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The Applicability of Balanced Scorecard in Public Sector: The Case of Ombudsman Institution¹

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ABSTRACT

The concerns on efficiency and effectiveness in public and private sectors forced academicians and practitioners to look for solutions. Many performance techniques and methods initially developed by private sector organizations have been adopted by governmental organizations later. Balanced Scorecards (BSC) developed in late 1990s by Kaplan and Norton as a comprehensive performance evaluation method in private sector. Recently it has been widely used in both public and private organizations. The balanced scorecard examines performance from four perspectives; financial perspective, customer perspective, internal perspective, learning and growth perspectives. There are varieties of public sector applications of BSC throughout the world. The debates concentrated on the readiness for the applicability of BSC because of the culture and nature of public sector organizations. Therefore, this research has sought for the explanations for the research question of "What accounts for the applicability of balanced scorecards method as a performance evaluation system in public sector?" To do this, semi-structured and open-ended "face to face questionnaire" was prepared and done with 65 participants; civil servants, experts, middle and top managers out of total 107 employees in the agency. Our general hypothesis of "the applicability of BSC is more likely if maturity of the institution is higher than median value or assigned value" was tested with T test for one sample. The findings show that our hypothesis was supported overall in four dimensions of BSCs, with few exceptions. It means that The Ombudsman Institution is ready or mature enough to apply all dimensions of BSC.

¹ This article was developed from the master thesis prepared at Ankara Yıldırım Beyazıt University.

INTRODUCTION

The debates on efficiency and effectiveness of public services have been continued more than a century. The inefficiencies in public services result in increasing waste of governmental resources, declining of citizens and honest workers' satisfaction, and reducing nation's development and welfare in the long run. Discussions on performance of public employees and public organizations focus on planning, controlling and measuring performance in individual, team, and organizational levels. As administration guru Drucker states "if you cannot plan, you cannot measure, if you cannot measure, you cannot control and if you can't control it, you can't manage and improve it." Therefore, for better and efficient service provisions, we see endless performance reforms and implementation struggles either in private and public sector organizations.

Performance evaluation is the assessment of the strategic goals, objectives of the organizations, and the methods used to achieve predetermined performance goals and the outputs (Carristine, 2005, pp. 127-151; Önder, 1997, 1998)). Performance evaluation is a process used to measure the efficiency of organizations and/or employees. This process at the end includes improvement and correction measures depending on the predetermined activities and objectives (Fry, Stoner & Hattwick, 2004). Private sector organization emphasize performance measurement more than public sector since they focus on economic ways of producing outputs in order to increase profit. Therefore, we observe many techniques and methods initially developed by private sector organizations have been adopted by governmental organizations later. There are many techniques such as 360 performance system, benchmarking, performance pyramids, performance prisms, customer value analysis and balanced scorecards developed for performance management field. However, BSC as a comprehensive method is the one that recently developed and widely used in public and private organizations. Performance evaluation in the public sector is not as easy as in the private sector due to the nature of the public sector. While profit maximization is the important indicator in the private sector, focusing on profit for public goods and services is not an acceptable performance criterion. There is no income and revenue equality in public goods and services (Önder, 2006).

Performance management in public administration is an important tool in determining and reaching strategic objectives. It is effective in supervising the work of the institution, effective communication and motivation of the employees. Performance management is for the dissemination of a participatory management approach and the formation of an open, transparent, accountable institutional culture (Ateş & Okur, 2009, pp. 101-125). Performance management has three main groups of objectives; (1) administrative, (2) improvement and (3) detecting (Barutçugil, 2002, pp. 126-127; Halis & Tekinkus, 2003, p. 175). In general, the goal of performance management is to set strategic targets that are appropriate for the vision of the organization, to direct employees towards this goal, and to make fair arrangements for their performances to be effective and efficient.

The BSC recently is one of the most widely used performance measurement system to solve complexities of performance measurement in a modern world (Köylü & Önder, 2017). Since performance measurement methods are mostly based on financial accounting measurements, they were inadequate. At the end of the 1980s and early 1990s dissatisfaction with traditional performance measurement systems led to search and the creation of bases for "balanced" and "multidimensional" performance measures (Bourne et al., 2000, pp. 754-755). BSC was a breakthrough in the 1990s by applying them to other dimensions enabled to handle and manage all goals in a more balanced way. The balanced scorecard examines performance from four perspectives; financial perspective, customer perspective, internal perspective, learning and growth perspectives. BSC application starts with determination of organization mission, vision and strategy relying on the organizational data. Within this four perspectives/frameworks, organizational strategy maps are created and performance indicators are determined. These steps are completed with evaluation in 4 perspectives (Kaplan & Norton, 1996, pp. 10-15).

Institutional performance measurement studies and application efforts with BSCs in Turkish

public sector are in a very early stage. Important parts of regulations such as strategic planning, performance based budget system, accountability, internal control system are completed with Law 5018. The administrative structure prescribed by the Constitution was very well considered when defining the Public Financial Management and Control Law No. 5018; but the system and standards recommended by international organizations (IMF, World Bank, EU) have been complied with (Bayar, 2004, p.19). Furthermore, the audit organization brought up seems inadequate and dysfunctional, the provision of modern initiatives in terms of audit of the Court of Accounts would be a positive development; however, there are also criticisms about drawbacks of the gap created by account control and account judgment (Bayar, 2003, p. 62). Institutional performances have been checked by the Court of Accounts relying on strategic plans even if the quality of plans is also questionable (Önder & Aydın, 2016, pp. 225-239).

In this reserach, theoretical evaluation of BSC as an organizational performance evaluation system will be done in the context of its development, dimensions, application areas, applicability in public institutions and infrastructure requirements to establish a balanced scorecard in any institution. The applicability of Balanced Scorecards to public institutions in our country will be analyzed and evaluated according to the survey research data in the case of Ombudsman Institution.

1. Theoretical Background: Balanced Scorecard

Theoretical background covers origins and history of balanced scorecard, explains basics of balanced scorecards and provides the theoretical framework and main dimensions. After explaining conceptual framework, it focuses on implementation process and application issues in different parts of the world in general and in Turkey in particular.

1.1. History of Balanced Scorecard

The foundations of Balanced Scorecard's (BSC) go back to the report named "Report of the Committee on the Non-financial Measures on Effectiveness" 'published in 1971 in the Accounting Review even before the Harvard Business Review (HBR) articles written by Kaplan in 1983, 1984 and 1985 (Kaplan, 2010, p. 2). However, the BSC is based on a research called "measuring performance in the organization of future", sponsored by the Nolan Norton Institute in the early 1990s, covering many multinational corporations. This study was conducted by David Norton, President of Renaissance Solutions Inc. and Robert Kaplan, Professor of Harvard Business School. In addition, a representative of a dozen companies operating in diverse fields such as manufacturing, heavy industry and advanced technology have gathered once a month to develop a new performance measurement method (Kaplan, 2010, p. 3).

In 1992, BSC became famous and got into the literature as a new performance measurement method with Kaplan and Norton's article of "the balanced scorecard - measures that drive performance" (HBR). This article based on the experiences of 12 companies describes the BSC's ability to transform the strategic goals and performance metrics of the BSC business so that the business executive can quickly and comprehensively see the operating performance of the top executives. This explains how to create the four dimensions of the BSC with the example of the company "Electronic Circuit Inc." Subsequent articles focused on implementation issues in different companies in detail. In 1996, Kaplan and Norton published the first BSC book, "Translating Strategy into Action: The Balanced Scorecard" reflecting a central idea of strategic enterprise performance measurement with the BSC. In 1996, after publishing their book on BSCs and getting general acceptance, they tended to divert their works to different areas.

With the publication in 2001, they began to express that the BSC should in fact be defined as a "strategic performance measurement model". In this context, they explain how businesses can be strategy-driven entities with five basic principles (transforming the strategy into operational terms, spreading the strategy to all employees, turning strategy into everyone's daily business, turning the strategy into a continuous process and managing change). With this study, Kaplan and Norton (1996) have then defined the BSCs as a strategic performance measurement model rather than initial definition of a basic performance method.

1.2. Origin of Balanced Scorecard

The origins of balanced scorecard can be traced to Key Performance Indicator (KPI), a type of performance measurement. Accomplished implementation of BSC and introduction of strategy maps concept of the organization very much depends on the right choice of key performance indicators (KPI's). KPI's indicate progress toward a desirable outcome. In its simplest form, a KPI is a type of performance measurement that helps you understand how your organization or department is performing (Balanced scorecards Institute, 2018). KPI involves useful indicators for success of organization. Simply selecting performance measures from a long list of possible measures is not very effective.

Balanced scorecards really struggle to bring efficiency in choosing these indicators. Because, what we call Balanced Scorecard is also called KPI. However, there is no big difference between KPI and Balanced Scorecard. What we call "Indicator" is equal to what we call "Metric". What metrics does Balanced Scorecard include "The most important ones - the "key" metrics. And the goal of Balanced Scorecard is to measure, the performance of an organization, focusing on some specific aspects (KPI, 2017). One-dimensional methods and measures that focus only on financial criteria can only partially measure the performance, but will not be able to set performance targets and prevent the organization from focusing on critical areas (Kaplan and Norton, 1996, p. 77). BSC is a method that provides strategic feedback to ensure balance and integration between financial and non-financial data and indicators, and measuring them at specific times and aspects (Horngren, et. al., 2003, pp. 449-450).

Some of the concepts in the literature that are claimed that BSC from is derived from can be listed below by the years. In 1930s, several French scholars claim that the BSC is, to a great extent, similar to the Tableau de Bord (TBD), performance measurement system invented by French engineers at the turn of the 20th century (Souissi, 2008). TBD is a management system introduced, and identified as a "dashboard" used by managers to guide organizations to reach their goals (Bessire & Backer, 2005). In 1950s, General Electric (GE) developed a type new performance management system also similar to BSCs, designed to be used as a performance management system (Hendricks, 2004). The projected team suggested eight (8) measures (one is financial and seven of them are non financial) in GE method (Kaplan et. al., 2010). The measures were framed similar to the BSC dimensions, the four dimensions can be easily recognized among the metrics. In 1954, Peter Drucker introduced the concept of "management by objectives" in his work of "The Practice of Management". For Drucker, performance requires each job to be directed toward the objectives of the organization. Thus, the first traces of the alignment between the strategic goals that is common for the implementation of BSC can be tracked. 1960s, Robert Anthony and his planning and control system based framework also remind BSCs. Anthony recommended a framework for control systems based on identifying three such systems: strategic planning, management control and operational control. For Kaplan (2010), the roots of management planning has both financial and non financial measurement which can be observed throughout his work.

1.3. Evolution of the Balanced Scorecards

There have been a number of developments in the definition and scope of the BSC after 1990s of early days and understanding of BSCs. These changes can be examined in three main generations: the idea of three generations of BSC was established in the work of Cobbold and Lawrie in 2002. It has been explained that the BSC is transformed into strategic performance throughout this evolution process.

1st Generation Balanced Scorecard: BSC was initially described as a simple, "4 box" approach to performance measurement (Kaplan and Norton, 1992). In addition to financial measures, managers were encouraged to look at measures drawn from three other "perspectives" of the business: learning and growth; internal business process; and customer, chosen to represent the major stakeholders in a business (Achterbergh, Beerens and Vriens, 2003, p. 8).

2nd Generation Balanced Scorecard: The first of these innovations, which take place at the BSC, is the linking of some strategic goals to dimensions and one or more performance

measures, and the second is the creation of a causal relationship between strategic objectives and measures (Lawrie & Cobbold, 2004, p.4). The practical difficulties associated with the design of 1st Generation BSC are significant, in part because the definition of a BSC was initially vague, allowing for considerable interpretation.

Two significant areas of concern significant in this generation were filtering (the process of choosing specific measures to report), and clustering (deciding how to group measures into 'perspectives'). Discussions relating to clustering continue to be evaluated in the literature (Butler et. al., 1997; Kennerley et. al., 2000), but discussions regarding to filtering are less common, and usually appear as part of descriptions of methods of BSCs design (Kaplan & Norton, 1996; Olve et al, 1999).

3rd Generation Balanced Scorecard: The BSC, which was introduced in the second period, was further strengthened in this period that it was a strategic performance evaluation system (Kaplan & Norton, 2001). The performance measurement model has been developed with the applications in private, public and nonprofit organizations.

Main development in the third period is that Kaplan and Norton in 2000s, developed the strategy maps as a reply to the critiques and established a mapping of the Balanced Scorecard dimensions to each other in the causal relationship (Coşkun, 2005, p. 81). The approach of this period is more functional than the second generation and it is designed to be more successful in solving application issues. The 3rd generation BSC model is actually based on a refinement of 2nd generation design characteristics and mechanisms to create better functionality and more strategic relevance.

1.4. The Basics and Dimensions of Balanced Scorecard

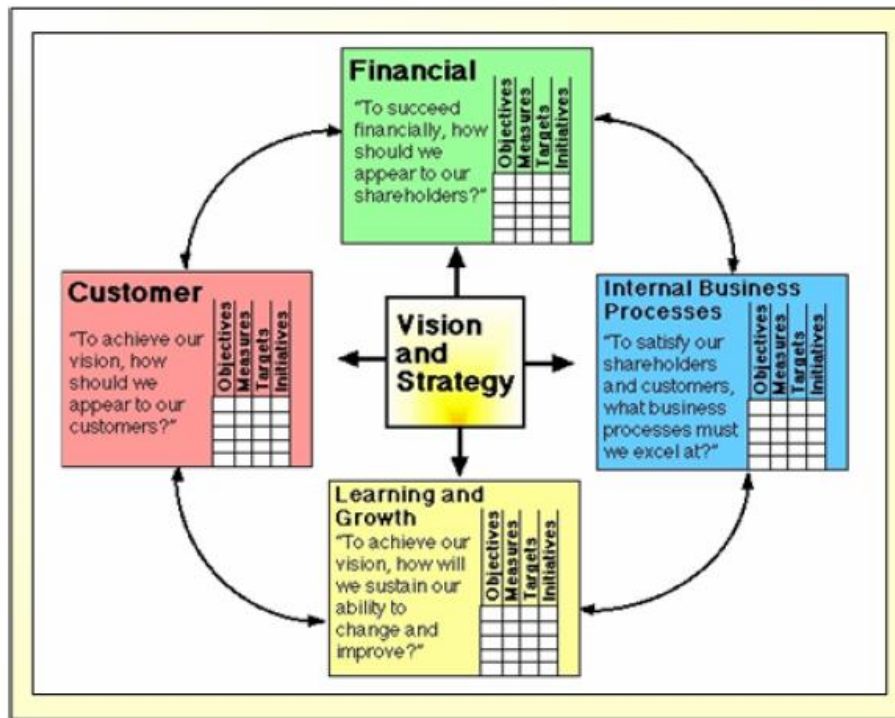
The BSC completes financial measures of past performance with measures of the drivers of future performance. Measurement of BSC is derived from an organization's vision and strategy. The objectives and measures view organizational performance from four perspectives; financial perspective, customer/citizen perspective, internal business process perspective, and learning and growth perspective.

2.4.1 Visions, Missions and Strategies

The first step in implementing and understanding the balanced scorecard is to determine the mission, vision and strategy of the organization (Yaşar, 2010). The goal is to ensure that the entire organization runs to catch the same target (Önder & Aydın, 2016, pp. 225-239). An organization's mission, vision and strategy are expressed at the highest level of management and are guiding in the long term. Vision is usually a short statement describing an ideal situation in which the organization wants to be in the future. Mission, on the other hand, represents the summarized task of the organization, which sets out its main objective and encompasses various elements (Önder, 2010). While strategies and plans are constantly changing over time, missions remain the same as a main task of the organization. Strategies represent the basic preferences of organizations in terms of "what areas" and "for what purposes" business resources will be allocated in line with their own vision and mission, depending on internal and external conditions (Köylü & Önder, 2017, 2018; Kılıç & Erkan, 2006, p. 81).

These perspectives are designed to capture the organization desired business strategy and to include drivers of performance in all areas that are important for an organization (Kaplan & Norton 1993, 1996). Kaplan and Norton (1992) have explained four different perspectives which can be seen in the figure below:

- the financial perspective is checking whether we are keeping our stakeholders satisfied or not,
- the customer/citizen perspective focus on how well our citizens are satisfied;
- the internal processes perspective assure how efficient the organization is running;

Figure 1: Four Basic Dimensions of BSCs Model

Source: Kaplan and Norton (1996)

- the learning and growth perspective emphasize constant and development improvement of these performance dimensions.

The figure shows the basic scorecard system design or framework for any organization, private, public or nonprofit sector. However, we need to note the changed emphasis on mission (the key driver of a public sector organization), the change in the customer perspective to citizens and stakeholders (mission driven customer/citizens requirements, subject to government mandates and limitations), and the changed positions of financial and customer perspectives. We like to use the term employees and organizational capacity for the final perspective, to reflect the importance of the human system and of capacity building through trained and knowledgeable employees and efficient information technology systems. Budget perspective is used instead of the financial perspective, to reflect the budgetary formulation and execution processes associated with public accountability of funds (Rohm, 2008).

Any strategy to be efficient and effective, should contain explanations of financial aspects, markets it served, processes to be followed, and the people who will steadily and skillfully guide the organization to succeed. Therefore, when we are measuring our progress, it would not make sense to focus on just one aspect of the strategy when in fact everything is connected and interlinked to each other. An accurate picture of a strategy execution and performance measurement should cover different perspectives that comprise it. When developing a BSC, that's why, we consider these four: customers/citizens, internal processes, learning and growth, and financial dimensions (Niven, 2006, p. 13). Kaplan and Norton assert that since the BSC focuses on both non-financial and financial measures together that drive the future financial performance of an organization, it can be considered as superior to former approaches to strategic performance management which focus on financial measures only (Kaplan & Norton 2001).

These dimensions ensure that organizations activities are viewed from a holistic and balanced perspective. The weights of the four dimensions/perspectives of the balanced scorecard are different for each organization (Yaşar, 2010). The four dimensions of the balanced scorecard can be weighted in a balanced manner, with a financial dimension of 22%, a customer/citizen

dimension of 22%, a process dimension of 34% and a learning and development dimension of 22%. In addition, it has been stated that the number of criteria to be included in the balanced scorecard should be distributed in a balanced manner, totaling between 23-25 items in financial dimension, 5 items in customer dimension, 8-10 items in process dimension and 5 times in learning and development dimension. The recommended weights for the dimensions of the balanced measuring board and the number of recommended measures in the dimensions are shown in the Table (Norton, 2000, pp. 13-14);

Table 1: Criterion Suggested by Norton for Each Dimension of BSC

| Dimensions of BSC | Weight in Total | # of Performance Criteria |
|------------------------|-----------------|---------------------------|
| Financial Dimension | % 22 | 5 |
| Customer/Citizen | % 22 | 5 |
| Internal Process | % 34 | 8-10 |
| Learning & Development | % 22 | 5 |
| Total | % 100 | 23-25 |

Source: Norton, 2000, pp. 13-14

1.4.1 Financial Dimension

The BSC does not underestimate or disregard the financial perspective but keeps it and make it more systematic to use together with objectives, measurable indicators and linking them with other dimensions. Financial measures are valuable in summarizing the readily measurable economic consequences of activities. Financial performance measures demonstrate whether organization strategy, implementation, and application are contributing to bottom line development and improvement. Financial objectives typically relate to profitability measured, for example by operating income, return on capital employed, or more recently, economic value added. Alternative financial goals can be sales growth or generation of cash flows (Kaplan & Norton, 1996, pp. 26).

Organizations increase their economic value with two basic strategies, increasing income and increasing productivity. There are generally two dimensions of income increasing strategy (Çakmak, 2005, p. 264): First, to acquire new markets, new products and new customers; new sales; and second the development of relationships with existing customers and the cross-selling of multiple products and services. Strategies for raising the level of productivity also consist of two dimensions: the province; improving the cost structure by reducing direct and indirect expenditures; is to use assets more effectively, reducing the operating capital and fixed capital needed to keep operating activities at a certain level. A balanced scorecard ensures that financial objectives are expressed clearly. In the financial dimension of the balanced measurement card, there are three financial goals that have strategic importance for every organization. These are (Çakmak, 2005, p. 264);

- Revenue growth and components,
- Lowering costs and increasing productivity,
- Evaluation of assets and investment strategies.

A balanced measurement card ensures that specific financial objectives and appropriate criteria for each different phase of the life cycle of an organization are determined. The aims and criteria included in the financial dimension can be listed as follows (Kaygusuz, 2005, p. 93);

Table 2: Financial Dimension Indicators in BSCs

| Subjects | Indicators |
|--|---|
| Sales | Annual sales and profit increase |
| Increase in the number of new products | Percentage of sales of new products |
| Implementation of a new pricing strategy | Product and customer profitability |
| Reduction of a product cost | Unit cost of products |
| Reduce customer cost per unit | Unit cost of customers |
| Cost of sales | A certain level or decrease over time |
| Development of the use of assets | Asset turnover rate Economic value added |

Source: Kaygusuz & Yüksel 2005, p. 93

1.4.2. Customer/Citizen Dimension

In the customer/citizen perspective of the BSC, managers identify customer or citizen and the sector they are in which the organization will serve and the measures of the organization units' performance in this sector. This perspective includes several main measures of the successful outcomes from a well formulated and implemented strategy. The main outcome measures include citizen satisfaction, citizen retention, profitability, and market and account share and benefit in the sector (Kaplan & Norton, 1996, p. 26).

With the customer/citizen dimension, managers define what kind of customer service they need to provide to reach their financial goals. Competitive customer and market segments are defined; managers set their strategies, value propositions, and form the goals for competition. Once the objectives have been set up, the performance required to achieve these goals and the criteria required to determine whether this performance has been established are defined (Yaşar, 2010, p. 60). In the customer dimension, the target customers should be identified first, and then the value proposal to be presented should be defined. Other indicators to be implemented such as customer acquisition, satisfaction, continuity, customer profitability and market share reach to the desired (Kaygusuz, 2005, p. 93);

Table 3: Customer Dimension in the BSC

| Subjects | Indicators |
|-------------------------------------|--|
| Increasing market share | Percentage of market share |
| Increase customer loyalty | Percent improvement |
| Continuous, timely delivery | Meeting orders |
| Development of reciprocal relations | Number of customers in connection |
| Customer satisfaction | Zero mistake, just in time delivery, high quality, low price |
| Increasing product quality | Return Percentage |
| Increase in market entries | Number of customers, customer volume |

Source: Kaygusuz, 2005, p. 94

1.4.3 Internal Processes Dimension

BSC sees as key processes at which the organization should create order to continue adding values for citizens. Each citizen will ask for the efficient operation of specific internal processes in order to get better service delivery for the citizens and fulfill our value propositions. To satisfy citizens, we may identify entirely new internal processes rather than focusing our efforts on the incremental improvement of existing activities. Service development and commitment, partnering with the community, and reporting are examples of items that may be represented in this perspective (Niven, 2005, p. 15).

The internal process measures focus on the internal process that will have the greatest impact on citizens' satisfaction and achieving an organization's objectives. In this perspective, executives identify the critical internal processes in which the organization must perform. These processes enable organizations' units to (Kaplan & Norton, 1996, p. 26):

- deliver the value propositions that will attract and retain citizen,
- satisfy stakeholder expectations of excellent financial returns.

The internal process dimension of the balanced scorecard combines the goals and measures required for both the long-term innovation process and the short term operation process. Factors that will lead to long-term financial success may require that existing and potential customers of the company create completely new products and services to meet their emerging (Yaşar, 2010, p. 64). Main items and indicators suggested by BSC for internal process might be given as it follows (Kaygusuz, 2005, p. 96);

Table 4: Internal Process Dimension in the BSC

| Subjects | Indicators |
|--|---|
| The increase in the number of new products | Number of new products / planned new product |
| Improving process quality | Quality costs, percentage of defective products |
| Reduction of process time | Production process efficiency |
| Process development | Decrease rate of error, Added value analysis |
| Start a new product | New product sales, New product demand |
| Job satisfaction | Employee surveys |

Source: Kaygusuz, 2005, p. 96

1.4.4 Learning and Growth Dimension

The fourth perspective of the BSC, learning and growth, identifies the infrastructure that the organization must build to create long term growth and improvement. The customer/citizen and internal business processes perspectives identify the factors most critical for current and future success. Organizations are unlikely to be able to meet their long term targets for customers/citizens and internal processes using only current technologies and capabilities. Increasing demand and expectations create intense global competition requires that organizations should serve in a better way continuously. Balanced Scorecard typically will reveal large gaps between the existing capabilities of people systems, and procedures and what will be required to achieve breakthrough performance. To close these gaps, organizations will have to invest in developing employees, enhancing new information technology and systems, and aligning organizational procedures and routines for new developments and demands (Kaplan & Norton, 1996, p. 36).

Balanced scorecard learning and development dimension emphasizes what capabilities employees should be equipped with in order to achieve organization strategy. The balanced scorecard focuses on the training needs of the employees and the equipment they need to work with maximum efficiency is required. Main items and indicators suggested for learning and development as it follows (Kaygusuz, 2005, p. 98);

Table 5: Learning and Development Dimension in the BSC

| Subjects | Indicators |
|------------------------------------|--|
| New product leadership | Sales from new products, R & D expenditures, Share of design costs in total cost |
| Development of skills of employees | Employee satisfaction, Employee turnover rate |
| Employee motivation | Periodical review of employees |
| Development exceeds Expectation | Sales from new products |
| Technology leadership | Process of developing new products |

Source: Kaygusuz, 2005, p. 98

2. Balanced Scorecard in the Public Sector

BSC was originally developed for the private sector by Kaplan and Norton in the early 1990's. However, later it was understood that it could be very useful in the public sector and was implemented in the public sector in many countries around the world. Performance measurement in the public sector has traditionally also focused on fiscal measures. Unlike the private sector, it is more important for the public sector to focus on efficiency measures as regards the feasibility of efficient using resources. However, the task of determining the measures, targets and collecting the relevant information for non-financial measures particularly for public sector is not an easy task.

Kaplan (2001) argues that the Balanced Scorecard has good potential to enable public sector organizations (Kaplan & Norton, 2001): (1) to bridge the gap between ambiguous missions and strategy statements and daily operational actions; (2) to develop a process to achieve strategic focus, avoiding generalist approach; (3) to shift their focus from programs and initiatives to the outcomes; (4) to avoid the illusion that they have a strategy because they are managing a diverse sets of programs and initiatives; and (5) to align initiatives, departments, and individuals to work in ways that reinforce each other so that major performance improvements can be achieved.

For Rohm (2008), Balanced Scorecard should be introduced in the public sector in order to serve following benefits;

- Providing alignment between mission, strategy, processes and personal performance,
- Aligning local government priorities to the state and federal priorities,
- Demonstrating the value of programs to citizens,
- Developing meaningful performance measure in order to determine the outcomes of the programs,
- Linking mission and vision to budgeting process,
- Determining resources allocated and contract cost for each initiative,
- Increasing coordination among agencies in order to eliminate waste and duplication.

There are many challenges in the design and implementation of BSC in public institutions. Greatbanks and Tapp (2007) argue that the application of the BSC to public sector organizations would be more complex than the private sector. Niven (2006) emphasizes that the main challenges include issues relating to difficulties in measuring outcomes rather than outputs, the tendency to use poor results as punitive measures, and the failure to determine the true mission of any organizational unit. Other challenges include a culture of not trusting business solutions, a lack of staff capabilities in developing innovative measures, and failure to link the scorecard to compensation (Niven 2006). Main challenge in public sector unlike private sector seems to have limitations caused by regulations to use performance measures easily and independently.

2.1. Balanced Scorecard Implementation in Turkish Public Sector

As it is common in the world, as well as the first BSC applications in Turkey has been attracted and adopted by the private sectors. The BSC method and approach in Turkey was first accepted and used by enterprises in different business lines and performance measurements / assessments. Private sector organizations are more autonomous to use any techniques they like for their benefits. Public organizations cannot easily change the techniques or approaches they apply on any issue particularly on human resource management because of continuous critique on businesslike approach in governments arguing that governments have some other priorities than efficiency etc (Önder & Aydın, 2016).

The theses, articles and reports about the BSC in the literature in Turkey are mainly covering theoretical aspects. Studies in the literature on applicability to public institutions are

inadequate because of low implementation efforts in public sector. Therefore academic studies in the area rather concentrated on the BSC applicability in public organizations. These have been done mostly to check the applicability to hospitals and schools.

Dinçer (2009), in his work found that the BSC method can be successfully implemented as a strategic performance evaluation system even in non-profit organizations and can support the performance of the organizations in terms of predictability, transparency and accountability (Dinçer, 2009, p. 75). Oyman in the thesis (2009), the BSC has investigated the applicability of the Republic of Turkey to the Central Bank and mentions the existence of the basic conditions required for the application of the BSC in Turkey.

The preliminary report on the measurement of the performance of the Court of Accounts was the investigation regarding the feasibility of a balanced scorecard in Turkish public institutions. In the study, the scorecards of the court of accounts in New South Wales, Victoria, Northern Territory, in the states of Australia were examined. The balanced scorecard model with increasingly widespread application by the developed country councils has been evaluated also as a feasible model for the Turkish Court of Accounts (Yörüker et. al., 2002, p. 34).

It has been observed in Turkey in the light of the research, the use of Balanced Scorecards in the private sector is more widespread, but many public organizations continue to work on plans and infrastructure to start and use BSC applications, especially in the health and education sector (Careless, 2012). The general evaluation of the researches that have been conducted reveals that the BSC can be implemented in public institutions in our country but it is necessary to do some regulations to abolish some of the obstacles (Oyman, 2009, pp.188-192; Akin, 2006, pp. 174-182 ; Yazır, 2007, pp. 87-88; Yörüker et. al., 2002, p. 34).

2.2. BSC Application Issues

There some structural, cultural and process related problems in Turkish public administration (Önder, 1997). Possible problems in balanced scorecard application also can be grouped into three (Kaygusuz, 2012, p. 88); These are the problems encountered during the period of obtaining the capabilities required to implement the application, the probable problems at the design phase, and thirdly, problems that arise after application . Each problem should be investigated to its root causes and attempted to be solved in such a way as to create synergy and increase the motivation. Problems prior to implementation are the result of the manager's partnership structure with the education-knowledge levels, horizons and management styles of the managers. Therefore, the solutions to be found in these items may also require some studies, including training of managers and present competition conditions and according to the introduction of competitive means, besides various management techniques or studies. Management should be prepared for the new project and be made to have the qualities required by the Balanced Measurement Card (Kaldırım, 2009).

Table 6: BSC Application Issues

| Before Application | Designing Application | During Application |
|--|---|-------------------------------------|
| The whole business will cover, no plans at the level | Limited resources or wrong allocation of resources | Strong control of administration |
| Mixed with other management techniques | Unprecedented management knowledge, Systems and database availability | Irregular meetings |
| Having no strategy | Closeness, lack of participation | Not focusing on balanced scorecards |
| None owns the process | Too many indicators and mixing the targets | No internalization of BSC |
| Family owned company | Many projects at the same time | Lack of communication |
| Unwillingness to spend money for application | Organizational structure problems | Wrong applications |

Source: Kaldırım, 2009

3. Research Design

In research design, research question/s, data collection and analysis method, main parts and items of questionnaire were explained.

3.1 Research Question

This research seeks explanations for the question of "What accounts for efficient BSC implementations as an organizational performance evaluation method for public sector?" This main question will be answered by considering wide variety of items within four main dimensions of balanced scorecards. The questionnaire was prepared to illustrate all dimensions in detail served to test related hypotheses driven from the previous theoretical studies and researches and explain the applicability of BSC in Turkish Public Sector.

3.2. Data Collection

Ombudsman Institution (Kamu Denetçiliği Kurumu) was chosen as a case since it was a newly established small organization and still struggling to institutionalize itself which might create opportunities influence and shape their performance system. Also, studying small organization helped us to capture many things and do in depth analysis. Ombudsman Institution has been established with the adoption of the Act numbered 6328 and published at Official Gazette in 29/6/2012 at number 28338. The Ombudsman Institution which is attached to the Turkish Grand National Assembly, has legal personality, has a separate budget and is centrally based in Ankara. The purpose of the Institution is to establish an independent and efficient complaint mechanism regarding the delivery of public services and to investigate, research and make recommendations about the conformity of all kinds of actions, acts, attitudes and behaviors of the administration with law and fairness under the respect for human rights. Natural and legal persons including foreign national may lodge complaints to the Ombudsman Institution (2017).

3.3. Questionnaire Development and Analysis Method

A "face to face questionnaire" was designed to collect data. Survey research was done with 63 participants; civil servants, experts, middle and top managers out of total 107 employees in the agency. Semi-structured and open-ended questionnaires with Likert type (7) test scale were used. The "normal distribution curve" was used to determine the central tendency of respondents' responses. This indicates the center of the summit (Neuman, 2014, pp. 502-504).

Values between 1 and 7 are divided into 5 equal parts, so that more meaningful and simple categorization is maintained. When $Likert\ 7-1 = 6 / 5 = 1.20$, the transition between layers was taken as 1.20. The average distribution values are included in the overall tables. Borrowing from framework of Hannan and Freeman (1977) about liability of adolescence, we assume that mature organizations are more likely to adapt and be successful about some strategies than the others. Therefore we tried to determine maturity levels to evaluate applicability of BSC in public sector. Values can be interpreted as it follows;

- The 1,00-2,20 ratio indicates that given statement are very unsuccessful according to the participants at the level of maturity, and that the participants strongly disagree with the statement,
- 2,21-3,40 means that the level of maturity or statement failed, and that the participants did not participate to the statement,
- The rate of 3,41-4,60 means that participants at the level of maturity or expression are indecisive or not sure,
- 4,61 to 5,80 means that the level of maturity or success is clear and that the participants agree with the statement,
- Ratios between 5.81 and 7.00 indicate that the level of maturity or statement is very successful and participants strongly agree with the statement.

Therefore, statement with ratios bigger than 4.6 (ratios $\geq 4,60$) is considered the ombudsman institution is mature enough or ready to apply BSC. To test maturity level, One tailed T test for one-sample was used to test out hypothesis. Test value was 4.60 to test the significance. However, I prefer using median value of 4.00 for two tailed T test instead of 4.60 of maturity level. Our general hypothesis for each statement is to maintain ratio higher than 4.60. So our general hypothesis is given below;

Hypothesis: “The applicability of BSC is more likely if maturity of the institution is higher than median value or assigned value.”

4. Findings and Discussions: The Applicability Of The BSC In Ombudsman Institution

The findings are about an analysis of the survey research to answer the research question/s. First, general descriptive information about the participants was assessed. The applicability of the BSC in public organizations has been evaluated in four main headings, taking into consideration four basic dimensions of the BSC.

4.1. Descriptive Statistics

The BSC survey questionnaire was distributed to almost everyone working in the ombudsman institution excluding contractual labor such as security and cleaning. Total of 63 employees out of 107 in working in different services (expert assistant, expert, judge, support services, office personnel, officer, computer operator, chief, manager, legal consultant), departments (Chief auditor, Ombudsman, General secretary, Management services, EU relations, Strategy development), and different education levels (undergraduate, graduate and doctoral) joined to the survey research and answered the questionnaire.

4.1.1. Ages of the Participants

Table 7: The Participants by the Ages

| Subject | Age |
|---------|---------|
| Mean | 34.0476 |
| Range | 25.00 |
| Minimum | 23.00 |
| Maximum | 48.00 |

Employees in the survey are between the ages of 23-48 and the average age is 34.0476. The Institution has a very young dynamic and experienced age group of employees, provides opportunity for institution to adapt environmental changes and new techniques and skills.

4.1.2. Gender of the Participants

39.7% male and 58.7% female employees participated into the survey research. The number of women working in The Ombudsman institution is more than male employees. The rate of working women in Turkey is 38% lower (Devlet Personel Başkanlığı, 2018) but The Institution with 62 female employees out of 107 is seen a lot higher than rate of Turkish working women in public administration. Additionally the female participants constituted approximately 60 % of total participants representing their total number. If we consider the influence of women in organizations in terms of team work, conflict management and co-operation (Shafritz and others, 2017), it is a significant advantage for BSC applications.

Table 8: The Participants by the Gender

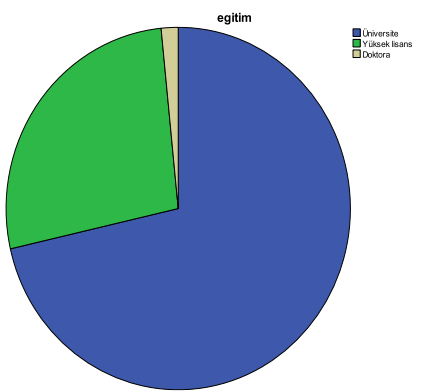
| Gender | Number of Employees | Participants to Survey | Percent (%) |
|--------|---------------------|------------------------|-------------|
| Male | 45 | 25 | 39.7 |
| Female | 62 | 37 | 58.7 |
| Total | 107 | 63 | 100.0 |

4.1.3. Education Levels of the Participants

71.4% of the participants are university graduates with undergraduate degree, 27% are with graduate degree and 1.6% are with doctoral degrees. Approximately three-quarters of employees at the institution have graduate degrees. The higher level of education and quality of the employees in the institution is a positive aspect in terms of the applicability of the BSC.

Table 9: The Participants by the Education Level

| Education level | Number of Graduates | Percent (%) |
|-----------------|---------------------|-------------|
| Undergraduate | 45 | 71.4 |
| Master | 17 | 27.0 |
| Doctoral | 1 | 1.6 |
| Total | 63 | 100.0 |



4.2. Customer/ Citizen Dimension

BSC applications and measurements in the literature are very limited especially in Turkey. In the related literature, BSC Citizen Perspectives enable organizations to align basic measures (satisfaction, loyalty, continuity, and earnings) of the results of citizen-related activities with the target citizen and organization. At the same time, BSC Citizen Perspectives allows organizations to accurately identify and measure value propositions that they will bring to their target citizens/customers and market segments. The value proposition is determinant of fundamental measures of citizen outcomes (Kaplan & Norton, 2007, p. 81). The findings in the literature overlap with our findings of the BSC citizen perspectives. The findings related to citizen perspectives in the literature in general are as follows: "the citizens have increased satisfaction with the institution", "the institution has increased the satisfaction of the employees" and "mutual satisfaction".

Depending on the data shown below, we can argue with 95% confidence that participants agree with our 7 statements about customer/citizen dimension of BSC. Our hypothesis is about the applicability of BSC if a readiness of institution is higher than median value or assigned value has been supported by the data. All 6 but 1 has a mean values a lot higher than 4.60.

Table 10: T Test/One Sample Test for Citizens Perspective

| Questions | Mean | T test | Df | Sig.(2-tailed) | Mean Difference |
|-----------|--------|--------|----|----------------|-----------------|
| q9 | 6.0476 | 11.187 | 62 | .000 | 2.04762 |
| q10 | 5.1452 | 5.375 | 61 | .000 | 1.14516 |
| q11 | 6.5873 | 25.804 | 62 | .000 | 2.58730 |
| q12 | 5.6774 | 8.551 | 61 | .000 | 1.67742 |
| q13 | 6.6508 | 29.142 | 62 | .000 | 2.65079 |

| | | | | | |
|-----|--------|--------|----|------|---------|
| q14 | 6.2419 | 15.675 | 61 | .000 | 2.24194 |
| q15 | 6.2063 | 13.767 | 62 | .000 | 2.20635 |
| q17 | 4.5397 | 2.318 | 62 | .024 | .53968 |
| q59 | 6.3016 | 18.084 | 62 | .000 | 2.30159 |

N:63, P≤:05, Test Value=4.0

BSC citizen perspectives are a popular performance measurement system used by many countries and institutions around the world and highly beneficial for the organizations. According to the findings we have obtained, it is very important to use and apply BSC in the direction of positive contributions and developments in our country. In the case of the Ombudsman, we can say that our public institutions are at a level of sufficient maturity to be able to implement the basic principles and approaches related to the customer dimension of BSC applications and are ready to apply the new performance evaluation method in a great extent.

In this section, we analyzed following subtitles to be able to elaborate citizen dimension of BSC. The questions/statements are the number of services we offer is increasing, the types of services we offer are increasing, demand for services we are offering is increasing, the quality of services we offer is improving gradually, the number of citizens we serve is increasing resolved citizen complaints are increasing, at our institution, we are engaged in activities / activities to learn the wishes and complaints of citizens, we meet all expectations of our society effectively, and citizen-focused understanding.

4.3. Internal Processes Dimension

To satisfy citizens, internal processes play important role for the improvement of existing activities (Niven, 2006, p. 15). The internal process measures focus on the internal process that will have the greatest impact on citizens' satisfaction and achieving an organization's financial objectives. In this perspective, executives identify the critical internal processes and prepare programs in which the organization must perform (Kaplan & Norton, 1996, p. 26). The internal process dimension of the balanced scorecard combines the goals and measures required for both the long-term innovation process and the short term operation process (Yaşar, 2010, p. 64). Previous findings on internal dimensions are similar to our findings.

Table 11: T Test/One Sample Test for Internal Process

| Questions | Mean | T test | Df | Sig.(2-tailed) | Mean Difference |
|-----------|--------|--------|----|----------------|-----------------|
| q18 | 5.6984 | 11.775 | 62 | .000 | 1.69841 |
| q19 | 5.4286 | 7.972 | 62 | .000 | 1.42857 |
| q20 | 6.1613 | 13.538 | 61 | .000 | 2.16129 |
| q21 | 5.5645 | 10.421 | 61 | .000 | 1.56452 |
| q22 | 5.2381 | 5.876 | 62 | .000 | 1.23810 |
| q23 | 3.8000 | -.734 | 54 | .466 | -.20000 |
| q24 | 3.1964 | -3.131 | 55 | .003 | -.80357 |
| q25 | 5.3175 | 7.122 | 62 | .000 | 1.31746 |
| q27 | 4.7258 | 3.235 | 61 | .002 | .72581 |
| q28 | 5.2295 | 5.223 | 60 | .000 | 1.22951 |
| q29 | 5.4194 | 6.486 | 61 | .000 | 1.41935 |
| q30 | 4.8033 | 3.389 | 60 | .001 | .80328 |
| q31 | 5.0333 | 4.415 | 59 | .000 | 1.03333 |
| q57 | 4.5714 | 2.595 | 62 | .012 | .57143 |

N:63, P≤:05, Test Value= 4.0

In this title, we covered 14 questions/statements asked to elaborate internal dimension of BSC. Depending on the data illustrated in the table, we can argue with 95% confidence that participants agree with our statements about internal process dimension of BSC. Our hypothesis is about the applicability of BSC if a readiness of institution is higher than median value or assigned value, it has been supported by the data. All but 2 have mean values a lot higher than median value of 4. In the case of the Ombudsman, we can say that our public institutions are at a level of sufficient maturity to be able to implement the basic principles and

approaches related to internal process dimension of BSC applications and are ready to apply the new performance evaluation method in a great extent. The institution is expected to do internal survey to handle employee opinions and work more on to improve employee-citizens relationships. Both questions “employee satisfaction survey is conducted” and “there is effective communication between our employees and serviced citizens” were not replied by all participants and the mean values of these items were less than the average. All other question higher than the mean values. The statement of “the services we offer are also error-free” has the highest mean value of 6.1935.

4.4. Learning and Growth Dimension

The Learning and Growth Perspective identifies the intangible assets that are most important to the BSC. The objectives in this perspective identify which jobs (the human capital), which systems (the information capital), and what kind of climate (the organization capital) are required to support the value creating internal processes (Kaplan, 2005). In this part of the study, 9 statements/items were evaluated in learning and growth dimension. Question/statement number provided in the table will be analyzed separately in the following subtitles.

Table 12: T test/One Sample Test for Learning and Growth Dimension

| Questions | Mean | T test | Df | Sig.(2-tailed) | Mean Difference |
|-----------|--------|--------|----|----------------|-----------------|
| q32 | 5.8333 | 8.896 | 59 | .000 | 1.83333 |
| q33 | 6.3651 | 17.113 | 62 | .000 | 2.36508 |
| q34 | 4.9839 | 4.799 | 61 | .000 | .98387 |
| q35 | 5.6129 | 8.303 | 61 | .000 | 1.61290 |
| q36 | 2.4762 | -6.203 | 62 | .000 | -1.52381 |
| q37 | 6.4286 | 18.764 | 62 | .000 | 2.42857 |
| q38 | 5.4667 | 5.980 | 59 | .000 | 1.46667 |
| q39 | 4.5410 | 2.025 | 60 | .047 | .54098 |
| q58 | 4.4677 | 2.172 | 61 | .034 | .46774 |

N:63, P≤:05, Test Value=4.0

Depending on the data illustrated in the table, we can argue with 95% confidence that participants agree with our statements about learning and growth of BSC. Our hypothesis about the applicability of BSC propose that if a readiness of institution is higher than median value or assigned value, it has been supported by the data. All but 2 have mean values a lot higher than median value of 4. In the case of the Ombudsman, we can say that our public institutions are at a level of sufficient maturity to be able to implement the basic principles and approaches (Hannan & Freeman, 1977) related to learning and growth dimension of BSC applications and are ready to apply the new performance evaluation method in a great extent. The institution is expected to do set better performance goals and improve the quality of trainings. All employees seem to be self confident and know their missions and tasks

4.5. Financial Dimension

The financial dimension is recognized for the importance of short-term financial results obtained from the analysis of financial targets for institutions in the competitive environment (Kaplan & Norton, 2000, pp. 9-15). Improving the financial dimension, objectives are achieved through the development of innovation and learning. For the financial perspective the following indicators are considered to be important: shareholder value, citizen market share and citizen satisfaction, the attitude of employees (Kaplan & Norton, 2004, pp. 14-17). In this part of the study, 8 statements/items were evaluated in financial dimension of BSC. Question/statement number provided in the table will be analyzed separately in the following subtitles.

Table 13: T Test/One Sample Test for Financial Dimension

| Questions | Mean | T test | Df | Sig.(2-tailed) | Mean Difference |
|-----------|--------|--------|----|----------------|-----------------|
| q41 | 4.6140 | 2.046 | 56 | .045 | .61404 |
| q42 | 4.4630 | 1.562 | 53 | .124 | .46296 |
| q45 | 5.3962 | 5.819 | 52 | .000 | 1.39623 |
| q46 | 5.1481 | 4.756 | 53 | .000 | 1.14815 |
| q47 | 4.3455 | 1.310 | 54 | .196 | .34545 |
| q48 | 5.5000 | 7.280 | 53 | .000 | 1.50000 |
| q49 | 5.0755 | 4.525 | 52 | .000 | 1.07547 |
| q50 | 5.0577 | 4.623 | 51 | .000 | 1.05769 |

N:63, Test Value=4.0, P≤.05

Depending on the data illustrated in the table, we can argue with 95% confidence that participants agree with our statements about financial dimension of BSC. If a readiness or maturity level of institution for BSC is higher than median value or assigned value, our hypothesis about the applicability of BSC has been supported by the data. All of our statements have mean values higher than median value of 4. Only two of them were not statistically significant. In the case of the Ombudsman, we can argue that our public institutions are at the level of sufficient maturity to be able to implement the basic principles and approaches (Hannan & Freeman, 1977) related to financial dimension of BSC and are ready to apply the new performance evaluation method in a great extent. The institutions budget is expected to be more accessible for each unit. Budget seems of sufficient for the services they are providing.

4.6. General Evaluation

Our finding shows that our hypothesis was supported overall in four dimensions of BSC, with few exceptions. It means that The Ombudsman Institution is ready or mature enough to apply all dimensions of BSC. On the other hand, participants were also asked for their own performances and their perceptions of the applicability of BSC in the Ombudsman Institution.

Table 14: T Test/One Sample Test for the Applicability of BSCs

| Questions | Mean | T test | Df | Sig.(2-tailed) | Mean Difference |
|-----------|--------|--------|----|----------------|-----------------|
| q62 | 5.5238 | 8.057 | 62 | .000 | 1.52381 |
| q63 | 4.9167 | 4.536 | 59 | .000 | .91667 |

N:63, Test Value=4.0, P≤.05

4.6.1. The institutional performance

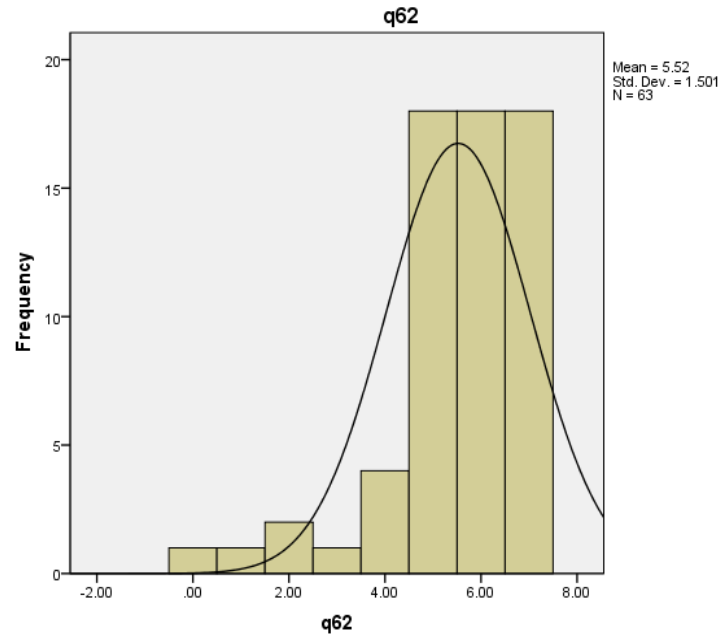
The item of “our institutional performance” was found high by 85.7%. The mean for the item is 5.52, higher than median value and lowest accepted maturity level of 4.60 with P≤.05, statistically significant. We can argue that employee find the institutional performance very positive. Only 7.9% of participants disagree and 6.3 % of participants are neutral about this item. Figure 1 illustrates this situation visually.

Table 14: The Institutional Performance

| Scales | Frequenc y | Percent | Valid Percent | Cumulative Percent |
|------------------------|---------------|---------|---------------|-----------------------|
| Absolutely Disagree | 1 | 1.6 | 1.6 | 3.2 |
| Disagree | 2 | 3.2 | 3.2 | 6.3 |
| Partly Disagree | 1 | 1.6 | 1.6 | 7.9 |
| Middle | 4 | 6.3 | 6.3 | 14.3 |
| Partly Agree | 18 | 28.6 | 28.6 | 42.9 |
| Agree | 18 | 28.6 | 28.6 | 71.4 |
| Absolutely Agree | 18 | 28.6 | 28.6 | 100.0 |
| Missing System | 1 | 1.6 | 100.0 | |
| Total | 63 | 100.0 | | |

N:63, Mean: 5.5238, P≤.05

Figure 2: The Institutional Performance



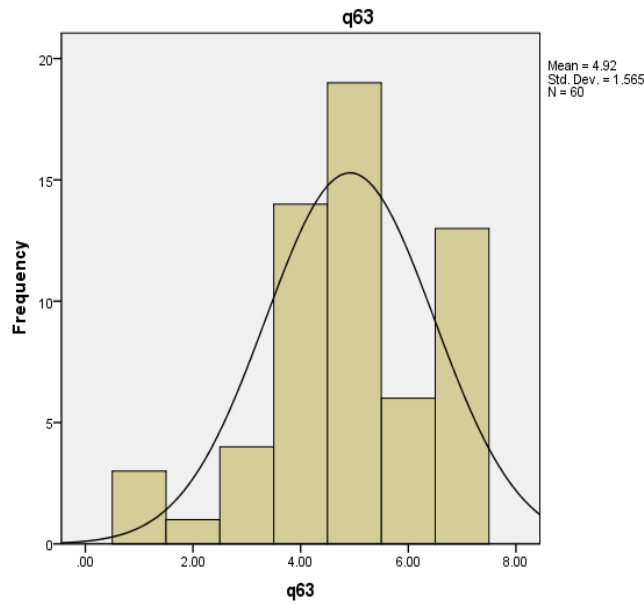
4.6.2. The Applicability of the BSC in the Ombudsman Institution

We wanted to find out about the perception of participants whether BSC is applicable in their institution or not. The question of "what is the level of applicability of the BSC to your institution" was replied by 64.3% with partly agree, agree and strongly agree. However, 13.3% of participants disagree with the item. 23.3 % of participants are neutral and 4.8 % of participants are unwilling to comment about this question because they might not be very well aware of the BSC system. The mean for the statement is 4.92, higher than median value and lowest accepted maturity level of 4.60 with P≤.05, statistically significant. We can argue that even employees of the Ombudsman Institution think that BSC is applicable in their institutions.

Table 15: The Applicability of the BSC in the Ombudsman Institution

| Scales | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Absolutely Disagree | 3 | 4.8 | 5.0 | 5.0 |
| Disagree | 1 | 1.6 | 1.7 | 6.7 |
| Partly Disagree | 4 | 6.3 | 6.7 | 13.3 |
| Middle | 14 | 22.2 | 23.3 | 36.7 |
| Partly Agree | 19 | 30.2 | 31.7 | 68.3 |
| Agree | 6 | 9.5 | 10.0 | 78.3 |
| Absolutely Agree | 13 | 20.6 | 21.7 | 100.0 |
| Missing System | 3 | 4.8 | 100.0 | |
| Total | 63 | 100.0 | | |

N:63, Mean: 4.9167, P≤.05

Figure 3: The Applicability of the BSC in the Ombudsman Institution

CONCLUSIONS AND POLICY RECOMMENDATIONS

There are varieties of public sector applications of BSC throughout the world. The debates concentrated on the readiness for the applicability of BSC because of culture and nature of public sector organizations. Therefore, this research sought explanations for the research question of “What accounts for the applicability of balanced scorecards method as a performance evaluation system in public sector?” To do this, a questionnaire was prepared to see the applicability of BSC in the case Ombudsman Institution. Ombudsman Institution (Kamu Denetçiliği Kurumu) was chosen since it was a newly established small organization and still struggling to institutionalize itself might create opportunities to influence and shape their performance system. Survey research was done with 63 participants; civil servants, experts, middle and top managers out of total 107 employees in the agency. Semi-structured and open-ended questionnaires with likert type (7) test scale were used.

When evaluating the performance of an organization, following dimensions are supposed to be considered in a balance: (1) customer/ citizen dimension, (2) internal process dimension, (3) financial dimension, and (4) learning and growth dimension. We started with general descriptive statistics for organization and participants to understand current situations and capacity of organization.

Main Findings

The Ombudsman Institution with a highly qualified 107 employees has been recently established young and dynamic public organization. It is a strong organization with its statues, human resources and physical infrastructure. The fact that the staff is young, the number of female employees are high, the level of education of the employees in the institution is high, the dynamism as a result of being a new institution, being in communication with all other public institutions, being an institution dealing with citizen complaints, it is seen that The Ombudsman Institution has a significant capacity in terms of the application of BSC. Furthermore, according to our main findings, the Ombudsman Institution has a sufficient level of maturity in terms of readiness for the applicability of BSC with its basic philosophy. The findings demonstrate that the BSC approach and method can be successfully implemented in the Ombudsman Institution.

(1) Customer/ citizen dimension; The following items were elaborated in citizen dimension of BSC. The questions/statements are the number of services we offer is increasing, the types of services we offer are increasing, demand for services we are offering is increasing, the quality of services we offer is improving gradually, the number of citizens we serve is

increasing resolved citizen complaints are increasing, at our institution, we are engaged in activities / activities to learn the wishes and complaints of citizens, we meet all expectations of our society effectively, and citizen-focused understanding. All items have supported the hypothesis about the applicability of BSC.

Internal process dimension; 14 questions/statements were elaborated in internal dimension of BSC. Our hypothesis is about the applicability of BSC. All but 2 have mean values a lot higher than median value of 4. In the case of the Ombudsman, we can say that our public institutions are at a level of sufficient maturity to be able to implement the basic principles and approaches related to internal process dimension of BSC applications and are ready to apply the new performance evaluation method in a great extent. Both questions “employee satisfaction survey is conducted” and “there is effective communication between our employees and serviced citizens” were not replied by all participants and the mean values of these items were less than the average.

Financial dimension; Following 8 statements/items were evaluated in financial dimension of BSC. indicators are considered: I know the budget of our institution, the amount of institution’s budget is sufficient, we use budget resources effectively / efficiently, we consistently meet the financial expectations of our institution, the budget for each unit is available and accessible, the institutional budget is in line with the strategic plan, our financial resources have been appropriately allocated among programs, and our budget is consistent with our performance indications. The hypothesis about the applicability of BSC has been supported by the data. All of our statements but only two of them (the amount of institution’s budget is sufficient and the budget for each unit is available and accessible) were not statistically significant.

(2) Learning and growth dimension; The Learning and Growth Perspective identifies the intangible assets that are most important to the BSC. 9 statements/items were evaluated in learning and growth dimension. The hypothesis about the applicability of BSC has been supported by the data. All but 2 have mean values a lot higher than median value of 4. In the case of the Ombudsman, we can say that our public institutions are at a level of sufficient maturity to be able to implement the basic principles and approaches related to learning and growth dimension of BSC applications. The institution is expected to do set better performance goals and improve the quality of trainings. All employees seem to be self confident and know their missions and tasks.

5.2. Policy Recommendations

To be able to improve some areas so that BSC can be applied, depending on the statistical analysis and participant’s suggestions in the survey policy recommendations can be listed as it follows;

- First, the needs of training and infrastructure for strategic planning of public institutions should be maintained.
- The coordination of the works of the ministries and the Ministry of Finance for legislation and implementation should be ensured.
- Participation and ownership of personnel in strategic planning activities should be ensured.
- It is accepted that there are many uncontrollable and immeasurable factors in the public sector makes performance measurement difficult for non-standard works.
- In the public sector, these goals and objectives are not always clearly defined. In order to measure performance, it is necessary to compare goals and objectives. However, it is not completely known that the goals and when it has been accomplished adequately .
- Performance measurement in the public sector cannot be considered independent of politics. Performance measures are often driven by political concerns / political dimensions. Critical questions such as "who will determine the criteria" and "whose

values will be measured" in the establishment and implementation of performance measurement systems become significant.

- The number of services and demand for services are continuously increasing; the capacity of the organization should be increased at the same.
- The institution is expected to do internal and external survey to handle employee and citizens' opinions, and need to work more to improve employee - citizens relationships.
- Internal communication should be improved.
- There are training programs but the quality need to be increased.
- Participatory management in preparing strategic plan is expected to increase the quality, efficiency and effectiveness of strategic plans, performance programs and daily managerial activities.
- There are serious concerns regarding financial issues such as lack of efficient budget, uneven distribution among units and no transparency need to be improved.
- Access to budgetary informations for related units will help to improve transparent management understanding.
- Performance goals for organization and individuals should be specified.
- To motive and benefit human resources more, providing social support in the institution (kindergarten, lodging, event, etc.), improving employee rights, and eliminating job concerns might help.

Public organizations in Turkey with case of Ombudsman are ready and mature enough to adopt BSC system of performance evaluation. The findings of this study suggest that the need for a good BSC model by considering general political culture and legal regulations would be good policy recommendation for the BSC application. Therefore, future research also might be extended on how these models and software compatible with Turkish political culture and legal regulations. Perfecting measures and in depth qualitative studies will be supportive for comprehensive application models and softwares. Also legal regulations adaptations would be another research stream.

The results and findings of this study are somewhat exploratory in nature, we expect that the information produced and the implications of the study may help public organizations, policy-makers and scholars to build a more comprehensive understanding of BSC benefits and applications.

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