



The politics of the balanced scorecard

The politics
of the BSC

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Abstract

Purpose – The purpose of this paper is to revisit the balanced scorecard (BSC) literature with an eye to how political aspects associated with power, conflict and resistance become manifest and how further empirical research on this theme may be advanced.

Design/methodology/approach – The paper is based on a review of extant research informed by interpretive and critical perspectives and offers a discussion of how insights from this literature may enrich our understanding of the politics of the BSC.

Findings – The paper discusses the politics of the BSC implicated in: its diffusion and dissemination; performance measurement and strategic alignment; implementation and organizational learning; and governance and regulation.

Research limitations/implications – The paper offers a relatively holistic view of the politics of the BSC which may form a starting point for multi-level analyses of this phenomenon and dialogue with the “mainstream” literature on the BSC informed by functionalist and managerialist approaches.

Originality/value – The paper offers a comprehensive review of the politics of the BSC, which should assist researchers in identifying extant knowledge gaps and opportunities for further empirical research.

Keywords Balanced scorecard, Management accounting, Organizational learning, Strategic performance measurement, Strategic management accounting

Paper type Research paper

Introduction

The balanced scorecard (BSC) is unquestionably one of the most influential innovations contributing to the transformation of contemporary management accounting discourse and practice since its emergence in the early 1990s. This development has offered tremendous research opportunities for accounting scholars who have examined various aspects of the BSC from a broad range of theoretical perspectives. Yet, research on this topic has been dominated by a functionalist and managerialist perspective primarily focusing on technical and behavioural issues emerging in the design and implementation of BSCs (see reviews by Andon *et al.*, 2005; Bukh and Malmi, 2005; Ittner and Larcker, 1998). Whilst a growing stream of research informed by interpretive and critical perspectives is discernible (Andon *et al.*, 2007; Bessire and Baker, 2005; Bourguignon *et al.*, 2004; Edenius and Hasselbladh, 2002; Hansen and Mouritsen, 2005; Hoque, 2003; Lawrence and Sharma, 2002; Modell, 2009, n.d.; Nørreklit, 2003; Qu and Cooper, 2011; Vaivio, 2005; Wickramasinghe *et al.*, 2007), it has yet to develop into a more coherent body of knowledge providing a distinct “alternative” to the “mainstream” of BSC research. One way of furthering this end is to focus on the politics of the BSC

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implicated in organizational and societal processes shaping social realities. This shifts the emphasis from a pre-occupation with technical issues of making this innovation “work” to concerns with power, conflict and resistance and their implications beyond traditional managerial agendas.

The objective of this paper is to revisit the BSC literature with an eye to how such political ramifications become manifest and how further empirical research on this topic may be advanced. My approach is similar to that adopted by Englund and Gerdin (2008) with respect to activity-based costing in that I re-interpret extensively debated themes from a socio-political perspective. I pay specific attention to the politics of the BSC associated with:

- its diffusion and dissemination;
- performance measurement and strategic alignment; and
- implementation and organizational learning.

However, I also broaden the discussion to examine a fourth theme of extra-organizational governance and regulation which has recently emerged as significant from a socio-political perspective although it has received little attention in the “mainstream” literature on the BSC. I start by deepening my critique by demonstrating how political aspects have been systematically downplayed in seminal texts on the BSC such as those produced by Kaplan and Norton. In the subsequent sections I elaborate on the four themes identified above and outline implications and opportunities for further research. I conclude the paper with some brief remarks summarizing how a more explicit socio-political perspective may take BSC research forward.

The apolitical scorecard

Conventional notions of the BSC, such as those advanced by Kaplan and Norton, have evolved in tandem with increasing concerns with the need to render management accounting practices strategically relevant. This development can be traced through the gradual evolution of the BSC as a strategic management system (Kaplan and Norton, 1996) into comprehensive strategy maps (Kaplan and Norton, 2001, 2004) and vehicles of corporate-wide strategic alignment (Kaplan and Norton, 2006a). A key theme gradually crystallized through these works is the need to devise performance measurement systems tightly coupled to the strategic visions and objectives of organizations with the ultimate aim of aligning organizational resources and processes and employee behaviour with what is deemed strategically important. Performance measurement fills a crucial role in this respect as it focuses managerial attention to critical success factors and the actions required to achieve strategic objectives. Such alignment of intended strategies with organizational action may, in turn, be reinforced by linking performance measurement to other control mechanisms such as strategic planning, budgeting, feedback and reward systems (Kaplan and Norton, 1996, 2001). As such, Kaplan and Norton’s approach to strategic management falls squarely within the planning school of thought and represents an ideal built around a strong “measurement culture” (Johnsen, 2001; Vaivio, 2005). Even though notions of emergent strategies (Mintzberg and Waters, 1985) are occasionally acknowledged strategy implementation is mainly seen as materializing through top-down processes as strategic priorities formulated by senior management are communicated downwards through the organizational hierarchy (Kaplan and Norton, 2001). To the extent that

the views of lower-level managers and employees are seen as relevant for strategy formulation and implementation they are mainly described as aspects to be reconciled with over-riding strategic objectives through training and continuous feedback in the process of fostering organization-wide strategic awareness. This approach to strategic management arguably detracts from the politics of performance management in a number of ways.

First, the process of defining what is strategically important and how this should be measured and managed is portrayed as a politically neutral exercise dominated by senior management without much questioning of the legitimacy of strategic agendas or the power of managers to execute them. The incentives of senior management to pursue particular interests and strategies are rarely problematized as the primary managerial task is seen as one of balancing multiple performance aspects to safeguard long-term organizational survival. This is conceptualized as a matter of relatively interest-free and value-neutral optimising detached from the power exercised by a broader range of stakeholders. Kaplan and Norton (2001, 2004) bracket the discussion of stakeholder power by emphasising that the BSC and strategy maps should not be confused with stakeholder models and that the ultimate objective of these techniques is to align strategies with the delivery of long-term shareholder value or, in the case of public sector and non-profit organizations, an over-riding, customer-focused perspective (Atkinson *et al.*, 1997; Ax and Bjørnenak, 2005; Sundin *et al.*, 2010). Indeed, they voice considerable scepticism against stakeholder (or constituent) scorecards evolving in practice as these are rarely “adequate to describe the strategy of an organization and therefore [...] not an adequate foundation on which to build a management system” (Kaplan and Norton, 2001, p. 102). In other words, the primacy of devising strategies to deliver shareholder or customer value is taken for granted and viewed as an ideal that senior management should automatically subscribe to. However, this seriously underestimates the propensity of managers to pursue self-interests and the tensions embedded in more deeply rooted stakeholder conflicts.

Second, the view of senior managers as omnipotent yet politically neutral optimisers leads to overly simplistic portrayals of the challenges involved in implementing strategies. Considerable emphasis is placed on the establishment of managerial consensus around strategic priorities as a starting point for successful implementation processes (Kaplan and Norton, 1996). Nevertheless, sustained senior management commitment and support are seen as vital for reinforcing such consensus since “few middle managers understand the organization’s strategy” (Kaplan and Norton, 2001, p. 562) and need to be continuously reminded of strategic priorities. This suggests that Kaplan and Norton are aware of the risks of inertia and resistance to strategies communicated in a top-down manner, but that they implicitly assume that such barriers can be overcome through sufficiently concerted pushes from above. Indeed, they put significant faith in the propensity of the BSC to resolve, if not altogether side-step, such problems. This is notably manifest in their propagation of the use of BSCs structured around specific “strategic themes” as a powerful vehicle of aligning organizations with changing strategic agendas as opposed to the disruptions and conflicts often following from more radical organizational re-structuring (Kaplan and Norton, 2006b). The power embedded in performance measurement is thus celebrated. However, Kaplan and Norton largely ignore the multitude of means to resist such power and divert change efforts that are often available to organizational members

(Johansson *et al.*, 2006; Kasurinen, 2002; Vaivio, 2005). A similarly apolitical approach is discernible in so far as the possibilities of organizational learning are concerned. Whilst Kaplan and Norton (2001) emphasise the centrality of organizational learning as a mechanism for continuously developing BSCs it is portrayed as a politically neutral invitation to lower-level managers and employees to contribute to the fine-tuning of organizational strategies. This downplays any conflicts that need to be resolved to overcome barriers to learning and ignores the implication of power as both a vehicle of and an impediment to learning across different organizational levels (Lawrence *et al.*, 2005).

Finally, the very rationale for organizations to adopt the BSC is rarely problematized but is implicitly seen as a function of rational managerial choice. Organizations are assumed to require BSCs to execute strategies more effectively in the face of changing economic and competitive imperatives (Kaplan and Norton, 2001) whilst little attention is paid to the wider social and political processes compelling organizations to adopt management innovations (Ansari *et al.*, 2010). Even though the importance of incorporating aspects of political regulation in BSCs and strategy maps is occasionally recognised, it is merely seen as a matter of rendering them measurable and manageable such that they contribute to the long-term objective of delivering shareholder value (Kaplan and Norton, 2004). As explicated in the following section, however, the diffusion of innovations across organizations is a far more multifaceted phenomenon that brings the politics of the BSC to the fore.

The politics behind the BSC: issues of diffusion and dissemination

Going beyond Kaplan and Norton's work on the BSC, we may start to unravel the inherently political nature of the themes discussed in the foregoing. The first of these themes concerns the politics behind the BSC associated with its diffusion and dissemination. Whilst research on the diffusion of the BSC was long dominated by functionalist approaches tracing the rationales for adoption to economic, technical and structural antecedents (Chan, 2004; Dyball *et al.*, 2011; Hoque and James, 2000; Speckbacher *et al.*, 2003), it has recently been complemented with studies exploring the broader social and institutional dynamics underpinning diffusion processes (Chang, 2006, 2007; Hoque and Adams, 2011; James, 2009; Kasperskaya, 2008). The latter strand of research has drawn attention to how economic and competitive imperatives are outweighed by political factors, such as coercive regulatory pressures, as a reason for adoption (Chang, 2006, 2007). However, the more complex, socially embedded interplay between the actors involved in adoption decisions has remained under-explored. Even less attention has been paid to how potential conflicts emerging in this interplay are resolved to overcome barriers to diffusion. One reason for this is the relatively one-sided emphasis on the demand side constituted by adopting organizations in diffusion processes. Yet, a number of authors have noted the important role played by a range of extra-organizational actors, such as consultants, professional bodies and government authorities, in the diffusion of the BSC (Malmi, 2001; Modell, 2009; Wickramasinghe *et al.*, 2007). A rare example of a more focused analysis of how the supply side behind diffusion processes operates is Ax and Bjørnenak's (2005) study of the bundling of the BSC with other management innovations to enhance its attractiveness to potential adopters. However, their analysis was largely confined

to how influential propagators combine design elements of diverse innovations whilst only cursory attention was paid to their political manoeuvring.

Some emerging attempts to address such limitations would seem particularly promising. One strand of research has approached them by shifting the focus from the process of adoption and diffusion to pay more careful attention to how the BSC is disseminated by influential actors on the supply side. A notable contribution to this literature is Nørreklit's (2003) detailed analysis of how Kaplan and Norton mobilize powerful rhetoric based on analogies and metaphors to convince prospective audiences of the merits of the BSC and how they lever their positions as authorities to this end. Similarly, Bessire and Baker (2005) underline the importance of metaphorical reasoning as an important reason for the popularity of the BSC whilst cautioning that the metaphors used to propagate it serve to simplify the challenges of strategic management by conveying an overly mechanistic view of organizations (Vaivio, 2005). Recently, this line of inquiry has been extended by Free and Qu (2011) who demonstrate how the visual representations accompanying Kaplan and Norton's writings play an important role in rationalizing the development of the BSC as an outcome of cumulative scientific progress. Taken together, these advances have started to unravel the discursive resources propagators employ to enhance their power as knowledgeable and authoritative "experts". In so far as these resources have sufficient traction they may reduce resistance to adoption and contribute to the institutionalisation of particular conceptions of the BSC and its alleged benefits as established "truths". In the context of New Public Management reforms, Modell (2004) referred to such normative truth claims as "performance measurement myths" emerging in response to the dual challenge of reducing information overload whilst avoiding the pitfall of reverting to overly narrow, efficiency-centred concerns with financial control. The BSC arguably offers a solution to these problems by constituting a more "orderly" multi-dimensional performance management template providing strategic direction for action.

Another strand of research with significant potential to make the politics behind the diffusion of the BSC explicit has concentrated on its distinct ideological dimensions and how this contributes to legitimize particular management styles. In its original form, the BSC arguably represents an individualistic and meritocratic ideology pivoting on "fair" contractual relationships between superiors and subordinates that is consistent with dominant management styles in the USA but that varies in its amenability to cultural traits and management practices in other parts of the world (Bourguignon *et al.*, 2004; Nørreklit *et al.*, 2006). This ideology allegedly reifies notions of performance management valorising objective assessment and distribution of rewards and discouraging arbitrary forms of power from being exercised. Closer attention to whether such ideological dimensions "fit" different national cultures and management values may provide additional insights into the attractiveness of the BSC and how this affects its diffusion as a "global" management innovation. Little, if any, empirical work around this theme is discernible. To better understand the political implications of the ideology underpinning the BSC, however, it is also necessary to examine which organizational stakeholders it serves and how they mobilize it to entrench their power. Bourguignon *et al.* (2004) subscribed to a "neutral" conception of ideology without elaborating on such implications. But a politically neutral conception of ideology may lead researchers to unwittingly reinforce dominant ideologies

by failing to give voice to those whose interest are being marginalized through the diffusion of the BSC. It would thus seem pertinent to ask critical questions as to who “wins” and “loses” from organizational decisions to adopt the BSC and what roles ideologies play in justifying such decisions.

Whilst research perspectives such as those outlined above may offer new insights into the politics involved in the promotion of the BSC, more empirical research is required into how the supply and demand sides interact and how this explains its diffusion and further development (Modell, 2009). The recent micro-level study by Qu and Cooper (2011) provides some initial trailblazing to this end. In contrast to previous research, these authors pay equal attention to the supply and demand sides by tracing the minutiae of a BSC development project as it unfolded in collaboration between a management consulting firm and a client organization. In doing so, they go considerably beyond the view of discursive practices as mere rhetorical devices facilitating the diffusion of the BSC. Rather, their analysis provides an in-depth account of the active harnessing of received managerial discourses as vehicles of power as well as their subsequent effects on client resistance throughout the process of designing a customised BSC. More research of this kind is required to gain a thorough understanding of the politics behind the BSC although the challenges of securing access to and following development projects over an extended period of time should not be under-estimated.

The politics in the BSC: issues of performance measurement and strategic alignment

In contrast to the view of the determination of strategic priorities, performance targets and indicators as a politically neutral exercise permeating Kaplan and Norton’s work, a growing number of studies have started to draw attention to how the design of performance measurement systems for the purpose of strategic alignment is infused with political processes. For instance, Brignall and Modell (2000) argued that the weight attached to specific performance aspects is a function of the relative power of diverse stakeholder groups and that the balance between various performance indicators is contingent on the propensity of senior management to ally itself with particular interests rather than a natural outcome of successful implementation of BSCs. Empirical studies exploring the use of BSCs in the public sector corroborate this observation whilst illustrating how relatively “imbalanced” approaches to performance management are reinforced by tendencies to mainly define as strategically relevant what is easily measurable (Carmona and Grönlund, 2003; Chang, 2006; Lawrence and Sharma, 2002). Similar tendencies have recently been reported from private sector companies where the influence of capital markets has been found to remain paramount and foster a one-sided emphasis on financial control despite the existence of corporate-level BSCs (Kraus and Lind, 2010). It is of course, possible that such outcomes are reinforced by poorly designed BSCs or failures to link managerial incentives to a reasonably balanced set of performance indicators (Kaplan and Norton, 2001). However, the studies reviewed above go beyond such explanations to examine how organizational dependence on various stakeholders fosters particular managerial mindsets detracting from balanced pursuits of performance. They thus begin to steer away from a view of managers as value-neutral optimisers and provide some clues as to how we may probe into the politics embedded in the very design of BSCs as vehicles of strategic alignment.

Nevertheless, deeper empirical research is required into the political processes associated with defining what is strategically important and how such processes affect and are affected by the weight attached to various performance aspects. In particular, research needs to be extended from the rather static analyses of power informing prior BSC research to examine how changing strategic priorities are intricately intertwined with shifting power relationships and how this shapes the social premises of management (Yang and Modell, 2011). Modell (2009, 2012) sheds some light on this phenomenon through a longitudinal study of the implication of the BSC in the process of strategy formation in a Swedish central government agency. The development of BSC-inspired practices had an important mediating effect in this regard and initially fostered a broadly based search for strategically relevant performance aspects and experimenting with new performance indicators to meet diverse stakeholder interests. However, in extending the analysis over time, Modell (2012) revealed how the range of strategic priorities gradually narrowed as senior management became more concerned with aligning performance measurement with specific regulatory pressures being exercised with increasing force by the government. Broader management cadres also came to take this view of strategy for granted which, paradoxically, marginalized activities of direct relevance for achieving the organization's over-riding, social objectives and serving the wider public interest. This illustrates how the power embedded in performance measurement may shape managerial mindsets to the detriment of some stakeholder interests. Moreover, it extends the view of strategic alignment as a unidirectional process flowing from the coupling of performance targets and indicators to strategic objectives to illuminate how changing performance management practices shape the very notion of strategy (Vaivio, 2005). More research of this kind is required to enhance our understanding of how the notion of strategic alignment is imbued with context-specific meanings and how this interacts with changing power relationships.

To probe into how the BSC imbues strategies with context-specific meanings it is worthwhile to deepen the analysis of how the ambiguity and subjectivity often associated with performance management are exploited as a political resource. The attractiveness of the BSC is arguably attributable to its highly ambiguous nature as this enhances its malleability and adaptability to a broad range of organizational contexts (Ax and Bjørnenak, 2005). Such ambiguity has been found to facilitate the framing of a broad range of issues as strategically significant which may, in turn, allow a diversity of interpretations to flourish (Andon *et al.*, 2007; Hansen and Mouritsen, 2005; Sandhu *et al.*, 2008) as well as produce highly selective representations of strategic priorities (Edenius and Hasselbladh, 2002). The latter scenario would seem consistent with Kaplan and Norton's view of the BSC as providing a clear focus for strategic alignment. However, it would be fallacious to view more focused representations of strategic priorities as an outcome of some politically neutral process of strategy formulation free from managerial self-interests. More attention is required to how managers make creative use of the ambiguity associated with BSCs to frame strategic priorities and how this serves particular, vested interests and interacts with the power exercised by diverse actors in and around organizations. Similarly, more research is required into the politics of exploiting the subjectivity associated with measuring some aspects of performance and the weighting of different performance indicators. Prior functionalist research has voiced considerable scepticism against

allowing for too much subjectivity in BCSs, especially when these are linked to managerial incentive plans, as this is considered to foster bias and conflicts detracting from long-term financial performance (Ittner *et al.*, 2003; Kaplan and Norton, 2001; Wong-on-Wing *et al.*, 2007). On the other hand, there is some evidence of senior managers preferring subjective performance indicators over more objective ones in the design of BSCs (Northcott and Smith, 2011). This raises the question of what wider purposes subjective performance measurement practices serves. As observed by Yang and Modell (2011), they can be a powerful political resource enabling various actors to legitimize and drive through specific agendas by constructing particular conceptions of what it means to pursue “balanced” performance.

The politics around the BSC: issues of implementation and organizational learning

In contrast to the rather orderly and linear approach to implementation and organizational learning proposed by Kaplan and Norton, numerous empirical studies reveal how BSCs encounter significant implementation problems as a result of being poorly adapted to specific organizations or facing significant resistance from lower organizational echelons (Andon *et al.*, 2007; Kasurinen, 2002; Kasperskaya, 2008; Modell, 2009; Wickramasinghe *et al.*, 2007). This typically detracts from attempts by senior management to align organizational action with organization-wide, intended strategies. Indeed, failures to implement BSCs in a top-down manner often result in a range of unintended consequences as they are appropriated by various actors to serve interests other than those dominating senior management agendas. For instance, Andon *et al.* (2007) described how the BSC “drifted” as a result of being mobilized for diverse purposes but never settling around any specific set of issues gaining more widespread organizational support. This draws attention to the wider political ramifications unfolding around the BSC as it gets implicated in a range of organizational processes which are perhaps only loosely connected to that of strategy implementation.

A key issue requiring more attention in this respect is how the BSC is implicated in the production of organizational consensus. Whilst such concerns occupy a central position in Kaplan and Norton’s view of strategy implementation, prior empirical research suggests that the relationship between managerial consensus building and balanced pursuits of performance is relatively weak (Aranda and Arellano, 2010). According to Vaivio (2005), using the BSC to produce consensus around a reasonably balanced set of strategic priorities is particularly difficult in organizations traditionally dominated by heavy reliance on cultural controls. Such organizations are arguably alien to the “measurement culture” embedded in the BSC and considerable resistance may be expected as this threatens deeply embedded values. In contrast to such predictions, however, there is empirical evidence of the BSC filling an important role as a vehicle of producing consensus and alleviating conflicts in settings typically featuring strong reliance on cultural controls such as public health care organizations (Aidemark, 2001; Aidemark and Funck, 2009; Funck, 2007). Interestingly, this has been shown to be associated with extensive involvement, if not dominance, of medical professionals in the development of BSCs and a reversal of top-down implementation processes aimed at strategic alignment to form essentially bottom-up sequences of local experimenting (see especially Aidemark and Funck, 2009). This cautions against

conceptions of the BSC as a senior management intervention inevitably fostering resistance and disruptive power struggles and suggests a need for further, comparative research into what political dynamics emerge from different modes of implementation across various organizational settings.

Research following such a lead may also deepen our insights into how the BSC is implicated in organizational learning, conceptualized as a process whereby individual and group sensibilities are integrated with evolving, organization-wide conceptions of what constitutes strategic priorities. Whilst little empirical research systematically exploring this issue is still available, it is possible to develop some conjectures as to how organizational learning may be explored as an inherently political phenomenon. Modell (2009) argued that organizational learning may be understood as a process of reconciling emerging experiences of experimenting with the BSC with efforts to align organizations with strategic agendas underpinned by more goal-directed approaches to organizational change. Such analyses may be enriched by exploring how different forms of power are mobilized to question assumptions underpinning BSCs as well as how the power embedded in performance measurement is exploited as a means of stabilising, or institutionalising, emerging forms of consensus around strategic priorities (Lawrence *et al.*, 2005). This approach to organizational learning extends the relatively one-sided emphasis on performance measurement as a vehicle of top-down strategic alignment permeating Kaplan and Norton's work and draws attention to how the BSC may be implicated in much more dynamic processes of negotiating intended and emerging strategic priorities.

The politics from the BSC: issues of governance and regulation

In addition to research examining the BSC within individual organizations, an emerging stream of studies has started to document its influence on multi-dimensional performance measurement frameworks established for whole societal sectors. Such tendencies are especially noticeable in the context of New Public Management reforms. In the UK, the "Modernising Government" programme initiated by New Labour in the late 1990s included the development of performance measurement frameworks explicitly inspired by the BSC to govern local government authorities (McAdam and Walker, 2003; Woods and Grubnic, 2008) and the National Health Service (Chang, 2009; Chang *et al.*, 2002). Similar developments have been observed in the New Zealand health care sector (Northcott and France, 2005). These studies reveal how the alleged benefits of the BSC have been used to legitimize policy initiatives even though the resultant frameworks show varying faithfulness to key attributes of this innovation, such as the alignment of performance indicators with strategic objectives and the mapping of causal linkages between various performance aspects. These frameworks have subsequently been found to not only affect intra-organizational control practices, but also external performance reporting and auditing. This shifts the focus from the adoption and implementation of the BSC in individual organizations to the political consequences emanating from this innovation as it gets implicated in the governance and external regulation of organizations. Examining such political ramifications may extend research in line with recent calls to turn management accounting research "inside-out" (Van der Stede, 2011) and to explore the wider, societal significance of management accounting innovations as they are implicated in the shaping of the socio-economic context of organizations (Vollmer *et al.*, 2009).

One issue of significant relevance from a broader, societal perspective is how the inculcation of the BSC in policy-making may facilitate the appropriation of specific performance aspects by various interest groups and how this contributes to define the roles and functions of individual organizations. For instance, Chang (2009) observed how specific issues emerging as especially important on the government policy agenda gradually skewed the performance measurement framework in the UK National Health Service in favour of particular interests. Such changes in political priorities may, in turn, focus regulation around particular performance aspects even though organizations notionally continue to be governed by a relatively broad, multi-dimensional framework for performance measurement. As demonstrated by Modell (2012), such changes in regulatory pressures may have far-reaching implications for what is deemed strategically relevant within individual organizations and may contribute to disenfranchise particular interests. However, more research is required into the political processes ensuing from tendencies of regulatory processes to privilege and marginalize diverse stakeholder interests and how this affects the ongoing (re-)construction of performance measurement frameworks inspired by the BSC. For instance, little is still known about what may prompt particular interest groups to challenge such frameworks and how dominant stakeholders respond to this in attempts to maintain their power. It may be that the mobilization of the BSC as a vehicle of legitimization contributes to elevate particular performance measurement practices to a position where they escape much critique and become taken-for-granted in various societal sectors. However, such tendencies of social practices to become institutionalised often contain the seeds of their transformation as processes of institutionalisation create inconsistencies and tensions that various stakeholders can exploit to mobilize change (Seo and Creed, 2002). The issues of whether and how tendencies of BSCs to privilege and marginalize diverse interests trigger change thus remain empirical questions awaiting more definite answers.

Studies exploring such issues may deepen our understanding of how the BSC is implicated in regulatory processes and take research well beyond Kaplan and Norton's (2004) view of such processes as just another aspect of organizational performance to be "managed" through the selection of appropriate performance indicators. However, such research needs to be extended considerably beyond what has thus far been customary. One reason why so little is known about the wider political ramifications of the BSC beyond individual organizations is that research on this topic has relied nearly exclusively on publically available data sources, such as policy documents and inquiries, and only offers superficial and speculative insights into the "behind the scenes" processes of devising sector-specific performance measurement frameworks. Analyses of such processes can be enriched considerably by interviews with a broader range of actors with a stake in the development of performance measurement (Modell, 2005). Interviews can add candour to the often rationalized and stylised representations of influential innovations, such as the BSC, in policy documents and enable researchers to ask probing questions concerning their specific roles in the development of governance practices. Such extended investigations are likely to provide deeper insights into how some actors devise strategies for promoting emerging performance measurement frameworks as well as how the permutation of such frameworks into more or less BSC-like templates unfolds as a result of being negotiated with a broader range of stakeholders (including organizations adopting and experimenting

with such innovations). This brings us full circle back to examining the political processes implicated in the dissemination and diffusion of performance measurement frameworks within specific societal sectors.

Concluding remarks

This paper has drawn attention to the multitude of political aspects associated with the BSC and how our understanding of such aspects may be enhanced through further empirical investigations. Based on a review of extant research informed by interpretive and critical approaches I have illustrated how the entire process of developing BSCs from the stages of dissemination and organizational adoption through to implementation and beyond is permeated with politics. As such, I offer a relatively holistic account of the politics of performance management which complements the substantial body of “mainstream” BSC research drawing on functionalist and managerialist approaches. Even though it is unrealistic to expect any individual study to cover all of the issues discussed in the foregoing, I want to close this paper with some general reflections on how we may continue to nurture such a holistic, socio-political perspective on the BSC.

Whilst the preceding discussion has been structured around four distinct themes, roughly corresponding to various phases in the development of BSCs, I would caution against studying these themes in isolation from each other. In particular, the process of devising strategies and performance measurement systems and implementing them in individual organizations need to be understood against the backdrop of political processes unfolding in the external organizational environment. I have argued that our understanding of the politics of the BSC may be enhanced by paying closer attention to how the supply and demand sides interact throughout its diffusion and further development in various organizational and societal contexts. I have also called for further research into the wider political ramifications of the BSC beyond individual organizations as it gets implicated in governance practices and regulation in various societal sectors. To capture these broader phenomena we need to go beyond case studies in individual organizations, which still constitute the dominant research approach in empirical studies exploring the politics of the BSC. Even though case studies may provide valuable insights into how management innovations evolve in organization-specific contexts, they need to be situated within broader, multi-level analyses to illuminate how such local manifestations are shaped by extra-organizational dynamics and how the experiences of individual organizations influence the more general evolution of innovations over time (Dillard *et al.*, 2004; Hopper and Major, 2007). I thus urge researchers to explore such multi-level dynamics in greater detail.

Finally, even though I have critiqued the tendency to downplay political aspects in the “mainstream” literature on the BSC, I hope that my discussion may stimulate some dialogue between diverse research genres. Similar to research on other influential accounting innovations, such as activity-based costing (Englund and Gerdin, 2008; Lukka and Granlund, 2002), it is fair to characterize the evolving BSC literature as fragmented and infused with barriers to communication between such genres. I have tried to lower these barriers by showing how our understanding of themes of central concern in the “mainstream” literature, such as the use of performance measurement for strategic alignment, strategy implementation and organizational learning, may be enriched by conceiving of them as inherently political phenomena. I have also

drawn attention to how normative claims regarding the benefits of the BSC, such as those advanced by Kaplan and Norton, may be exploited as a political resource and how deeper analyses of this phenomenon may extend extant research. Again, I would argue that such attempts to initiate some dialogue with the “mainstream” are best served by adopting a relatively holistic view of the politics of the BSC as this should sensitize researchers to its multi-faceted manifestations across various organizational and societal contexts. Such an approach may also compel “mainstream” researchers to re-think extant research findings and thus contribute to further debate on the efficacy of the BSC.

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