# UTILIZATION OF BALANCED SCORECARD AS A MANAGEMENT TOOL IN STATISTICAL INSTITUTES

# Amna Aščić

Institute for Statistics of the FB&H

# Željka Skelo

Institute for Statistics of the FB&H

# Rezime

In the era of globalization, the social, economic and demographic fast changes made official statistics under increased pressure to provide more reliable, high quality, relevant and internationally comparable statistics for all users. Adoption of modern management tools can help them to face these challenges. An excellent management tool is Balanced Scorecard model as a probative tool for achieving better performance and efficiency in private and public sector. The purpose of the paper is to look at the Balanced Scorecard and discuss in which way it could be applied in official statistics. Methodology of the paper is based on extant literature on the BSC system and reports of BSC applications in other statistical institutes. Findings of the paper are that modified BSC can help statistical institutes to face the challenges in this fast changing environment, manage necessary changes to satisfy all stakeholders and face with increased demands for high quality information.

**Keywords**: Strategic management, Modern management tools, Official statistics

JEL classification: C40, C80, E01

### 1. INTRODUCTION

In the last two decades societies worldwide have passed through fast social, economic and demographic changes. The rapid development of information -communication technologies and the globalization of economics have transformed societies from industrial to knowledge based societies which are much more complex for managing all types of organizations. In order to survive and achieve competitive advantage in a present competitive world, private sector organizations adopt new management tools, techniques and philosophies.

Public sector organizations are also forced to adjust to the very fast changing environmental conditions. New modern approaches to strategic management must be adopted in public sector organizations to improve their efficiency and effectiveness.

Official statistics are statistics published by government agencies as a public good. They provide quantitative or qualitative information on all major areas of citizens' lives, such as economic and social development, living conditions, health, education, and the environment. Statistical data collected and disseminated by statistical institutes are unavoidable for functioning of every democratic society in free market economy and crucial tool for economic and social development. The main users of official statistics are government institutions, academics and researchers, private sector, journalists and students. The institutes of statistics must provide reliable, high quality, relevant and internationally comparable statistics for all users. The value and usefulness of statistical data depends on their quality. As the operating environment of statistical institutes change, needs of the users of statistics also change very fast. The management of statistical institutes must permanently improve their activities to offer products and services which will meet the changing needs of all official statistics' users. According to Jeskanen - Sundström (2007) the biggest challenges and risks to the management of statistical systems can be considered into the following questions:

- Society changes at ever-increasing speed. How well can statistical authorities anticipate these changes and continuously develop their activities and statistics accordingly?
- The weight of statistical information in political decisions and in their monitoring is increasing. How can the independence, sovereignty and impartiality – and ultimately the credibility – of statistical authorities be upheld under these conditions?



- There is an overwhelming supply of information, especially due to world wide web. How can statistical organisations secure their visibility on the information markets as producers of reliable factual data?
- IC technology continues to develop rapidly. How efficiently and productively can statistical offices exploit new technologies?
- Official statistics are regulated by a variety of laws. How can the interests of official statistics be safeguarded when the legislation changes?
- Official statistics are dependent on high-quality basic data. How can the data suppliers' motivation to respond be held sufficiently high?
- In many countries a vast proportion of statistics is produced by exploiting administrative registers. What is the future of register-based statistics as administrations develop?
- The public sector and international organisations face tightening financial constraints. How can the efficiency and productivity of statistical offices be raised so that they can continue to develop their activities even within limited budgetary frameworks?
- Competition for skilled and professional employees is toughening on the employment markets. How do statistical offices fare in this competition?

The institutes of statistics in these conditions must be managed strategically, with clear strategic plans and best using of their resources to meet the needs of its users. Adoption of modern management tools in statistical organizations can help them to meet these challenges. An excellent management tool is Balanced Scorecard (BSC) model which has appeared as a popular strategic performance measurement and control system within various public sector organizations as it assists in effectively implementing strategy and in measuring performance.

Institute for Statistics of the Federation of Bosnia and Herzegovina in three - year work plan for the period 2017 - 2019 set a goal to implement Total quality management (TQM) to follow and improve quality of statistical processes and products. Hoque (2003) concluded that TQM does not consider employees in its search for continuous improvement but the BSC does. Therefore, by adopting a BSC an organization that has adopted TQM may overcome this oversight which should increase employee satisfaction and subsequently organizational performance. The key idea of both is to synchronize strategy, vision, operations and employees. Organizational BSC is a natural follow up to the use of TQM principles. Human resources are the key of success in every organization and performances of the organization are determined with performances of individuals (Androniceanu, Sora, Paun and Jiroveanu, 2010). Commitment and participation of workers in the public sector is related to their work satisfaction.

Motivation and commitment of workers are an essential condition for the success of the public institutions and a key element of the human resource management policy.

## 2. THE BALANCED SCORECARD<sup>16</sup>

The BSC is approach to strategic management developed by Kaplan and Norton in the early 1990s, representing a main development in management accounting in the past decade (Ittner and Larcker, 2001).

In 1990, Kaplan and Norton conducted a research study in twelve enterprises in US to find new methods of performance measurement. They believed that financial measures of performance were not effective in new economy firms. Traditional financial measures were designed in old economy when the key economic resources of the companies were natural resources, labour and capital. Financial measurement system under these circumstances was enough for decision making process. Transition from the industrial to the post – industrial economy forced leaders to measure value differently because intangible assets are playing an increasingly important role in the new service economy. Nowadays leaders are relying much more on measurement of intangible factors and the interaction between them to make decisions. Intangible factors are difficult to define and cannot be expressed in monetary terms.

Kaplan and Norton discussed many possible solutions to make an adequate tool which would measure financial performance as the outcomes from past actions and supplements of these measures with factors that would drive future financial performance but they decided on the idea of scorecard.

In 1992, Kaplan and Norton labelled the new tool the Balanced Scorecard model as a tool able to tide the limitations of the traditional performance measurement tools. The main objective of the BSC is to enable organizations to formulate strategic goals and select a set of quantifiable measures derived from an organizational strategy.

After next four years Balanced Scorecard was adopted in many organizations. It became very popular performance measurement tool which achieved immediate results. Many of the world leading organizations claim that balanced scorecard techniques give them an edge in objectively quantifying, tracking and managing business performance (Figg, 2000). According to Niven (2003) the Balanced

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<sup>&</sup>lt;sup>16</sup> More about the Balanced Scorecard concept see at Niven, P.: Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies

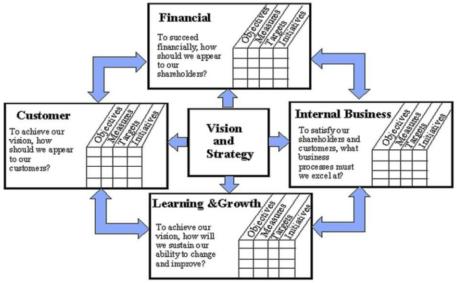
Scorecard has been adopted by nearly half of the Fortune 1000 organizations and the Harvard Business Review recently hailed it as one of the 75 most influential ideas of the twentieth century.

#### 2.1. Balanced scorecard characterization

The balanced scorecard is very simple tool which translates a strategy into action from four different perspectives (Grasseova 2010):

- Financial Perspective involves financial objectives of an organization and it helps managers to monitor financial success and values for shareholders.
- Customer Perspective consists of objectives such as customer satisfaction, share and attributes of products and services.
- Internal Processes Perspective involves internal objectives and results of key processes necessary for customer perspectives accomplishment.
- Learning and Growth Perspective concerns intangible drives of future success, for instance human resources, organizational capital and information capital including skills, learning, organization culture, leadership, systems and database

FIGURE 1: BALANCED SCORECARD FRAMEWORK

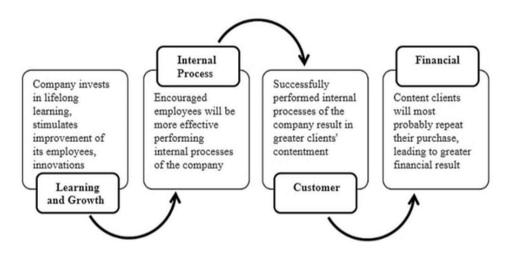


Source: Kaplan, R. and Norton, D. 1996. The Balanced Scorecard. Boston: Harvard Business School.



The basic idea of balanced scorecard concept is that performance measured in learning and growth perspectives directly influence performance in internal processes perspective. Companies which invest a lot into learning and growth will have internal processes performance acceptable for all stakeholders. Successful internal processes performance will lead to client's satisfaction which will lead to positive financial results.

FIGURE 2: CAUSE-EFFECT INTERACTIONS OF BALANCED SCORECARD'S PERSPECTIVES



Source: Čizmić, E. and Veselinović, Lj. 2007: National Balanced Scorecard Concept as an Accelerant of Bosnia-Herzegovina's Economic Development. Available at: https://www.researchgate.net

Measurable goals and objectives are one of the key success factors of making strategy work (Galpin, 1997). The Balanced Scorecard allows an organization to translate its vision and strategies by providing a new framework, one that tells the story of the organizational strategy through the objectives and measures chosen in four perspectives (Niven, 2003).

Although BSC was originally developed as measurement system, it evolved to strategic management system for aligning short-term actions with the strategy in organization. Used in this way BSC relieves many of barriers of effective strategy implementation. Those barriers are (Niven, 2003):

- The vision barrier through the translation of strategy
- People barrier



- Resource barrier
- Management barrier

The Balanced Scorecard is also very powerful as communication tool because it is translating the strategy and describing it to all employees. If they understand organizational strategy, employees know where the organization is headed and how to make contribution in order to realize the strategy.

#### 3. THE BALANCED SCORECARD FOR PUBLIC SECTOR

Although the Balanced Scorecard was originally developed for commercial organizations, the concept found widespread use in the public sector organizations as a performance management tool. The performance measurement has become an important issue for managers in dynamical operating environment of the present public sector organizations.

In modern public organizations measuring performance is crucial to achieve sustainable public finance and to get public's confidence. Measuring performance is a key of monitoring and managing organization's processes. It is a permanent activity which checks the performance against the standards that have been settled to be followed. Irish mathematician and physicist Lord Kelvin said:" When you can measure what you are speaking about and express it in numbers, you know something about it; but when you cannot express it in numbers, your knowledge is of a meagre and unsatisfactory kind (Niven, 2003)."

It is very important for public sector organization to establish clear objectives and to develop strategy to reach those objectives. By measuring performance success in reaching objectives can be defined. Performance measurement in public organizations is possible, but slightly complicated compared to the private sector because the private enterprises' performance is measured based on the companies' financial performance while public organizations measure performance based on results of budgeted funds for their activities (Talbot, 1999).

According to De Brujin (2007) performance measurement in public organizations can be problematic for several reasons:

- Products have multiple values
- The environment is dynamic
- Products are produced together with others
- Organizations are process-oriented



- Products are interwoven
- Causalities are unknown
- Quality is not definable in performance indicators
- Definition of "customers"

The Balanced Scorecard has become a very popular as a proven tool for performance measurement and executing strategy in public sector organizations. Public sector is different from private sector in many ways and for successful implementation of the balanced scorecard, there is significant amount of translations required to convert the language of private sector into terms that are appropriate for non-profit and governmental organizations (Arveson, 1999). The following table illustrates differences between public and private sector.

TABLE 1: COMPARING STRATEGY IN PRIVATE AND PUBLIC-SECTOR ORGANIZATIONS

Strategic Feature	Private Sector	Public Sector	
General Strategic Goal	competitiveness	mission effectiveness	
General Financial Goals	profit; growth; market share	cost reduction; efficiency	
Values	innovation; creativity; good will; recognition	accountability to public; integrity; fairness	
Desired Outcome Stakeholders	customer satisfaction stockholders; owners; market	customer satisfaction taxpayers; inspectors; legislators	
Budget Priorities Defined by:	customer demand	leadership; legislators; planners	
Justification for secrecy	protection of intellectual capital; proprietary knowledge	national security	
Key Success Factors	growth rate; earnings; market share; uniqueness; advanced technology	best management practices; sameness; economies of scale; standardized technology	

*Source:* Arveson, P. 1999. Translating performance metrics from the private to the public sector. <a href="http://www.balancedscorecard.org">http://www.balancedscorecard.org</a>. Accessed 3 January 2017.

The main difference between private and public sector organizations is that first are strategy oriented while the public sector organizations are mission oriented (Jovanović; Krivokapić; Soković; Vujović; Ramović, 2011). According to the same authors in public sector moving from the top of the Balanced Scorecard we get to the client perspective not to the financial perspective like in private sector organizations. The differences for every perspective of profit and public organizations are shown in the following table.



TABLE 2: THE DIFFERENCES OF PROFIT AND PUBLIC ORGANIZATIONS

	Profit organizations	Non-profit organizations	
Financial	financial success	fulfil mission	
Customer	customer satisfaction	predict the interest of users	
Internal Processes	optimize business processes	increase the effect of the process	
Employee Learning and Growth	plan the total resources of the organization	knowledge management	

*Source:* Jovanović, J. and at al. 2011. Sistem strateškog menadžmenta. Balanced scorecard. Vrnjačka Banja: SaTCIP.

The "geography" of the original Scorecard must be adopted to fit to public sector organizations how it would facilitate a rapid and dramatic transition of twenty-first century.

Kaplan and Norton (2001b) suggest that BSC can be adapted for use in public sector organizations simply by rearranging the scorecard to place customers at the top of the hierarchy. The following figure illustrates the Balanced Scorecard model that is applicable to public organizations.

FIGURE 3: BALANCED SCORECARD FOR THE PUBLIC AND NON-PROFIT SECTORS

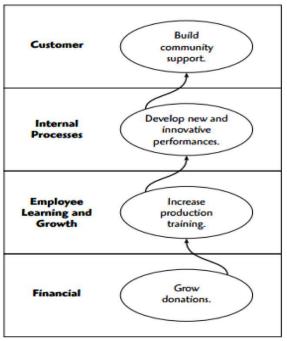


*Source:* Niven, P. 2003. Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies. John Wiley&Sons, Inc.



Mission moves to the top of the Balanced Scorecard for public organization but strategy remains at the core of the Scorecard system, whether it is a private or public sector organization. In public organizations focus is on meeting customer requirements because this is the essence and mission of each public organization. The financial perspective in public organizations is only basis for the fulfilment of customer requirements. So indicators should be elected in the way that all of them are connected with the goals of customer perspective. The cause and effect of all BSC indicators must be connected to financial objectives in private sector organization but in public organizations cause and effect of all BSC indicators must be connected with the objectives in customer perspective. A well designed BSC concept should describe the strategy of organization through the objectives and measures that have been chosen and these measures should link together in a chain of cause and effect relationships from the performance drivers in the Employee Learning and Growth Perspective all the way through to improved customer outcomes in Customer perspective (Niven, 2003).

FIGURE 4. CAUSE-EFFECT INTERACTIONS OF BALANCED SCORECARD'S PERSPECTIVES IN PUBLIC ORGANIZATIONS



*Source:* Niven, P. 2003. Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies. John Wiley&Sons, Inc



# 3.1. The Balanced scorecard in the Australian Bureau of Statistics (ABS)<sup>17</sup>

The Australian Bureau of Statistics (ABS), Australia's National Statistics Office is using the Balanced Scorecard to measure client servicing for its four client segments (key/lifeline clients; specialist sectors such as media, education and libraries; professional/regular clients and hoc clients).

They adapted orginal scorecard dimensions to match the particular circumstances of the ABS even though the four key perspectives were retained. Mission of the ABS is to assist and encourage informed decision making, research and discussion within governments and the community, by providing a high quality, objective and response national statistical service. To achieve their mission, the crucial identified ingredients are an effective dissemination of statistics and quality service to four identified segments of clients. The ABS adopted a balanced scorecard framework to assess and measure how well their clients are serviced.

The balanced scorecard in ABS has four components which engird four critical perspectives of client service:

The Client perspective

The key performance inadicators are:

- client satisfaction
- their "purchasing" intentions of ABS products and services
- 2. The Financial perspective

The key performance inadicators are:

- the extent to which ABS complies with Government pricing policy of 100% cost recovery
- the ABS "unit" costs for the dissemination and creation of products and services
- 3. The Staff perspective

The key performance inadicators are:

- professionalism
- accuracy of results provided
- timeliness of response
- 4. The Process perspective

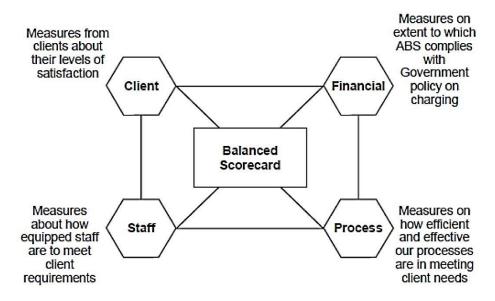
<sup>&</sup>lt;sup>17</sup> More about The Balanced Scorecard in the Australian Bureau of Statistics (ABS) see at Dickinson, T. and Tam, S.M. 2004. Measuring client servicing in the Australian Bureau of Statistics (ABS) – a balanced scorecard approach. *Statistical Journal of the United Nations ECE*, 21: 7-16.



The key performance inadicators are:

- timeliness of ABS outputs, including publications and confidentalised unit record files
- number of corrigenda issued, number of releases withdrawn and number of unadvertised outputs released
- the response time to calls to their national enquiry centre
- the time taken to respond to clients queries, the time taken to quote and delivery performance against agreed dates in their information consultancy services

FIGURE 5. THE ABS CLIENT SERVICE BALANCED SCORECARD

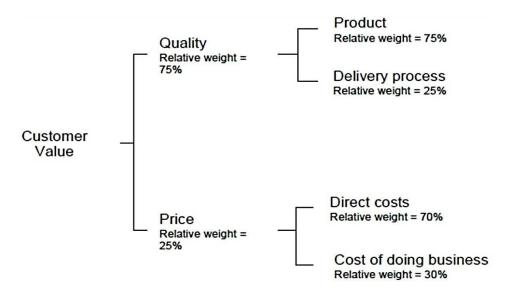


Source: Dickinson, T. and Tam, S.M. 2004. Measuring client servicing in the Australian Bureau of Statistics (ABS) – a balanced scorecard approach. Statistical Journal of the United Nations ECE, 21: 7-16.

In 2003 the ABS commissioned a study which suggested that the value driver map for ABS products and services as perceived by clients (the client perspective) includes quality and price dimension which are driven by the value attributes of ABS products/services, delivery processes (the Process and Staff perspectives), direct costs and costs of doing business with the ABS (the Financial perspective).



# FIGURE 6. CUSTOMER VALUE DRIVER MAP FOR ABS PRODUCTS AND SERVICES



Source: Dickinson, T. and Tam, S.M. 2004. Measuring client servicing in the Australian Bureau of Statistics (ABS) – a balanced scorecard approach. *Statistical Journal of the United Nations ECE*, 21: 7-16.

According to ABS's expirience of using the Balanced scorecard approach, making the performance indicators available to client servicing staff, discussing the indicators with staff and seeking suggestions for further improvement of performance can make positive influence to client servicing staff. Also, they found very imortant constant reviewing and if it is necessary, evolving the basis on which the performance indicators are compiled.

## 3.2 . The Balanced Scorecard in Statistics Finland<sup>18</sup>

Statistics Finland adopted BSC as its strategic management tool in 1998 - 2000 as an excellent instrument highly compatible with a total quality management (TQM) which they adopted and applied before. One of the ways in which they

<sup>&</sup>lt;sup>18</sup> More about the Balanced Scorecard in Statistics Finland see at Jeskanen- Sundström, H. 2007. Needs for change and adjusting to them in the management of statistical systems. Statistical journal of the IAOS, 24:85-91 and STATISTICS FINLAND'S PLANNING DOCUMENTS: Strategy document 2012 to 2015, https://tilastokeskus.fi/org/tilastokeskus/tulossopimus\_2014\_en.pdf. Accessed 4 January 2017.



use BSC is to draw up the strategy. They found essentially to develop activity in a balanced way so that the objectives applying to finances, personnel, process influence and customer needs can all be met simultaneously.

During the strategy period their special focus is on improving usability of data, harmonising operating modes, renewing modes of work and procedures and achieving stable budget development. Every of ten strategic objectives for the planning period has one or several critical success factors in which they have to be successful in order to achieve the objective.

The BSC-based management system should be integrated into the organization's overall annual and long-term economic planning and monitoring process (Jeskanen- Sundström, H., 2007). According to the same author the performance management system applied in Statistics Finland since 1992 has been fully integrated into the starategic management system based on BSC. According to the expirience of Statistics Finland, the modern management tools including the Balanced Scorecard can significantly help statistical institutes to meet the 21th century challenges and manage necessary changes.

### FIGURE 7. THE BALANCED SCORECARD IN STATISTICS FINLAND

#### **Finances**

- Stable budget development
- Improvement of productivity

#### Customers

- Reliability of statistics
- Usability of data
- Good service to researchers

#### Vision

Reliable statistical data flexibly for users' changing information needs

#### **Human resources**

- Healthy work community
- Competent personnel
- Renewing modes of work and procedures

#### **Processes**

- Standardisation of processes
- Commitment to quality

Source: STATISTICS FINLAND'S PLANNING DOCUMENTS: Strategy document 2012 to 2015, https://tilastokeskus.fi/org/tilastokeskus/tulossopimus\_2014\_en.pdf. Accessed 4 January 2017.



# 3.3 . The Balanced Scorecard – instrument of strategic planning in National Institute of Statistics Romania<sup>19</sup>

The National Institute of Statistics in Romania created the BSC based on the Strategy of developing the national statistical system for 2007 - 2013 periods. Linkage between mission, values, vision and strategy was starting point for creation four perspective, objectives and indicators of BSC for Romanian Statistics. The original BSC architecture could not be kept. The order of perspectives was changed to: users, internal processes, staff and innovation and financial. The system of indicators for every objective in four perspectives of BSC in the National Institute of Statistics in Romania is shown in the Table 3.

TABLE 3. THE SYSTEM OF INDICATORS FOR EVERY OBJECTIVE IN FOUR PERSPECTIVES OF BSC IN THE NATIONAL INSTITUTE OF STATISTICS IN ROMANIA

	OBJECTIVES AND INDICATORS FOR EVERY OBJECTIVE					
Users perspective	Enhance and stren in statistics of statistics Indicators:     Number of paper support and CD     Number of of Number of of (publications and data)	gthen the confidence al data users  publications sold on data requests f database access series) analyses and studies	2. Increase, at compute other European statistics quality, int monitor of quality mentions:  a. Relevance  Available  b. Accuracy  Variation  Response  Imputation  Average r  C. Punctuality  Punctuality  Time  reference period an	coarable level with countries, the roduction and anagement in  e statistics rate coefficient e rate n rate number of revisions ty and opportunity ty of programmed blication interval between d first results date interval between		
Internal processes	Enhance and strengthen the	Reunion within a coherent and	Full integration of Romanian	Enlargement of statistical survey		

<sup>&</sup>lt;sup>19</sup> More about the Balanced Scorecard in National Institute of Statistics Romania see at Stefα̃nescu, D. And Silvestru, M. 2012. Balanced scorecard – instrument of strategic planning. *Romanian statistical review*, 2.



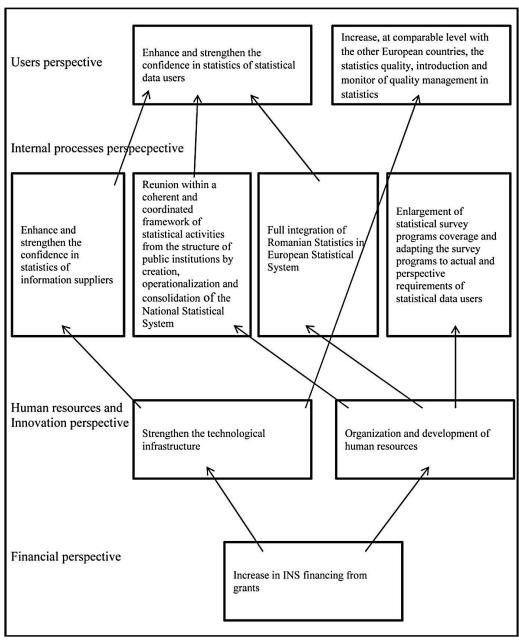
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perspective	confidence in	coordinated	Statistics in	programs
	statistics of	framework of	European	coverage and
	information	statistical activities	Statistical System	adapting the
	suppliers	from the structure	Indicator:	survey programs
	Indicator:	of public institutions	<ul> <li>Number</li> </ul>	to actual and
	<ul> <li>Response</li> </ul>	by creation,	of surveys	perspective
	rate of information	operationalization	according to ESS	requirements of
	suppliers	and consolidation	requirements	statistical data
	3377	of the National		users
		Statistical System		Indicator:
		Indicator:		<ul> <li>Number</li> </ul>
		<ul> <li>Response</li> </ul>		of statistical
		rate by web portal		surveys
		Response		ou. royo
		rate by CAPI		
		Response		
		rate by Internet		
Human	1. Strengthen		2 Organization and	davalanment of
			2. Organization and development of	
resources	infrastructure		human resources	
and	Indicators:		Indicators:	
innovation	• Number	of compatible	Weight of young generation	
perspective	information applications		in total employees	
	<ul> <li>Enlargement of database system</li> </ul>		<ul> <li>Average work period of an</li> </ul>	
	coverage	employee within the National Institute		
			of Statistics	
			<ul> <li>Number of</li> </ul>	f courses per
			employee	
Financial	1. Increase in INS fina	Increase in INS financing from grants		
perspective	Indicator:			
-	Increase in value of grants			
Source: Based on Stoffmanny D. and Silvestry M. 2012. Balanced appropriate				

Source: Based on Ştefãnescu, D. and Silvestru, M. 2012. Balanced scorecard – instrument of strategic planning. Romanian statistical review, 2.



## FIGURE 8. THE STRATEGIC MAP FOR ROMANIAN STATISTICS



Source: Based on Ştefãnescu, D. and Silvestru, M. 2012. Balanced scorecard – instrument of strategic planning. Romanian statistical review, 2.

According to Magretta (2002) the best told stories help every employee see what the organization is trying to accomplish and how they fit into that context. The



Balanced Scorecard is an excellent and proven tool to tell strategic story of any Through a series of interconnected objectives and measures organization. running through the four perspectives, well-constructed Scorecard should describe how organization works and what is crucial to success (Niven, 2003). In the National Institute of Statistics in Romania, strategic map was created to display performance objectives graphically. It is a one-page document that gives a clear and succinct display what they believe is most critical for executing their strategy. "Strategy implies the movement of an organization from its present position to a desirable but uncertain future position. Because the organization has never been to this future place, the pathway to it consists of a series of linked hypotheses. A strategy map specifies these cause-and-effect relationships, which makes them explicit and testable (Kaplan and Norton, 2000: 167-176)." Figure 8. displays the strategic map for Romanian Statistics as a representation of causeand-effect linkages among the performance objectives through the four perspectives, making the strategy story easy to read, understand and share with others.

#### 4. CONCLUSION

The purpose of the paper was to look at the Balanced Scorecard as a modern management tool and whether it is applicable in official statistics. BSC was implemented in several national statistical institutes of EU member states (Finland, Hungary, Latvia etc.) and in the Australian Bureau of Statistics (ABS). Findings of this paper are that modified BSC is applicable in statistical institutes and can help them to face the challenges in this fast changing environment, manage necessary changes to satisfy all stakeholders and face with increased demands for high quality information.

Institute for Statistics of the Federation of Bosnia and Herzegovina in three - year work plan for the period 2017 - 2019 formulated its mission, values, vision and strategy. Connection between mission, values, vision and strategy should be the basis for creation four perspectives, objectives and indicators of BSC for Institute for Statistics of the FB&H. Applying BSC in the Institute for Statistics of the FB&H would decode its mission, values, vision and strategy into performance objectives and measures in each of the four perspectives and ensure all employees are aligned with and working according to the mission. From its mission statement it is quite obvious the major emphasis of the Institute for Statistics of the FB&H is with its data users and stakeholders so adoption of BSC framework would allow the Institute for Statistics of the FB&H to measure its



performance in order to assess and measure how well serviced are its data users and stakeholders.

In this paper we showed three models of the balanced scorecard concept in statistical institutes. Institute for Statistics of the Federation of Bosnia and Herzegovina should develop its own model by adapting the original Scorecard to match its particular circumstances. A special challenge for the Institute would be to develop outcome measures for every of ten cantonal offices within the Institute and tie these measures to the strategic objectives of the Institute.

Institute for Statistics of the Federation of Bosnia and Herzegovina set a goal to implement Total quality management (TQM) to follow and improve quality of statistical processes and products. Organizational BSC is a natural follow up to the use of TQM principles because TQM does not consider employees in its search for continuous improvement but the BSC does. Therefore, by adopting a BSC an organization that has adopted TQM may overcome this oversight which should increase employee satisfaction and subsequently organizational performance. Statistics Finland adopted BSC as its strategic management tool as an excellent instrument highly compatible with a total quality management (TQM) which they adopted and applied before.

So, the best we can do is to learn from others experiences.

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# UPOTREBA BALANCED SCORECARD – A KAO MENADŽERSKOG ALATA U STATISTIČKIM INSTITUCIJAMA

#### **Abstract**

U vremenu u kojem živimo, globalizacijski procesi te brze društvene, ekonomske i demografske promjene nametnule su službenoj statistici povećan pritisak da svojim korisnicima pruža pouzdanije, kvalitetnije, relevantnije i međunarodno uporedive podatke. Primjena savremenih menadžerskih alata može pomoći statističkim institucijama da se suoče sa ovakvim izazovima. Odličan menadžerski alat je Balanced Scorecard model kao dokazan alat za postizanje boljih performansi i učinkovitosti u privatnom i javnom sektoru. Svrha ovog rada je osmotriti Balanced Scorecard i utvrditi na koji način se ovaj alat može primijeniti u službenoj statistici. Metodologija rada temelji se na postojećoj literaturi o BSC sistemu i izvještajima o primjeni BSC modela u drugim statističkim institucijama. Utvrđeno je da modificirani BSC može pomoći statističkim institucijama da se suoče sa izazovima u svom turbulentnom okruženju te upravljaju potrebnim promjenama kako bi zadovoljili sve zainteresirane strane i osigurali kvalitetne informacije.

**Ključne riječi:** Strateško upravljanje, Savremeni menadžerski alati, Službena statistika

JEL klasifikacija: C40, C80, E01

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