

# A study on the balanced scorecard implementation of the SDIF

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## Abstract

There are several management methods and tools transferred from private sector to public sector in order to attain efficiency and effectiveness with the movement of New Public Management. One of those methods is the Balanced Scorecard (BSC). While the BSC is highly recommended to both private and public organizations, it must be acknowledged that public organizations have a completely different structure and nature in some respects. Furthermore, developed countries' organizations could not have the same traits as developing countries' organizations do.

This is an empirical case study which aims to investigate and analyze the experience of the BSC implementation in Savings Deposit Insurance Fund (SDIF) -a kind of Financial Regulatory Organization (FRO)- from Turkey within focal points of applicability, success criteria, challenges, and benefits. In order to achieve this objective, qualitative research method was applied by analyzing organization's data and conducting interviews. This research concludes that the BSC concept has some unclear points both theoretically and practically. Also, it is not an easy and straightforward system to implement. On the other hand, it can be assessed as a beneficial tool for public organizations, particularly in developing countries, to get the habit of setting objectives, making plans to reach those objectives, measuring performance against those plans and reviewing.

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## 1. Introduction

From the beginning of 1980s, the last phase of globalization- with advanced technologies- has forced business actors to act in a different way and take into consideration of multi-dimensional factors in order to sustain business viability and attain competitive advantage in such an ever changing competitive environment (Brooks et al., 2011). In this direction, it is not seen any more that performance measurement systems are only for measuring performance of managers, employees and departments but also they have multiple roles such as disseminating the organization's strategic objectives from top to bottom thereby motivating staff on achieving these objectives, enabling executives to utilize organization's resources efficiently and effectively in accordance with the organization's strategic priorities, and providing feedback on organization's overall performance and degree of customer and shareholder satisfaction (Atkinson et al., 2007).

Globalization not only affected the business environment and processes but it also affected public sector management. Since 1980s technological advances, globalization, changing social structures and preferences, increasing influence of media compelled, especially in the developed countries, governments to carry out public management reforms as New Public Management (NPM). Under this concept, theoreticians have suggested that private sector concepts, techniques, and values such as performance management, lean organizational structure and quality improvement techniques can be transferred to and implemented in the public sector to improve efficiency (Pollitt and Bouckaert, 2011). According to Niven's point of view (2008), the NPM became a current issue for governments due to aging population. Since, it will necessitate more public services such as health care;

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