The balanced scorecard
at Skellefteå municipality

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Acknowledgement
A number of people made this thesis possible and deserve to be acknowledged. First of all, we wish to extend our greatest gratitude to our contact in Skellefteå municipality, AnnaCarin Forsberg, who gave us the opportunity to conduct a study on their behalf and provided us with an insight in the organization management. In the process of completing the thesis we have received immense support from our supervisor at the department of business and administration, Catherine Lions, who volunteered to take us under her wings and guide us in her area of expertise management accounting, even though she did not intend to supervise any theses this semester. Of course, we would also like to thank our eleven respondents who took time to meet us despite busy schedules and presented us to a very customer/citizens-minded organization; Britta Adolfsson Fahlgren, Hans Andersson, Torbjörn Boman, Leif Gustafsson, Helena Markgren, Jan Midlert, David Nyberg, Mikael Olofsson, Bo Siegwan, Johan Stålnacke and Göran Åström. Finally we would like to thank Boel Elmroth and Eva Isander at External relations (ENS) for simplifying our work by providing us with useful equipment. Thank you.

Umeå, January 2009
Elin Lindberg & Sara N Schönfeldt
Abstract

The concept of the balanced scorecard was introduced by Harvard professors Robert S. Kaplan and David P. Norton in 1992 when organizations realized that it was no longer sustainable to focus only on financial objectives in order to stay competitive. The balanced scorecard was traditionally developed for use in for-profit organizations but with its fundamental idea that the financial perspective does not always cover what is most important, it has also been implemented in non-profit organizations where profit maximization is not the main objective. Although the balanced scorecard is presented to be an effective management system for survival in a more challenging and competing environment it has also been strongly criticized by several authors as well as organization that have unsuccessfully implemented it. Empirical studies evaluating this relatively new management control system are still rather limited, especially in non-profit organization which made us eager to look deeper into the effects of using the balanced scorecard and we identified a research problem;

*Is the balanced scorecard an effective management system that improves the performance of a local public administration in Northern Sweden?*

For this study we identified our alignment toward the positivistic scientific ideal. We have further chosen a deductive approach as the already existing theory of the balanced scorecard is the base of our research. We have used a qualitative research strategy where our empirics are based upon eleven semi-structured interviews with leaders in Skellefteå municipality where they have given their perception of the balanced scorecard and its influence on the organization management. Our main purpose has been to evaluate whether the usage of the balanced scorecard is improving the performance of Skellefteå municipality. In the process of evaluating our results it has been made evident that the management system is perceived as performance increasing even though areas of improvements do exists. One example of improvement could be to develop an IT-tool to facilitate the reporting of the balanced scorecard as it is at present experienced as a very time consuming process since it is manually completed. Skellefteå municipality has put a lot of time and effort on the implementation of the balanced scorecard as well as on developing suitable perspectives and objectives for the management system. Furthermore, the municipality has emphasized the importance of communicating and follows up processes to improve the quality of the system. This careful implementation and utilization is something that has lead to a balanced scorecard that increases the performance of Skellefteå municipality.

**Key words:** balanced scorecard, performance, non-profit organization, Skellefteå municipality, management system.
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1. Introducing the research

1.1 Background

“Nothing endures but change”
(Heraclitus of Ephesus)

Over the last twenty years breakthrough technologies has made the world a smaller place. All major cities are now interlinked and globalization has encapsulated the idea that we all live in the same place. The opening of new markets in combination with deregulated exchange markets offers new growth possibilities but also leads to a growing competitive environment. Our world of today is constantly subject to change. Given this it is crucial for an organization to be flexible and proactive to the changes in its surrounding in order to stay competitive. (Darwin et.al 2001)

With the increased competition it has become more important for organizations to present products that the market really desires. The customer will no longer settle for the next best product and there has been a shift from price orientation to quality orientation and thus the concept of customer value is crucial. (Kaplan & Norton 2001b) The traditional financial performance measures worked well during the industrial era but are not skilled enough to keep up with the compliances that organizations strive to master at present. As both organizations and their environments have become more complex it is no longer sustainable to focus only on financial objectives in order to stay competitive. The financial performance measure has been developed to also consider the managerial aspect on how to build different perspectives in order to form and maintain a successful organization. (Kaplan & Norton 1992:71)

Performance management is originally both a human resource management process and an accounting tool, which has increased in popularity since the 1980’s. Performance management consists of getting the best performance from an organization’s individuals and teams and from the organization as a whole. In effective performance management there is a shared understanding of what needs to be achieved in order to further manage and develop people’s competences in a way that enables such shared objectives to be achieved. (Dransfield 2000:69)

Harvard professors Robert S. Kaplan and David P. Norton first introduced the balanced scorecard in 1992. The balanced scorecard is a concept in performance management that provides the organization with the possibility to take different perspectives into consideration when making management decisions. By doing so an organization applying the balanced scorecard subjects a greater variation of information to themselves than those only applying financial measures. (Kaplan & Norton 1992:71f) Thus advocates of the balanced scorecard argue that it enables the organization to improve its performance since the concept visualizes a larger foundation of information from which decisions are made (Blocher et al. 2005:16).

The balanced scorecard has been frequently implemented in organizations since its introduction on the market. Even though the concept was traditionally developed for use in for-profit organizations it has also been implemented in non-profit organizations especially during the last years.
Since public organizations often have several different objectives to achieve they are also in need of a more overall government. One of the fundamental ideas of the balanced scorecard is that the financial measures do not always cover what is most important, which is why it is useful within organizations where profit maximization is not the main objective. Municipalities, hospitals and sport associations are examples of organizations applying the concept of the balanced scorecard. (Kaplan and Norton 1996) A public organization that has implemented the balanced scorecard is Skellefteå municipality.

Our opinion so far is that the balanced scorecard seems to be an effective management system for survival in a more challenging and competing environment. However, it has been strongly criticized by other authors as well as organizations that have unsuccessfully implemented the balanced scorecard. According to Wenish (2004) the empirical studies of the system are still rather limited and little attention has yet been paid to whether the implementation actually leads to the favorable results that Kaplan and Norton presents.

Implementing the balanced scorecard is a rather time consuming process and research evaluating the control system has just started to appear. The lack of previous studies, especially in non-profit public organization is what made us eager to look deeper into the effects of using the balanced scorecard when we were given the opportunity to conduct a case study of Skellefteå municipality. Skellefteå municipality implemented the balanced scorecard in 2005 and we were asked to investigate how the balanced scorecard has improved the performance of the municipality.

1.2 Research problem
How is the balanced scorecard an effective management system that improves the performance of a local public administration in Northern Sweden?

1.3 Purpose
The purpose of this study is to evaluate how the usage of the balanced scorecard is improving the performance of Skellefteå municipality. We would though like to clarify that our purpose is conceptual in that matter that we wish to assess the usefulness of the balanced scorecard as a management system and not only the specific scorecard of Skellefteå municipality.

In order to fulfill the purpose of the study we aim to pursuit the following:

1. Analyze if there are differences between before and after the implementation of the balanced scorecard in the management of Skellefteå municipality.

2. Identify positive and negative aspects of the balanced scorecard in Skellefteå municipality.

3. Analyze the necessary adaption of the four perspectives of the balanced scorecard for a non-profit organization.
1.4 Delimitations
In this thesis we have chosen to focus on the effectiveness of the balanced scorecard as a management control system after its implementation. In other words, we seek to evaluate the performance of the organization where the balanced scorecard has already been implemented. We have delimited our research to include one single case study in the public sector in Sweden partly because of practical reasons as we have a limited amount of time, and partly because we believe that our focus on one single organization will yield a more throughout analysis. Due to practical reasons we had to delimit our research geographically, however, we believe that the knowledge can be transferred to other local public administration in Northern Sweden or other parts of Sweden for that matter. Although there is a lack of international dimension in our study we also believe that the knowledge can be helpful for similar organizations, both in Sweden and abroad, especially in countries with a similar structure and decentralized powers and function at the level of the municipality. This knowledge could possibly be transferred to any of the twin towns in Europe and in China (Skellefteå municipality official website 2008) that Skellefteå municipality has developed international cooperation with. The cooperation contains the exchange of experiences through different projects and the positive effects of a management control system could very well be an experience for others to learn from.

1.5 Choice of topic
We are both students of the International Business Program and even though both of us are majoring in business and administration one of us is currently specializing in accounting and the other in management. In an attempt to combine these two specializations we decided to write our thesis within management accounting. We were introduced to the balanced scorecard as a strategic system of management accounting by our director of studies, Margareta Gällstedt, and as we found the topic very interesting and up to date we decided to challenge ourselves by focusing our thesis on it even though we had little knowledge of the area. We believe that it is an important quality to be able to work outside one’s regular framework, and we see this thesis both as a challenge and an opportunity to profound our knowledge in more than one field.

The balanced scorecard was first developed to serve for-profit organizations and was later applied in non-profit organizations. We believe that this delay in development will make it more interesting for us to study the concept in a non-profit organization and we are therefore happy that Skellefteå municipality offered us this opportunity to write a thesis on their behalf. This work will allow us to put theoretical knowledge into practical use and get an insight in the organization of Skellefteå municipality.

1.6 Definitions and keywords
A few concepts and keywords that appear throughout this study deserve some additional attention and explanation in order to avoid potential misunderstandings regarding their meaning.

Vision and strategy are concepts that hold a great importance for the theory of the balanced scorecard applied in our study. A vision is commonly referred to as the
guiding, managing and challenging long-term objective for an organization. With that said, the vision is simply describing were an organization wish to see itself be in the future. The ambition is that the vision should be set on a high but still attainable level in order to serve as a motivational aspiration for the employees. A strategy, on the other hand is a plan describing how the organization may achieve its vision. The strategy may, from time to time, be included in directives from the assigners especially when it comes to non-profit organizations. (Kaplan & Norton 2001a:72f)

Another concept worth mentioning is performance. It is recognized that performance is an ambiguous term with many possible definitions. The term does not specify to whom the organization is delivering its so called performance. However, we will begin at an organizational level of analysis and assume that an organization that is performing well is successfully attaining its objectives. In order words, an organization that is effectively implementing an appropriate strategy. With that said it is apparent that more attention will have to be given to the definition of performance from the perspective of relevant stakeholders. (Otely 1999:364)

A relevant stakeholder could possibly be a non-profit organisation. A non-profit organisation is an organisation whose primary objective is to support or actively engage in activities of public or private interest without any commercial or monetary profit purposes. Hence, while profit organisations are subject to competition and need profits in order to maintain and expand its businesses non-profit organisations are not dependent on profit making in the same way. In Sweden are these types of organisations mostly scattered in the public sector and financed by taxes. (Kaplan & Norton 2001a:179f)

One organization in the public sector is the municipality. Sweden consists of 290 municipalities. The municipality is responsible for providing a significant proportion of all public services, such as social services, childcare and preschool, elderly care, planning and building issues and health and environment protection. The municipality has a considerable degree of autonomy and has independent powers of taxation. (Swedish Association of Local Authorities and Regions 2008) In this study we have referred to Skellefteå municipality as a municipality, a non-profit organization and a public organization since in the balanced scorecard theories public organizations, like a municipality, will be categorized as non-profit organizations.

1.7 Disposition
After this introductory chapter, we will continue by giving account for our scientific starting point, our scientific terminus a quo. In chapter three, theoretical materials used in our thesis are conveyed. The theoretical chapter starts by demonstrating the concept of performance and it influence on management accounting, followed by an introduction to the balanced scorecard and a description of the implementation process. Other important aspects of the management tool is further discussed namely; communication, objectives and follow up. By the end of the chapter criticism towards the approach is presented. A methodical chapter is subsequently followed presenting choice of method as well as selection and access to our respondents. Furthermore, critics towards our applied sources are visualized as is the way in which we have chosen to handle our collected material. A preliminary study with our contact person in Skellefteå municipality is later introduced followed by the empirical chapter.
which starts by giving account for Skellefteå municipality, its challenges and choice of management system. This is followed by a presentation of the respondents retrieved from our interviews. In chapter 7, the responses are analyzed and contrasted against the theoretical framework presented earlier. This discussion leads up to the final chapter in which the findings of the study are concluded and future research suggested.
2. Identifying our scientific terminus a quo

In this chapter we as authors and researchers will inform the reader of the scientific ideals and methodological standpoints that we have agreed upon face to face with this research. Our choice of research method will be affected by the way we perceive the world and knowledge. Widerberg (2002) describes how all understanding is based on some sort of preconceptions from our previous experiences. It is important for us as authors and researchers to be aware of these preconceptions and how they affect the outcome of our work.

We will divide the preconceptions into two sub elements. The first which is called first hand preconception consists of our personal perceptions from when we were growing up and from our everyday life. It is followed by the second hand preconception, which is a more research specific understanding.

2.1 First hand preconceptions

We, the authors of this thesis, both grew up in Sweden and more particularly in Umeå. This gives us a common value base in order to understand and classify the world. However, we have slightly different educational background. In upper secondary school Elin took part of the social science program while Sara was a student of the physics program. We believe that these differences has completed each other as Elin has brought a more interpretative, hermeneutic perspective to our research while Sara has brought a more positivistic approach which has strengthened the deductive process of our work.

One aspect that connects our thoughts is that we have both lived and studied abroad during several years. We have in periods from two months to two years worked and studied in Australia, Norway, France, Austria, Germany and Great Britain. We believe that this has provided us with an open mindedness and developed our understanding of different countries and cultures. It has also offered us close up experiences with these countries working cultures, for example how difficult it can be to create a common language at work. We believe that these experiences have facilitated our teamwork and we feel that any differences in our first hand presupposition complete each other in certain aspects of methodological problems and thesis production.

2.2 Second hand preconceptions

Our second hand preconception consists of both similarities and differences just as the previously mentioned first hand preconceptions. We are both students of the International Business Program at Umeå University where we have commonly studied 150 ECTS of business and administration, economics, law, professional English, statistics and economic history. However, we have selected different areas of specialization within business and administration; Sara is studying management and Elin accounting. This provides us with a pluralistic understanding of the economic reality. Furthermore, Elin also has a bachelor degree in Political Science and Sara is currently writing her bachelor thesis in French. These additional studies have further broadened our frames of references and our understanding of research as such.

During our studies we have been evaluated many times so we can understand that it is also important in an organization. In evaluating our individual work through
different examinations we can see whether we are actually learning from our studies, which is important in order to keep the motivation going. Employees also need to be evaluated to ensure that they are developing and contributing to the performance of the organization. At the university we also evaluate the courses to enable improvements or to recognize effective course objectives. Just like our course evaluations the balanced scorecard is somewhat of an evaluation of the work of the organization.

2.3 Perspectives
This study is written from a leadership perspective. Our research considers management control of an organization, how it is conducted and whether it is increasing the performance of the organization. The balanced scorecard model is initiated and developed primary by leaders and we believe that the balanced scorecard is on many counts a leadership process. Leaders are our main source of information, all our primary data are gathered from interviews conducted with highly placed individuals whom are involved in the management of the organization. With this study we wish to contribute with information that can be valuable to other leaders.

2.4 Scientific ideal
A researcher’s perception of scientific research affects how he or she sees the empirical reality. There are two main ideals in the scientific world, the positivistic ideal and the hermeneutic ideal.

2.4.1 The Positivistic ideal
The positivistic ideal originates from the natural science and considers natural science methods applicable to the study of social reality (Bryman & Bell 2003:16f). The natural science has influenced positivism to analyze the physical reality in terms of “cause and effect” or in other words the researcher attempts to find the causal relation and rules. By finding the reason why a physical phenomenon behaves in a certain way (cause), one has given an (causal) explanation to the phenomenon in question (Andersson 1979:28).

The positivistic ideal further asserts that a subject can stay unaffected by the researcher’s values and that the methodology would ensure this (Johansson Lindfors 1993:45). Another aspect that differ the positivism from the hermeneutics is abstraction in relation to what is concrete. In the positivistic ideal knowledge is based on abstractions from the reality (Andersson 1979:44). Since the world is so complex, science must simplify and reduce it by using models and systems (Arbnor & Bjerke 1994:63). The model itself is an abstraction that the researcher uses to analyze a complicated situation in order to describe something that cannot be recovered as perfect in reality. The model is thus a limited replica of the reality that has been idealized. (Andersson 1979:44)

2.4.2 The Hermeneutic ideal
The hermeneutic scientific ideal focuses on interpreting and mediates the inter-subjective significance of actions and lyrics (Johansson Lindfors 1993:40). The concept of “cause and effect”, which is recognized within positivism, is completely strange to the hermeneutic ideal. The hermeneutic ideal does not seek to explain, but to understand. The reason why the hermeneutic ideal find the causal relation far from
being useful is that it reduces the social phenomena to solely physical, which disregard what is specific human (Andersson1974:31).

In contrast to the positivistic ideal, the hermeneutic scientific ideal does not assert that a subject can stay unaffected by the researcher’s values, neither is it desired (Johansson Lindfors 1993:45).

The hermeneutic scientific ideal also differs from the positivistic scientific ideal regarding the objective of universality. In the positivistic ideal as we previously mentioned, the knowledge is based on abstractions from the reality, however, for the hermeneutic scientific ideal it is instead the concrete reality that is central. The social phenomena must be understood on the basis of the entirety that it consists of. (Andersson 1974:31)

2.4.3 Our scientific ideal
We believe that few researchers in social science can count themselves as pure positivists or pure hermeneutics without the smallest amount of influence from the other scientific ideals. We personally feel that it is difficult to make a pure identification of our scientific standpoint but we do think that the positivistic ideal is the right position for us in our research. We see the world around us as complex and it is possible for us to simplify it into models in order to handle and interpret it. This ideal comes natural to us as much of our learning at the university is lectured in forms of models and general theories to create insight in practice. We believe that understanding can come as the researcher handles the practice simplified in a model and that understanding thus is not something that hermeneutics have exclusive rights to. The balanced scorecard is a model that already exists that we have chosen to evaluate, thus the positivistic ideal feel accurate to us in our study. In this study the results have not been deeply interpreted like the hermeneutic scientific ideal indicates. We have instead carried out an analysis of the reality with support from accepted theories in order to show tendencies. Although we identify our scientific standpoint to lean more towards the positivistic scientific ideal we are aware that this is a study in the softer social science and thus the results cannot be as strictly defined as in the natural science. In this study we will assess the balanced scorecard model but as our study is part of the social science the assessment will be softer.

Regarding our scientific ideal the authors’ preconceptions are of less importance as they should not influence the study. However, we have chosen to describe our preconceptions in order to offer the reader the possibility to create his or her own opinion on whether our preconceptions have affected this study.

2.5 Scientific approach
The two main scientific approaches to the building and testing of theories against the empirical reality are the deductive and the inductive approach. Both approaches represent the view of nature of the relationship between theory and research. In a deductive approach the accent is placed on the testing of theories. The researcher begins with the theoretical framework in order to deduct a hypothesis that will be subjected to empirical reality. In an inductive approach the emphasis is placed on the generation of theory. Theory is the outcome of the process of induction where the researcher draws generalizable conclusions out of observations. (Bryman&Bell 2007:11ff)
In this study we identified the deductive approach as the most appropriate considered that we formulated our research problem from the already existing theory of the balanced scorecard. Our purpose with this study was to evaluate whether the balanced scorecard has improved the performance of Skellefteå municipality. The theoretical framework, thus the balanced scorecard model provided us with a general understanding of the effects of the balanced scorecard and we wanted to confront the theory with the empirical reality of Skellefteå municipality in order to reject or verify the theory.
3. Framing the theory

This theoretical chapter is divided into eight different sections. First performance and its impact on management accounting research are discussed and then the concept of the balanced scorecard is introduced. This is followed by more detailed information concerning the balanced scorecard, the implementation process, the way in which the concept of the balanced scorecard is communicated within organizations as well as how objectives are set and the follow up processes used within the system is designed. These are all areas of great importance in order for the balanced scorecard to function in a satisfying manner. (Kaplan & Norton 1996)

3.1 Performance

Measurement of the performance of organizations has been of central interest to both managers and management accounting researchers for a long period of time. However, management accounting has had a tendency to restrict itself to only consider financial performance and mainly applying theories drawn from the discipline of economics. (Otely 1999:363)

During the 1980s the relevance of financial measures was widely debated (see for example the discussions in Johnson and Kaplan). Technological and competitive challenges required organizations to reexamine their existing practices which led to the design of new management accounting systems. (Johnson & Kaplan 1987:1ff)

Researchers developed the idea that other perspectives needs to be taken into account as well and that financial return to shareholders is merely a consequence of other actions, which also must be measured. Their approach was simply that the reliance on only financial measures is hindering organization’s abilities to create future economic value. (Kaplan & Norton 2007:150)

Two of the most influential scholars on the area; Robert S. Kaplan and David P. Norton illustrated the importance of a development within the management accounting field with an instrument panel in an airplane. If a pilot were to be flying an aircraft with just one functioning instrument on the panel, for example the speedometer, other factors such as height, fuel-level and navigation would be out of control making travelling impossible. According to Kaplan and Norton organizations that only manage their business with financial measures are in fact in the same position as the previously mentioned pilot, with just one active instrument on the panel (Kaplan & Norton 1992: 72).

After about five years of actively discussing within the academic community Kaplan and Norton developed the concept of the balanced scorecard. “The Balanced Scorecard”- Measures That Drive Performance” was published in Harvard Business Review in 1992.

3.2 The balanced scorecard

The use of the balanced scorecard is a way of translating an organization’s vision and strategy into a comprehensive set of performance measures, providing the framework needed for a strategic measurement and management system. It gives feedback around both the internal business processes and external outcomes in order to improve results and the strategic performance. Thus, recognizing the weaknesses and vagueness of previous management approaches the balance
scorecard provides a clear prescription as to what organizations should measure in order to “balance” the financial perspective. The objective is to develop metrics, collect data and analyze it relative to each of these perspectives. (Kaplan & Norton 1996)

The balanced scorecard incorporates feedback around internal business process outputs as well as adding a feedback loop around the outcomes of business strategies. This is something that creates a “double-loop feedback” process in the balanced scorecard. Hence, the balanced scorecard facilitates for an organization to strive towards common objectives and creates a sense of belonging since it enables individual employees to visualize their own contribution to the achievement of the vision. (Kaplan & Norton 1996)

### 3.3 The perspectives

The balanced scorecard allows managers to look at the business from four perspectives, the customer-, the internal-, the learning- as well as the financial perspective as can be seen in figure 1. Altogether, the balanced scorecard translates vision and strategy into objectives and measures across these balanced sets of perspectives. By doing so, the balanced scorecard includes measures of desired outcomes as well as processes that will drive desired outcomes of the future. (Kaplan & Norton 1992:72ff)
3.3.1 The financial perspective

Even though Kaplan and Norton argue that the current emphasis on financial measures leads to “unbalanced” situations with regard to other perspectives they do not disregard the traditional need for financial data. The financial perspective is valuable when it comes to measuring the readily measurable economic consequences of actions already taken. This measure indicates whether or not an organization’s strategy is contributing to financial improvement. Financial objectives are typically related to profitability-measures as, for example operating income, return on capital and cash flow. (Kaplan & Norton 1992:77ff)

3.3.2 The customer perspective

The customer perspective aims for managers to identify the customer and market segments in which the business unit will compete and the measures of the business unit’s performance in these segments. What this perspective typically includes is core or genetic measures of the outcomes from well-formulated and implemented strategy. This perspective stresses the importance of customer focus and customer satisfaction in any business. Poor performance from this perspective could thus be a leading indicator of future decline even though the current financial picture may look good. The customer perspective enables business managers to articulate the customer and market-based strategy that will deliver superior future financial returns. The customer perspective includes measures as, for example, customer satisfaction. (Kaplan & Norton 1996: 47ff)
3.3.3 The internal business perspective
The internal business perspectives identify the critical internal processes in which the organization must perform well. By doing so, these processes enable the business to deliver the value propositions that will attract and retain customers and satisfy shareholder expectations of financial returns. This approach focuses on the internal process that will have the greatest impact on customer satisfaction and achieving the financial objectives of the organization. Metrics based on this perspective allow managers to examine how successfully their businesses are running and whether or not their products and services conform to what the customers require. Measures included in the internal business perspective are those of, for example, productivity and speed. (Kaplan & Norton 1996:92ff)

3.3.4 The learning and growth perspective
The final perspective of the balanced scorecard, learning and growth, identifies what the organization must build to create long-term growth and improvements. This perspective simply identifies the factors that are most critical for current and future success. Growth and organizational learning comes from three main sources, people, systems and organizational procedures. This perspective includes such measures as, for example, employee training hours. (Kaplan & Norton 1996:126ff)

3.3.5 The relation between the perspectives
The logic of the balanced scorecard is that learning and growth capacity improves internal processes. Improved internal processes in turn improve customer value. Improved customer value improves financial results and improved financial results give cash flow to invest in learning and growth. In order to create value these perspectives should be connected in a virtuous cycle (as illustrated in fig.1). (Kaplan & Norton 2007:150)

3.3.6 Non-profit organizations
The previously mentioned way of reasoning is not directly applicable on non-profit organisations. According to Kaplan and Norton, however, the balance scorecard can be applied to state and municipality activity as well. In order for the balanced scorecard to suit a non-profit organization there is a need to adapt the perspectives. (Kaplan & Norton 2001a:179ff) For a foreseeable picture of the difference between the balanced scorecards in a for-profit vs. non-profit organization, please see figure 2.

The main objective for a non-profit organization is not an increased revenue but to perform specific services. While profit organisations focuses on certain means to achieve financial objectives the finances is only a mean for the non-profit organisations to achieve certain effects in the society. With that said, finances in form of resources to the organisation are obviously of importance and because of that a finical- or recourse focus is included. (Jonsson 2000)

Norton and Kaplan points out that the financial perspective of the balanced scorecard could be recognized as an obstacle for the municipality since expenses within the budget not necessarily defines successful and effective actions. The citizens of a municipality could be disregarded without being detected by the balanced scorecard, thus the success of municipalities should be related to the satisfaction of citizen need. (Kaplan & Norton 2001a)
The customer perspective in a municipality is more complicated because these types of organisations have a variety of relationships, which are not only customer oriented. It could be, for example, a relationship with clients, visitors, patients, and students or, as is the case of Skellefteå municipality all of its citizens. (Jonsson 2000)

In Sweden it is also common both for private and public organizations to dedicate an own perspective to co-workers even though it is not part of the core model. This could be due to the fact that Sweden traditionally has had a stronger emphasize on the wellbeing and the empowerment of the personnel than in the US where the model was developed. (Jonsson 2000:30)

3.4 Implementation
The implementation process of the balanced scorecard is a top-down process meaning that the initiative is taken by the management. The management then creates a general scorecard which is broken down for each sub unit (in this case administration). Hence, several scorecards can exist within the same organization and it is even possible to provide each employee with an individual scorecard. This way of conducting the implementation process aims at maintaining a strong bond between vision and strategy. (Hallegårde & Johansson 1999:74) The development of the balanced scorecard requires that the objectives and strategies of the organization are detailed and that the system is developed in such way that it complies. That is why, when developing a balanced scorecard attention should be paid to clearly defining the management vision. (Sioncze 2005: 1026) The idea behind the concept is that the organization shall define a number of critical success factors that are crucial in order to achieve the vision. What the critical success factors are telling us is crucial for the organization’s success.
By focusing on what kind of core activities that the organization must be flourishing in to achieve its vision. Even though many factors are important not all of them may be classified as crucial. Making a cause-and-effect diagram that is designed to present how the critical success factors are in fact affecting one another may reduce the number of critical success factors, contributing to the strategy. (Hallegårde & Johansson 1999)

The figure to the left describes seven steps for implementing the balanced scorecard. The first four steps involve a definition of the scorecard, the process of breaking down the vision into strategies, critical success factors, perspectives and objectives. In step five the scorecard is evaluated and in step six measures for planning and follow up are introduced. Finally, in step seven a follow up routine is created with the intention of making the balanced scorecard well functioning instrument within the organization. (Hallegårde & Johansson 1999: 18)

3.5 Communication

Kaplan and Norton (1996) state that “by articulating the outcomes the organization desires as well as the drivers of those outcomes (by using the balanced scorecard), senior executives can channel the energies, the abilities, and the specific knowledge held by people throughout the organization towards achieving the business’s long term goals” (Malina & Selto 2001:49f). Thus, Kaplan and Norton assert that the balanced scorecard embody or help to create organizational strategy and knowledge. Communication failure is an important cause of poor organizational performance. Because no organization’s knowledge exists apart from or succeeds without its key human actors, the ability to effectively communicate can by itself be a source of competitive advantages. (Malina & Selto 2001:50)

A management system does not appear instantaneously. Because of its scope, complexity, and impact it must be gradually implemented over time. This approach is according to Kaplan & Norton preferable since, as each element of the system is changed, the management has an opportunity to unfreeze the organization from its previous processes and send a message about the new process. If each change is linked to a consistent message, for example a new strategy for the organization,
each transformation reinforces and builds upon the previous one. When the balanced scorecard is used as the central organization framework for the new management system, all the changes can be consistent and coherent. (Kaplan & Norton 1996:276)

According to Olve et al. (2003), it is crucial to communicate so that everyone within the organization is working towards the same vision. The individual is the final link to connecting the strategy and vision to day to day operations and with that create an understanding of how daily work can contribute to the organization’s vision.

Figure 4 shows how the organization’s vision paints a picture of the future direction of the organization and helps individuals understand why and in what way they can support the organization. The strategy is developed and evolves over time to adjust to the changing conditions of the real world. Communication is thus central for the balanced scorecard to reach all levels in the organization. It is also crucial for the organization in order to be able to successfully adjust to new circumstances. (Kaplan & Norton 2001a:73)

3.6 Objectives

Objectives must be formulized for the different perspectives and it is important to adjust the objectives so that there is a clear connection between the objectives and the vision, mission and overall strategies with the management tool. By applying different measures to fulfil the objectives the activities of the organization will be adjusted to strive towards the vision. The setting of the objectives should be a creative process involving both leaders and employees. This process is important as it brings increased awareness to the participating employees over how an administration becomes effective and successful. (Ericsson & Gripne 2004:34ff)

An organization should have at least one objective for each critical success factor in order to know whether or not it is successful. However the amount of objectives should not be more than five since it then would be hard to see the forest for all the trees. (Hallgårde & Johansson 1999:39 Which objectives that a municipality and its administrations choose to set depends of course on which activities that the municipality runs and its vision.

![Fig. 4: Modified version of translating the vision into objectives based on Kaplan & Norton 2001a:73.](image-url)
3.7 Follow-up

The content of the balanced scorecard must continuously be updated and questioned. With the changes in the external environment it is not certain that the critical success factors that were applied by lunch are up to date at the coffee break in the afternoon. The structure of the scorecard should be used in the follow up which would bring follow up information from the different perspectives. The core of this information is the results from the different measures in relation to the chosen objectives. The responsibility to compile the follow up can be delegated to different sections of the organization. If the responsibility is centralized it could rest on an IT-function, a financial department or a controller-function. It must also be taken into consideration who will receive the follow up. Is it only for the managers or for all employees? (Jonsson 2004:59f)

It is important to communicate the follow up of the balanced scorecard. If the follow up should only be a source of information for the managers then it could be enough to present the results to them but if the follow up is thought to have a guiding effect on the employees in question then the information should be presented to them to reflect upon. A continuous dialog in the organization is recommended in order to discuss the performance and engage the employees. In general there is an interest for an organization to conduct a dialogue over the results of the organization whether the dialogue is limited to only managers or if it is for all employees concerned. (Jonsson 2004:60f)

How often the measures of the balanced scorecard are conducted varies depending on what is measured. For example financial measures could be followed up every month while a customer measure could be followed up once a year or even more seldom. One of the reasons for this could be that the financial measures have a system that delivers results every month while customer and other similar measures lack the routines and are rather single efforts. (Jonsson 2000:16 60ff)

3.8 Criticism

When it comes to criticism towards the balanced scorecard we have not found any specific critic concerning non-profit organizations or municipalities in particular. All critics available seem to apply to all types of organizations, for-profit and non-profit organizations alike.

According to the researchers Anthony & Govindarajan (2007), implementing the balanced scorecard is usually a rather complex procedure. The process between decision making and the actual implementation of the scorecard in an organization is considered far more complicated than described by Kaplan & Norton. Furthermore, Anthony & Govindarajan question if a relationship between the non financial measures and the result in the balanced scorecard really exists, meaning that it is not safe to conclude that the non financial measures do have an impact on the final result (Anthony & Govindarajan 2007:469). This is partly the purpose with our case study of Skellefteå municipality. Based on the empirical results from our research we wish to be able to verify or reject this argument.
David Otely (1999) presents another criticism towards the approach arguing that the literature written on the subject does not take into account how to practically set the objectives for the different measures within the management system. According to Otley, the objectives are of central importance for the concept of the scorecard and the fact that this is not mentioned in existing publications makes the material insufficient. Further, Otely states that the balanced scorecard is a dynamic management system and that its content will change as time is passing by. Hence, as the organizations renew and develop their strategies the balanced scorecard will change as well. He states that even though literature written on the subject confirms that transformations are likely to take place there is not sufficient guidance available on, for example, how to modify the scorecard to better fit a reorganized organization. Otely also criticises the fact that the balanced scorecard is designed to function as the only control function within an organization and claims that the system is dependent on other traditional measurement systems, since it is unable to function on its own.

Another criticism of balanced scorecard is that is has problems with some of its key assumptions and relationships and is described by Hanne Nørreklit (2000) in the article “The balance on the balanced scorecard- a critical analysis of some of its assumptions”. Nørreklit states that there is not a casual but logical relationship among the areas analysed which makes the balanced scorecard concluding invalid assumptions leading to faulty performance indicators. Nørreklit argues that customer satisfaction does not necessary yield good financial results. Moreover, the process of measuring financial consequences of increased customer satisfaction or quality improvements requires a financial calculus. Chains of action, which yield a high level of customer value at low cost lead to good financial results. This is not a question of causality, since it is inherited in the concepts and that is also why the balanced scorecard makes invalid assumptions.(Nørreklit 2000:82) Nørreklit argues that the management tool does not take the perception of time into consideration when cause and effect is measured. She states that the causal relation between cause and effect is measured at the same point of time without considering that the different effects take different amount of time to present themselves. Nørreklit further criticizes the balanced scorecard for being too much of a “top-down” tool. Nørreklit argues that this structure may lead to the management control system not being accepted at the lower levels within the organization. (Nørreklit 2000)

Zimmerman (2006) presents another criticism by describing the US retail banking operations of leading international financial services provider that adopted the balanced scorecard in 1995 just to abandon it two years later. The reason why is that branch managers applying the balanced scorecard, unlike those using the earlier formula based bonus systems, receive subjective performance measures. According to Zimmerman and McGraw statistic analysis has concluded that the subjectivity is, in fact, allowing supervisors to ignore many performance measures, change criteria’s from quarter to quarter, ignore measures that predicted future financial performance, and weight measures that were not predictive of desired results. These surveys further reveal that that the scorecard brought little change to the branch managers’ understanding of the firm’s strategic goal or the connection to the manager’s actions. According to one of the respondent’s in this survey the subjective performance measures create a situation in which “favouritism comes into play”. However what is also mentioned in the literature is that one must be careful not to generalize the results. What is clear from the study is the close linkage between performance
evaluation and performance reward and it is not possible to determine which piece that did in fact cause the failure. (Zimmerman 2006)

### 3.9 Previous research

In September 2005 Öhrlings Pricewaterhouse Cooper conducted a perusal of Skellefteå municipality’s balanced scorecard. The purpose of the perusal was to estimate whether the balanced scorecard had been implemented in an appropriate and satisfying manner. The perusal was limited to estimate how the Muncipality Administration Department and the administrations’ executives worked with the implementation of the scorecard. (Lundberg 2005)

The Election committee sets the objectives and the critical success factors of the balanced scorecard of the Municipal Executive Committee. It is then the responsibility of each committee and company to break down the overall political objectives in order to better suit their specific activity. The perusal indicates that the committees and the Executive Committee are experienced as more involved in the objectives of the organization. Concerning the objectives used, the research confirms that some Committees in Skellefteå municipality have not set objectives for all perspectives as they are not responsible for that area. An example of this could be the co-worker perspective where personnel belong to another Committee’s administration. All scorecards should be reported to ensure that each administration and company follow the critical success factors set by the Election Committee. The homogenous reporting and follow up structure are perceived to enable an increased dialogue in the organization. (Lundberg 2005)

The previous empirical research shows that it varies among the administrations how far they have proceeded in the implementation process. Lundberg experience that one crucial influence to implement change is the commitment of the managers in the different levels of the organization. The concrete recommendation that Öhrlings Pricewaterhouse Cooper have presented to Skellefteå municipality was:

- To offer support to the larger administration to implement the scorecard in the whole organization.
- To make sure that the management of the different levels of the organization truly work actively for the new management tool and receive the support needed in the implementation of change.
- To continue to develop the balanced scorecard and to forward the good examples in the organization.
4. Practicing the method
The following chapter outlines our chosen methodological approach, descriptions on how the studied has been carried out as well as criticism to our applied sources. The first section considers our methodological choice; the qualitative method.

4.1 Qualitative method
According to Bryman (2005) there are two main research methods in order to gather data, the quantitative and the qualitative. Quantitative research accentuates the quantification in the collection and analysis of data while qualitative research usually emphasizes words and understanding rather than quantification in the collection and analysis of data.

Jacobsen (2002) argues that one of the advantages with the qualitative approach is that the research becomes freer and more nuanced. Bryman (2005) as previously mentioned, further states that a qualitative study focuses a lot on the meaning of words, something that creates a result with a larger depth of explanation compared to if the study was to be set out by quantitative measures. Since our intention is to create a deeper understanding of the effectiveness of the balanced scorecard in terms of increased performance, the qualitative method is a suitable approach. A qualitative research may also with its unstructured nature contribute to the finding of previously unseen hypotheses and perspectives. (Bryman 2005:249f) Hence, as the balanced scorecard is a quite new and complex model we believe that the qualitative method in the form of longer interviews with the respondents would provide us with more in-depth information. Furthermore, in order for us to evaluate the applied management system in Skellefteå municipality there were some important demands on the people we would query. Since the people relevant to our evaluation were rather limited we felt that we could exclude the option of quantitative surveys and that it was possible for us to conduct personal interviews with the respondents in order to gain a deeper knowledge.

4.2 Interviews
The interview is probably the most widely employed method in qualitative research and it is the flexibility of the interview that makes it so attractive. Qualitative interviews tend to respond to the direction in which the respondents take the interview. Furthermore, there is much greater interest in the interviewees’ point of view since rich and detailed answers are wanted to a larger extent. (Bryman & Bell 2007:474)

4.2.1 Selection
Our eleven respondents have been employed in Skellefteå municipality between six and thirty-five years and have therefore been present both before and after the implementation of the balanced scorecard. All of them are currently on a vacancy that includes managerial responsibilities on a high level within the organization. We have interviewed heads of administrations which are the highest manager in each administration and process leaders which are appointed to support the heads of administration with the balanced scorecard. Additional to their responsibility for the balanced scorecard the process leaders also have their regular posts as high positioned managers in the organization. The process leaders have regular meetings and the head of the group, AnnaCarin Forsberg, has been appointed with the main task to support other process leaders in their work.
The respondents are all over thirty-five years of age and have previously held other positions within the municipality. The fact that they are both male and female (two females and nine males) as well as spread between different administrations creates suitable diversity among the members of our sample. (Bryman & Bell 2007:196)

Even though it would be possible for us to conduct interviews with other employees in the municipality, we interviewed heads of administration and process leaders since they are in a position that provides them with an overview of the working processes and they might therefore be able to present us with a broader perspective on the management strategy in Skellefteå municipality. (Bryman & Bell 2007:197) The following figure illustrates the organisation overview and current positions of our respondents.

![Organization Overview Diagram]

Fig. 5: Modified version of the organization overview based on Skellefteå annual report 2007:6.

We have chosen to give our respondents and their administrations anonymity in our empirical study. Hence we refer to them only as respondents 1-11.
The names of the administrations will be referred to in a general manner and cannot be connected with a specific respondent. With that said, the answers provided shall not be viewed as specific for certain administrations but merely as thoughts and reflections of individuals with insight in the management system within Skellefteå municipality.

4.2.2 Access
In order to get physical access to our respondents we have been in contact with the head of the process leaders, AnnaCarin Forsberg, who personally suggested and contacted suitable candidates for our interviews on the basis of our criteria. AnnaCarin emailed a selected group of people and provided us with their contact information. We had direct contact with all of the respondents and everyone agreed to participate. We are aware of the fact that AnnaCarin’s suggestion of respondents could have biased our sample. However, we cannot see the point for her to deliberately bias the sample as Skellefteå municipality is looking for an assessment of their balanced scorecard. It would have been a waste of AnnaCarin’s and all the respondents time if the respondents were selected to only show a super positive attitude towards the balanced scorecard, which the empirical study showed was not the case. The main reason why our respondents were chosen is that we were looking for managers who had experiences from both before and after the implementation. Our sample consists of respondents from various administrations, with a great deal of professional experience and responsibilities used to discussed the concept of the balanced scorecard in different environments. Instead we consider AnnaCarin’s assistance in the sample selection as a valuable asset. Not only do we believe that her actions created greater participation but also that her knowledge of the organisational structure made it possible for us to get in contact with highly qualified individuals with experience from different areas within the organization.

Before we conducted the interviews we emailed the interview guide to our respondents. The reason was that we wanted them to be able to reflect over the questions, have reasonable time to prepare for the upcoming meeting and with that increase their enthusiasm (Fisher 2004: 142). However, one of the respondents chose not to take part of the interview guide in beforehand since he considered himself already adequately knowledgeable of the area and therefore in no need for any preparations. We do not consider this to have had a negative impact on our interviews since we later found him to be very well informed and his contribution to the empirical part rewarding.

4.3 Sources
We are very much depending on what kind of sources we have access to. Usually the amount of sources available are numerous, hence it is crucial to examine their scientific value (Holme & Solvang 1997:137f). The following two sections discuss critics towards our selected primary and secondary sources.

4.3.1 Primary sources
Primary sources refer to firsthand sources collected by the researcher. In order to perform this, different techniques, as for example surveys and interviews, may be used. We have chosen interviews due to the fact that it enables a dialog with the respondents, which is not possible with surveys. (Jacobsen 2002)
We are aware of the fact that the interviewer may affect the answers of the respondents in different ways. For example, there is a constant risk that associations made by the respondents that are based on certain characteristics amongst the researcher, might damage the reliability of the answers. Basically, how the respondent perceives the interview may either improve or hinder the collection of data. Equally problematic is the fact that subjective information could possibly influence the conditions of the interview. (Jacobsen 2002: 168ff)

Since we are conducting the interviews in Sweden with native Swedish-speakers we have chosen to use Swedish as our language of communication. This is mainly due to the fact that we wish to adapt to the respondents’ normal manners and ways of expressing themselves. We have chosen to use the interviews in Swedish as a foundation for our empirical part of the essay, which is translated into English. We are aware of the fact that this could possibly create a language bias mainly because English is not our mother tongue. However, we do believe that it is a rather limited issue for us mainly because we are interested in the meaning of and not the exact wording of, for example, a specific quotation. We are aware of the fact that there are certain words as performance that are problematic to directly translate, but even in this particular case have used the meaning of the term as a way of directing the translation.

4.3.2 Secondary sources

Secondary sources are already collected information presenting how previously conducted studies have handled the same topic. In order to create a theoretical foundation for this thesis we have mainly used secondary sources. First and foremost we have applied Kaplan and Norton’s theory of the balanced scorecard. We have used databases provided by Umeå University in order to localize information on the subject, namely; Business Source Preview, Album and Libris. Keywords used when searching literature and articles have been the following; management accounting, balanced scorecard, performance, non-profit organizations, managerial performance, Kaplan and Norton.

Another category of literature deals with the use of the balanced scorecard in non-profit organisations. These readings are created out of experienced case studies as for example Staffan Johnsson’s work, “styrkortet i praktiken”. In 2005 Öhrlings PricewaterhouseCoopers conducted a review of the implementation of the balanced scorecard in the municipality and Skellefteå municipality carry out a co-worker survey (medarbetarenkätten) every other year. Those evaluations have been available for us in our work.

Research articles have to be examined and approved by two or more independent researchers in order to be published in academic journals. It is in their nature to have a critical approach to other research results, which gives us another way of securing their academic quality. Dissertations are viewed as the foundation of research and are usually highly valued as a reference. The reason for that is basically that the dissertations are subject to academic reviews in the form of seminars, tutorial meetings and finally the disputation. (Fisher 2004:65)

In our applied literature we have carefully evaluated the authors in order to assess the quality of the sources. Parts of the material used in our thesis are also used as course material in Business and Administration on C- and D-level, something that
according to our perspective emphasises its quality, for example Bryman & Bell (2007), Bloch et al. (2005) and Darwin et al. (2001).

Further, there is a final source of possible misunderstanding, the translation from Swedish to English, which has been forced upon us due to the fact that a great part of the literature is only available in Swedish. However, as stated in the above section, we do believe that it is a rather limited issue for us mainly because we are interested in the meaning of and not the exact wording of, for example, a specific theory.

4.4 The gathering of primary data
The following sections describe our process of collecting data, structuring the interview guide, conducting the interviews and finally the handling of the data.

4.4.1 Data collection
The literature written on the subject of methodology provides us with a guideline that explains how we, as researcher, may formulate our interviews. According to Bryman (2005) there is a possibility to differ between structured, non-structured and semi-structured interviews. The last form of interviews refers to those types of dialogues that keep an open approach at the same time as a certain structure is present with the intention of maximizing the reliability and validity. The researcher has under these types of circumstances a list, an interview guide, with specific themes that will be discussed. However, the respondent has the possibility to freely develop the answers in a personal manner.

According to Jacobsen (2002) an interview may be more or less open, which can be seen in figure 6. In some cases the interview is conducted as a normal conversation without any form of direction or limitation from the interviewer. However, under ordinary conditions the interview is normally structured to some extent, for example with a list that states the subjects that will be handled during the consultation (Jacobsen 2002:162). Some critics argue that such a way of pre-structuring the data collection diverges from the previously mentioned ideal of the qualitative method. However, to conduct research without some sort of pre-structuring of the material may create such a complex set of data that it is impossible, or at least extremely difficult to analyse. Further, it is possible to argue that some sort of pre-structuring always is present even though these ways of handling the information may be unaware to the researcher as bias etc. To structure the research in beforehand does not mean that it is impossible to keep an open approach. If anything, it does indicate that certain aspects of the interview may be put into focus. (Jacobsen 2002:163)

![Fig. 6: Modified version over structuring in an interview based on Jacobsen 2002:163.](image-url)
4.4.2 The interview guide

The idea of an interview guide is much less specific than the notion of a structured interview schedule. What is crucial is that the questioning allows interviewers to grasp the ways in which the respondents view their social world and that there is flexibility in the conduct of the interviews (Bryman & Bell 2007:482). When designing the interview guide we started from our research problem, purpose and the theoretical framework developed in our thesis with the intention of receiving responses related to the problem.

The questions of our interview guide are divided into eight different parts, the first with the character of an introduction to our study and with a chance for the respondents to present themselves shortly. This is followed by a group of questions concerning their overall picture of the balanced scorecard and their perceived reasons for its application in the municipality. The different perspectives of the balanced scorecard are later presented and so is the implementation process in order for us to visualise the respondents' knowledge of the area as well as to clarify different approaches in different parts of the organization. The way in which the management system is communicated within the organization and how the objectives are set are further elaborated as is the follow up processes built-in in the system. These are all areas of great importance in order for the balanced scorecard to function in a satisfying manner (Kaplan & Norton 1996). Even though some of the questions allow more room for elaboration, question eight in particular, all parts of our interview guide is crucial for us to get a full picture of the respondents understanding and impression of the balanced scorecard.

4.4.3 Conducting the interviews

As Bryman & Bell describes, a preliminary study can confirm that the questions asked are well functioning and that the interview as a whole generates high-quality results. Furthermore, a preliminary study ensures that the questions are connected to the research problem in a satisfying manner. (Bryman & Bell 2005:191) Hence, we chose to firstly conduct an interview with our contact in Skellefteå municipality, AnnaCarin Forsberg. As AnnaCarin is the person in charge of the process leaders she has the responsibility of making the balance scorecard successful as a management system. We encouraged AnnaCarin to especially consider our vocabulary since we together with our supervisor, had designed the interview guide in English, and wanted to make sure that our translations to Swedish mediated what we intended. After the interview we evaluated the responses according to our theoretical framework and the problem statement. Finally we established that apart from occasionally choices of words, the interview had yielded a satisfying result.

The interviews were personal since they have both the same advantages as telephone interviews plus they provide for the interviewers to observe the surroundings and use nonverbal communication. Personal interviews also have the highest response rates and permit the longest questionnaires. (Neuman 2000:272f) Even though the presence of a second interviewer is unlikely to achieve any added value in the context of interviewing, both of us were present during all interviews in order for us to better be able to work as a team when writing the empirical- and analytical parts of our essay (Bryman & Bell 2007:214). Altogether, we visited
Skellefteå five times during a period of two weeks in order to meet the respondents in their place of work. A high participation rate is an advantage of conducting the interviews in the working places of the respondents, however, it may result in distractions in form of phone calls etc. (Jacobsen 2002: 164f). This was not the case while we conducted our interviews. Instead we experienced the interviews at the working place as positive as we felt that we got an opportunity to get an insight in how work is being done in Skellefteå municipality. As seen in table 1, the interviews lasted between approximately thirty to seventy-five minutes each. We do not believe that the difference in time has an impact on the quality of the answers since we consider it more a matter of knowledge and preparation from the respondent’s side. The interviews were conducted in either a conference room or the personal office of the respondents. The atmosphere was comfortable we felt very welcomed and experienced a genuine interest for the topic of our thesis.

<table>
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<tr>
<th>Date</th>
<th>Time &amp; duration</th>
<th>Vacancy</th>
<th>Place &amp; atmosphere</th>
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<td>Process leader</td>
<td>In a quiet conference room.</td>
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Table 1: Illustration of the details concerning the conducted interviews.

4.4.4 Handling the data

After the approval of our respondents we recorded the interviews digitally. The recordings were transcribed no less than 72 hours after the conducted interview in order for us to remember impressions and other details. According to Bryman & Bell (2007:489) the procedure of recording and transcribing interviews have many advantages. For example, it helps to correct the natural limitations of our memories and of the intuitive glosses that we can place on what people say in interviews. It also allows us to conduct a more thorough examination of what people say as well as it permits repeated examinations of the interviewees’ answers. After we had transcribed the interviews they were immediately emailed to our respondents for
validation. This process enabled for our respondents to confirm that the responses were correctly transcribed and for us to rewrite potential misunderstandings. (Bryman & Bell 2005:308)
5. Preliminary study

AnnaCarin Forsberg is the head of the process leaders, meaning that she has the main responsibility of all work involving the balanced scorecard in Skellefteå municipality. AnnaCarin was our contact person when we started out with this research and our link to the municipality. Since AnnaCarin had given us the opportunity to evaluate the use of the balanced scorecard on the behalf of Skellefteå municipality we decided to interview her separately in order to get her inputs before conducting our empirical study.

AnnaCarin has worked as controller at the financial department in Skellefteå municipality for more than four years. When AnnaCarin first came to the municipality, the implementation process of the balanced scorecard had just started and the heads of the administration and other managers within the municipality were taking part in educational activities. A number of process leaders were designated for each administration and each company in the organization. Every administration has at least one process leader and sometimes two, depending on the size of the administration. The assignment of the process leaders is to support the head of administration with the implementation and work concerning the balanced scorecard. AnnaCarin is the head of the process leader group, and her responsibility is to guide and support the other process leaders in their work with the balanced scorecard.

We discussed the sometimes difficult translation of the English concept performance with AnnaCarin who pointed out that the concept has a different meaning for a public organization, as Skellefteå municipality, than it has for a for-profit organization. The measures to reach the results or the profit in a public organization work the other way around compared to those of a for-profit organization. For a municipality the activities are the objective and to deliver the best activities possible to the citizens for the resources at disposal. AnnaCarin believes that performance is a key concept for her in her work in the sense of effectiveness, fulfillment of objectives and greater values for the citizens and customers.

When it comes to the performance management of Skellefteå municipality AnnaCarin describes it as the responsibility of each organizational unit where each unit is responsible of its finances, activities and employees. The balanced scorecard is thus much more than costs and revenues.

According to AnnaCarin, Skellefteå municipality used twenty-six different documents of objectives, before the implementation of the balanced scorecard. At that time, each administration had its own documents that did not really steer up to the entirety. Her opinion of the balanced scorecard is that Skellefteå municipality now view the activities from several different perspectives which she consider necessary in order to move in the right direction from a long-term perspective and fulfill the vision. It also creates participation where every employee can see the main thread in his or her daily work and how it contributes to the fulfillment of the objectives on higher levels. AnnaCarin believes that this aspect in particular is important in order to empower and motivate the employees.
The perspectives of Skellefteå municipality’s scorecard have been modified from previously consisting of five perspectives to only taking four perspectives into account. According to AnnaCarin the general opinion of the organization was that there were too many objectives in the balanced scorecard. She explains that it is easy to have high ambitions and set high objectives, but in the same time it is important not to lose focus by setting too many objectives. The general feeling in the municipality was that they were not actively prioritizing.

“To prioritize actually means to delete and not to add, so in an attempt to lead a discussion saying we need to focus more and reduce the amount of objectives, we decided to remove one perspective”

AnnaCarin describes that in the setting of objectives the aim is to keep them continuously over the years. She explains that if the objectives are too comprise at the municipality concern level, the process of them having an impact on levels further out in the organization may take time, some employees can therefore experience that just as they start to work with an objective, it changes.

One problem that AnnaCarin can detect with the balanced scorecard is that the measures of some of the objectives take place rather sporadically which means that the results of those measures are not continuously reported. In other words, if there are signals that the organization will not fulfill a specific objective this cannot be certainty determined until, for example, two years down the road when the results of the measure are reported. Hence it is important to continuously try to improve the measures taken to achieve certain objectives.

AnnaCarin considers that the management control system lacks a good tool to support the scorecards in order to clarify and better communicate them. Today the scorecards are established in PowerPoint and the reporting is written in Microsoft Word which makes the work more or less manual. So a good IT-tool could both facilitate the process and the access of leaders and employees who would like to follow their work in the organization.

In addition to the balanced scorecard Skellefteå municipality is introducing common core values for the organization. According to AnnaCarin the scorecards explains what to focus on and which tasks that will fulfill the objectives, but AnnaCarin also states that it is important to have guidelines on how to behave. How should people conduct themselves towards external customers, citizens and towards each other in the daily work etc? The image of Skellefteå municipality towards its customers and citizens is very important therefore core values are added to the management of Skellefteå municipality.

AnnaCarin concludes that the work with the balanced scorecard is not perfect and that improvable areas do exist. However, she considers the use of the management tool as a work in progress that keeps developing as well as continuously improving the organization over time. AnnaCarin is interested in finding out if her way of viewing the management tool is shared by other managers within the organization. Hence, she asked us to evaluate the use of the balanced scorecard in Skellefteå municipality.
6. Empirical study

The aim of this chapter is to present our empirical material. First and foremost a short introduction to Skellefteå municipality is presented followed by reporting from our conducted interviews.

6.1 The balanced scorecard in Skellefteå municipality

Skellefteå municipality is one of the thirty largest municipalities in Sweden. Located in the northern part of the country it employs eight thousand individuals on four hundred different workplaces. The services of the municipality are numerous, including everything from childcare services to assuring the water supply of its inhabitants. Skellefteå municipality has a total of 71,950 citizens, thirty five thousand of them living in the city of Skellefteå and the others in small towns and villages in surrounding areas. In total, the municipality has an asset of SEK 13 billion. (Annual report of Skellefteå municipality 2007)

The demographic development as a result of an ageing population and declining birth rates is one of the current challenges that Skellefteå municipality is facing. Within the compulsory schools the numbers of pupils are decreasing and the costs of the Social Welfare Committee are increasing since more people require care and assistance. This creates an unbalance between generations. A reallocation of resources is needed to maintain the current quality in the activities of the municipality. Furthermore, structural changes make the competition of labor more challenging. An increased urbanization of major cities means that Skellefteå municipality to a larger extent has to compete for suitable employees. The municipality needs to meet these challenges, improve its finances and keep citizens service in demand as well as create prospects for rapid growth. (Annual report of Skellefteå municipality 2007) All of this justifies the use of the balanced scorecard as a management system.

The vision of Skellefteå municipality is to be a far sighted growth township, attractive to live and work in. The desired position or strategy to achieve the previously mentioned vision is to be the growth township of the year. In order to develop its service and dialogue with the citizens the municipality has developed a mutual customer service. (Annual report of Skellefteå municipality 2007)

The balanced scorecard was implemented in 2005 and is built on the theory that planning, realization and follow up occurs from several perspectives. The election committee decides on an annual basis upon a scorecard for the whole municipality concern and a scorecard for each of the ten administrations and five companies that the municipality consists of.

The municipality’s scorecards (for the overall scorecard of Skellefteå municipality, please see fig.6) consist of objectives within four different perspectives: citizen/customer, development/growth finance and employees. The main purpose with this management system is to have the same vision and strategy as well as to apply all different perspectives no matter where in the organization one is situated.
Each of the four perspectives has a set of critical success factors and objectives. The objectives support one or several critical success factors and control the direction of the tasks within each perspective. The ten administrations and five companies in Skellefteå municipality will independently and continuously develop plans to act accordingly to the objectives of the scorecards. (Annual Report of Skellefteå municipality 2007)

Fig. 7: Modified version of the balanced scorecard in Skellefteå municipality based on Skellefteå interim report 2008:3.

6.2 Reporting the findings
This part is divided into eight different sections based on the categories in our interview guide with the intention of making the material more easily overviewed and thus facilitate for the reader. We start by giving account for the respondents’ view of the importance of performance within an organization as Skellefteå municipality and their overall assessment of the balanced scorecard as a strategic management system. We continue by presenting the different perspectives of the balanced scorecard used in the municipality and a short description of the implementation process. Furthermore, the way in which the concept of the scorecard is being
communicated throughout the organization is discussed, as is the process of setting the objectives for the controlling system. This is continued by a brief discussion of potential follow up processes and users of such information. Finally, general impressions of the use of the balanced scorecard are presented in order to further examine the performance of the management system. The final part is not describing a specific part in particular but provides an evaluation of the balance scorecard and its general impact on the management in Skellefteå municipality.

6.2.1 Performance

"The approach of the municipality has slightly changed. We have worked hard with focusing more towards the customer"[...] Respondent 6

Even though the quotation above is taken out of its context it can very well define the general opinion of the respondents in Skellefteå municipality when it comes to the performance of the balanced scorecard. All interviewees could see a shift in focus with the new management system and considered performance as an important topic for an organisation as Skellefteå municipality. More particularly a system for measuring performance is important as a majority of the respondents' points out;

[...]"obviously performance is important and it is also obvious that you need some kind of tool to measure it." Respondent 11

All the respondents consider themselves to have a clear idea of the vision of the municipality. However, two respondents reflect over the meaning of the vision. Even though they have a clear idea of the vision they emphasize the possibility to interpret it in various ways.

According to all our respondents' performance is a key concept for them in their work. This is true even though they have various tasks and responsibilities. One of the respondents clearly states that this is due to increased demands from the customers/citizens, that it is crucial to be better, more effective and that it is not only about financial perspectives but also about demands from the surrounding.

"We have equally emphasized on each perspective and are aware that they are all needed in order for an organization to work and yield good results." Respondent 1

All our respondents agree that the management system has gone from only considering the financial perspective, striving to keep the budget being the main objective, towards a more complex approach where several perspectives are taken into consideration.

"The only known objective was to keep budget and if you are to keep budget, you don't develop, you panic." Respondent 10

We noted that all the respondents believe the balanced scorecard has given a better focus on what you want to achieve. As pointed out by one respondent, the budget today is of course still important but only keeping budget without performing services in a satisfying way does not make any sense at all for a municipality.
6.2.2 The balanced scorecard

"We strive in the same direction." Respondent 2

Generally speaking the overall assessment of the balanced scorecard is optimistic and it is considered to be a more suitable way of managing the organization. The shift in focus from solely the financial perspective is perceived to better fit a public organization as Skellefteå municipality. Approximately half of the sample further develops their way of reasoning by mentioning the common objectives set for the municipality as a unit. Two respondents state that the different administrations used to strive towards their own personal objectives, behaving as independent municipalities.

Almost all respondents mention that before the balanced scorecard, the municipality applied a classic financial approach when managing the organization. However the structure of the management strategy seems to have varied among the administrations. One administration in particular applied the main thread, which also took different perspectives into consideration and thus facilitated the change in management structure. Others mention strategic planning as their main strategy.

"If we all strive in the same direction we should be able to more efficiently use our common resources." Respondent 3

According to seven of our respondents, the reason for the shift in management is mainly due to the need for development and a more effective management system. Among other things they mention more effective resource allocation, better organization of the committees’ objectives and better follow up processes. Three of our interviewees mention trends and their impact on the choice of management system. Skellefteå was not the first among municipalities in Sweden to implement the balanced scorecard and the organization was influenced by other municipalities where the system had been successfully implemented. Two respondents claim that it was simply a decision from the Municipal Executive Committee and that neither of the administrations had any involvement.

6.2.3 Perspectives

The respondents were all very well aware of the different perspectives included in the balanced scorecard and their meaning. In Skellefteå today the applied perspectives are; citizen/customer, development/growth, finances and employees. New for this years scorecard is that the fifth perspective; work methods/processes has been removed. Most of the respondents agree that the removal of work methods/processes has given a greater focus on the other perspectives, citizen/customer in particular. Further, work methods/processes were somewhat included in the other perspectives and its removal facilitated the utilization. However, one respondent disagree arguing that work methods/ processes is an important perspective since how the employees work and deliver services is crucial for the municipality.

Whether these perspectives have been modified to more accurately fit Skellefteå municipality was rather difficult for our respondents to decide upon. The majority assumed that the modification was not due to the specific need of Skellefteå but could be applied to any type of organization. Two respondents were of the opinion that these measures were taken in order for the balanced scorecard to more accurately fit their municipality.
The critical success factors of the balanced scorecard are the same for all administrations and thus available for all the respondents in their specific scorecards.

6.2.4 Implementation

The different heads of administration had different opinions on which management system that would best suit the municipality. However, in order to better organize the different objectives of the committees it was obvious that a new system was needed. The Municipality Executive Committee decided to apply the balanced scorecard even though scorecard did not feel like a natural concept for a citizen oriented organization. Instead it was presented under a different name; objective and result management. The Municipal Executive Committee later developed a general scorecard for the organization as a whole and it was for the different committees to relate to. The implementation process has been slightly different in the various administrations, depending on their size, number of employees and activities.

[...]"our activities are slightly different and thus our objectives are slightly different." Respondent 6

The quotation above describes how the general balanced scorecard differs from those of the administrations. The vision and critical success factors are general for the whole municipality while the objectives are adjusted to the administrations activities. The general scorecard is guiding and generates an understanding downwards in the organization so that the different administrations can relate to the objectives of the Municipal Executive Committee.

6.2.5 Communication

Three respondents mention improved communication on a variety of levels in the organization as a direct consequence of the applied management system. According to their perspective the balanced scorecard offers a greater flow of information between the different levels of the municipality. A few respondents conclude that the management system provide measures which enables a broader perception of the state of the organization.

"In the end it is the responsibility of the leader." Respondent 8

All the respondents’ believes that the leader plays a crucial part when it comes to communicating the concept of the balanced scorecard to the employees. They are the carrier of the information and it is their responsibility to present it, to educate the co-workers. In order to support and facilitate the work of the leaders, special process leaders have been educated with specific knowledge of the area. Two respondents also mention the municipality website and magazines.

[...]"all, that is a big word." Respondent 1

All respondents agree upon the fact that not all employees understand the objectives, vision and strategy with the management system. However, they are convinced that the awareness is constantly increasing. Two thirds of the respondents mention the "co-worker survey" (medarbetarenkäten) as a tool to measure the awareness of the management system. This survey includes all the employees within the municipality and a certain section is dedicated to objective and result management. According to this survey seventy percent of a total of eight thousand employees are aware of the currently applied management system. However, as two respondents state there is a
rather large difference between being aware of and understanding the vision, objectives and strategy with the management system.

6.2.6 Objectives

"But it is a collaboration, it is"[...]Respondent 8

It is clear that both co-workers and politicians play a part in setting the objectives since it has been mentioned by all the respondents. It is all about the dialog within the organization. The task of co-workers is to deliver information that can be used as a foundation to support the politicians in their process of stating the objectives. The process varies in different committees and administrations but many respondents have mentioned specific days where the objectives are being discussed. The objectives are being set each year for each new scorecard and the new objectives are often based on those for the previous year. Two of the respondents suggested a change, arguing that objectives should be set in relation to the politicians’ term of office (four years). One respondent also experiences that the influence of the politicians is constantly increasing, on a yearly basis and that they get more and more involved in the whole process.

Disruptions from the objective are reported to the Municipal Executive Committee with an explanation of why that is the case. Many respondents mention that a plan of measure should be included in order to change the current situation. Two respondents also point out that all activities cannot relate to all objectives and in these cases the plan of measure is not mandatory.

"Obviously the objectives contribute to achieving the vision." Respondent 2

The above statement summarises the overall opinion on whether the objectives contributes to achieving the vision. Two of the respondents specifically state that if the objectives are reached, so are the critical success factors and with that the vision. Though, two of the respondents question to what extent the objectives actually have contributed to achieving the vision so far, referring to the fact that the vision is set on a fifteen to twenty year time period.

6.2.7 Follow up

"This directly indicates what we need to prioritize and focus on." Respondent 4

All in all the respondents give the impression that the follow up is a crucial segment of the balanced scorecard. Three of the respondents point out that Skellefteå municipality has an activity plan, which is a built in system for the follow up in the scorecard. The activity plan is placed under the objectives in the scorecard and assists the employees in the evaluation of their work. The activity plan is summarized by the departmental manager and used as a foundation for the follow up. The respondents also mention statistics, interviews, surveys and the leaders’ personal estimations as indicators for the follow up. According to two of our interviewees it is desirable with information that could be measured and summarized in different indexes in order to compare the results with other municipalities. Single respondent also see the accounting system, wages and negotiations as important sources of information.

The information is then compiled in the annual report, which the respondents overall see as the major follow up. Together with the interim reports it contains information
regarding achievement of the objectives. The achievement of the objectives is measured in different levels of the organization and is presented by different colours. Green represents success, red represents failure and yellow is somewhere in between. In addition to the colours, arrows pointing in different directions further visualize the development from the previous follow up. One respondent point out the follow up as an area of improvement as it takes place three times per year while some factors only are measured every other year.

When it comes to the users of the follow up our respondents first and foremost mention the Municipal Executive Committee and the Election Committee as they look at the entirety of the municipality. They use the information to detect progress and setbacks which contribute to future decision making. The Election Committee receives the follow up from the Municipal Executive Committee which has the authority to assign measures to the committees. Three of the respondents also describe the follow up as a chance for the individual worker to evaluate his or her own work. Two respondent talk about how different leaders and work groups uses the follow up to evaluate the work of their teams. A couple of respondents also point out that the follow up is useful for the different perspective- responsible of the municipality administration department who’s task it is to suggest changes to the Municipality Executive Committee. Only single respondents mention banks, the state, public authorities and customers to be interested in knowing that Skellefteå municipality performs in a desirable manner.

6.2.8 Evaluation

“We have something common to relate to.” Respondent 9

As stated in the quotation above the respondents all mention that the use of the balanced scorecard has conducted that the organization now is perceived as one, instead of a variety of independent administrations. According to our respondents there is a better focus, a greater participation and understanding with the new management system. Some of the respondents specifically mention that they more easily can see their individual part in the organization and the parts of others. One of the respondents mentions the contact with the employees during the introduction phase as rewarding. Another respondent states that it was positive that the process started so rapidly.

[…]“it takes more effort then you think when you first start out.” Respondent 11

A majority of the respondents found the implementation process demanding and time consuming. It took many talks and discussions to create participation on several levels of the organisation. Seven of the respondents experienced that it was difficult to create an understanding among all employees, that they had a hard time finding their role in the model. Two respondents further point out that too many objectives and changes in the objectives make it hard for the employees to keep focus on what actually is important. One respondent saw the administrative workload as very demanding since much of the reporting are manually completed in Microsoft Word even though specific IT-tools exists to facilitate the task.

“A manager or a leader that signals that something is not that important makes it all fall rather flat it will not break through in the organization.” Respondent 8
Two of the respondents have mentioned that the implementation is very much depending on the commitment of the managers. First and foremost the implementation process is their responsibility. One respondent brought up a resistance to change from some employees as they questioned the political role in setting objectives for their work and the need for self evaluation.

“It feels like we are on board now.” Respondent 3

Most respondents agree that after four years with the balanced scorecard, Skellefteå municipality has a better structure, and is more attractive as an entirety. Two respondents experience that the politicians also actively take more responsibility, which adds up to a deeper focus. All in all the objectives are now better known and the measurement of different parameters are occurring more often. One interviewee describe that the foundations that the administrations provide to the Municipal Executive Committee are now of very high quality.

[...]“one sort of thought that it would be like a self-playing piano after all while.” Respondent 2

A majority of the respondents argues that the use of the balanced scorecard is a long and not always evident process. It takes time, effort and constant awareness to create and maintain an understanding throughout the organization. According to one of our respondents it can take up to eighteen months to successfully implement change in all levels. Another difficulty that our respondents emphasize is the measurement of certain parameters. Some parameters are measured only once a year or every other year, this lack of regular measures makes the reporting complicated. One respondent claims that all expectations are not met and that more discussions about the balance between the perspectives and objectives are needed.

[...]“we constantly develop the processes which makes us more effective and more efficient in our use of resources.” Respondent 3

Nine of the respondents can, as the quotation above indicates, detect a connection between the use of the balanced scorecard and increased performance. This is according to our respondents mainly due to clearer routines and better structure on how and what to measure. However, many of our respondents believe that there is still a lot of work to be done and that it is difficult to determine to what extent the performance actually has improved. A similar way of reasoning can be applied to whether the balance scorecard has contributed to make Skellefteå a more far sighted township, attractive to live and work in. The balanced scorecard has, according to many respondents, enabled development in many areas that in a longer perspective creates better service for citizens and companies in the municipality. This is something that many argue may not have been possible without the option to measure the utility of certain parameters.

[...]“the question is if it still does not come down to the financial resources after all.” Respondent 6

Two of our respondents mention that it could be hard to focus on the objectives when the financial resources are limited. The organization has a financial frame which is given and one of the respondents questions the balance between the perspectives if one perspective is significantly more static than the other perspectives.

Eight of the respondents describe the balanced scorecard as important in the contribution to make Skellefteå a more attractive township to live and work in. Five of these respondents felt that other factors also mattered in order to make Skellefteå a
more attractive municipality while three of these respondents believe that the balanced scorecard is a system to promote the municipality in the long run, for the future. The remaining respondents find it hard to draw any conclusions on whether the balanced scorecard contributes to make Skellefteå a more attractive municipality. Of the positive aspects that the balanced scorecard has supplied to the municipality, five of the respondents point out the increased focus on citizens and customers. Three specifically mention the customer service as an example of this. The customer service is an attempt to make Skellefteå municipality closer, simpler and more open for its customers and the intention is that seventy percent of all customer matters should be handled by customer service. Skellefteå municipality is the first municipality in Sweden developing a common customer service for the entire municipality in order for the organization to be more easily accessible for the public.

 [...]"we are on our way towards to the vision and the scorecards have definitely contributed to that." Respondent 1

Five of the respondents believed that the balanced scorecard has helped Skellefteå become a more far-sighted growth municipality. Three of the interviewees felt that the municipality is at least on its way towards becoming a more far sighted growth township. Two respondents were hoping that Skellefteå is a more far sighted growth township while one respondent could not answer whether or not this is the case. Even if the opinions differ when it comes to the extent that the balance scorecard has contributed to make Skellefteå a more far sighted growth township, we noted that all of the respondents thought that the management tool had provided a greater focus which has increased the awareness of the municipality as a whole. One respondent further mentioned that the scorecards make Skellefteå look forward, which makes the municipality an attractive employer.

 [...]"our management tools usually describes the current value changes rather than it is the management tool that directs the value changes" Respondent 5

Close to half of our respondents trust that the balanced scorecard has contributed to improve the performance of Skellefteå municipality in other ways than previously mentioned. An equal amount of interviewees think that it is hard to say whether the management tool has helped increase the performance in other ways. One respondent believe that the scorecard has helped Skellefteå municipality in the right direction to increase the performance of the organization. In general the respondents describe that the balanced scorecard had a positive effect on Skellefteå municipality and some examples mentioned are better focus and resources allocation, better structure and participation in the entirety. However, as one respondent state, it is hard to define what evoke development.
7. Analyzing the findings

In this part we evaluate different arguments from the empirical and theoretical part in order to evaluate if the balanced scorecard contributes to increased performance in Skellefteå municipality. The structure is the same as in the empirical part where the final part aims to create a deeper understanding by evaluating the use of the balance scorecard in the municipality.

7.1 Performance

As stated in our theoretical part measurement of performance has been of central interests to managers as well as management accounting researchers for a long period of time. From only considering financial performance the way of viewing performance has widening to include other perspectives in order for the business or organization to be able to create future economic value. The respondents in our survey all consider performance to be an important topic for an organization as Skellefteå municipality. Our respondents describe the performance management in the municipality as having shifted from mainly focusing on financial aspects in planning and decision making to taking into account other perspectives as well. Hence, our respondents do as our theory suggests, consider performance as an important concept in the management of Skellefteå municipality. They have also experienced the same shift in focus, from mainly focusing on financial measures other perspectives are now taken into consideration.

If we examine performance more carefully we can conclude that it is closely connected to the vision of Skellefteå municipality, to be a far sighted growth township, attractive to live and work in. All respondents had a clear idea about the vision and considered performance to be a key concept in their work. For example states respondent 11 that;

“We always have to do better, we always have to improve” […]

This result is exactly what Norton and Kaplan suggested when they illustrated the importance of a development within the management accounting field with an instrument panel of an airplane. In this case, the vision enables Skellefteå municipality to make use of the whole panel and not just the financial part which corresponds to just one instrument, making a successful flight impossible. Hence, the vision is closely related to the performance, a key concept in Norton and Kaplan’s theory.

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<th>Key findings:</th>
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<td>• Performance is a key concept in both management research and Skellefteå municipality.</td>
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<td>• Performance is closely connected with the vision of Skellefteå municipality.</td>
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7.2 The balanced scorecard
As described in our theoretical part the balanced scorecard enables an organization to recognize the weakness and vagueness of previous management approaches by providing a clear picture as to what a company shall measure in order to “balance” the financial perspective. Overall, our respondents are of the impression that the balance scorecard is a more suitable way of managing Skellefteå municipality, mainly because the focus has shifted from solely concentrating on the financial perspective to taking other perceptions into account as well. The theoretical part also describes the use of the balanced scorecard as a way of translating an organizations’ vision into a set of measures enabling for the whole organization to strive towards the same desired position. This is something that approximately half of the respondents mention, arguing that the municipality as a whole now is striving for a common vision.

According to the theory the fact that the balanced scorecard gives feedback around both the internal business processes and external outcomes makes the organization improve results as well as strategic performance. A majority of our respondents mentioned that the reason for a shift in management system was a need for development and a need to locate a more effective management system and thus increase the performance of Skellefteå municipality. However, two of the respondents claim that it was simply a decision from the management above without considering the underlying explanations of why.

Key findings:

- The overall assessment of the balanced scorecard is positive.
- Not all respondents believe that the introduction of the balanced scorecard was due to a need of increased performance.

7.3 Perspectives
The different perspectives of the balanced scorecard according to Kaplan and Norton’s model are the financial perspective, the customer perspective, the internal business perspective and the learning and growth perspective. Citizen/customer, development/growth, finances and employees are the different perspectives of the balanced scorecard of Skellefteå municipality that all of our respondents pointed out. These perspectives clearly show how the traditional perspectives of the balanced scorecard are not directly applicable on non-profit organizations as stated in our theoretical framework.

[...“with 8000 employees it is important with a co-worker perspective” Respondent 5]

The additional co-worker perspective is an example on how the perspective of Skellefteå municipality’s scorecard specifically differs from the perspectives in the Kaplan and Norton’s core model. The quote above supports the reasoning of Jonsson (2000) who points out that Swedish organizations often dedicates an own
perspective to the co-workers due to the fact that organizations in Sweden stronger emphasize wellbeing and empowerment of the employees than in the US where the model is developed. The removal of the work methods/processes is another example on how Skellefteå municipality has modified their perspectives. Most of our respondents explains that the modification has facilitated the utilization of the scorecard as the work methods/processes was somewhat included in the other perspectives and that the removal allowed deeper focus on the remaining perspectives and their objectives. However one respondent disagree arguing that work methods/processes was an important perspective as it is crucial for the municipality how the employees work and deliver services. This reasoning is supported by Kaplan and Norton who states that these processes will attract and retain customers. Nine of eleven respondents believe that the modification of the perspectives was not due to special needs of Skellefteå municipality but could be applied to any kind of organization. Two of the respondents thought that the measures were taken to more accurately fit the specific organization.

Key findings:

- The traditional perspectives are not directly applicable on non-profit organizations as shown in the case of Skellefteå municipality.
- Swedish organizations that strongly emphasizes the wellbeing and empowerment of the employees often dedicates an own perspective to co-workers which is the case in Skellefteå municipality.

7.4 Implementation

It was the Municipality Executive Committee that decided to introduce the balanced scorecard in Skellefteå municipality, even though the different heads of administration had various ideas of which management system that would best suit the organization. Research on the area confirms that the implementation process is, and should be treated as, a top-down procedure suggesting the initiative to be taken by the management. Furthermore, it describes the management responsible for creating an overall scorecard which is later to be broken down by each sub unit, or in this case administration. The development in Skellefteå municipality corresponds to the one suggested in the research, the Municipal Executive Committee developed a scorecard and it was up to the rest of the organization to amend to it. While the vision and critical success factors were general for the entire organization, the objectives were adjusted for them to better fit the activities specific for each administration. As presented in our theoretical part, the overall scorecard is to be broken down and several individual scorecards can exist within an organization as long as the previously mentioned criteria’s is taken into account.
**7.5 Communication**

A few respondents spontaneously mention increased communication as a direct consequence of the applied management tool and all respondents agree upon the fact that the leader plays an important role when it comes to communicating the concept of the scorecard. Furthermore, process leaders are mentioned as specially trained individuals responsible of supporting the various heads of administration in their work with the balanced scorecard. Research on the area of communication argues that communication failure is an important cause of poor organizational performance (Malina & Selto 2001:50)

None of the respondents believe that all the employees within the organization understand the objectives, vision and strategy with the management system even though the most recent co-worker survey (medarbetarenkätten) indicates increased awareness. As stated in our theoretical part, a new management system does not appear instantly, its complexity result in a process that must be phased in over time (Kaplan & Norton 1996:276). Hence, the fact that not all employees are aware of the balanced scorecard and its meaning is not, from the previously presented theoretical point of view, a surprising result. The balanced scorecard has only been applied in Skellefteå municipality since 2005 and it is reasonable to assume, especially due to the size of the organization, that it takes time in order for it to reach all levels in the organization.

With that said, the respondents seem to have a clear picture of the individuals with the main responsibility of communicating the concept of the balanced scorecard. Some individuals even pointed out increased performance as a consequence of the currently used management tool. This is what we wish to assess in this research and it will be further examined in section 7.8 (evaluation).

**Key findings:**

- Communication is crucial for understanding the concept of the balanced scorecard, both according to our respondents and previous research.
- The communication of the management system is well functioning in Skellefteå municipality, something that may increase the performance of the organization.
7.6 Objectives

Previous empirical research conducted by Öhrlings Pricewaterhouse Cooper showed that not all the Committees in Skellefteå municipality have set goals for all perspectives as they are not responsible for that area (Lundberg 2005). Ericsson and Gripne (2004) state that the objectives of an administration or a committee depend upon the individual activities that they run. That is the case in Skellefteå municipality today as all the respondents explains that the objectives could vary in different administrations and committees and that everyone cannot relate to all objectives. All of the respondents have mentioned that both co-workers and politicians play a part in setting the objectives as recommended by Ericsson and Gripne. According to our respondents the co-workers deliver information which is used as a foundation to support the politicians in their process of stating the objectives. Our respondents further describes the dialogue within the organization as essential which can be referred back to Ericsson and Gripne who argue that participation in the process is important to employees in order to increase the awareness on how an organization becomes effective and successful. The objectives of Skellefteå municipality are set each year, often based on previous year’s objective. Two of eleven respondents thought that the objectives should instead be set in relation to the politicians’ term of office (four years) to simplify the dialogue and allow the politicians to see the fruit of their work.

“That is of course the case. That the objectives contribute to reach the vision” Respondent 2

Ericsson and Gripne point out the importance of formulizing the objectives after the perspectives and to adjust the objectives so there is a clear connection between the objectives and the vision. This is the case in Skellefteå municipality where the overall opinion of the respondents is that the objectives in Skellefteå municipality’s scorecard contribute to achieve the vision. Though two of the respondents question to what extent the objectives has actually contributed to achieve the vision so far, referring to the fact that the vision is set on a fifteen to twenty year time period.

Key findings:

• Both politicians and co-workers play an important part of setting the objectives of the balanced scorecard

• The objectives of an administration or a committee depend on the individual activities that they run.

• A clear connection between objectives and vision is important which is the case in Skellefteå municipality

7.7. Follow up

According to Jonsson (2000) the content of the balanced scorecard is important and must continuously be updated and questioned. We can see that this is the case in Skellefteå municipality as all respondent pointed out the follow up as a crucial segment of the balanced scorecard. Three of the respondents described the follow
up as a built in activity plan in the scorecard which follows the structure of the scorecard as recommended by Jonsson. The responsibility to compile the follow up can be delegated to different sections of the organization which is the case of Skellefteå municipality where the achievement of the objectives are measured in different levels and presented by different colors and arrows.

[...]“it is important that the activities feel that they can use this follow up. They should feel a responsibility and a pressure to take action and improve”[...] Respondent 1

According to Jonsson it should be taken into consideration who will receive the follow up. A continuous dialogue in the organization is recommended, especially if the follow up is not only for the managers and is thought to have a guiding effect on the employees. Our respondents have first and foremost mentioned the Municipal Executive Committee and the Election Committee as users of the follow up since they look at the entirety of the municipality. Several respondents describe the follow up as important to all employees and teams as it would evaluate their work. Although our respondents are in leader positions themselves this shows that the follow up process is crucial in the whole organization as they constantly refers to the wholesome of the organization.

How often the measures of the balanced scorecard are conducted varies depending on what should be measured. Jonsson gives an example that financial measures could be followed up every month while a customer measure could be followed up one a year or even more seldom. One of the reasons for this could be that the financial measures have a system that delivers results every month while customer and other similar measures lack the routines and are rather single efforts. How often the organization then measures becomes a practical issue rather than a strategic issue which can affect the balance of the scorecard. This is the case of Skellefteå municipality as one respondent specifically point out the follow up as subject of improvement. It is difficult to report an area with no changes from the previous reporting occasion which could date from two years back.

Key findings:

- The follow up is as crucial part of the balanced scorecard, both according to the theory and our respondents.
- The follow up should be a continuous dialogue in the organization as it is an evaluation of the organization as an entirety.
- A homogenous measure could be an area of improvement in the follow up in Skellefteå municipality.

7.8 Evaluation

Overall, our respondents believe that the use of the balanced scorecard facilitate for Skellefteå municipality to strive towards common objectives and create a sense of belonging since it enables for individual employees to visualize their own contribution to the achievement of the vision. The balanced scorecard has lead to an increased
focus on citizens and costumers in Skellefteå municipality. A concrete example of this is the modified customer service that attempts to make Skellefteå municipality, closer, simpler and more open to its customers. However, our respondents find the process demanding and time consuming. A criticism toward the balanced scorecard deals with exactly this issue. Researchers Anthony & Govindarajan (2007) consider the implementation process as far more complicated than described by Kaplan & Norton. However, as mentioned in our empirical chapter one of our respondents believes that an IT-tool for the specific purpose of the balanced scorecard could facilitate much of the work with the management control system.

The respondents are concerned that some employees had a difficult time understanding and finding their role in the model, something that they claim can be enforced by too many changes and objectives. They further emphasize that it is of great importance to remember that it takes constant effort and awareness in order to maintain the understanding of the system through out the organization; it’s a never ending process. Our respondents further conclude that the leader is crucial for a successful implementation and communication of the balanced scorecard. As stated by Nørreklit in our theoretical chapter, the balanced scorecard is criticized for being too much of a top-down management tool, which could result in it not being accepted among employees at the lower levels within the organization. Hence, it is possible to argue that the reason that some employees have not found their role in the model could, in fact, be a protest against what the employees experience as the municipality’s centralized management.

Another difficulty that our respondents mention is the measurement of certain parameters. This is a difficulty that is pointed out by Zimmerman (2006) who concluded that the built-in subjectivity in the balanced scorecard allows managers to for example ignore performance measures and changes criteria’s. The subjectivity within the management tool could further complicate the measurement of different parameters since it does not indicate how to perform such actions.

Most respondents argue that by focusing not only on financial outcomes but also on other perspectives, the balanced scorecard helps providing a more comprehensive view of the municipality, which in turn facilitates for the organization to act in better long-term interests which has improved the organizational performance. Yet two respondents question the possibility to focus on other perspectives apart for the financial during times with limited resources. Also Anthony & Govindarajan (2007:469) question if a relationship between the non financial measures and the result in the balanced scorecard really exists, meaning that it is not safe to conclude that the non financial measures do have an impact on the final result.

As a result of this way of reasoning it is only logical to conclude that financially difficult times could decrease the focus on non financial parameters since they lack impact on the result.

“Some people argue that the applied management tool is irrelevant, Wall Street would still collapse.”
Respondent 10

The quotation above indicates that to what extent the balanced scorecard may actually effect the performance of an organization may be questioned. Furthermore a majority of our respondents describe the balanced scorecard as an important control
system which has contributed to achieve the vision, to be a farsighted growth township attractive to live and work in where as a few argued that other external factors also have an impact. Research critical towards the balanced scorecard sometimes claim that the management system makes invalid assumptions leading to faulty performance indicators, saying that there is not a question of causality but rather coincidences. For example, customer satisfaction does not necessary yield good financial results (Nørreklit 2000:82). This is something that could possible explain why the respondents cannot see an evident causality and determine to what extent the balanced scorecard actually has an impact on performance as well as visualize possible influences from other factors. Our respondents however believe that the balanced scorecard has brought clearer routines, a better structure and an insight to what need to be measured. We experience that the respondents in contrary to Anthony & Govindarajan and Nørreklit can detect that the awareness of the different perspectives affect the final result of the organization.

A few of our respondents claim to see causality between, for example, the financial frame, healthy employees and increased employee satisfaction, meaning that increased satisfaction among the employees decreases absence due to sickness and thus limit costs. This is something that makes it possible for the organization to keep with the allocated financial resources.

Key findings:

• The respondents believe that their performance has increased after the implementation of the balanced scorecard.

• It is hard to determine to what extent the balanced scorecard affect performance.

• Even though critics of the balanced scorecard question the causality between non financial perspectives and results, our respondents experience it differently.
8. Conclusion

In this final part we have chosen to look back at our purpose and research problem from chapter one. This is a method for us to evaluate whether we have accomplished what we intended with this study.

The purpose of this study is to evaluate whether usage of the balanced scorecard is improving the performance of Skellefteå municipality.

According to our perspective it is solely the reader who can decide whether or not we have fulfilled this purpose. However, we feel personally that we have achieved what we stated in the introductory chapter.

In order to fulfill the purpose of the study we aimed to pursue the following:

1. Analyze if there are differences between before and after the implementation of the balanced scorecard in the management of Skellefteå municipality.

All of the respondents consider the difference before and after the implementation of the balanced scorecard as significant. Moreover, they all believe that the management system has had a positive impact on Skellefteå municipality.

2. Identify positive and negative aspects of the balanced scorecard in Skellefteå municipality.

The respondents have presented various aspects; however, we can conclude that the overall picture of the balanced scorecard is positive, even though areas in need of improvement do exist.

3. Analyze the necessary adaption of the four perspectives of the balanced scorecard for a non-profit organization.

This study clarifies that Kaplan and Norton’s original model is not directly applicable on a non-profit organization and that there is a need to adapt the original perspectives to more accurately suit a non-profit organization. We can also distinguish cultural differences, such as the additional co-worker perspective, which is rather familiar in Swedish organizations.

The concrete research problem was:

How is the balanced scorecard an effective management system that improves the performance of a local public administration in Northern Sweden?

The answer to this question is rather extensive and includes according to our perspective the two final chapters in our thesis. In an attempt to summarize the answers from our interviews we can conclude that overall, the balanced scorecard has contributed to increased performance of Skellefteå municipality. We believe that it is reasonable to assume that the balanced scorecard could also be an effective management system for other local public administrations in Northern Sweden.
The use of the balanced scorecard has led to a shift in focus that more particular suits Skellefteå municipality and what the organization strives to achieve. According to our empirical findings a lot of efforts had been put on the implementation of the balanced scorecard in Skellefteå municipality. The process was well planned and educational activities involving training of numerous employees within the organization took place. Furthermore, we found that the performance of the balanced scorecard is very much depending on the communication of the management system. How people in managerial positions mediate the importance of the system to their employees play a crucial role in order for the scorecards to function well throughout the organization. Skellefteå municipality also had a clear connection between the objectives and the vision, which is crucial for an organization to increase its performance. The use of the balanced scorecard is an ongoing process and not a “self-playing piano” as stated by one of our respondents and this something that is important to keep in mind. Hence, the follow up processes of the balanced scorecard is of great importance for the management system to work successfully something that has been visualized by Skellefteå municipality.

Several respondents experience the work with the balanced scorecards as demanding and time consuming. One respondent mention that more developed IT-tools would facilitate much of the reporting, which is now mostly conducted trough manual completion in Microsoft Word documents. We believe that this is one of the main areas of improvements for the balanced scorecard of Skellefteå municipality. Although it is important that information is reported throughout the organization it seem like an unnecessary amount of time is applied to manually fill out the reports and more effective IT-tools would facilitate this process significantly.

To summarize, Skellefteå municipality has put a lot of time and effort in developing suitable perspectives and implementing the management system. Furthermore, the municipality has emphasized the importance of communicating the balanced scorecard within the organization. A clear connection between the vision and the objectives is also apparent and Skellefteå municipality applies follow up processes to improve the quality of their management. This has lead to a balanced scorecard that increases the performance of Skellefteå municipality as illustrated in the figure below.

**Fig. 8:** How the balanced scorecard increases the performance of Skellefteå municipality.
We earlier defined an organization that is performing well as an organization that is successfully attaining its objectives. So can we finally conclude that the balanced scorecard has helped Skellefteå municipality to attain its objectives? Although it is difficult to say to what extent the balanced scorecard has helped the municipality to attain its objectives we could see that the use of the balanced scorecard has lead to a shift in focus that more particular suits Skellefteå municipality and what the organization strives to achieve. We believe that the Skellefteå municipality with the balanced scorecard not only has developed more suitable objectives for their specific organization but that the balanced scorecard also provides better conditions to attain the objectives.

8.1 Reflections
We believe that the efforts of adequately implement and use the balanced scorecard provides Skellefteå municipality with information other than from solely a financial perspective. This is perceived to increase the performance of Skellefteå municipality as the respondents can see a connection between the increased awareness of non-financial perspectives and the organization’s final result.

According to our respondents Skellefteå municipality wishes to come across as a simple, close and open organization with increased focus on the customer/citizen after the implementation of the balanced scorecard. This is something that we experienced after having the opportunity to personally contact and visit Skellefteå municipality while conducting our study. In order to reach our sample of respondents we contacted the customer service. As previously mentioned, Skellefteå municipality is the first municipality in Sweden developing a common customer service for the entire municipality in order for the organization to be more easily accessible for the public. In the cases that the customer service could not provide us with the correct contact details for our respondents or their secretaries, they offered us to personally contact the people in question and ask them to get back to us. Altogether, it took us approximately four days to make appointments with all twelve respondents (the preliminary study included) and none of them cancelled our meeting. Additionally, we felt very welcomed to Skellefteå municipality and experienced a genuine interest for our work. According to our perspective, Skellefteå municipality most certainly lives up to the expectation set on a consumer/citizens minded organization. Indeed, our cooperation with the municipality was simple, close and open.

8.2 Future studies
Considering that we in this study have experienced the perception of the balanced scorecard on a managerial level, we have got an overall picture of the management system and its use in an organization. It has further given us an understanding of the difficulties of the system, one of them being that it is hard to reach employees on all levels within the organization. Hence it would be interesting to investigate how this management system is perceived among employees further out in the organization and conduct a similar study with their perspective in focus.

The balanced scorecard appeared when organizations started to realize the necessity of other perspectives than the strictly financial. With the constant changes in our surroundings it is likely that another management system will arise in a near future, perhaps claiming to be even better adjusted to our global world of today. It would be intriguing to further investigate which management system that would be.
9. Truth Criteria’s

In order for us to estimate the result of this research we have applied trustworthiness which Bryman and Bell (2007) presents as a primary criteria for assessing a qualitative study. Trustworthiness is made up by four criteria’s, namely credibility, transferability, dependability and confirmability.

9.1 Credibility

The credibility of a qualitative study considers whether the researcher has perceived the empirical reality in an accurate manner. The credibility criteria comprises both that the research is carried out according to good practice and that the researcher submits the findings to the individuals studied for confirmation that the researcher has correctly interpreted the data. (Bryman & Bell 2007:411). In our study we have followed the frames of qualitative research suggested in the literature in order to secure that our study is carried out according to good practice. All of our interviews were recorded and carefully transcribed to ensure that we did not overlook any important information and to a larger extent avoid any doubts in the interpretation of the findings. We forwarded the transcribed interviews to our respondents within 72 hours after respective interview for them to approve or possible correct. This technique is often referred to as respondent validation or member validation and it ensures that the researcher has collected accurate data from the respondents (Bryman & Bell 2007:411). We have not received any comments on the transcribed interviews which we believe ensures the credibility of our study. However, respondent validation should not be considered a confirmation to whether the researcher has interpreted the data collected in an accurate manner since the interpretation and analysis of the data occurred after the respondent validation. The results of this study can thus not be considered a complete accurate replica of the reality since the respondents have not been given the opportunity to confirm that their data has been interpreted in a correct manner. We as researcher have interpreted the data collected and our perception of the relation between the respondents may also have affected the final outcome of this study.

9.2 Transferability

The transferability of a study refers to whether the findings would hold in another context (Bryman & Bell 2007:413). Since we did not create our own theory and solely conducted one case study, the transferability can be discussed. Merriam (1994) states that concerning transferability in a case study it is the perspective of the reader that is important. “It is the reader that has to ask himself/herself what in this research that could be applicable in his/her situation and what does not apply” (Merriam 1994:187) We feel that many organizations can learn from the experiences of Skellefteå municipality’s management control system. The case study is in many aspects enforcing the already existing reasoning around the concept of balanced scorecard, but we believe that many leaders should be able to relate Skellefteå’s experiences to their own organization.

9.3 Dependability

Dependability refers to how well complete records are kept of all phases of the research process. Examples of phases in the research process can be how information have been collected, interview transcripts and data analysis decisions and so on. These records should be kept in order to inform people interested in our
research how far proper procedures have been followed. (Bryman & Bell 2007: 414) We believe that we in this study have explained each step in our research process and we have also attached the interview guide in order to enable others to audit our research. The transcripts from our eleven interviews and the preliminary study, in total ninety two pages, are documented and available for audit. We consider that these records increase the dependability of our research.

9.4 Confirmability

Confirmability concerns that a researcher should not allow personal values or theoretical inclinations affect the conduct of the research or its findings. Although complete objectivity is impossible in business research, the researcher should be shown to have acted in good faith. (Bryman & Bell 2007:414) Although the concept of balanced scorecard was entirely new to both of us, we were both curious and expectant over what effects of the balanced scorecard we might find, especially within the non-profit organization, therefore we cannot state that we were completely objective in our choice of topic. Throughout the study we have used the knowledge that we possess within management and accounting, particularly in the creation of the interview guide. We feel that our conclusions are based on the gathered data and not on any of our conceptions; however we believe that complete objectivity is impossible to attain within qualitative research. In order to stay open for data outside our theoretical framework, we terminated each interview with a question on whether the respondent had anything supplementary to add concerning the effects of the balanced scorecard on performance. Since it could have been hard for the respondents to answer the last question unprepared, there is a possibility that there is relevant information for our study that has not been brought up as a result of how we have constructed the interview questions.
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Appendix 1: Intervjuguide

1. Vi genomför en undersökning som behandlar området utveckling/resultat i verksamheten, tycker du att det är ett viktigt område för en organisation som Skellefteå kommun?

1.1 Hur länge har du arbetat i Skellefteå kommun?

1.2 Har du haft olika tjänster under denna tidsperiod?

1.3 Har du en tydlig uppfattning om Skellefteå kommuns vision?

1.4 Är utveckling och resultat i verksamheten nyckelord i ditt arbete?

1.5 Hur skulle du beskriva ekonomistyrningen/verksamhetsstyrningen i Skellefteå kommun?

The balanced scorecard

2. Vad tycker du rent generellt om det balanserade styrkortet, vad är ditt övergripande intryck?

2.1 När introducerades det balanserade styrkortet i Skellefteå kommun?

2.2 Vilket styrsystem användes innan implementeringen av det balanserade styrkortet?

2.3 Varför fattades beslutet att introducera det balanserade styrkortet?

Perspectives

3. Vilka perspektiv inom det balanserade styrkortet används i Skellefteå kommun?

3.1 Har ni bearbetat de perspektiv som ni för tillfället använder?

3.2 Om så är fallet, har ni förändrat perspektiven för att dessa mer precis skal passa Skellefteå kommun?

3.3 Känner du till vilka nyckelfaktorer som används inom varje perspektiv?

Implementation

4. Kan du kortfattat beskriva implementeringsprocessen av det balanserade styrkortet?

4.1 Implementerades styrkortet generellt för hela kommunen eller separat för varje förvaltning?

4.2 Om så är fallet, hur skiljer sig det övergripande styrkortet från förvaltningsspecifika styrkort?

Communication

5. Hur förmedlas konceptet balanserat styrkort inom Skellefteå kommun?

5.1 Förstärkta alla anställdas målen, visionen och strategin med ledningsverktyget?

5.2 Om så är fallet, hur utreds detta?

Objectives

6. Vem sätter målen för styrsystemet?

6.1 Hur stor roll spelar politiker och medarbetare i utvecklingen av målen?

6.2 På vilket sätt hanteras avvikelser från målen?

6.3 Bidrar målen till att nå visionen “att vara en framsynt tillväxtkommun, attraktiv att bo och verka i”?

Follow up

7. Hur går uppföljningen av målen till?

7.1 Vem använder sig av uppföljningen?

Evaluation

8. Vad var positivt/ negativt med implementeringen av det balanserade styrkortet?

8.1 Vad var positivt/negativt efter implementeringen av det balanserade styrkortet?

8.2 Har det balanserade styrkortet bidragit till att förbättra resultatet och utveckla verksamheten här i Skellefteå kommun?

8.3 Om så är fallet, har detta bidragit till att göra Skellefteå till en mer attraktiv kommun att bo och att verka i?

8.4 Har detta bidragit till att göra Skellefteå till en framsynt tillväxtkommun?

8.5 Har det balanserade styrkortet bidragit till att förbättra resultatet och utveckla verksamheten på andra sätt?
Appendix 2: Interview guide

Performance
1. We are conducting a study about measuring performance/efficiency, do you think that it is an important topic for an organization like Skellefteå municipality?
1.1 How long time have you worked in Skellefteå municipality for?
1.2 Have you held different positions during this time period?
1.3 Do you have a clear idea of the vision of Skellefteå municipality?
1.4 Is "performance" a key concept in your work?
1.5 How would you describe the performance management in Skellefteå municipality?

The balanced scorecard
2. What do you think in general of the balanced scorecard, what is your overall assessment?
2.1 When was the balanced scorecard first introduced in Skellefteå municipality?
2.2 What management control system was applied before the balanced scorecard?
2.3 Why was the balanced scorecard first introduced?

Perspectives
3. What perspectives of the balanced scorecard are used in Skellefteå municipality?
3.1 Have you changed the perspectives that you are currently using?
3.2 If so, have you modified the original perspectives in order for them to more accurately fit Skellefteå municipality?
3.3 Are you familiar with the critical success factors used within each perspective?

Implementation
4. Can you briefly describe the implementation process?
4.1 Have you implemented the balanced scorecard in a general manner for the entire municipality or on separate levels for each administration?
4.2 If so, how does the general balanced scorecard differ from those of the administrations?

Communication
5. How is the concept of the balanced scorecard communicated within Skellefteå municipality?
5.1 Does everyone understand the objectives, vision and strategy with the management system?
5.2 If so, how do you examine if that is the case?

Objectives
6. Who sets the objective for the controlling system?
6.1 How big part does politicians and co-workers play in the development of the objectives?
6.2 In what way do you handle disruptions from the objective?
6.3 Do these objectives contribute to achieve the vision, to be a far sighted township attractive to live and work in?

Follow up
7. How do you follow up the pre-set objectives?
7.1 Who uses the follow up?

Evaluation
8. What was positive/negative with the implementation of the balanced scorecard?
8.1 What was positive/negative after the implementation of the balanced scorecard?
8.2 Has the balanced scorecard contributed to increase the performance of Skellefteå municipality?
8.3 If so, has it contributed to make Skellefteå a more attractive municipality to live and work in?
8.4 Has it contributed to make Skellefteå a more far sighted growth township?
8.5 Has the balanced scorecard improved the performance in other ways?