



## The Balanced Scorecard's (BSC) role in managing the performance of governmental organizations: Cases of Charlotte and Brisbane Cities..

BENFEDDA Ouissam  
BENHACENE Hakim

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## The Balanced Scorecard's (BSC) role in managing the performance of governmental organizations: Cases of Charlotte and Brisbane Cities

دور لوحة القيادة الاستراتيجية في إدارة أداء المنظمات الحكومية:  
حالة مدينة شارلوت ومدينة بريسان

**BENFEDDA Ouissam<sup>(\*)</sup>**

Research Laboratory on the Future of the Algerian  
Economy Excluding Hydrocarbons, University of  
M'Hamed Bougara-Boumerdes, (Algeria)  
o.benfedda@univ-boumerdes.dz

**BENHACENE Hakim**

Research Laboratory on the Future of the Algerian  
Economy Excluding Hydrocarbons, University of  
M'Hamed Bougara-Boumerdes, (Algeria)  
h.benhacene@univ-boumerdes.dz

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**Abstract:** This paper aims to show the best way of transferring and implementing the BSC framework from the private sector to government organizations. Moreover, the present study demonstrates how the use of this tool can help government organizations to overcome the challenges faced nowadays. These aims are achieved by analyzing and comparing two local governmental organizations that are recognized as successful experiences of BSC implementation in this type of organizations: Charlotte and Brisbane cities. This study is based on a descriptive and analytical approach, where several sources have been used to collect data. It has been found that it is possible that governmental organizations implement BSC providing that they take into account their features. Furthermore, the BSC enables them to enhance their accountability, ensure better deployment of their strategy, improve decision-making, manage their performance, and foster customer focus. In a nutshell, the BSC helps them to face the challenges.

**Key words:** Balanced scorecard; Performance; Governmental organizations.

**JEL classification:** H 11; H 83; L33.

**المخلص:** تهدف هذه الدراسة إلى توضيح أفضل طريقة لتحويل استخدام لوحة القيادة الاستراتيجية من القطاع الخاص إلى المنظمات الحكومية، بالإضافة لتوضيح كيف يمكن أن تساعد هذه الأداة المنظمات الحكومية في التغلب على التحديات التي تواجهها. وسيتم تحقيق هذه الأهداف من خلال مقارنة منطمتين حكوميتين معترف بهما على أنهما تجارب ناجحة في تطبيق هذه الأداة في هذا النوع من المنظمات: مدينتي شارلوت وبريسبان. وتستند هذه الدراسة على المنهج الوصفي والتحليلي، حيث تم استخدام عدة مصادر لجمع البيانات. لقد تم التوصل إلى أنه من الممكن أن تقوم المنظمات الحكومية

<sup>(\*)</sup> Corresponding authors

ببني هذه الأداة كنظام لإدارة أدائها بشرط أن تأخذ في الاعتبار خصائصها، كما أنها تساعد هذه المنظمات على مواجهة التحديات الحالية في بيئتها.

الكلمات المفتاحية: لوحة القيادة الاستشرافية؛ أداء؛ منظمات الحكومية.

تصنيف JEL : H 11 ؛ H 83 ؛ L 33

## INTRODUCTION

Nowadays, governmental organizations are facing a number of challenges and difficulties due to the current development of their environment. In addition, these organizations are exposed to continuous pressures, especially in terms of providing high quality services to meet the increase and the diversity of the citizens' requirements, considering the limit of public resources.

For these reasons, governmental organizations seek to improve their performance. In fact, they attempt to set up relevant performance management systems in order to insure the effectiveness of their planning and monitoring processes.

Actually, most initiatives and studies that are concerned with the implementation of "the performance management system" focused more on private sector rather than public sector.

Recently some efforts are exerted to improve governmental organizations performance; especially with the new challenges that are facing the public sector. In fact, these organizations have to increase their accountability and to improve their decision-making; in order to answer quickly to the environmental evolutions as well as to take the appropriate corrective actions. In this respect, governmental organizations should develop their traditional performance management system; based essentially on the measuring of the financial performance.

One of the most crucial management tools that have been developed and implemented firstly in the private sector, is the BSC. Despite this tool was developed in the private sector, many public organizations have launched initiatives to adapt the BSC to their management system features in order to implement a better strategic "performance measurement system", which integrates both financial and non-financial measures.

According to the above, the researcher tries throughout the present study to answer the following problematic:

**How have governmental organizations managed the implementation of the BSC? And how do they cope with the requirements for better performance, accountability, decision-making and greater customer focus?**

This current paper aims to demonstrate the success way that governmental organizations should follow in designing and implementing of the performance management system as a BSC. Moreover, the study shows how the adoption of the BSC helps these organizations to overcome the challenges which are confronted with.

In order to reach the study's aims, two case studies will be examined: Charlotte City and Brisbane City. The principal criterion of our choices was that they have recognized as the BSC success stories in public sector. Furthermore, both local authorities belong to the same management culture: Anglo – Saxon.

Many sources have been used for collecting data; including the reports that have been published by the two cities, the interviews have been done with some managers of the cities, and other documentation.

Most studies that were concern with governmental organizations focused only on normative proposals of how-to-do level and the description of some of the experiences they had with BSC.

The descriptive and analytical approach is relied upon in the analysis of the different published data, periodicals, and scientific studies related to this present study. In addition, a case study approach is adopted analyzing the Charlotte and Brisbane cities experiences' in the BSC implementation.

Among the studies that are interested in implementing BSC within governmental organizations are: Halachmi, 2002; Gumbus & Wilson, 2004; Wisniewski, Olafsson & Iceland, 2004; Greatbanks & Tapp, 2007; Greiling, 2010; Mendes, 2012; Bobe, Mihret & Obo, 2017,...

Previous studies aimed at clarifying the positive impact of the BSC on fostering the public sector performance. Nevertheless, the present study aims to represent the current challenges that governmental organizations are facing in managing their performance. As well as how the BSC contributes to minimize the influence of these challenges by representing two models of local government that have been succeed in using the BSC

The first and the second section include respectively an overview of the main challenges facing governmental organizations and an overview of the BSC. The third gives a reflection on how to adapt the BSC in the public sector. The fourth describes the processes followed by Charlotte and Brisbane Cities in the BSC adoption. As for the last section it is allocated to compare them.

### **1. Challenges of governmental organizations**

For over than two decades, governmental organizations worldwide have faced increasing pressures to show the effectiveness of their performance management system in terms of cost reductions, quality

services improvement, increasing accountability and transparency for the use of public funds, and improving decision-making. Therefore, they have to achieve all of these and more in an environment marked by shrinking budgets, strict regulations, and changing work force demographics (Niven, 2008, p. xi).

Speaking of demographics, the population ageing is on the verge to become one of the most significant social transformation of this century, and by 2050, "one in six people will be over age 65 (16%), up from one in eleven in 2019 (9%)" (United Nations, 2020, p. 2).

Then, the population over the age of 65 is growing at a faster rate than all other age categories. In fact, these increasing of the population affect almost all sectors of society especially, demand for goods and services such as housing, transportation facilities, social protection, etc.

Thus, balancing the needs of retirees (all of whom will require increasing levels of government services) with younger citizens, while still holding taxes to politically sustainable level, leads to one undeniable conclusion (Niven, 2008, p. xi): it's imperative that public organizations will aim to reach a high level of efficiency and effectiveness.

Furthermore, governmental organizations are facing other challenges related to their management systems. In fact, these organizations operate with an unclear mission and vision, that is why, it is hard to create a strong correlation between their vision and strategy, and operational objectives. Micheli & Kennerley (2005) noted: "few attempts have been made to provide public and non-profit organizations with a framework in order to plan, monitor and enhance their performance" (Micheli & Kennerley, 2005, p. 125). Thus, these organizations should develop their performance management tools in order to translate their vision and strategy into measures at their different administrative levels.

For that, several researches have suggested the importing of theory and practice framework from the private sector to the public sector (Box, 1999; Boland & Fowler, 2000; Boyne, 2002; Bolton, 2003; Micheli & Kennerley, 2005; Greatbanks, 2007...). Boyne (2002) noted that "public and private organizations are widely believed to differ in a variety of important respects, where these differences act as barriers to the transfer of management techniques from the private to the public sector" (Boyne, 2002, p. 102). Furthermore, Bolton (2003) indicated that "the performance measurement frameworks of public organizations are often private sector-based and thus can prove difficult to implement within their environment" (Greatbanks & Tapp, 2007, p. 848). Bolton further suggested: "this is a fact of life and that such transition is both possible

and useful to the public organization if carefully managed” (Greatbanks & Tapp, 2007, p. 848). From the above, it is clear that the transferring the performance management approach from one sector to another is not simply without consideration of the sectorial context. Thus, governmental organizations should adopt private performance management system. However, they have to adapt it to their features in order to overcome the problematic nature (technical and managerial issues) of public performance systems.

Another challenge concerns the role of stakeholders (constituents, donators...). Bendheim (1998) confirmed that “stakeholders influence all aspects of performance measurement and management, and define five key stakeholder domains” (Greatbanks & Tapp, 2007, p. 848). In fact, the stakeholders approach requires that each organization identifies the different kind of people who are influenced and are affected by it, and to know their diverse needs and desires in order to translate them into multidimensional objectives.

Nevertheless, it is difficult to give priority for all of the stakeholders and get them evolved in the conception of the organizations’ vision. Therefore, it is crucial for governmental organizations to select appropriate methods and tools that enable them to consider the positive impact of the stakeholders (citizens or customers) on their performance improvement; ultimately, to adopt a strategy customer-focus.

Moreover, the performance management system in governmental organizations is based only on financial measures, such as “budgets, donations, expenditures, funds, appropriated and operating expense ratios...” (Kaplan, 2009, p. 23). However, the governmental organizations’ performance should be measured by their effectiveness in providing advantages and benefits to citizens. They should implement a tool that enables them to integrate the non-financial measures in their performance management system and to take into account multidimensional perspectives of their performance. Finally, these organizations should show to their stakeholders how funds were spent, so, they must demonstrate accountability and real results indicating their progress on important areas. For that, these organizations should adopt an appropriate tool that helps them to foster their accountability and transparency.

## **2. What is a BSC?**

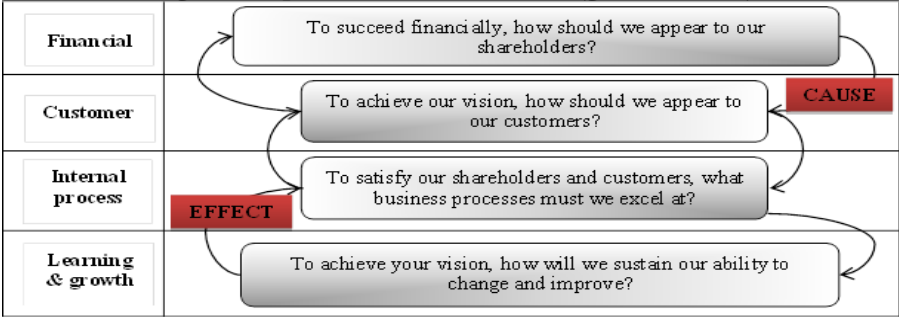
In 1990, Kaplan and Norton led a research study on twelve companies in order to explore new tools and methods of performance measurement. As a result they ended up introducing the BSC in 1992.

Actually, this tool arose out of the questioning previous performance

assessment systems based essentially on the monitoring financial results, but the BSC has swiftly evolved into a management system that makes it possible to communicate, and implement strategy. Kaplan and Norton have shown that a BSC is more than a tactical and operational performance measurement tool; it is seen as a multi-dimensional tool including financial and non-financial measures.

Niven (2008) described the BSC as a carefully selected set of measures derived from an organization's strategy, where the measures represent a tool for leaders to use in communicating to employees and external stakeholders the outcomes (Niven, 2008, p. 13). Nair (2004) defined BSC as "a method that translates strategic themes to actionable and measurable objectives that are ready for execution at all level of the organization" (Nair, 2004, p. 4). Kaplan and Norton depict the BSC framework through its functions: clarifying and translating vision; communicating and linking objectives and strategic measures; planning, setting targets, and aligning initiatives; and finally enhancing strategic feedback and learning. Therefore, the BSC can be defined as a strategic performance management system that enables the translation of organization's strategy into financial and non-financial measures, which all of these measures are contributed to create value by gathering them into four generic perspectives (see figure n° 1). These perspectives are integrated a connected strategic objectives via a causal relationships. One or more measures are associated which each identified strategic objectives and each measures corresponds to one or more targets to be reached, and the appropriate initiative (Jaulent & Quarés, 2004, p. 12).

**Fig 01: Perspectives and causal chain (generic model)**



Source: Jaulent, P, & Quares, M.A, (2004), "Méthodes de gestion", Organisations editions, Paris, P: 12.

In addition, some organizations have extended the generic model by incorporating other perspectives or by modifying their ranking according to their priorities.

For instance, the Nova Chemical Company uses the four generic

perspectives and one additional, namely the social domain, to take into accounts the community” (Jaulent & Quarés, 2004, p. 12).

Besides, governmental organizations are finding hardships with the generic BSC due to their objectives and priorities differ from those of the private sector. For this reason, the majority of them modified the generic model by an appropriate BSC structure to their features.

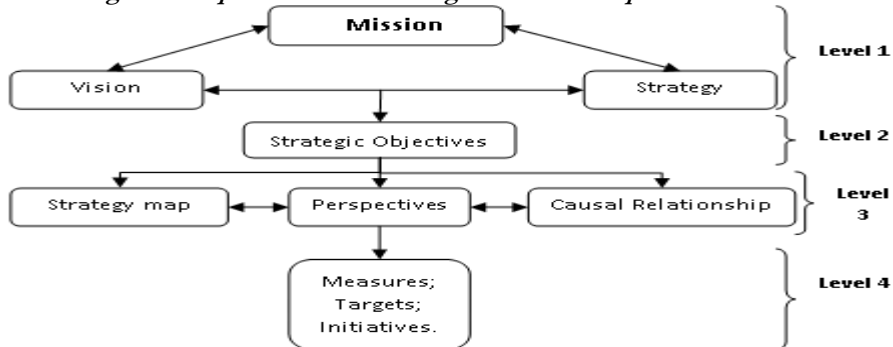
### 3. Adapt the BSC to fit the governmental organizations

The BSC was initially proposed to overcome some lacks in the private performance measurement system, however, after few years; it has been adopted by public sector in order to address the difficulties and challenges that face them.

Indeed, the increase of social needs, the high-expectations of the quality of services delivery, the budget limitations, and the definition of citizen satisfaction as the mission of public organizations; justify the adoption of an information system like the BSC in public management. In fact, this tool helps them to add value for communities and to increase the value for money (Gomes, Mendes, & Carvalho, 2010, p. 6).

Nevertheless, governmental organizations should address some issues before launching a BSC process. In fact, they often have difficulties to define clearly their vision and strategy and to align it to the goals of employees. Hence, Kaplan and Norton have suggested that “the governmental organizations should consider placing the long-term mission as reducing poverty, elimination illiteracy, or improving environment, as their top objective” (Yang, Cheng, & Yang, 2005, p. 289). Thus, the adoption of the BSC by these organizations requires that they define a clear mission and that the BSC help them translate it into operational objectives through the following process:

**Fig 02: The process of translating mission into operational actions**



Source: Developed by ourselves.

Therefore, governmental organizations cannot use the generic model of the BSC where financial perspective is presented as high level outcomes



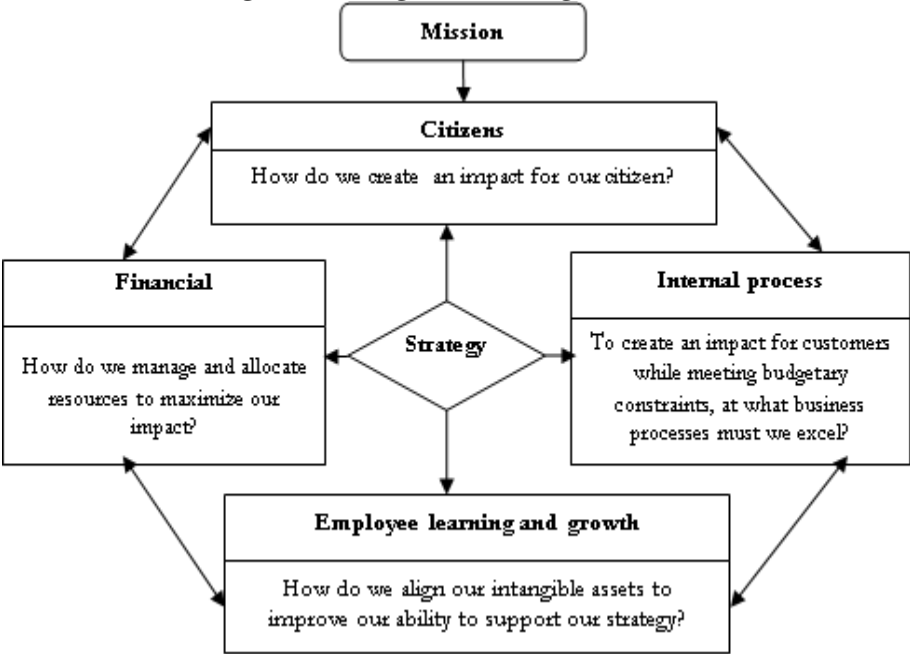
to be achieved.

Actually, the financial perspective does not present the main objective for them and they are often seen it as a constraint more than a measure of success. Financial objectives achieved in public sector indicate results attained in a cost effective manner with accountability (Gumbus & Wilson , 2004).

Although the identification of those who benefit from the public services is a hard task with the matter of the fact that numerous stakeholders exist (donors, taxpayers, and benefactors), the citizen's satisfactions should be placed at the top of public BSC. Given that “the process in governmental organizations is achieved first by donors who offer the financial resources then they pay for the services, while another group, the constituents, are receiving the services” (Basuony & El Guindy, 2019, p. 33).

Internal process and learning and growth perspectives have to be aligned with organization's vision, so as to enable it to boost citizens' satisfaction. The figure below shows the public BSC:

*Fig 03: BSC for government organizations*



Source: Niven. P, (2008), “Balanced scorecard: step by step for government and non-profit agencies”, John Wiley & Sons, New-Jersey.

Multitude researches have recognized the utility and the importance of the BSC in the public sector; however, they have emphasized on the

necessity of its adaptation and rearranging according to public sector features in order to adjust the language, framework, and approach to the public management and to the social mission that characterizes the organizations of this sector. The table below exhibits some of the various options for adapting the Balanced Scorecard to the public sector:

*Table 01: Samples of the different proposals of the BSC perspectives*

Public sector	BSC perspectives
All public sector	<ul style="list-style-type: none"> <li>- Value/benefits of service;</li> <li>- Cost of providing service;</li> <li>- Support for legitimizing authorities;</li> <li>- Internal processes;</li> <li>- Learning &amp; growth.</li> </ul>
Community Development Authority- Dubai	<ul style="list-style-type: none"> <li>- Stakeholders;</li> <li>- Financial;</li> <li>- Internal processes;</li> <li>- Employee learning &amp; growth.</li> </ul>
Local government- Australia	<ul style="list-style-type: none"> <li>- Community;</li> <li>- Internal processes;</li> <li>- Intellectual capital management &amp; development;</li> <li>- Financial resources management.</li> </ul>
Scotland police	<ul style="list-style-type: none"> <li>- Customers;</li> <li>- Internal processes;</li> <li>- Continuous improvement;</li> <li>- Financial.</li> </ul>
May institute "Behavioral health care" USA	<ul style="list-style-type: none"> <li>- Customers (Patients);</li> <li>- Internal processes;</li> <li>- Employee learning &amp; growth;</li> <li>- Financial;</li> </ul>
Fulton County School System- Georgia, USA	<ul style="list-style-type: none"> <li>- Students' performance;</li> <li>- Stakeholders;</li> <li>- Teaching &amp; administrative processes;</li> <li>- Learning &amp; growth;</li> <li>- Financial.</li> </ul>

*Source: Developed by ourselves*

From this table we can see that there are several attempted and proposals on the BSC perspectives for different type of government organizations; for example; some of them have suggested positioning the financial perspective after the citizen perspective, or after internal and learning and growth perspectives.

#### **4. Successful stories of BSC implementation in government organizations**

There are many governmental organizations have implemented their BSC with effectiveness, despite the fact that their industry differs from one to another

(public hospital, municipality...). In this section, two governmental organizations have been chosen to show their successful BSC implementation in order to benefit of their experiences: Charlotte City and Brisbane City.

The main criteria for our choice was that the case studies have made their city the number one in the region in which to live, work, and recreate. In addition, both local authorities belong to the same administration culture: Anglo – Saxon.

4.1 The social and economic context of Charlotte Brisbane Cities

The social and economic context of Charlotte and Brisbane cities can be seen in the table below:

Table 02: The social and economic context of Charlotte and Brisbane cities

	Charlotte City	Brisbane City
Location	North Carolina (USA)	Capital city of Queensland (Australia)
Population	From 485 445 in 1996 to 905 318 in 2020 (among the largest city the North Carolina and the 15 <sup>th</sup> in USA)	From 1.5 million in 1995 to 2.4 million in 2020 (the third most populous city in the continent)
Budget	2.55 Billion \$	3.15 Billion \$
Number of employees	Over 7 500 employees	Over 8 000 employees
Growth rate	1.85 % in 2020	1.69 % in 2020 instead of the expected 2.5% due to the freeze caused by the Covid-19
Year of implementation	1996	1997
Highlight	-University best practice from the international city; -County's Manager Association; -Entry into the BSC collaboration Hall of Fame (2002).	-BSC Hall of Fame Award (only two local government have won this award).

Source: Developed by ourselves based on: “<https://charlottenc.gov>”, “<https://www.brisbane.qld.gov.au>” and “<https://worldpopulationreview.com>”.

4.2 Analysis the BSC implementation process

The two cities were independently examined according to the case studies approach proposed by Yin<sup>1</sup> (1984).

4.2.1 Drivers of BSC implementation

<sup>1</sup>The case study should be considered a separate and all-encompassing method with its own research design (Hollweck, 2015, p. 1).

### • Charlotte

Since the 1970s, the Charlotte city has been using management by objectives (MBO) and has looked at what other cities are doing, and in early 1990s, the city council began to develop their strategic themes or focus areas that would guide their resources allocations and departmental programs for the next decades. These strategic themes are (Kaplan & Norton, 2000, p. 138):

- Community safety;
- Economic development;
- Transportation;
- Housing and neighbourhood development;
- Restructuring government.

However, the MBO system continued to deliver operational measures that have been too voluminous to manage, where the city Manager (Pamela Syfert) explained that “the MBO system was an audit tool not a planning tool” (Balanced Scorecard Collaborative, 2005, p. 2).

Besides, before the BSC adoption, any link between its performance management system and its objectives were coincidental. In addition, even though Charlotte had its own vision and mission in 1990, the increasing citizens’ needs and the city’s desire to provide high quality to its citizens require that the city should establish a strategy and set priorities for city initiatives. Syfert wanted to focus its limited resources on those initiatives that would have the greatest impact on achieving its vision. That’s why; Charlotte adopted the BSC, in 1996, in order to tie its performance management system and its strategy together.

### • Brisbane

Ten years before its BSC’s adoption, Brisbane city did not possess a strategy. The budget was essentially the equivalent of the previous year plus the Customer Price Index<sup>2</sup> (CPI). Due to this reason, the adaptation the city to their environments changes was almost impossible.

Moreover, there are two others drivers, which are related, firstly, to “an important population growth (more than 30 % in the last ten years)” (Yetano, 2009, p. 170), where the demand of services was increased and the new social issues were emerged (drugs, crimes...). Secondly, around 100,000 individuals who work in Brisbane and use their services do not live there, thus in most cases, do not generate revenue (Yetano, 2009, p. 170). For that, Brisbane had to develop its corporate plan, so, this city opted for the BSC as its planning tool.

## 4.2.2 Vision and strategy (level 1)

### • Charlotte

In 1996, Charlotte developed a city level BSC to achieve its vision effectively. Through its vision the city sought to provide “high quality services to

<sup>2</sup>CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services (US Department of Labor, 2015, p. 1).

its citizens and make a community of choice for living, working, and leisure activities" (Kaplan & Norton, 2000, p. 137).

Charlotte has captured its vision and mission in the document "2010 vision plan" to guide city's future on several levels and domains.

So as to facilitate the achievement of its vision, the city selected five strategic themes that enable all scorecards' department to be aligned with the city's BSC, such as; police, transports, fire, health... Charlotte defined and described important areas that the city could have an impact.

- **Brisbane**

Brisbane has set out its vision in the document "living in Brisbane in 2010". The vision has outlined the aspiration what is expected to happen over 10 years period, and its aimed to make sure that Brisbane is a great city to live in, now and the future. The city has chosen, as the Charlotte city, to subdivide its vision into strategic directions (principal objectives) are considered the starting points of PIONEER model (name of the BSC adapted to the city features).

#### **4.2.3 Translating strategy into objectives (level 2)**

- **Charlotte**

During the initial design of the Charlotte's BSC, Syfert noted that "it was not enough to align departments – such as transportation and police – with the BSC of the city" (Kaplan & Norton, 2001, p. 198).

For this reason, she has decided to build a BSC for each strategic theme and to set up a team for each one. The five constituted teams were represented by one KBU or more. In fact, the city's 26 departments were consolidated into 13 KBUs. Nine of the units covered functional areas such as police, fire, transportation, and aviation ... The remaining four KBUs were support units: budgets and evaluation, business support services, finance, and human resources (Balanced Scorecard Collaborative, 2005, p. 2).

Each team included departments heads that could affect or influence the strategic theme, where they met monthly to discuss the progress made in the achievement of the theme's objectives.

- **Brisbane**

Initially, Brisbane has set up the BSC as a performance measurement system, however in 1999, they realized that they need to go further to demonstrate how the activities contribute to the vision. That is why; a new BSC structure called PIONEER has been implemented. Moreover, Brisbane's vision had 20 principal objectives, so, the traditional BSC was achievable but too complicated. In order to overcome this complexity, they have decided to develop a BSC for each objective and to identify a group of activities which were considered to be linked with the objective. This way shows activities that contribute to the objective achievement, where the personnel, the different departments, and the external agencies had to become committed and to contribute to the implementation of the BSC.

#### **4.2.4 The perspectives (level 3)**

- **Charlotte**

The city has made some modifications to the generic structure proposed by its designers, in order to adapt it to its features. Indeed, Charlotte has placed the customers (citizens) perspective at the top of its BSC rather than the financial perspective. Even though the financial perspective is important, but the customers' view of its performance is much bigger in governmental organization (Niven, 2008, p. 38). In fact, the city has realised numerous surveys in order to provide customers and taxpayers a value in terms of what they pay and the services they receive.

The City's BSC contained seven client objectives; two objectives for community safety, two for restructuring, and one for each of the other three strategic themes. Several financial, internal and learning and growth objectives were shared across many themes.

Charlotte considered the financial objectives as facilitators for the attainment of its customer objectives, and the internal and learning and growth sustained the financial and customer objectives. Therefore, the Charlotte city uses the causal relationships between the BSC perspectives in order to attain their strategic objectives.

- **Brisbane**

In the same way as Charlotte, Brisbane has focused its BSC on the customer perspective (citizens). In fact, Brisbane city has been interested in the degree of its citizens' satisfaction. That is why, the city carries out permanently (twice a year) a community satisfaction survey in order to analyze if the outcomes satisfy citizens' needs and to identify their new needs. As opposed to Charlotte, Brisbane has put the financial perspective at the bottom of its BSC. This perspective shows the cost and the budgeted amounts needed to achieve each objective by "simply adding up the cost of the activities planned" (Yetano, 2009, p. 173).

#### **4.2.5 Performance measures, targets, and initiatives (level 4)**

- **Charlotte**

Charlotte has used the same terminology suggested by Kaplan & Norton, so, it has employed objectives, measures, targets, and initiatives to design its BSC. However, the city has delineated the types of measures to focus; namely: activity, input, output, and outcome measures.

Before the BSC, the city had about 900 measures across 13 KBUs, but after its implementation the number dropped down to about 260, and right now the city has approximately 375 measures for 14 KBUs (Niven, 2008, p. 318). These measures have been monitored by the city's BSC and also by KBU scorecards. For example, the city level scorecard might have a customer objective to provide public transportation and measure users of public transportation. The KBU scorecard might measure detail such as available modes of transport, repair time, frequency of on time arrivals... (Gumbus & Wilson, 2004, p. 230).

In addition, each financial and non-financial measure was translated into some

targets and initiatives in order to facilitate the attainment of the objectives. The BSC was linked to budgeting to provide the necessary resources for carrying out the strategic themes.

Regarding the using of software, Charlotte could not find an appropriate system due to the fact that these systems tend to be extremely quantitative in their orientation. Hence, its reporting systems have been paper based and some simple software as Word or Excel.

- **Brisbane**

The city has chosen to measure the achievement of each objective by three key measures and other non-key measures, where the first measures were used for planning and control, and the second measures were used to provide a global vision of outcomes.

In order to achieve each outcome, the City of Brisbane has established a group of activities, which were considered to be linked with the outcome. Each activity is identified with an output, with its corresponding measures, targets, responsible officer and budgeted amount (Yetano, 2009, p. 171). In addition, the city has chosen measures that are characterized by flexibility (adapting measures to the swift mutations of its environment), and stability. However, Brisbane was much more interested to develop outcome measures. Brisbane has developed specific software that manages all the data about its BSC "PIONEER" and makes them available to its employees via the intranet.

## **5. Discussion**

Both local authorities are recognized among the best and most successful experiences in the public sector, where the use of this tool has influenced positively their performance management system and it has contributed to their success to become the number one cities in their region. Thus, the BSC has made them better than communities that operated with less focus attention to their citizens.

Currently, Charlotte city has a robust economy as "the second largest financial services center in the USA and it is also home to several other Fortune 500 companies, including; Duke Energy, Goodrich Corp, Nucor..." (Balanced Scorecard Collaborative, 2005)

In sum, the Charlotte's BSC has enabled this city to reach healthy and fiscally prudent growth while being responsive to the diverse needs of its citizens.

In the same way, the BSC implementation now in its twentieth year has influenced positively the Brisbane development. In fact, the city is participated in many international business deals and it is recognized as an emerging financial center. The city appears in the global comparative analysis. Recent studies have revealed that Brisbane has remained at the top of the list of the most livable cities (34<sup>th</sup> out of 235 cities in 2009) (Australian Government, 2010, p. 22), and this position is maintained until now.

### **5.1 Drivers of BSC implementation**

Charlotte and Brisbane belong to the Anglo-Saxon administration culture,

where this group is considered as the leaders in public sector reforms. As Torres (2005) indicated that Anglo-Saxon countries emphasize efficiency, effectiveness, and value for money. They are more likely to introduce market mechanisms and notions of competitiveness and envisage the citizen primarily as a consumer of services - as a client (Torres, 2005, p. 688).

Both local governments have fitted public administration reforms into their traditional models in order to enhance the quality of services as well as the empowerment of their citizens and employees.

Moreover, the deficiency of planning has fostered the BSC adoption by the two cities. Through the implementation of the BSC, they have become enabling to translate their vision into measurable and related objectives.

## **5.2 Vision and strategy**

Both cities have established their vision statements that detail their long-term community plan that is broken down into strategic themes.

Besides, Charlotte & Brisbane show, as Ferreira and Otley (2005) argue that “the importance of establishing an overall direction that reflects what the organization wishes to achieve” (Yetano, 2009, p. 174).

Nowadays, the two local authorities develop deeply their vision and their strategic themes. Indeed, they adopt a sustainable vision for almost the next twenty years, which allows them to meet to the increase requirement of their environment and their citizens. Therefore, they aspire to maintain or improve the quality of life for their community, economic development, and to be the greenest cities in the world.

Charlotte expands its five strategic themes into ten strategic themes, and Brisbane choose eight more accurate vision themes (new nomination of strategic directions), where the both cities try through their new strategic themes to contribute effectively to the achievement of the 17 sustainable development objectives which are defined in the program 2030 of the United Nations.

## **5.3 Translating strategy into objectives**

As aforementioned, the first approach of the BSC implementation adopted by Brisbane city did not response to their management needs.

They had difficulties on the one hand, representing their multiple objectives, and on the other hand, achieving cooperation among departments to reach objectives (Yetano, 2009, p. 175). Since one size does not fit all the management needs, Brisbane has made some changes to its BSC in order to meet these needs.

The BSC implementation of Charlotte city seems more systematic and more structured. From the beginning, Syfert decided to link the city's BSC with the scorecards of each strategic themes, where the synergy between its departments (or KBUs) was necessary to the success of the implementation of its BSC, according their domains and their relationship with each strategic themes.

## **5.4 Perspectives**

Charlotte and Brisbane are considered as the first governmental organizations that have adopted a corporate strategy oriented customers. In fact, they have elaborated regularly surveys and use many means to identify the satisfaction level



of their citizens and to identify their needs.

Therefore, both local government have adopted the generic structure of Kaplan & Norton, however, they have brought some modification to it that enabled them to make it compatible with their features and their vision.

### **5.5 Performance measures, targets, and initiatives**

The BSC has assisted the two cities to reach the overall performance which encompass financial and non-financial performance.

Charlotte city has tried to determine four types of measures; however, Brisbane city has tried to focus more on the identification of outcomes measures.

Both cities have used the measures not just for monitoring, but also for planning, that is why, they have improved their measures and have made them more accurate. Brisbane has used the information technologies and the intranet to diffuse information internally. Indeed, as Edwards (2001) indicated: "organizations that implement a tool such as a BSC are often those that use integrated information technology tools" (Choffel & Meyssonier, 2005, p. 69). Moreover Cavalluzzo and Ittner (2004) pointed out that "Information technologies are a fundamental tool in management as they have the ability to simplify management models" (Yetano, 2009, p. 176).

Nevertheless, Charlotte have just used classical software (word & excel) in its first BSC implementation. Despite this, this city is recognized as the first public sector organizations that succeed into the implementation of the BSC, mainly due to its innovation in "the redesign of the scorecards perspectives to better match the goals of not-for profit institutions" (Balanced Scorecard Collaborative, 2005, p. 1).

Hence, the implementation of the BSC by the two cities has enabled them to correct a traditional deficiency of public management systems, based essentially on the measuring of financial performance.

## **CONCLUSION**

The implementation of a performance management system, as a BSC, can have many benefits for governmental organizations; however, it is often hard to identify tangible benefits from the BSC in terms of tangible services citizens expect of government (cleaner streets, community safety...). Indeed, the benefits of the BSC over governmental organizations are more internal in nature, where this tool enables these organizations to: ensure a better deployment of their vision and strategy, increase accountability and transparency, manage effectiveness and efficiency, improve decision-making, and enhance customer focus.

Firstly, the using of the BSC has helped Charlotte and Brisbane cities to align their strategic objectives with the personnel goals. In fact, these organizations were able to provide clear objectives to achieve for their departments (employees) through the implementation the BSC for each strategic theme. In sum, the BSC emphasizes on strategy throughout the organization and it explains where the individuals fit in the organization's long-term objectives and how they contribute to their achievement.

In addition, the BSC enables the two cities to integrate strategy with budgeting. Thus, this tool allows identifying with more precision the necessary resources to achieve the objectives set up in the scorecards.

Secondly, the BSC represents a good means of assessing performance, introducing significant accountability for outcomes by translating each objective into specific measures, targets, and initiatives. Moreover, the multidimensional aspect of the BSC enables the governmental organizations to demonstrate their accountability and transparency effectively, also, the accountability is fostered when the focus is on the outcomes as was the case of Charlotte and Brisbane.

Thirdly, many researchers recognized that the implementation of the BSC improves the effectiveness and efficiency of governmental organizations notably. Even though this effectiveness and efficiency have not been shown in both local authorities, the managers of the cities affirmed that they succeed to improve it, particularly, in term of the objectives to be reached.

Fourthly, BSC improve the decision-making since it further fostered the use of non-financial measures, and it provides timely information compared to the delay annual reports BSC enhances the credibility of information communicated across the organization.

Finally, the BSC has enabled both cities to adopt strategy oriented-customers. In fact, they have been considered among few cities that have focused their strategy on customers through the moving the customers' perspective at the top of the BSC instead of the financial perspective.

Through this study it has been able to show the potential of using the performance management system framework from the private to the public sector. It is crucial for governmental organizations to study the previous experiences of the BSC implementation in public sector, in order to view the important keys of the successful implementation of this tool. Nevertheless, this study should be completed by other studies analyzing the influence of the administration culture on the BSC implementation and trying to find the standardized method for its implementation on public sector.

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