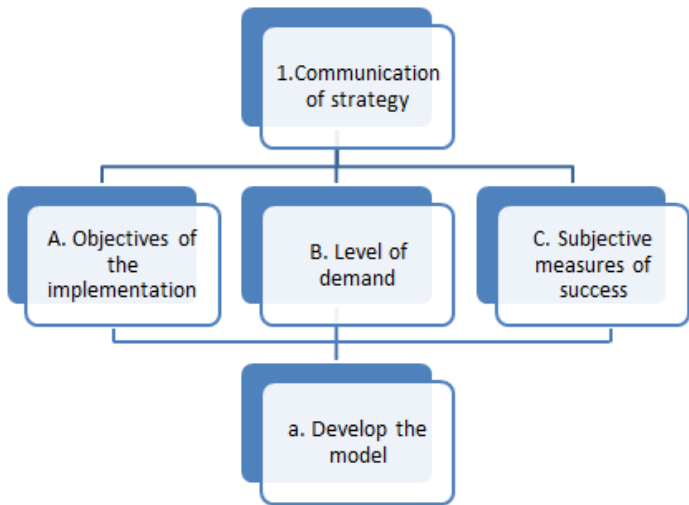


Figure 5.2, Operational goal achievement

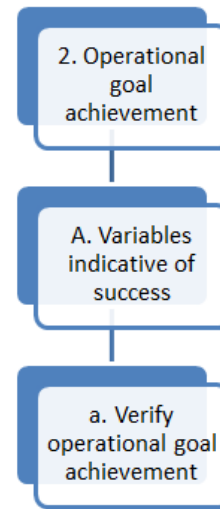


Figure 5.3, Motivate employees

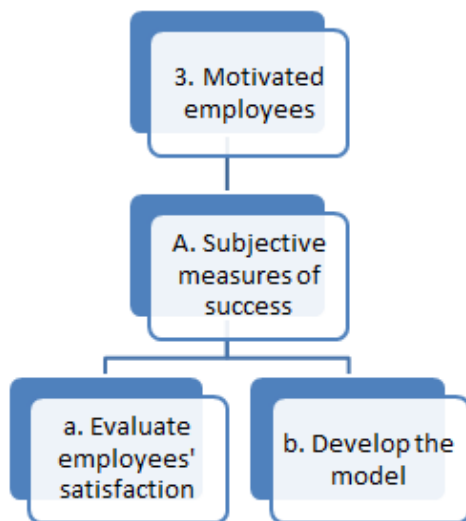


Figure 5.4, Improved management

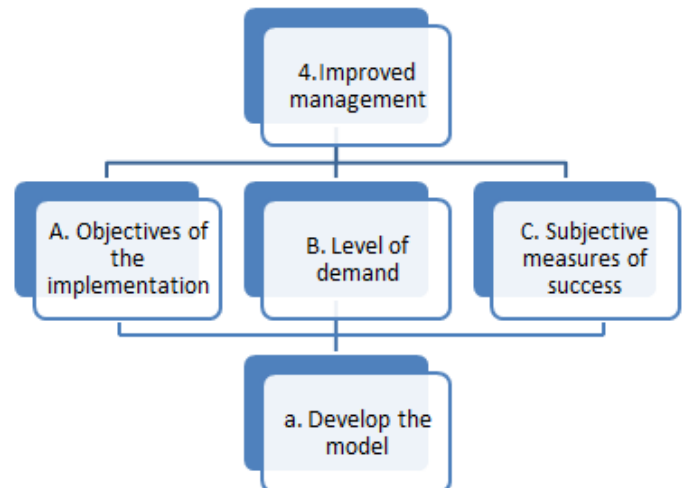


Figure 5.5, Obtain relevant information

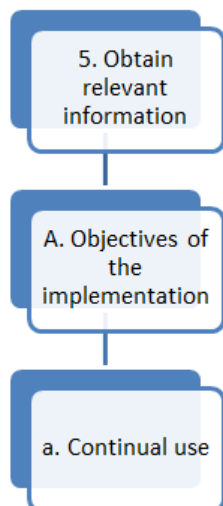


Figure 5.6, Better overview of organisation



ance to this definition of success, making the link *I-A* strong. A much weaker link can however be observed in *I-B*, as an assessment of how much the model is used provides limited indications on how well the strategy is communicated. Neither do the subjective measures of success in *I-C* provide a direct measurement, as the employees' perception of success does not reflect the actual communication. Furthermore, all three methods of evaluations were carried out for the same purpose – to develop the model. Only *C* has included the possibility to provide suggestions of improvement and therefore contributes in a direct manner to develop the model. The link *C-a* can consequently be perceived as strong. The assessment of the use of the model, *B*, and achievement of the objectives of the implementation, *A*, do not have this association, as they do not provide direct evidence of what to develop. *A-a* and *B-a* can therefore not be perceived as strong. Despite the presence of a few strong links, there is no alignment through the entire figure.

Figure 5.2. The choice of variables applied in *A* affects the strength of the link *2-A*. The BSC was, in this case, designed from operational goals with intention to accomplish a better achievement of these goals. An evaluation carried out with variables to secure an accurate use will thus also secure the accomplishment of these goals. The accordance between the BSC's design and the operational goals can thus be seen as an alignment through *2-A* but also through *2-A-a*.

Figure 5.3. The link *3-A* can be seen as vague since a subjective measure of overall success in its most simple form contains little evidence of the motivation of employees. However, complemented with further discussions, which was the case in this evaluation, a stronger association can be distinguished, making the linkage *3-A* stronger. A more comprehensive evaluation of the employees' perception of success also leads to a stronger link between *3-A-b*. The link *3-A-a* can be viewed as a stronger link, then *3-A-b*, since the subjective measures both provide a measure according to the definition of success, *3*, and the purpose, *a*.

Figure 5.4. None of the evaluations related to this definition of success, *4*, have had an improved management as primary focus. Instead, methods providing indirect measure of the definition have been applied, resulting that none of *4-A*, *4-B* or *4-C* are strongly linked. As the assessment of the employees' perception of the success has allowed the respondents to provide improvement areas, development of the model is possible and *C-a* is therefore connected. The assessment of the use of the model, *B*, and achievement of the objectives of the implementation, *A*, do not have this association, as they do not provide direct evidence of what to develop. Consequently, there is no alignment through the entire figure.

Figure 5.5. A strong link can easily be derived through the figure *5-A-a*. *A* has in this case practically been carried out by assessing the employees' perceptions of the fulfilment. This means that even though the evaluation focus on the fulfilment of the objective of the implementation, the measure still contained a subjective assessment.



As an appropriate way to evaluate whether relevant information has been achieved can be through an assessment of subjective opinions the subjective element in this evaluation can be motivated and thus, enhance the link through figure 5.

Figure 5.6. The link *6-A* can be perceived as weak as a subjective assessment whether success is attained does not provide any information of the overview of the organisation. Nevertheless, it can give information relevant for continual use, making *A-a* strong. Thus, the alignment *6-A-a* contains certain weaknesses. *6-B* however can be considered strong as the identification of variables indicative of success, *B*, can provide a result in accordance to the definition of success. The link *B-b* is also strong as an evaluation focusing on variables from the operational activity can give light to an improved fulfilment of the operational goals. Thus, the alignment *6-B-b* is overall strong.



6 Discussion and conclusion

Based on our analysis, this chapter will provide a discussion relating to our findings. As this thesis investigates how and why organisations evaluate their MAI, a discussion will be held regarding these questions. Furthermore, our conclusions will be presented followed by limitations and suggestions of further research.

6.1 Discussion and conclusions

As indicated in the first chapter this thesis ambition is to provide knowledge about how organisations define and measure the notion of success. It is thus the aim to answer to *how and why organisations measure the success of their use of the Balanced scorecard* and more specifically how they define the success of the BSC, which methods they use, why these methods are used and why the evaluations are carried out.

The analysis of the links between definition of success, method of evaluation and purpose of the evaluation shows that these in many cases are vague or indirect connected. It appears that the organisations to a large extent perform their evaluation by an indirect method instead of evaluating the actual actions related to their success definition. Thus, the method of evaluation does not appear to be aligned with the organisation's definition of success, instead, the choice of method seems to be made based on other criteria. Moreover is the definition of success to a large extent shown to be individual for each organisation. Despite this individuality the stated definitions are in general shown to be associated with the model's capacity to simplify the management in the organisations.

Our findings show that only four of the methods of evaluation developed in earlier research were applied in practice. Three methods were thus not used, these included: financial benefits, improvement of information and use of information. The financial performance resulting from the use of BSC was not considered by the organisations, meaning that no actual investigation of the payoff relative to the cost of using the system has been made by any of the organisations. This is unexpected, since a verification of this sort can be of large interest for the continual use and has a clear connection to the BSC as an MAI. Furthermore, the method of evaluation concerning the use of information in decision making and has not been applied, nor has potential behaviour changes been evaluated. This indicates that the organisations have not at all considered the materiality (Dopuch, 1993) when performing their evaluations and that it



thus has been of little interest to evaluate how the BSC affects decisions and actions performed by the users.

A further observation is that the definitions of success and evaluations to a very small extent have focused on the organisations' external achievements. None of the organisations stated client satisfaction as an important factor to evaluate and neither was improvement in competitive advantages or key success factors considered. As the BSC is developed to be a tool for strategic management (Kaplan & Norton, 1992, 1993), an alignment with these factors can be expected to be of interest for the organisations. As a result of these findings it is surprising to observe that out of the perspectives included in the studied organisation's BSC, only the employee perspective has been shown to be subject of evaluation. This indicates furthermore that the evaluations are of narrow focus and that the choice of evaluation method often lacks careful consideration of what actually is to be evaluated and what effects that actually is desired from the MAI.

One reason for the stated failure in alignment between definition of success and method of evaluation can be the practical complexity associated with certain methods of evaluation. This complexity can also explain why the subjective measures of success have been so frequently used, acknowledging that this method is both cost effective and relatively easy to apply. A potential reason for the infrequent use of financial measures can again be associated with the complexity of the measuring. However, the complexity here refers to the issue of measuring in absolute terms and to distinguish improvements purely attributable to the MAI.

Furthermore, as earlier stated, the purpose of evaluation is to a large extent not linked to the method of evaluation. Though, the major reason behind the initiative to perform an evaluation was the desire to develop the application of the model and to eliminate its potential imperfections. This is surprising, as the method of evaluation in some cases do not give the possibility to identify where development is needed.

These conclusions suggest that the overall impact of the BSC in the organisations is not carefully considered when evaluations are carried out. Factors, such as external achievement, financial improvement or materiality are not at all evaluated. It is instead shown that the evaluations in many cases are based on employees' perception of success. These findings are of interest for both organisations and for research. For organisations, the findings suggest a need of a broader view when using and evaluating the BSC. A further consideration of the actual effects of the use of the system gives the organisation more relevant information regarding the application of the model. For research, our findings confirm that the notion of success is of complex nature, which consequently gave rise to the individual definitions among the organisations. The finding that the organisations' evaluations do not consider all aspects of the BSC nor connect to definition of success or purpose of evaluation, contribute to the



literature by giving larger understanding to the organisations' reasoning when evaluating the use of their BSC.

6.2 Limitations

The first limitation to acknowledge is that our study only includes six organisations. This limited amount of respondents is important to consider in order to avoid biased conclusions when making generalisations.

Secondly, the organisations are asked to provide their individual perception of success. This should be considered when analysing connections between organisations.

6.3 Further research

During the process of this study, we have identified some areas that would be of interest for further research;

- (a) As mentioned, the number of respondents in this study is limited. A further study with additional respondents can give an additional width to the study and thus provide larger understanding to the evaluation process.
- (b) This thesis has found that some organisations apply more than one definition of success, method of evaluation and purposes of evaluation. Further research, investigating the nature of these "sets" can provide a larger understanding in this domain and therefore be of interest.
- (c) It is not in this study distinguished any differences between private and public sector. This could however be an interesting approach in order to better understand differences in practice between the two sectors.



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Logotype

University of Gothenburg, School of Business, Economics and Law

http://www.handels.gu.se/om_handelshogskolan/logotyp/ 2013-05-29



8 Appendix

8.1 Interviewed organisations

Organisation	Respondent	Position	Date
City of Gothenburg	Pia Borg	Project manager	2013-05-02
Municipality of Lidköping	Carolina Espling & Kurth Johansson	Quality manager & Representative at evaluation	2013-05-07
Ericsson	Tomas Svanfeldt	BSC coordinator	2013-05-16
Region Västra Götaland	Sara Armander	BSC responsible	2013-05-16
Balanced Scorecard Collaborative (employed by Region of Västra Götaland)	Carl-Fredrik Helgegren	Consultant	2013-05-21
Nordea	Anders Benteby	Group Planner Controller	2013-05-17
Swedbank	Kristina Åberg	Controller	2013-05-20



8.2 Interview template

Intervjufrågor

Bakgrund

- När började ni använda BSC?
- Varför valde ni att använda BSC? Vad ville ni uppnå?
- Hur är ert BSC utformat?
- Vad använder ni styrkortet till?
- Hade ni motstånd i organisationen i förändringen?
- Vad är din position i användandet och utvärderingen av styrkortet?

Framgångsdefinition

- När ni utvärderat styrkortet, vad anser ni då är ett bra resultat?
- Har ni en formulerad definition på vad en framgångsrik styrmodell är?

Utvärderingsmetod

Hur har ni utvärderat ert BSC? Hur har ni säkerställt att BSC är bra för er?

- Vilka inkluderades i utvärderingen?
- Har utvärdering skett som helhet eller efter olika steg i implementeringen?
- Vilka effekter av BSC identifierade ni under utvärderingen?

Varför denna metod valts

- Varför gjorde ni på just detta sätt?
- Vet ni några andra sätt att utvärdera på?
Om ja- varför användes inte dessa i utvärderingen?
- Vad ville ni uppnå med utvärderingen?

Användning av utvärdering

- Hur har ni använt er av det resultat ni fått av utvärderingen?
- Till vilken nytta har den varit för er?