

2021

## Evaluating the Effectiveness of the Balanced Scorecard Within a Nonprofit Organization

Karen L. Graves  
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# Walden University

College of Social and Behavioral Sciences

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Karen L. Graves

has been found to be complete and satisfactory in all respects,  
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Walden University  
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Abstract

Evaluating the Effectiveness of the Balanced Scorecard Within a Nonprofit Organization

by

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MPA, Walden University, 2010

MBA, University of Phoenix, 2006

BS, Eastern University, 2004

Proposal Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

August 2021

## Abstract

Analyzing and evaluating the effectiveness of nonprofit organizations' services is as critical as the service itself. The purpose of this study was to identify the effectiveness of the balanced scorecard, a performance measurement system, within a drug and alcohol nonprofit organization and to assess its adaptability for use among nonprofit organizations. The theories used in this study included (a) Kaplan and Norton's Balanced Scorecard (BSC); (b) Patton's utilization-focused evaluation; (c) Campbell's experimental society theory; and (d) Lincoln and Guba's naturalistic inquiry. The research addressed whether the BSC was a useful evaluation instrument in a nonprofit organization and whether the BSC readily adaptable within its original form. The qualitative research design used was a single case study using both an online survey and conducting an interview with the organization. The responses received by the participating organization were entered into a computerized BSC system and analyzed through a combination of prior case studies, data previously collected from multiple sources including interviews, and a cross-sectional study using the computerized BSC to determine the adaptability of the BSC in a nonprofit environment. The key results suggested the BSC could be an effective evaluation tool in a nonprofit organization; however, based on the limited pool used for this study, the determination that it is readily adaptable in its original form was inconclusive. Findings can be used by organizations to support the use of the BCS, leading to positive social change.

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## Dedication

I first dedicate this dissertation to my Lord and Savior Jesus Christ. This degree was for you, and I hope I made you proud. The author Carolyn Joyce Carty wrote the poem *Footprints in the Sand* “During your times of trial and suffering, when you see only one set of footprints, it was then that I carried you” (Carty, 2021). When I wanted to give up you were always there. Simply put I am nothing without you. I also dedicate this doctoral study to my nieces, Naomi Elizabeth Howard, Nia Pearl Howard, Kai Nyla Dassey, and my future children, nieces, and nephews that I have yet to meet. You inspire me daily. All that you will ever accomplish I will always be proud of you. Nothing is unattainable if you put in the work. The world is yours for the grasping. You will always have all my love.

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## Chapter 1: Introduction to the Study

The balanced scorecard performance tool erupted into the business world in the early 1990s and has not lost momentum. Kaplan and Norton reshaped the balanced scorecard framework of an idea originally created by General Electric during the 1950s. At the time, corporations needed an accountability system that provided unbiased feedback about the effectiveness of their products. From this birthing ground, the balanced scorecard (BSC) was created. The BSC is a tool created to measure what Kaplan and Norton (1992) identified as vital perspectives needed to properly score the current state of the business and provide a framework for the present and future success to assist in the implementation of companywide changes. Throughout its evolution and praise across the globe, some believe the BSC is not suitable for all organizations, in particular nonprofits; however, Kaplan and Norton believed differently arguing nonprofits are able to effectively use the BSC in the same manner as for profits.

Nonprofit organizations serve as the backbone to communities meeting the social need where governmental funding is limited or nonexistent. Drug and alcohol organizations have served communities dealing with drug and alcohol abuse impacting the safety and economic growth of the community. Nonprofits must meet otherwise unmet community needs. They operate a business in the same manner as for-profits which is all the more reason for identifying appropriate tools to assess organizational performance and assist in continued development and growth to not only sustain the services provided to the community but to also expand and provide high quality services

to their targeted population. Chapter 1 discusses the research background, purpose of the study, theoretical framework, research questions, assumptions, and limitations.

The BSC has received praise from businesses around the globe. Worldwide companies that have adopted the BSC include AT&T Canada Long Distances, Blue Cross Blue Shield of Minnesota, BMW Financial Services, Bank of Tokyo-Mitsubishi, Cornell University, Philips Electronics, UK Ministry of Defence and Walt Disney World Company (Balanced Scorecard Institute, 2020). The BSC was originally created for for-profit organizations. As successful as the BSC has been the question continues to linger from some skeptics as to its effectiveness across all business models, particularly among nonprofit organizations.

### **Background**

Several researchers have conducted studies on the effectiveness of the BSC. Radnor and Lovell (2003) study use of the BSC within a healthcare system while Greiling (2010) conducted a case study documenting the adoption of the BSC among German nonprofit organizations. Soysa et al. (2019) performed their study on the use of the balanced scorecard in an Australasian healthcare organization and Dimitropoulos et al. (2017) conducted a 3-year study on the effectiveness of the BSC in a local Greece government. According to Kaplan and Norton (2001), “the main reason for the failure of the implementation of [the] BSC is the lack of dedication on behalf of the senior management team” (2001, p. 87). What is known is the BSC is effective in certain environments, but the question is whether it is an effective performance measurement tool for nonprofits, specifically drug and alcohol organizations.

Although the BSC has been known to the business world for more than 25 years, there has been little research performed on the effectiveness of the BSC among nonprofit organizations and specifically among drug and alcohol organizations. Both theorists and researchers have mentioned and noted the need for additional research specific to nonprofit organizations. Because the measurement system is adaptable in all environments, more research should be conducted to assess the effectiveness of the BSC in nonprofits in addition to understanding why there are limited nonprofits who have successfully implemented and utilized the BSC.

Both large and small for-profit organizations have utilized the BSC for a number of years, identifying the success of the system while also noting the importance of using a measurement system for ongoing assessment of the organization's effectiveness; nonprofit organizations should also be utilizing these same tools. Whether for-profit or nonprofit, both organizations have a drive to be successful regardless of the field in which they operate. Nonprofits should have the right tools to remain effective in the services they provide to their community and one of the most critical elements any organization should have in place is a performance measurement system. The BSC has been noted as being one of the best evaluation tools for organizations more generally, which should lead to the assessment of the BSC among nonprofit organizations. This study thoroughly researched the question of whether the balanced scorecard is an effective tool in a nonprofit environment.



## **Problem Statement**

The problem with this study was the limited research conducted specifically focusing on nonprofit organizations and analyzing the effectiveness of the balanced scorecard. Many times when businesses are identified as nonprofit the interpretation of what the organization is able to do is confused. “The word ‘profit’ comes from the Latin noun *profectus* for ‘progress’ and the verb *proficere* for ‘to advance.’ *Nonprofit* means, etymologically, nonprogress. This is not a simple case of mistaken meaning. It’s a dangerous unconscious statement of intent, or lack of it” (Pallotta, 2013, p. 5). Nonprofit organizations are the exact opposite of what is commonly referred to as nonprofit. Nonprofits were ranked third amongst key industries in 2016 (p. 5). Nonprofits have been instrumental as the voice of social causes for decades. In the article Social Quiz: Is your organization resilient the article notes “resilience is our [nonprofits] capacity to respond effectively to change, to adapt successfully to new or unforeseen conditions and circumstances, and to seize opportunity. It is the central characteristic of organizations that are built for enduring success” (TrendSpotter, 2017). Nonprofits provide support to small and large communities worldwide. Their infrastructure to sustain their growth and presence in the world are critical based on the 2019 Nonprofit Employment Report created by John Hopkins University for Center for Civil Society Studies. The presence of the social sector is undeniable, validating the purpose of this study and its importance due to the sector’s continued growth to implement appropriate performance measurement systems to adequately support nonprofit organizations for sustainability and future success.

Chung and Tran (2015) completed an evaluation study on nonprofit organizations within the state of Colorado focusing on three areas: the role of evaluation within a nonprofit organization, challenges implementing evaluation practices, and recommendations to support or enhance the practice of evaluation instruments. Staff from nine percent of the 9,285 responded. The authors' findings highlighted the respondents acknowledging the need for evaluation instruments; however, it is one of "lowest prioritized areas when it comes to allocating organizational resources and the three common barriers respondents faced to conducting evaluation were a lack of evaluation-specific staff, limited staff time and insufficient funding" (p. 12). Although the study was not specific to the BSC, it is worth noting responses received pertaining to this survey were low, but also the responses received from those who did participate registered low on their priority list.

Soysa et al. (2019) concluded that the BSC was an appropriate measurement; however, they did not believe it was an appropriate tool in the nonprofit environment. There were some elements within the BSC they believed could be used, but they proposed a remapping of the original BSC developed by Kaplan and Norton. A BSC study by Dimitropoulos et al. (2017) was completed over a three-year period and they concluded it could be used within a nonprofit environment. Their research time period was significant to closely monitor the use of the BSC. Although these research studies were done in two different types of nonprofit environments, some significant gaps in the current research available include research previously conducted focusing on drug and

alcohol organizations, and the overall lack of research performed evaluating the effectiveness of the BSC in nonprofit environments.

### **Purpose of the Study**

The purpose of this study was to evaluate the effectiveness of the BSC instrument within a nonprofit organization. In 2016, PNP Staffing Group released a report titled *2015-2016 Nonprofit Salaries & Staffing Report for the Greater Philadelphia Area Nonprofits and Associations*, which reflected a 20% growth in the sector over the last 10 years from the publishing of the report. “Nonprofits need to create an effective organizational recruitment strategy that spreads a wide net and attracts hidden talent in the marketplace” (2016).

Salamon and Newhouse, who (2019) wrote the *2019 Nonprofit Employment Report* published by John Hopkins University Center for Civil Society Studies, revealed the nonprofit sector is one of the largest employment sectors in the United States, and also contributed to employment growth even through the recession period. Their research period covered 2007 through 2016. Some of their key findings included the nonprofit sector as a major economic force. It is the third largest workforce, a major income generator of more than 638 billion dollars in 2016, which is a diverse section presenting a wide array of fields, higher average wages in most fields, and a reliable contribution to job growth.

The data shows the strong presence nonprofits have throughout the United States, which also speaks to the importance for implementing and utilizing an effective performance management system. Even with the strong presence and need discussed

previously, one challenge that continues among nonprofit organizations is the obstacles of maintaining adequate funding to not only maintain, but to also expand the organization with already limited resources both financially and with human capital.

### **Research Question**

The research questions for this study were as follows: Is the BSC a useful evaluation instrument in a nonprofit organization? Is the BSC readily adaptable within its original form?

### **Interview Questions**

Interview questions were built around the areas needing to be addressed in order to implement the BSC:

1. What are the goals your organization has or would like to see in regard to financial growth?
2. Provide 3 financial objectives (or more) that are measurable and assign a weight % out of 100 for each objective listed.
  - a. What position within the organization would be responsible for collecting and recording the data?
  - b. How would the objective be measured and tracked?
3. What are the goals your organization has or would like to see in regards to customer growth, satisfaction, etc.
4. Provide 3 customer objectives (or more) that are measurable and assign a weight % out of 100 for each objective listed.

- a. What position within the organization would be responsible for collecting and recording the data?
  - b. How would the objective be measured and tracked?
5. What are the goals your organization has or would like to see in regard to internal processes?
6. Provide 3 internal objectives (or more) that are measurable and assign a weight % out of 100 for each objective listed.
  - a. What position within the organization would be responsible for collecting and recording the data?
  - b. How would the objective be measured and tracked?
7. What are the goals your organization has or would like to see in regards to the organization's infrastructure, people, knowledge and learning?
8. Provide 3 organizational objectives (or more) that are measurable and assign a weight % out of 100 for each objective listed.
  - a. What position within the organization would be responsible for collecting and recording the data?
  - b. How would the objective be measured and tracked?

### **Conceptual Framework**

Kaplan and Norton's (1992) foundation and development of the BSC was established on one core principle: measuring nonfinancial measurements. Evaluation theorist Michael Quinn Patton's (2012) belief differs from Kaplan and Norton. Patton developed the utilization-focused evaluation (UFE) theory with the understanding that

evaluation should be judged by its actual use while continually examining and adapting around real people and the world. The experimental society theory, created by social scientist Donald T. Campbell (1998), believed a collaborative method of public policy involving stakeholders using experimentation and data as the focal guide for the organization's decision-making was of greater value than using a standard performance measurement tool not customized to the organization. Last, the naturalistic inquiry theory developed by well-known theorists Yvonna S. Lincoln and Egon G. Guba (1985) established two phases. The first phase consisted of limited to no manipulation of the study, allowing the study to organically develop on its own. Phase two's approach consisted of minimum interference once the results were produced. Each of the evaluation theoretical perspectives will be reviewed in greater detail in Chapter 2.

### **Nature of the Study**

The nature of the study is to evaluate the effectiveness of the BSC as it is implemented within a nonprofit organization. Part of an organization's success is through the continued assessment for the effectiveness of their organization through the means of some type of evaluation instrument or tool, to not only monitor past organizational performance, but also to assist with future growth and strategies.

In order to give due justice to the research, it was necessary to compare the BSC against other evaluation frameworks who have studied similar organizations. Does the balance BSC provide all the tools needed to capture the true viability of an organization, not just from a financial standpoint, but from the nontangible qualities that makes an organization successful as well? Can a nonprofit organization of any size effectively

implement and maintain the BSC using their current support staff? This study's qualitative methodology was a single case study including an online survey and interview of the organization.

### **Operational Definitions**

Below is a definition of the BSC, which will be used throughout this research.

*Balanced Scorecard:* The balanced scorecard (BSC) is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals (Institute, 1998-2014).

### **Assumptions, Limitations, Scope, and Delimitations**

The assumption in this research is that the BSC does not provide all of the necessary components to assist nonprofit organizations in assessing their effectiveness or growth. With this research, the intent was to initiate the conversation about potentially developing an effective performance management system and or evaluation instrument, focusing primarily on nonprofits. The immediate identifier that separates nonprofits from for-profits is that a nonprofit is defined by the Internal Revenue Service as a charitable organization which cannot operate for the benefit of any private interest (IRS, 2015). A for-profit organization typically has additional funds at its disposal to invest and implement management tools into their organization's operations. The assumption is that there will be significant financial barriers that could prohibit a nonprofit organization from successfully implementing and maintaining the BSC within their current

organizational structure. Additionally, there may also be a lack of organizational engagement of the BSC overall.

A significant portion of the information collected is based on the interaction with a nonprofit organization and prior data collected and analyzed; however, the greatest limitation was the accessibility of the organization for the completion of this research. This study did not focus on the funding challenges, where applicable, as the focus was evaluating the effectiveness and its adoption of the instrument in a nonprofit environment.

The scope of this study is limited to research previously conducted on the effectiveness of the BSC among nonprofit organizations. Because the focus of this research is only relating to nonprofit organizations, a foreseen weakness is there may be limited data available.

### **Significance of the Study**

Some individuals revere nonprofit organizations as the backbone to society (Camper, 2016) with a heavy dependence by the government to provide publicly mandated services for the community. Nonprofit organizations play a vital role in building healthy communities by providing critical services that contribute to economic stability and mobility. They also strengthen communities in other important ways. Frequently, nonprofit leaders are the voices of the people they serve. Due to the combination of strong community relationships and intimate local knowledge, these organizations understand their communities' needs and the best ways to meet them.



Strong, well-resourced nonprofits that are connected to the decision-making infrastructure in their communities can catalyze growth and opportunity.

This study's purpose was to provide additional insight into the importance of using appropriate evaluation tools for nonprofit organizations. Funders and governmental entities expect significant impact, but can organizations know whether they are providing enough support and impact toward their mission on all levels of the organization's operations?

Appropriate evaluation tools are needed in order to effectively assess and further develop nonprofit organizations. This can create an impact not solely based on raising the awareness for the specific cause, but more importantly the necessity for quality programs to exist and also to maintain its presence and support for the communities and missions they serve. Chapter 2 presents an in-depth review of the evaluation theories and empirical studies. Chapter 3 will focus on the research methodology and design, while Chapter 4 describes the data collected and the process in which the material was reviewed and analyzed. Finally, Chapter 5 discusses the findings from the research and presents recommendations for future studies based on the results.

## Chapter 2: Literature Review

### **Introduction**

The purpose of this research was to determine whether the BSC is a useful evaluation instrument in a nonprofit organization. Chapter 2 is divided into two main sections: a review of the evaluation theories and then a review of empirical studies on use of the BSC. The theories reviewed explain the basis for their approach while the empirical studies present the strengths and weaknesses of previous research on the topic, as well as the effectiveness of study evaluation instruments. Significant research was conducted in order to identify the theories that focus on this particular study. Previous studies conducted on the effectiveness of the BSC have assessed more for-profit organizations than nonprofit organizations. Due to the limited research and studies on this particular topic, limited information was available. Each of the theorists discussed were selected based on Norton and Kaplan's assertion that the BSC is adaptable in all business environments. The utilization-focused evaluation, experimental society, and naturalistic inquiry theories each present their own organic approach to inform researchers what is and is not adaptable in an environment with little manipulation. These theorists address Kaplan and Norton's view that the BSC can be used in the nonprofit environment without any modifications.

### **Literature Search Strategy**

This review of relevant information pertaining to this topic formed a basis for this study and includes previous research that compares nonprofit evaluation, identifying both similarities and differences, while also identifying potential patterns. This review of

previous research provides readers with additional insight into this study and the prior works completed on this topic. Resources used throughout this study included peer-reviewed, full-text journal articles and books. Due to the limited research previously performed within drug and alcohol nonprofit organizations, peer-review articles that were published within the past 10 years from the anticipated Chief Administrative Officer (CAO) approval date of 2021 were used. Walden University's library database provided a variety of resources to research literature used for the study including: ProQuest Central, EBSCOhost, Internal Journal of Productivity and Performance Management, Google Scholar, Academic Search Complete, and Thoreau Multiple Databases. The keywords and or phrases used to gather data for this study included *balanced scorecard* (resulting in 6819 articles), *scorecard*, *balanced scorecard Kaplan & Norton* (resulting in 154 articles), and *balanced scorecard nonprofit* (resulting in 9 articles).

### **The Evaluation Theorists**

#### **The Balanced Scorecard Origins (Robert Kaplan and David Norton)**

The BSC measurements were established to provide a snapshot of organizations focusing on four areas of concentration that Kaplan and Norton found to be vital elements needed to aid in the success of the organization. The four areas of concentration are: financial, customer, internal business, and innovation and learning perspectives. These areas or perspectives, also referred to as measurements, were developed to address the following questions:

- How do customers see us (customer perspective)?
- What must we excel in (internal perspective)?

- Can we continue to improve and create value (innovation and learning perspective)?
- How do we look to shareholders (financial perspective)? (Kaplan & Norton, 1992, p. 72)

The origins of the BSC date back to the 1950s derived from General Electric's production process to test performance on the quality of its products. The BSC initially addressed one major issue: if financial measures are being reviewed to determine the financial direction, then why are businesses failing? Kaplan and Norton believed businesses were focusing on their measurements from the financial perspective when they should be deriving their measurements from the vision and strategy of the organization: its core foundation. As a result of this finding, the BSC was developed initially as a quick performance measurement system testing the organization in multiple areas, including product, process, customer, and market development. However, after reviewing their findings from case studies based on Apple Computer, Rockwater, and Advanced Micro Devices, Kaplan and Norton discovered the original performance measurement system revealed the system was "the cornerstone of a new strategic management system contributed to 'linking' long-term strategic objectives with short-term actions (Achterbergh, Beerens, & Vriens, 2003, pp. 1,394). From this discovery the basic system evolved into a strategic management mechanism used by companies all over the world as an ongoing effort to improve internal and external productivity.

The name of the BSC reflects "a balance between short and long-term objectives, between financial and non financial measures, between lagging and leading indicators,

and between external and internal performance perspectives" (Kaplan & Norton, 1992, p. 120). The BSC replaced the control of the organization, which Kaplan and Norton believed to be the companies' focus, with the vision and strategy, working simultaneously to achieve corporate-wide change both internally and externally. If the controls were derived from the vision, the concern of deviating away from the vision would not be a factor as everything is tied into the vision. The strategies were identified to draw a company together as one with the support of upper management to be on board with this approach to attain true success.

After several years of implementing the BSC model among businesses, Kaplan and Norton expanded on the original concept of the model when they began focusing on the perspective that later expanded to include the strategy map. The strategy map laid out the action plan for organizations visualizing the steps needed for success. Their research revealed the concept needed depth added to its original model to be effective for businesses worldwide. It was from this research the perspectives morphed into the strategy map.

Kaplan and Norton (2004) argued, "[the] most critical aspect of the strategy—implementing it in a way that ensures sustained value creation—depends on managing four key internal processes: operations, customer relationships, innovation, and regulatory and social processes" (p. 50). The strategy map represents a company blueprint for upper management to visually see which departments should interact, how they should interact, address communication breakdowns, and how to improve the company's overall productivity.

### **Utilization-Focused Evaluation (Michael Patton)**

Renowned theorist Michael Patton developed the utilization-focused evaluation (UFE) on the belief that “intended users are more likely to use evaluations if they understand and feel ownership of the evaluation process and findings [and that] they are more likely to understand and feel ownership if they’ve been actively involved” (Patton, 2012, p. 59). Patton believed that the “personal factor is the presences of an identifiable individual or group of people who personally care about the evaluation and the findings it generates (p. 87). Patton’s assertion that attaching the evaluation process to the individual/organization will directly benefit the evaluation process and the individual/organization should be involved in every phase of the process, hands on experience. Instead of focusing on generic elements from the broad perspective, be as detailed as possible. There are two essential pieces of the process that must exist at all times in order for the UFE to work: First, clearly identify the intended users who will personally engage in the evaluation process from the beginning to ensure that the use is targeting its intended area and persons. Second, the evaluators must ensure that the use of the evaluation by “the primary intended user guides all other decisions that are made about the evaluation process” (p. 70).

UFE’s intent is not only a guide for evaluating purposes, but also a process to discover the findings to both improve performance and make informed decisions. Patton’s purpose behind UFE was to provide customized results as it pertains to the organization utilizing the evaluation tool with real people in real time. Patton referred to this as situational responsiveness. Since this type of evaluation requires heavy interaction

between the evaluator and the intended users there had to be a level of sensitivity to the environment. “Utilization-focused evaluation can include any evaluative purpose, any kind of qualitative data, any kind of design (experimental), and any kind of focus (processes)” (Patton, 2012, p. 59). Patton’s original work consisted of 5 steps and they are as follows:

1. Identify primary intended users;
2. Gain commitment to utilization-focused evaluation;
3. Decide on evaluation options;
4. Analyze and interpret findings and research conclusions; and
5. Disburse evaluation findings (2012)

In Patton’s follow up work he broke down the original 5steps into 17 steps to further assist the evaluators utilizing his theory as listed below (p. 13):

1. Assess and build program and organizational readiness for utilization—  
focused evaluation;
2. Assess and enhance evaluator readiness and competence to undertake a  
utilization-focused evaluation;
3. Identify, organize, and engage primary intended users;
4. Situation analysis conducted jointly with primary intended users;
5. Identify and prioritize primary intended users by determining priority  
purposes;
6. Consider and build in process uses if and as appropriate;
7. Focus priority evaluation questions;

8. Check that fundamental areas for evaluation inquiry are being adequately addressed;
9. Determine what intervention model or theory of change is being evaluated;
10. Negotiate appropriate methods to generate credible findings that support intended use by intended users;
11. Make sure intended users understand potential methods controversies and their implications;
12. Simulate use of findings;
13. Gather data with ongoing attention to use;
14. Organize and present the data for interpretation and use by primary intended users;
15. Prepare an evaluation report to facilitate use and disseminate significant findings to expand influence;
16. Follow up with primary intended users to facilitate and enhance use; and
17. Meta-evaluation of use: be accountable, learn, and improve (Patton, 2012).

### **The Experiment Society (Donald T. Campbell)**

Donald T. Campbell, a psychologist, held a natural interest in understanding casual, human behavior, as well as addressing social concerns. Campbell's "view of design was driven not by structure of design themselves—all the Xs and Os—or by the statistical models related to them. Rather his view had its genesis in the inferences one makes from a design, in the potential plausible alternative explanations to the hypothesized one, in the theory of validity that he articulated" (Trochim, 1998, p. 408). In



other words, the reality can only be known through a variety of methods, not only the traditional quantitative approach.

Campbell (Dunn, 1998) operated with the same approach as Lincoln and Guba (1985) in the post-positivist belief (1985). Many theorists believed that Campbell was the accidental evaluator as he was simply finding and researching ways in which to improve society. His theory, known as the experimental society, was the voice for social reform. Dr. Eamonn Noonan (2015) described Campbell's work as "active, honest and non-dogmatic, and it was prepared to embrace trial and error and reality-testing" (p. 1). His theory went past the methods used in laboratory science. His conviction, because he was focusing on social issues, required him to dig deeper to provide the unaltered truth as close to the raw data as he possibly could, otherwise his methods would have resembled the same practices as those methods used in laboratory science. Campbell's focus was not to find the absolute but to be satisfied with probabilities because his research focused abstract issues such as social matters which would never be addressed with certainty from a laboratory research approach. The idea that one study, when conducted in a social environment, would not lead to a credible theory, which could be extremely misleading, is why he was in favor of the cross-validation. In other words, "a single study cannot give a definitive answer to a question of effectiveness" (p. 3). Repeated attempts using the same process is of more value to the social experiment because it reveals a pattern that has to be reviewed with patience to allow the process to play out on its own; allow the environment to tell the observer what is occurring. Campbell thought the experimental

society will be “an evolutionary, learning society...this freedom to be honest will be one of the strongest attractions of the experimenting society” (Trochim, 1998, p. 38).

The methodologist’s role is to document what has occurred without justifying or attempting to find the reason for the change in the study. In contrast, this methodology seeks to find the similarities discovered. This approach is the opposite of many other popular methodologies, which requires explanation or justification as to why a particular event or result has transpired. However, Campbell did identify flaws in his methodology:

1. Evaluating a program with the political climate results in the evaluation of the agency and directors leading to the possibility of placing both in an unfavorable light.
2. Ongoing funding inadequacy as a result of numerous organizations representing a worthy cause and limited funds to support them all. Additionally, the issue becomes even more complex with legislators and executives providing ‘tokens’ of support for appearance purposes but lacking actual action to address the issues.

The main flaw in Campbell’s methodology was that it, focused on the politics instead of the cause of and solution to the ongoing issues in society (Dunn, 1998).

### **Naturalistic Inquiry (Yvonna S. Lincoln and Egon G. Guba)**

Yvonna S. Lincoln and Egon G. Guba (1985), co-creators of the naturalistic inquiry (NI) focused on this primary thought, “Reality is subjective rather than objective. Multiple realities resist the notion that the truth of human experiences is out there waiting for researchers to discover it” (Given, 2008, p. 2) as described in Lisa Given’s study on

Lincoln and Guba's naturalistic inquiry. Lincoln and Guba challenged the positivist belief that reality could be known and measured with certainty. They offered a view of evaluation that involved a mixture of ontological, epistemological and axiological approaches. Their approach was based on the belief that reality was constructed and, therefore, needed to be assessed by all the tools that provide an insight in that construction. Let the environment operate in its own habitat and it will reveal itself. Lincoln and Guba's theory are comprised of these two thoughts: 1) a low degree of manipulation and or control of the variables prior to inquiry and 2) low interference imposed on the results of the inquiry (Lincoln & Guba, 1985, p. 39). In order to effectively address a concern, one has to observe the variable in its natural state. Once the researcher intervenes or interferes with the process it distorts the natural state. Edwin P. Williams and Harold L. Raush psychological researchers summed it up with this thought: "What is salient (important or noticeable) to us is that, first, no manipulation on the part of the inquirer is implied, and second, the inquirer imposes no prior units on the outcome. Naturalistic investigation is what the natural investigator does, and these two tenets are the prime directives" (Lincoln & Guba, 1985, p. 8). Lincoln and Guba challenged themselves with this question: What is truth? The concept of truth was discussed in Julienne Ford's writing, *Paradigms and Fairy Tales*, in what she identified as the *Truths*. Naturalistic inquiry paradigm was comprised of these four truths:

1. Metaphysical truth – "the truth of ultimate reality as partly or wholly transcendent of perceived actuality and experience" (Metaphysical truth, 2015);

2. Ethical truth – “normative (correct way of doing something” truth)”  
(Merriam-Webster, 2015);
3. Logical Truth – “hypothesis or predicate” (Lincoln & Guba, 1985); and
4. Empirical Truth of science – “affirmation or denial of something” (Lincoln & Guba, 1985).

Lincoln and Guba derived post-positivism (a philosophical system that holds that every rationally justifiable assentation can be scientifically verified or is capable of logical or mathematical proof and that therefore rejects metaphysics and theism (1985) as the new axiomatic (rule or principal that people accept as truth without concrete evidence).

Lincoln and Guba proposed there were cracks emerging in the world of science that could not be scientifically explained. They concluded that naturalistic inquiry would challenge the traditional scientific approach of explanation, to introducing a holistic approach.

### **Empirical Studies**

#### **Defining, Justifying, and Implementing the BSC in the National Health Service**

Authors Radnor and Lovell’s (2003) research focused on the performance measurement and management system with the intent to define performance-measurement specifically within the Health Sector. Based on their analytical research of government and the National Health Service (NHS), their findings unveiled the necessity of a performance-measurement tool within the Health Sector, specifically. The study defined performance measurement and management system as “information systems that managers use to track the implementation of business strategy by comparing actual

results against...goals and objectives. A performance measurement system typically comprises systematic methods of setting business goals together with periodic feedback reports” (Radnor & Lovell, 2003, p. 175). The argument was made clear by the Central Government’s decision to use the Public Service Agreements dating back to 1998 to serve as a main platform in establishing some form of performance system. The Audit Commission, in 1999, as noted by authors, reiterated two key components to support their argument and the need for a performance system among all public sectors: to improve public services and to reinforce accountability. The Committee noted specifically the NHS future success was dependent on providing good information in order to effectively build a measurement system to support and gauge NHS’s growth and areas of continued development.

Four key components are identified in the works of Robert Simmons, Andy Neely, Mike Bourne, Thomas Clarke, and Stewart Clegg. Radnor and Lovell compiled and deemed these components as essential functions when researching an appropriate measurement system:

1. Provide more comprehensive performance management of the organization;
  2. Be a context sensitive fit with the organization’s strategic position/direction;
  3. Enhance organizational ability to meet key stakeholder needs/expectations;
- and
4. Be adequately resourced and supported by the entire organization, so that it has the opportunity in practice to deliver the potential benefits—thereby adding net value to the organization’s activities (2003).

During the analytical review of government documents, the use of the BSC in the NHS environment was recommended as an appropriate performance management system. As a result of this finding the authors assessed the BSC system in a case study with a Primary Care Trust (PCT), an organization volunteering to adapt a broad version of the BSC into their organizational structure. For this case study, the process was outlined according to the following steps.

- conducted a series of three meetings with key City PCT personnel:
  - to focus on basic information of the BSC, in order to generate a mock walk-through of the BSC,
  - to determine how it would unfold if implemented in the organization, and
  - to present the mock BSC, as realistically as possible in order to report to the Board;
- Four months later, conducted a focus group that addresses:
  - initial motivation to use the BSC system,
  - initial BSC design and process implementation experiences and issues, and
  - potential BSC Post Implementation issues;
- Key Limitations include:
  - PCT interest in the BSC summarizing and monitoring its Business Plan performance,
  - only one level of the BSC operation was developed for the study,

- business plan needed additional development to effectively address the components of the BSC, and
- Business Plan covered too many elements (operational, tactical, and strategic) making it difficult to specifically focusing on strategic concerns;
- focus groups identified pitfalls the following needs:
  - conceptual barriers to adopting the BSC,
  - address resource and time implications—the substantial resource demand associated with implementing the BSC (dedicated staff to oversee the BSC process, implementation of associated audits), and
  - reduce extra BSC implementation work via business plan link (2003).

Radnor and Lovell's (2003) conclusion reaffirms the prevalent need for performance measurement tools as outlined in government contracts emphasizing accountability, effectiveness, and efficiency. The purpose of this research study was to determine whether the BSC is an appropriate tool to implement in a nonprofit organization. The authors found the BSC is worth implementing despite results revealing that all parts of the BSC were not properly implemented. However, based on their findings to recommend a full integration of the BSC among nonprofit organizations, their recommendation identified four points:

1. Organizations within the Bradford Health Sector should consider the BSC as a feasible PMS.
2. Major emphasis should not be placed on additional resources associated with the BSC implementation.

3. The BSC should not be treated like an existing PMS and viewed as the authoritative voice as it pertains the overall focus of the organization.
4. The BSC should be fully adopted throughout the entire organization and not just one level (Radnor & Lovell, 2003).

The authors' findings based on their study showed no need for additional resources as some other researchers have argued it required. Their study revealed in order for a successful implementation with current staff in place the BSC had to be treated as the measurement system and fully embrace all elements of the system based on the recommendation of the mock implementation of the BSC. Referencing back to the limitations as identified by the focus group, who would play a pivotal role in implementing the BSC, they did identify some key areas which cannot be overlooked and to be addressed: conceptual barriers to adopting the BSC; resource and time implications—the substantial resource demand associated with implementing the BSC (dedicated staff to oversee the BSC process, implementation of associated audits); and reduce extra BSC implementation work via the business plan link. While on paper it may be an attainable goal, the feedback from the focus group should be taken heavily into consideration, given it is comprised of the individuals running the hospital. Based on the focus group's feedback, one of the more important gaps to address when implementing the BSC is having the appropriate staff as well as time management, otherwise the BSC runs the risk of failure.

### **Balanced Scorecard Implementation in German Nonprofit Organizations**



Dorothea Greiling conducted a study on German nonprofit organizations implementing the BSC (Greiling, 2010). Kaplan and Norton (2004) surmised the third sector would benefit from the use of the BSC, which would increase nonprofits' efficiency on all organizational levels and would in turn benefit the society the organizations are servicing. Greiling's study tested Kaplan and Norton's BSC. One disadvantage the author identified at the beginning of the study is the lack of case studies performed focusing on German nonprofit organizations using the BSC. Although studies were conducted in the United States noting the successful implementation, these studies do not represent the overall success of nonprofits worldwide. The following findings were discovered from Greiling's study based on 343 German nonprofits' participation:

- Many of the organizations' findings on the BSC were from a financial and customer perspective.
- Benefits from the BSC by clarifying and communicating strategy and improved alignment of strategic objectives with actions
- The BSC assisted in developing a performance measurement system.
- The BSC supports a strategy focus process.
- Incorporation of the BSC on all levels as developed by Kaplan and Norton was absent.
- Nonprofits implemented the BSC in a "simplistic" fashion.
- Many organizations represented in the study viewed the BSC as a tool of modern management to assist them in creating legitimacy of the organization

- Interviewees used tools to implement “quality leadership strategy rather than a strategy of growth” (Greiling, 2010, pp. 543-544).
- Most interviewees possessed a measurement system that is unbalanced in financial and nonfinancial performance measures.
- There was a lack of mission perspective implemented in BSC (2010).

Reviewing the overall findings from the case study Greiling believed the reason for the lack of impact of the BSC was a result of the heavy regulated nonprofit sector which limited the organizations’ ability to implement the BSC as a whole.

The review of the empirical studies and evaluation theories leave many areas unknown as it relates to the effectiveness of the BSC among Drug and Alcohol organizations because of the limited research conducted in this field. One point identified throughout the theories and empirical reviews is the limited analysis on the effectiveness of the BSC in nonprofit organizations but more specifically among drug and alcohol organizations. What is known, however, is that the BSC can be effective in certain environments, but the question remains if it is an effective performance measurement tool for drug and alcohol organizations. Chapter 3 will layout the framework to research this in greater detail.

### **Validating the BSC Framework for Nonprofit Organizations: An Empirical Study Involving Australasian Healthcare**

Researchers Soysa et al. (2019) conducted a study inviting 1,550 participants to respond to their research, study which created the framework to theorize and validate the nonprofit version of the BSC with a targeted audience among Australasian healthcare

organizations. The research study was in response to academia not having a developed “theoretical basis of the BSC” (p. 1014). They invited 1,550 organizations to participate in the study, of which 232 responses were received from mature organizations averaging 20 years of service in the industry.

The authors believed their research would bring “clarity to the nonprofit BSC as we explain how organizational mission drives the strategy (which in turn drives the system) to achieve the stakeholder (client, people, and the donors) outcomes, enroute the application of our mixed method research to generate rich data to plug other gaps in the BSC, such as omission of people (as a key stakeholder group) and inadequate explication of the financial perspective, in a nonprofit context” (p. 1005). They believed that Kaplan and Norton’s approach is appropriate, but not in all settings. In a for-profit model to motivate staff the business has to ability to attach incentives to keep staff engaged, not only implementing, but maintaining the performance management system due to available revenue resources. The authors pointed out the tendency for more staff and resources in the for-profit environment to support the BSC system. This does not hold true for social service organizations where there tends to be a limited pool of staff operating in multiple capacities, which changes the demand on the individual to dedicate adequate time to engage in the tool and utilize the data to further develop their departments. Their belief was Kaplan and Norton’s model (1992) (2004), both the original and revised strategy maps, do not speak directly to the nature of a nonprofit environment. The authors’ original theory hypothesized the map should be restructured in a straight line with casual encounters occurring among the key areas. Their findings

revealed the same areas needed to be address as identified by Kaplan and Norton's original model, but the method to implement and utilize the system for nonprofits needed to be approached from a different model, opposite of Kaplan and Norton's original BSC.

Soysa et al. (2019) proposed additional steps are needed in order for the BSC to work. Their proposed change navigated away from the traditional BSC model, creating more steps and integration of the BSC among the respective areas (financial, customer, internal business, and innovative and learning). The hypothesis proposed suggested the need for each strategy to be dependent upon another strategy in order to make the best decision for the organization. For example, the traditional BSC developed by Kaplan and Norton (1992) has the vision and strategy located within the center of the BSC. However, Soysa et al.'s reconfiguration represents more connection to the key tools identified by Kaplan and Norton in what they believed to be missing from nonprofit organization's ability to properly implement a BSC. The researchers made no mention of challenges implementing the BSC was a result of a lack of staff.

The authors identified several limitations in their study, including limited empirical data to support the validity of their hypothesis, limited explanation of the difference between the performance management in Nonprofit Healthcare Organizations (NPHO), and the findings limited to the NPHO's in the countries studied. The authors also noted that as well-respected as the BSC is, there is limited empirical evidence on the validity of the performance measurement system.

## **Implementing the Balanced Scorecard in a Local Government Sport**

### **Organization—Evidence from Greece**

Papagou-Holargou Council (DOPAP), a nonprofit municipal organization overseeing culture, sports, and environment sports, was established in 2011 in Greece, with the goal of uniting five sport organizations in the municipality of Papagou-Holargou. The organization, run by the municipality, was plagued with a variety of challenges in running an effective program, along with an elevated level of distrust by the citizens, poor management of the program and finances, inadequate operational processes, and unfair distribution of wealth. In response to the issues plaguing DOPAP in 2010, a new law was created introducing a new operating and organizational framework for the municipality to implement. Its goal was to “re-organize the state, to restore citizens’ trust of the state regarding prudent management of public money and to ease the production and fair distribution of wealth” (Dimitropoulos, Kosmas, & Douvis, 2017, p. 367). A part of the city’s strategy in addressing these issues was the implementation of the balanced BSC. DOPAP’s purpose of this research was to discuss the development process of the BSC, the goals established, the outcomes achieved, overall effectiveness of the BSC, and future takeaways, which could be a future resource in the public sector of Greece. The Council’s goal was to work with current management systems and to become an example for other municipalities and organizations within their region providing fair and equitable services. The board developed the following process in order to implement the BSC:

1. The board formed a preparation committee of five members. They were tasked with the duty to facilitate the implementation of the BSC.
2. Committee members were required to participate in BSC training.
3. DOPAP determined the mission, philosophy, strategic goals, and the SWOT analysis.
4. The committee identified ways to achieve the objectives and ensure continuous connection to the objectives and performance measures.
5. The board integrated the BSC process in all divisions. The divisions were given the authority to modify the BSC goals however the goals must be in alignment with DOPAP's general strategic plan.
6. DOPAP collected and analyzed performance results (Dimitropoulos, Kosmas, & Douvis, 2017).

The authors discussed the meticulous approach the board and committee took in developing their BSC, with the goal to change the perception and culture within the community they were servicing, while also creating a level of accountability and transparency. The board committed itself to a three-year commitment with the BSC structure.

The organization discovered some areas where additional support was needed when implementing the BSC in a nonprofit environment and a change was required. Greece operated under a strict financial environment creating no deviation from the budget to account for possible incidentals, which created additional pressure on management to balance finances while also working toward improving quality services

and operations. The demands on trying to create a successful program and manage finances with strict expectations appeared to be a recipe for disaster. The dedication and determination of management to stay committed to the Performance Management and its goals as an organization provided to be critical in the success of DOPAP. The report noted, “The human resources are the most significant determinant in the application of a performance-based management methodology and require training and devotion for a successful implementation” (2017, p. 376). The key to top management, or in this case the board, set the example and demonstrated the commitment, which was then passed down to the employees.

Reviewing DOPAP’s study results, the commitment to the BSC implementation proved to be successful and transformed the culture within the municipality and for the citizens they served. One respondent noted “citizens are at the core of DOPAP’s strategy, and our goal is to provide to them high quality services and satisfy their needs. Their critical opinion is crucial for us and we ask for their contribution for DOPAP’s continued effort of improvement” (Dimitropoulos, Kosmas, & Douvis, 2017, p. 370). However, there were limitations worth noting in this study. The organization is under the direction of the Greek Capital, which allowed for a significant amount of access to the staff, customers, and infrastructure needed to complete the study. Another limitation identified was the size of the organization. The DOPAP organization was large in size. It is unclear as to whether the same results would be yielded in a smaller setting.

## **Conclusion**

The belief that the BSC can work in a nonprofit environment based on Dimitropoulos et al. (2017) was compared against prior studies completed by authors Klott and Martin (2000) and Cavalluzzo and Ittner (2004) that the BSC can assist government operations and impact the citizen's satisfaction. However, it is worth noting DOPAP spent a considerable amount of effort in investing their staff to drive mission and its customers, which affirms the researchers' Soysa et al. (2019) finding that the BSC should be guided by the mission, the ultimate driver. Additionally, this also supported Kaplan and Norton's (2004) position when staff are committed to the process the BSC will be an effective tool for the organization. Ultimately in this study the implementation of the BSC proved to be successful.

Theorists Patton, Campbell, and Lincoln and Guba all affirm that in order to determine the effectiveness of any system it must be tested and, in some cases, multiple times, to identify a pattern that creates a basis for effective research. Some researchers noted the limited studies completed on evaluating the effectiveness also left several gaps in the research because of the limited work focusing on nonprofit organizations and little to no research conducted on drug and alcohol organizations. In Chapter 3 a review of the research process is thoroughly discussed to address the research question, the effectiveness of the BSC in a nonprofit environment.



## Chapter 3: Research Method

### **Introduction**

This chapter will set the framework for how the research will be conducted. In order to determine whether the BSC performance system is effective within a nonprofit organization, the research methods used included interview and survey data. Next, the information collected from the organizations was entered into BSC software. This software built a BSC-based visual on the information provided by the organization. Finally, via an in-depth analytical review of the findings, a comparison of the process to develop the BSC in the system against the empirical studies was reviewed

### **The Overview**

The research method used was qualitative reflecting the purpose of obtaining and analyzing descriptive behavior. The origins of qualitative research are connected to the social and behavioral sciences field, which is where the evaluation of the effectiveness of drug and alcohol programs was addressed.

The qualitative method has a wide range of approaches to use for research. For instance, grounded theory, phenomenology, and ethnography focus on understanding the event, describing the structure of an experience, and observing the sociocultural elements surrounding it. For the purposes of this study these methods would not be appropriate in determining the effectiveness of the BSC. Rather, the design that was most appropriate for this research was a single case study using data previously collected from multiple sources, interviews, and cross-sectional study using a computerized BSC.

The use of the research method mentioned above assisted in determining how the organization participating in the study fits into the current model of the BSC. Evaluation methods for nonprofit organizations are limited. The incorporation of the BSC for the research also examined whether social service organizations are in need of revamping, with the assistance of the BSC, or if there was a more fitting performance measurement tool to assess the current conditions of the organizations and potential future growth. The BSC was constructed with the assistance of the software to determine if it was adaptable in the case study or if there were constraints within the system. A compilation of the system and responses provided during the interview was used to address the research question.

### **Research Design and Rationale**

The research design had to be carefully considered when developed in order to yield a realistic snapshot of the organization's condition and how it related to the BSC, or if it will even fit into the model as developed by Kaplan and Norton (1992) (2001). This research attempted to address the following questions: Is the balanced BSC a useful evaluation instrument in a nonprofit organization? Is the BSC readily adaptable in its original form? Because this study was specific to a certain type of service, appropriate research methods needed to be selected conducive to the environment. Another element that was critical in selecting the research design was understanding the environment and the type of services provided.

### **Role of the Researcher**

The researcher's role in the study was as the observer and facilitator of the interview conducted with the organization. For the first part of the study, no involvement was needed by researcher, as the online survey was completed by the participants. During the interview session, the researcher was responsible for asking questions to the participating organization who volunteered to be a part of the study. The organization and the researcher had no prior relationship.

### **Research Design: Analytical and Descriptive**

When constructing the framework of the research design the first approach that would be necessary was understanding the organization. This included a combination of analytical and descriptive analysis of the organization's history, vision, mission, size of the organization, organizational structure, financials records, program success rate, and types of services provided by the organization. As mentioned in Norton and Kaplan's work, having the presence and interaction among the key leaders was a component critical in the success or failure of implementing and maintaining the BSC performance system (1992). All the interview questions were developed and derived from the BSC. The structured interview approach was more realistic for this research due to the limited information on the topic. Conducting an open-ended interview may have caused the research process to be prolonged. This research was looking to provide answers as to whether the BSC was conducive to nonprofit organizations and their ability to adapt to the BSC if it was implemented into their organizations. While conducting the research, it was important to establish boundaries to remain focused on the questions at hand. The

risk of utilizing an unrestricted interview would have left the research too open ended to multiple findings. Although the use of a less structured interview may be relevant for future research on this topic, it was pertinent to remain focused on the topic of this study.

### **Research Design: Data Collection**

The data collection portion of this research consists of a combination of multiple sources with data previously collected specifically for the social service field. The data collected was the organization's company history, patient census, performance measurement system where applicable, and organizational structure. The data sources used to identify the appropriate organizations considered for the study were identified through the following publicly published data systems.

- Substance Abuse and Mental Health Services Administration (SAMHSA) – a division of the Department of Health and Human Services.
- National Survey of Substance Abuse Treatment Services (N-SSATS) – a part of SAMHSA, data contains state profiles of treatment facilities and state summaries of client admissions data;
  - “Annual survey designed to collect data on the location, characteristics, and use of alcohol and drug abuse treatment facilities and services throughout the 50 States, the District of Columbia, and other U.S. jurisdictions” (2018);
  - “Designed to collect information from all facilities in the United States, both public and private, that provide substance abuse treatment” (2018); and

- Data updated annually.
- Treatment Episode Data Set (TEDS) – a part of SAMHSA:
  - “Provides information on the demographic and substance abuse characteristics of the 1.8 million annual admissions to treatment for abuse of alcohol and drugs in facilities that report to individual State administrative data systems” (2018);
  - “An admission-based system” (2018);
  - TEDS does not include all admissions to substance abuse treatment. It includes admissions to facilities that are licensed or certified by the State substance abuse agency to provide substance abuse treatment (or are administratively tracked for other reasons). In general, facilities reporting TEDS data are those that receive State alcohol and/or drug agency funds (including Federal Block Grant funds) for the provision of alcohol and/or drug treatment services (2018); and
  - Data updated quarterly.

### **Setting and Sample**

The selection process for determining the appropriate organization contacted and used for the research process began with reviewing the Pennsylvania Department of Drug and Alcohol Programs (DDAP) and SAMHSA sites, and obtaining the contact information for organizations within their data bank service in the field of drug and alcohol, and other social service providers. Mass letters and emails were distributed to the various organizations requesting their participation in research. Once the organization

had been identified, an interview was coordinated. The interview with senior management addressed multiple questions built around the BSC within the electronic system. In addition to soliciting the assistance of the organization's onsite in-depth study, a questionnaire was distributed using email and U.S. postal mail focusing on questions surrounding the BSC, a 5-minute survey. Data was captured using a survey system.

According to the Bureau of Labor Statistics approximately 20% of new business ventures fail within the first 2 years of establishment (Deane, 2020). Based on these statistics it was determined to request participation from organizations with a minimum of five years established. Participation survey letters were mailed via USPS and emailed to social service organizations throughout the states of Pennsylvania, New Jersey, and Delaware. Questionnaire responses were completed using an online survey system. Organizations could request to complete the survey via mail. Responses received in the mail were entered into the system to maintain a centralized structure of the responses. All data was entered by researcher's assistant when needed and verified by the researcher ensuring proper documentation of the responses. At all times throughout the study, it was critical to remain unbiased in order to receive the research results in its purest form. No maximum number of participant responses for the online survey portion of the study was applied. The goal of the survey was to receive as many responses as possible due to the limited research currently available for this topic of study.

### **Data Collection, Analysis, and Presentation**

Data collection was managed primarily through the survey responses and interview of the organization. The online survey, Google Forms application, was used to

generate the survey summary results. The integrity testing was conducted by the third-party vendor to validate the system structure and accuracy of data being generated by the system along with proper storage. All responses were time-stamped by the system after submission of the participant. The system had the ability to generate reports of the data entered and or submitted. Any responses received via U.S. postal mail was entered into the system to keep all questionnaire data stored in one location. Google Forms was published in 2008. This application provided services to businesses, universities, and personal usage. Google Forms was identified as an appropriate platform to use for this study based on the type of questions. The application was customizable by the user adding as many questions as the developer desired.

The second system utilized in the study was an electronic BSC system developed by a third-party vendor, Spider Strategies, Inc. This electronic platform had been used across many business industries. Some recent companies that used the system included the U.S. Army, HairClub, United Food Industries, Grenada Co-op Bank, and Sharp. It was an electronic version of the BSC. The system had the ability to accommodate the simplest or most complex BSC. The participating organizations involved in the interview would have their BSC developed based on the interview responses. The system provided insightful reporting along with the capability to easily export the data into CSV or PDF file. The trustworthiness of this research was essential to determine whether the BSC was effective for nonprofit organizations. To this end, two assistants were intentionally employed to segregate duties that ensured the data was entered into the system accurately and to avoid any bias from the researcher, where applicable.

The interview process involved multiple steps. All interviews were recorded to ensure the accuracy of the organization's responses were captured and to also safeguard nothing was misrepresented in the research. The purpose of the interview was to also collect enough data to simulate what a BSC system would resemble if the organization were to adopt the BSC and then assess the strengths and weaknesses that arose from the process itself. This study did not analyze the organization itself. The interview process required a qualitative interpretation. After interpreting the information from the interview conducted, the data was entered into the BSC system, Spider Strategy, to determine if the BSC was a useful evaluation instrument in a nonprofit organization. The system's integrity testing was managed by the third-party developer. Any follow up questions, if necessary, could be communicated to the organization. Diagrams were also generated to further present the organization's BSC, which were developed based on the responses provided during the interview. Areas to be reviewed were financial, customer, internal, and organizational perspectives as prescribed by Kaplan and Norton. No use of historical and legal documents was used in the study.

### **Protection of Participant Rights**

Research conducted with the assistance of any individual requires a level of integrity to protect every individual mentioned throughout this research as mandated by the university. This research maintained the ethical standards as governed by Walden University. Interviews, surveys, and any form of interaction or communication pertaining to this research were at will. Participants were not forced or coerced to participate in any part of this research. All participants had the freedom to discontinue any part of the



survey or interview if they felt threatened or uncomfortable. If the above occurred, it would be documented and reported to the chair and co-chair of the committee and all guidelines followed as outlined by the Walden University research guidelines.

### **Issues of Trustworthiness**

Credibility of the study was imperative for the continued advancement of this study topic. The research portion of the study was developed to limit the researcher's involvement and interpretation as much as possible. The questions were created to reflect the organization's current environment as it pertains to the BSC. Organizations were considered for this study based on published records listing organizations that received various types of funding in drug and alcohol services. Additionally, the empirical case studies used in the study were all peer reviewed. Due to the limited research completed in this field peer review sources were used beyond the recommended 5 years, which also spoke to the research challenges throughout the study.

Transferability was managed in the following ways: the participant pool was based on the organization providing services in the drug and alcohol industry, and the number of years the organization was in existence. The interview questions created were developed directly from the BSC system. Questions answered required the direct knowledge from the organization. The researcher had no prior knowledge of the organization until they submitted their inquiry to participate in the study. Before providing the questions for each section of the BSC a description of the section was provided to the organization to offer a context before answering the questions.

Dependability of the study was similar in process as transferability. With regards to the data, all information was entered into the electronic systems, Google Forms and the electronic BSC. Both systems' audit functionality was active providing all entries by username at any point in time. Software support was available for both systems should any issues occur. Audit trails are available at any time in both systems as well.

The goal of the study was not to prove any one theorist wrong or right, but rather finding answers as to what can and cannot work in a nonprofit environment. Managing one's bias was important to acknowledge when conducting any form of research. The research should not be conformed around the researcher's bias. The importance of stating any bias at the beginning of research was necessary in holding the researcher accountable once the research began. Additionally, it was essential to make sure, regardless of what the researcher may discover throughout the study, to not deviate away from the process set in place for the study. If this occurred, the validity and dependability would be called into question. The integrity of any research performed was critical and its dependability was vital to a successful study regardless of the findings.

### **Ethical Procedure**

Several steps were taken throughout the ethical process of the study to ensure the confidentiality of participants and maintain Walden University's ethical and integrity standards, placing appropriate safeguards in place throughout the study. After receiving approval (#12-07-18-0115182) of the research application from Walden's Institutional Review Board (IRB), which detailed all steps to be used and followed when conducting the research request to participate, letters were mailed out to the organization's CEO,

president, executive, and director. Before the invitation to participate in the online survey or interview the organization's executive approval were received in writing and returned to the researcher. After the receipt of this approval the invitation to participate in the online survey was sent to the organization. Participants who complete the online survey were offered the opportunity to participate in phase two of the interview. The question was prompted at the conclusion of the online survey (see Appendix). No participants under the age of 18 were used in this study. Consents were provided and completed before the participant engaged in the study. Participants who completed the online survey in their respective homes without interaction with the researcher. Participants involved in the interview portion of the study were held at the participant's identified location. Should any ethical issues arise as noted on the consent forms the participant was able to withdraw from the study at any time. Additionally, should an issue arise, the researcher could immediately contact the researcher's chair to review the matter and advise on next steps. Should an ethical issue arise, Walden University's IRB department would be notified. In the event a notice was received, or a participant becomes nonresponsive in the study the issue would be reviewed with the committee chair as it could impact the completion of the study.

The identity of the organization was not disclosed throughout this research. The researcher did not use your personal information for any purpose outside of this research project. Data was be kept secure by the researcher. All materials collected for the purpose of this study were be kept electronically secure under password protection. Any information provided as a hardcopy was kept locked in a filing cabinet accessible only by

the researcher. All interviews were transcribed, and data kept for a period of 5 years, as required by Walden University.

### **Summary**

The research portion of this study was critical to answer the question: Is the BSC a useful evaluation instrument in a nonprofit organization? This research conducted on nonprofit organizations and the BSC was relatively new. It was expected there would be more findings not previously considered that could potentially lead to future research. Research on any topic requires time and patience throughout the process to present clear and conscious information. Chapter 4 documents the research process and the results of the study.

## Chapter 4: Research Results

### **Introduction**

The purpose of this study was to evaluate the effectiveness of the BSC within a nonprofit organization. Nonprofits, also referred to as social service organizations, exist as a result of a social need within their identified community. This study's leading research question was whether the BSC is a useful evaluation instrument in a nonprofit organization. A second research question was: Is the BSC readily adaptable without any modifications as proposed by Kaplan and Norton (2004)? In the following pages a review of the organization's setting, demographics, data collection process, data analysis, evidence of trustworthiness, and the results of the study will be presented.

### **Setting**

The interview was held at the organization's office. At the beginning of the interview, the questions were provided to the participants. During the introduction, a brief overview of the BSC was presented to the participants. There was no form of influencing the organization's responses during the survey and interview phases. The participants were asked to provide answers and feedback to the best of their knowledge. The condition of the organization during the time of the interview was stable. The organization was currently expanding their services with the construction of a new location while also developing several collaborating opportunities with their community partners.

## **Demographics**

The participant pool was derived from four states: Pennsylvania, New Jersey, Delaware, and Maryland. The organization's requirements to be considered for the study were based on the following criteria: the organization must provide drug and alcohol rehabilitation services and have been in existence for at least 5 years. The initial list identifying potential organizations was retrieved from SAMHSA. The list extraction reflected drug and alcohol organizations that had received federal funding for substance abuse and or mental health throughout the country. Many drug and alcohol organizations provide care for drug and alcohol addiction along with mental health. The initial report retrieved from their public domain system yielded 1,162 nonprofit and for-profit organizations. After downloading information about the organizations fitting the initial criteria, the report was refined once again to capture the states closest to Pennsylvania region. A factor taken into consideration was the possibility of a face-to-face meeting within a reasonable timeframe should the organizations agree to participate in the interview. The report retrieved from SAMSHA provided the organizations' basic contact information except for the founding year.

## **Data Collection**

The data collection period occurred over 8 months. Before an invitation to a potential participant occurred, a review of the organizations from the SAMSHA report was evaluated ensure the criteria was met.

Invitations to participate were sent to 105 nonprofit and for-profit organizations in Pennsylvania, New Jersey, Delaware, and Maryland out of the original 1,162

organizations. From this report, organizations were researched individually to verify the years in existence. Once the years of existence were confirmed, along with the current Chief Executive Officer (CEO), president, and/or executive director, organizations were added to the list of potential participants to be considered for the study. Invitations to participate in the online survey were sent to the CEO, president, and/or executive director to participate in the online survey via U.S. postal mail. For participants to be accepted into the study, approval from the CEO, president and/or executive director was required. Follow-up letters were sent to leaders within 4 weeks after the previous invitation if no response was received. The response rate was under 1%. Three invitations to participate were mailed. The recruiting phase of the study was extremely conscientious to ensure the targeted organizations were properly identified and fit within the criteria.

The data collection process was completed in two phases: the initial request for information was submitted through a survey asking basic questions about participants' organizations including any history of a prior evaluation instrument. Two organizations responded to the survey. The second phase of the data collection consisted of an in-person interview with executive leadership. One organization completed the in-person leadership interview which will be referred to as Organization 1. The interview questions were derived from Kaplan and Norton's BSC model. The importance of using the scorecard structure created by Kaplan and Norton needed to be used to properly address the research question and its adaptability in all environments. Organization 1 agreed to be a part of the second phase of the study received communication clearly outlining its rights throughout the study. Organization 1 and their designees interviewed reserved the right to

discontinue participation in the study at any time. The interview was performed at the organization's corporate office. Included in the interview was a division director (executive staff member) and program director. The time to participate in the online study was held over the entire 8-month period to offer the maximum opportunity to participate. While the time frame was lengthy, if additional organizations agreed to participate, their involvement would not impact the study as the analytical phase of the study did not begin until after the 8 months had expired. The original focus of this study was intended to include two organizations to perform a comparative analysis. Initially two organizations committed to the study participating in both the online survey and the interview. Both participants responded to the online survey. However, Organization 2 became nonresponsive once interview schedules were being established. As a result of this, the study was changed from a comparative study with two organizations to a single case study.

The survey data were captured using the Google Forms survey application. The survey link was provided to the organization once the CEO, president, and/or executive director provided their consent to be included in the study. Included within the survey provided the option to participate in the interview was extended. Once the data collection period was closed the survey link was disabled. The interview portion was recorded on an electronic device to use as reference during the analytical review of the study.

The program director reported to the division director staff who was responsible for the drug and alcohol program. Each person involved in the interview signed the consent form created for the interview study, acknowledging their voluntary



participation, right to discontinue at any time, and no form of payment would be required for participating in the study. The overall process collecting the data for the study did not change as reflected in Chapter 3.

### **Data Analysis**

After the conclusion of the interview the next step in the research involved analyzing the responses provided by organization 1. The main categories were created based on the Kaplan and Norton's (1992) four perspectives. The four perspectives were also used for the interview process and the framework to ask questions about organization. The themes were derived based on the responses of the participant. One question posed to the participant was: "Provide three financial objectives (or more) that are measurable and assign a weight percentage out of 100 for each objective listed" (One, 2020). The answers for each question created the theme for each of the four categories. In addition to these initial themes identified (which from the Kaplan and Norton approach were called objectives), sub themes were created from the initial themes identified by the organization (44).

Table 1

*Themes Derived from Participant Responses to Interview*

Category Codes	Theme Codes	Sub Theme Codes 1	Sub Theme Codes 2
(Category 1) Financial Perspective	Engagement with Patient	# of pay for performance goals met for the month – Community Behavioral Health (CBH) Payor # of patients seen 2x in one month	
	"Growth of the Outpatient Revenue/Program"	# of new patients joining the program	
	"Decrease patient no show Rate"	# of MAT patients serviced Average no show rate for the month	
	"Monthly revenue achieved"	Budgeted Revenue Actual Revenue	
(Category 2) Customer Perspective	Patient Survey Returned - US Mail	# of patient surveys sent out- US mail	
	Patient Survey Returned - Electronic	# of patient surveys sent out- Electronically	
	Implementation of the patient portal	# of patients signed up	
	Staff Satisfaction and Feedback Survey	# of patients satisfied with visit	# of patients seen for the month
		# of patients dissatisfied with visit	# of patients seen for the month
(Category 3) Internal Processes Perspective	Wellness Checks for the community	# of wellness checks completed	
	Quicker Turnaround time to close out patient charts	# of closed patient charts within 3 business days after visit	
	Retention of Drug & Alcohol Staff	Reduction in turnover vacancy rate in Drug and Alcohol	New initiative created
(Category 4) Organizational Processes Perspective	Registration completed electronically	# of patients who completed registration electronically	# of patients seen for the month
	Technology Advancement	# of Drug Treatment Plans converted from paper to electronic	
	Train staff on new Electronic Medical Record (EMR) system	# of staff completing mandatory EMR training	

Category Codes	Theme Codes	Sub Theme Codes 1	Sub Theme Codes 2
	Staff trained in assessment specific to the population being served	Clinician's training completed each month	# of staff completed Cognitive Behavioral Therapy (CBT) Training (Adolescents)  # of staff completed Cognitive Behavioral Therapy (CBT) Training (Adults)  # of staff completed Motivational Interviewing  # of staff completed Trauma-Focused Cognitive Behavioral Therapy (TFCBT) Training

*Note.* The organization throughout the interview identified several areas which impacted the type of service they desire to provide to the community. The focus was not on the quality of care they currently provided but the delivery of service from an internal approach was where they identified needing to further develop their efforts for all four perspectives. The key areas emphasized by the participant acknowledged a major area of growth and a challenge to the organization.

In the drug and alcohol field the participant discussed the difficulties in expanding an outpatient drug and alcohol program. The difficulty was not within meeting the need of the population they served but rather breaking even or even generating some form of profit when associated with running an outpatient drug and alcohol program. With this key challenge in some ways, it made it almost impossible to grow the program from a financial perspective with elevated cost. The second element to consider was maintaining the engagement with the patient which would in turn decrease the no show rate. The organization was located in an area where drug and alcohol abuse was a problem however the engagement of the patients was identified as another element the

organization recognized they needed to improve on. As an organization they internally may have to reevaluate their approach to engaging the patients. However, one thing to bear in mind was the population they are serving was volatile and which takes a lot of work and patience. This organization was well known serving the greater community for over 45 years.

### **Evidence of Trustworthiness**

#### **Credibility**

Trustworthiness for any study being conducted was essential for future research and progress in this area. There were four main categories to consider when reviewing the trustworthiness of a study: credibility, transferability, dependability, and confirmability. Credibility was essential and important to identify an appropriate research method. A single case study was appropriate for two factors: the size of the participant pool and the research topic required more involvement with the organization. Having worked in the drug and alcohol field for more than 15 years, allowed for a closer connection to the study while also seeing firsthand the impact drug and alcohol organizations have on individuals and the community. When developing the data pool there were no set organizations in mind to specifically target. The parameters for the type of organizations to be considered was set, which captured varying organizational sizes and location. Research was completed prior to scheduling the interview with organization 1 to obtain an overall understanding of the structure and development, as well as identifying other areas that could be useful during the interview. The participants were asked specific questions geared to the development of the BSC based on the four

perspectives. Each of the perspective's questions were the same to ensure the elements required to build a BSC could be achieved. Consistency of the predetermined interview questions was necessary to maintain the creditability. Additionally, the data collected, and the data analysis of the study will be compared against the previous researchers' findings presented in Chapter 2.

### **Transferability**

Development of the overall structure was important to establish and maintain the integrity of the study while also being able to apply the same steps to be used in future studies with a similar research subject and a larger testing pool. Transferability of the study was established through the structure of the online survey as well as the interview, but more importantly maintaining structured interview questions focusing on the development of a BSC for a nonprofit organization. The variable discovered in the study, regardless of the size of the pool and even the industry, was the response from the organization. It was expected that there would be a variance in response due to varying organizational operational structures and the style of leadership. The online survey questions provided to the participants were focused on collecting general information as to whether the organization utilized some type of performance measurement system, if they had prior knowledge of the BSC, and to provide a list of any performance systems. The questions provided were yes and no responses, and short answer, which were specific to the organization versus creating a generalization to the response that would not be applicable to the organization completing the survey. The interview portion of the search was also structured in the same manner. The questions were crafted based on the

original BSC developed by Kaplan and Norton (1992). It was critical to develop the questions around the BSC to obtain enough information from the organization in order to address the research question. It was reiterated throughout the interview that it would be acceptable if the organization did not have an answer to some of the questions posed. However, it was important for the creditability of the study that each question was asked within the parameters of the four perspectives and the organization was given an opportunity to respond. The questions were presented to remove any form of influence from the researcher's position.

### **Dependability**

The dependability of the research went hand in hand with the transferability to ensure effectiveness of the study. First a solid structure of the participant questions limited the interpretation of the researcher to properly obtain a response to each perspective in an attempt to develop a BSC, and also to represent the organization's responses in general. It is worth noting this study only focused on developing each of the perspectives by identifying the objectives, how the objective would be measured, and what the projected monthly goal would look like. The actual monthly goal was not collected for this study.

The original design, implementation, and data gathering of the research were all executed in the same manner as outlined in Chapter 3. No changes to the questions or the process were required. In retrospect, the effectiveness of the research process was a struggle, particularly the recruitment of willing participants for the survey portion of the study at minimum. A significant amount of time and effort was placed into identifying

appropriate organizations for the study. Less than 1% responded to multiple requests sent out to organizations. In order to increase the response in participation in this type of study one possible direction may have been to establish a relationship with nonprofit networks in the industry field to create more visibility. Obtaining a larger participation pool was needed for this study. The limitation of participants created more difficulty from a research standpoint to determine the effectiveness of the BSC. However, it was also worth noting that a working knowledge was understood that little to no research had been completed in the drug and alcohol sector, specifically assessing the effectiveness of the BSC. The length of the online survey questions was appropriate with thirteen questions provided and the interview portion took place over one hour to be respectful of the organization's schedule. The questions were specific and very direct to avoid any confusion or the need for additional explanation. One of the goals throughout this study was to obtain organic and unaltered responses from the participants. A carefully thought-out process from beginning to end ensured integrity of the work.

### **Confirmability**

As the researcher conducting the study it was critical to present arguments both for and against the effectiveness of the BSC within the social service field. This study's purpose was to answer this research question removing any bias or opinions as this study represents the beginning of a new focus in performance measurement tools specifically among nonprofit organizations. In Chapter 2 several arguments supporting Kaplan and Norton's work (1992), and those who took the position of the PMS being inadequate among nonprofits. As the researcher, it was the responsibility to share any skepticism that

could potentially be challenges executing a BSC in a nonprofit environment. That does not mean that nonprofit organizations did not have objectives and measurable goals or a desire to invest in visually monitoring the success of their organization through a performance measurement system. The concern and assumption at the beginning of this study was the lack of time and resources to implement and execute the BSC. With more than 20 years of experience in nonprofit organizations, the challenge with the lack of labor force has been a repeated theme whether the organization had 100 or 1,300 employees. There was a tremendous amount of work with limited financial resources, including personnel who wore, metaphorically, multiple hats at one time in order to keep the organization afloat. This was a true reality that many social service organizations face daily. If an organization must choose between managing a measurement system, which requires staff participation to update as frequently as needed, required work hours, and a list of tasks that need to be completed, nine times out of ten the organization would choose its daily operation over maintaining a performance measurement system.

This researcher had no previous knowledge of the organization, ensuring integrity in the study. The information required to build a BSC could not be established by reviewing an organizations' financial statements or reading their mission statements. The measures and objectives had to be provided by individuals who were close to the organization and had a working knowledge of the organization's strengths, weaknesses, opportunities, and threats. The responses to each of the questions could not be derived from an outside source with no previous connections to the organization.



There was still a major shortcoming in this study despite the effort put into the structure of the survey and interview to create an unaltered and organic process that captured the participants' responses in their purest form. The shortcoming was the lack of participants. Many resources, time, and effort were spent requesting support from drug and alcohol organizations. Two responses were received from the survey request and only one for the interview. The lack of responses provided by the organization does raise a concern around the lack of participation to provide a stronger argument to adequately address the research question. There was a lack of representation with a single case study versus comparing the research across multiple drug and alcohol organizations. Typically, research studies of this nature consist of multiple participants or larger size organizations to present a full picture to thoroughly answer the research questions. Some could read this single source research and state it was inconclusive, and that more research needs to be done to obtain more participants. Another area to consider in this study was that the researcher collected the data and created the BSC on behalf of the organization versus training the organization on the BSC and allowing them to complete the assessment independently. The potential disadvantage to this approach was the researcher had a working knowledge of the BSC. The process of the researcher designing the appropriate questions to build and enter the information was a quicker process versus having the organization complete these steps itself. Developing the BSC from using the process the researcher prepared could skew the results of the study answering the research question: Is the BSC readily adaptable within its original form? Also, this study did not complete a full implementation of the BSC. The study simply generated a BSC from a data

perspective, but the organization did not roll this measurement system out throughout the organization.

Another shortcoming in this research was the focus on the type of organization and the BSC within the same context. Research has been performed on the BSC and even among nonprofits. However, there were limited resources, if any, that specifically focused on drug and alcohol organizations. One could pose the question, is it necessary to research a drug and alcohol organization, let alone a nonprofit? Nonprofits are not all the same. The shared element nonprofits carry is they were born from a social need. The methodology selected for this study was a case study which was thought to be the best approach for this research study. It would have been inappropriate to have the organization attempt to develop a BSC or any performance measurement system without any proper training and support. It was the researcher's to process the interviews and collect the information needed to build it on their behalf which was critical for this study. In the following sections the research findings were discussed along with the study's research and supporting questions: Is the BSC a useful evaluation instrument in a nonprofit environment? Is the BSC readily adaptable within its original form?

### **Is the Balanced Scorecard a Useful Evaluation Instrument in a Nonprofit Environment?**

There has been a variety of studies regarding the effectiveness of the BSC for many years since its inception. Studies for and against the effectiveness of it have been presented for many years. The organization that participated in the interview was able to provide the requested responses identifying areas it desired to measure. The BSC

concerns was never focused on organizations, whether for-profit or nonprofit, or the ability to identify and measure objectives. Rather, the arguments have been focused on the implementation process, ongoing use of the BSC and whether the system fits in the organizational structure.

Both organization one and two completed an online survey questionnaire of thirteen basic questions focusing on their knowledge of performance systems and if any exist in their companies. This researcher had no knowledge as to whether any performance measurement system (PMS) had been used. Organization one's size, which completed both interview and survey, ranged from 401-800 employees providing both drug and alcohol rehabilitative services. When asked the question if they were familiar with any performance measurement systems or the BSC the response was no to both. The question was also asked if it was familiar with the specific name of any measurement systems, that may have been used and the response was also no. The manager had no knowledge as to whether the organization was utilizing a performance measurement system but acknowledged the need for this to be utilized in its field of work. Performance systems can be utilized in the quality improvement (QI) or quality assurance (QA) department. Its QI/QA departments have utilized qualitative and quantitative analysis to improve department output. The organization acknowledged that performance measurement systems can be utilized to support management's goals. The final question asked of the manager was whether the organization used any other form of evaluation method other than a performance measurement system, and the response revealed the organization was not certain.

Although organization one participated in the online survey and interview, organization two completed the online survey. The same survey questions were presented to organizations one and two. Organization two's employee size was no more than 400 employees providing both drug and alcohol rehabilitative services. This organization was familiar with performance measurement systems, and it also had previous knowledge of the BSC. The extent of its working knowledge of the BSC is unknown. Organization two was also familiar with another performance system, International Organization for Standardization (ISO), which was used at a previous organization. The organization was currently using a performance measurement system known as Lease Squares LSQ. In their field of work, both organizations one think measurement systems were necessary. The second organization that only responded to the survey also has a QI department that used both qualitative and quantitative analysis for to help improve its departments and services provided to their population. Both organizations agree that the purpose of the performance management system was to support their internal management goals.

In reviewing both organization one and two' online survey responses, their answers to the questions were similar except for the respective organization's employee size and location of operations. The second organization's director had knowledge of other performance management systems as well as the BSC and was also utilizing a performance, whereas the first organization unsure. During the interview, the first organization confirmed it did not utilize a measurement system to their knowledge.

Based solely on the respective organization's' responses, the BSC as a useful evaluation instrument cannot be determined simply based on the online survey. The

reasons include how the first organization had no knowledge of the BSC prior to the interview, and although the second organization did have some limited knowledge of the BSC, a full picture of the scope and potential could not be determined based on their responses. An interactive interview would have been needed in order to identify its level of knowledge and to answer specific questions. However, a broader question was asked to both organizations: “In your field of work do you feel performance measurement systems are necessary?” Both agreed that some type of performance management system was needed in their field of work. One could conclude from a very broad perspective that the BSC, being a performance management system, would be included and therefore a useful evaluation instrument. However, for the purpose of this study, the focus was specifically on the BSC and its usefulness in a nonprofit organization, which leads the second part of this study to dive deeper into answering this question of whether the BSC can a useful evaluation instrument.

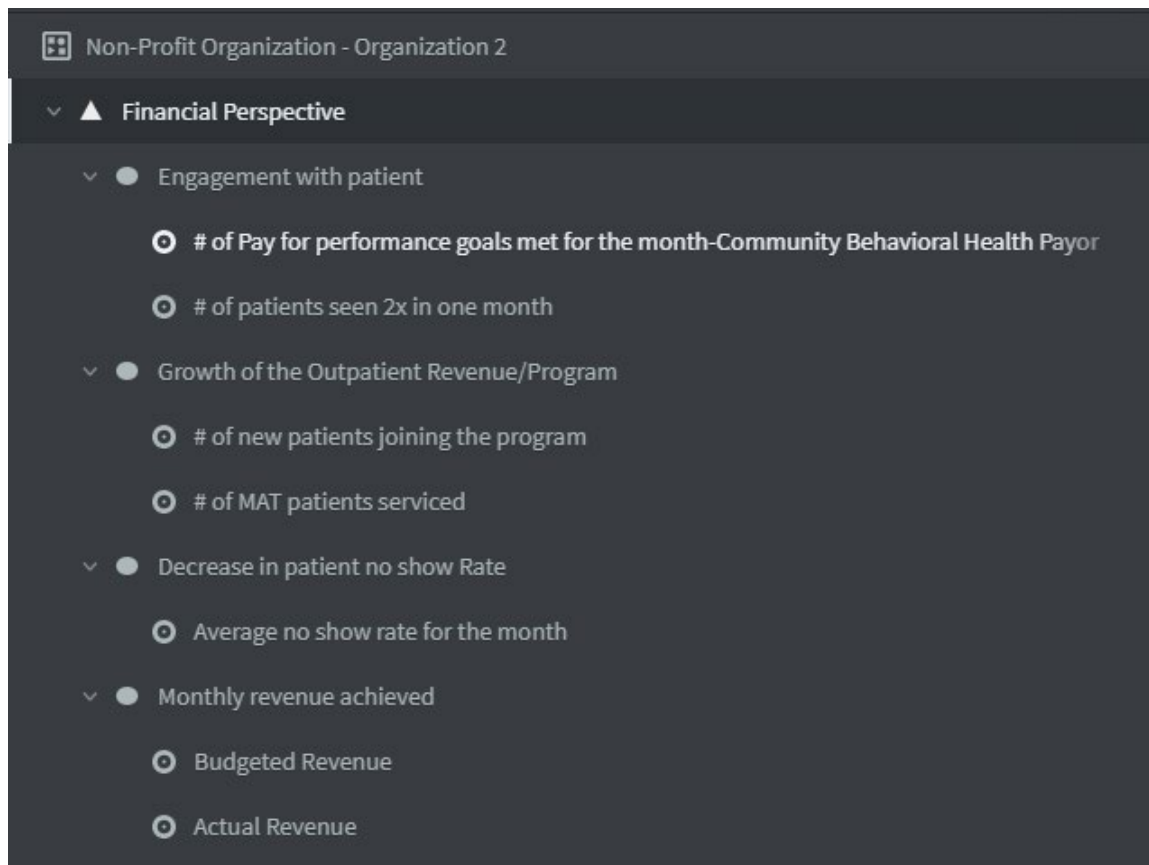
Organization one consented to an interview in response to the request for participation proposal submitted to the company. The questions previously discussed in this chapter were very deliberate. The BSC was set up specifically to create an organizational view of what could be identified as the key elements that impact the organization’s success and areas that need additional development for future success. The organization also needed to understand what the BSC model was, how it was developed, and what information was needed to create its own specific BSC. Part of building a BSC involves an organization’s ability to be transparent with strengths and weaknesses. To some degree the BSC has some similarities to an advanced SWOT (strengths,

weaknesses, opportunities, and threats) analysis. To establish and fully execute a BSC, the organization had to be transparent about itself and its desire to grow the organization.

The interview was conducted with one executive and one director of the organization. A brief introduction was given about the purpose of the study and what exactly was the BSC. The participants discussed areas identified as a point of additional development. It is worth noting each of the objectives identified were associated with the four perspectives, and it did not take the organization long to identify objectives and how to measure them. Based on the feedback provided during the interview it was the accepted that the BSC can be a useful evaluation instrument in a nonprofit organization. The purpose of the BSC was to accomplish one major goal: evaluate the organization. In its current form based on the feedback provided by organization one, this researcher was able to easily build its scorecard in the system as reflected in figures 1 through 3. The participants understood the concept of the BSC and how they were able to successfully provide the information to build the BSC reflecting the current needs of the organization as well as providing measures on how to gauge the goal of achieving success among the respective objectives. Providing the content of the BSC did not present a challenge to the organization. Most organizations management team are accessing the state of the organization whether the use of a formal measurement tool was being utilized. The organization was also able to identify the department and or individuals who be responsible for producing the measurement data.

## Figure 1

### *Organization One: BSC Results - Financial Perspective*



When reviewing the coding patterns, the top three words repeatedly included in the organization's responses to developing its objectives and measurements were the number of times mentioned (quantification) and the word patient. One was led to believe that with the type of service the organization provides to its targeted audience the key success of the organization was centered on the patients. This reoccurring theme was also not a surprise considering the organization was a drug and alcohol rehabilitation provider. Without the organization specifically saying this, it was clear based on its objectives that the patient service experience was critical to their continued success. The industry has

experienced many changes and challenges and the organization's ability to find ways in which to continue to engage the patients to remain committed to the program will also impact the success of the organization.

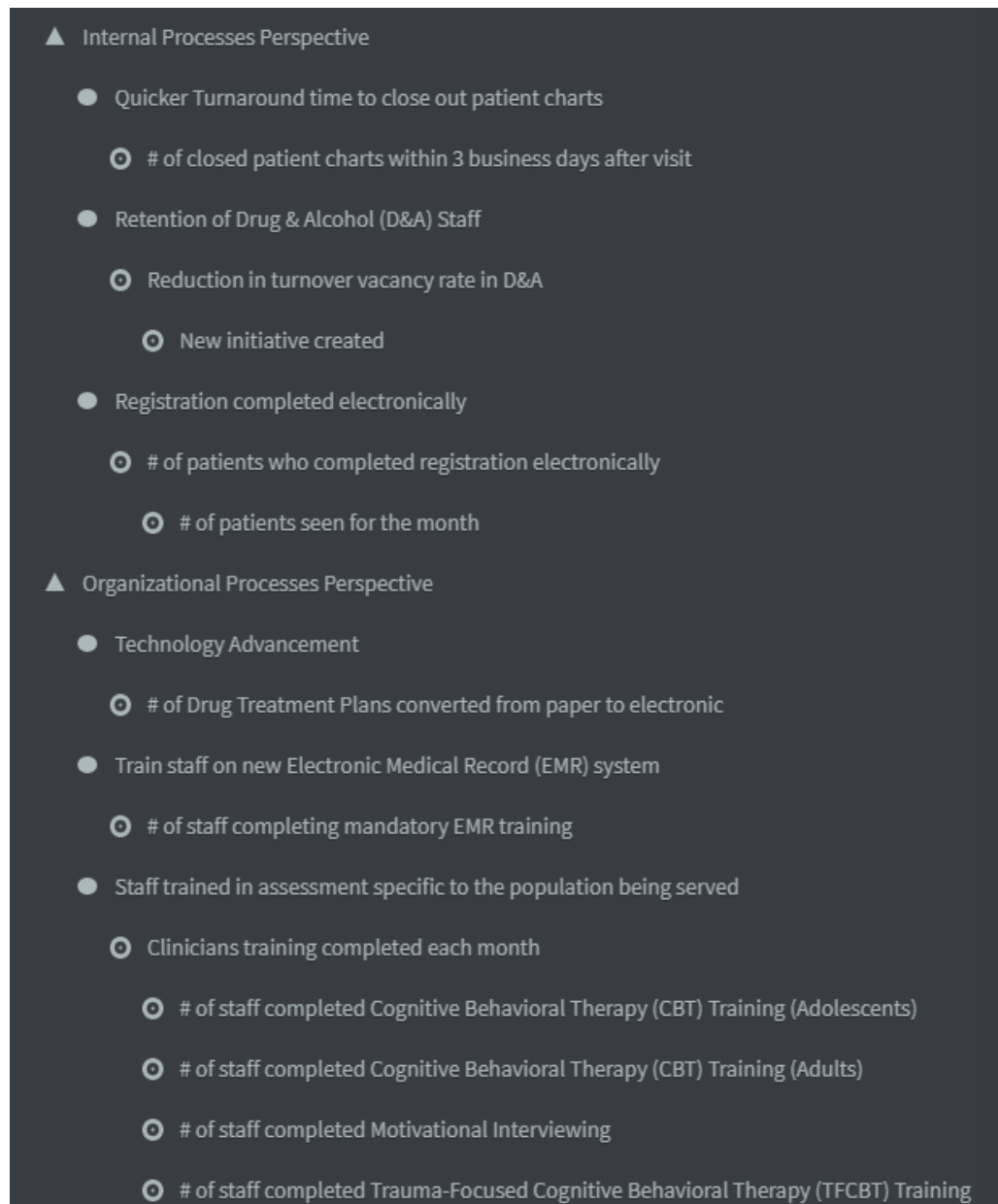
When attempting to answer the research question whether the BSC was useful evaluation tool based on the findings of the study; the results showed the BSC could be a useful tool. The organization's ability to identify and provide not only objectives, but ways in which it was able to measure these goals and be able to quickly understand the purpose of the BSC, and how it could benefit the organization leads one to believe that the BSC is an effective evaluation instrument in a nonprofit environment. Providing a visual representation of the ultimate goal of the organization allows the ability to remain focused on key initiatives the organization is working toward.



**Figure 2***Organization One: BSC Results - Customer Perspective*

### Figure 3

#### *Organization 1: BSC Results - Internal and Organizational Perspective*



### **Is the BSC Readily Adaptable Within its Original Form?**

Another question to be considered in this study was whether the BSC is readily adaptable within its original form in a nonprofit organization. There are two components to consider when adapting the BSC. First is the development of the BSC identifying the measures and implementing the BSC throughout the organization. The first organization had no difficulty in identifying the objectives and measures, which was critical component that sets the stage for the next component of the adapting the BSC. The second component was how will it be implemented? The BSC requires a collaborative effort throughout the organization, and it also requires a change in the practices. The company in identifying various objectives was recognizing certain aspects of the business are not functioning at the level desirable. To make a change and see results a plan needs to be developed for each objective, training, and operationalizing the plan not only for management, but also staff. Each of the objectives identified needs input and participation by staff for the change it desires to be impactful and effective. It is one thing on paper to identify the desired growth an organization is looking to accomplish, but when it comes to the actual execution of obtaining that goal is where the challenge is often the difficult point. Organizations of any size, whether small or large, come across challenges with change. One of the more important points in organizational change is the staff, the members who execute the vision. If it is not properly planned and closely monitored the impact can be detrimental to the organization. Additionally, the second factor that needs to be considered was the support or the “buy in” by management. If

management was not in support of the change the staff will see this and not be compelled to comply.

Taking all these factors into account it was difficult to confirm without hesitation that the BSC is readily adaptable in its original form without doing a deeper assessment, which would require the interaction with the complete executive team and department heads. One observation surrounding the development of the BSC while working with the organization was the dialogue the managers engaged in when answering the questions posed to them during the interview. They agreed with each of the objectives identified for the organization, which was a critical component for the success of the organization.

### **Conclusion**

The structure of the study was executed as originally designed however the desired number of participants for the completion of the study was lower than anticipated. The researcher anticipated finding organizations for the interview portion could potentially be a challenge. The low response for the survey portion of the study was not a factor given much thought when developing the study. This unexpected change resulted in the study requiring a revision to the study approach from a comparative study to a single case study. The impact of this change along with the results, conclusions and recommendations will be discussed further in Chapter 5.

## Chapter 5: Results, Recommendations and Conclusions

### **Introduction**

The purpose of this study was to evaluate the effectiveness of the BSC in a nonprofit organization and its ability to adapt in a nonprofit setting. Nonprofit organizations are born out of a need, due to limited resources and the increased request for support in communities addressing social and economic essentials reaching further beyond what federal, state, and local governments could ever fulfill. Nonprofits provide a wide range of support for the community from educational services, healthcare, and social services. Regardless of whether the organization is for-profit or nonprofit, the organization should also invest within itself and evaluate the effectiveness of the services it provides to remain effective in its respective field.

Nonprofits have been viewed as the backbone of the community. As societal resources, they should be maintained and supported to evolve in order to adapt to the communities they serve, especially as community needs change. Organizations should be evaluating themselves and the effectiveness of the services they provide. Communities depend on these services and the recipients of these services should have access to quality support. Drug and alcohol abuse has affected communities to the point of ruin in some parts of the United States. For example, businesses have had to relocate or close. Some families have become unsafe in their homes because of drug and alcohol abuse. Drug and alcohol organizations may specifically focus on communities that have been greatly impacted. The necessity of these types of organizations not only impact the individuals battling these addictions, but the long-term impact on the community to revive areas

which have been particularly impacted by drug and alcohol addiction. It is also the reason why they need to continuously evaluate the effectiveness of their work because of the influence on the individuals and the community.

I have experienced firsthand how drug and alcohol abuse by community members impacts the larger community. Having lived in urban areas where once families felt safe and small business owners thrived fast forward twenty years later, these same communities where I once lived have been dramatically impacted by drug and alcohol addiction. Rehabilitation services are needed in these types of communities. However, some of the challenges these types of organizations face are due to the demand for the service they provide they are constantly providing care, resulting in any evaluation of performance being placed on the back burner. Just because an organization may provide care to thousands of individuals each year, this cannot be the only measurement an organization uses to assess its effectiveness. There must be a complete ongoing assessment of the organization to remain effective and impactful to its communities. I have worked in the field for more than 15 years and have experienced firsthand the impact that addiction has on the individual, their families, the community, and the local economy. Communities have been revived when drug and alcohol rehabilitation care was brought to their neighborhoods. The decline in the crime rate has changed lives, families have been reunited, and business able to operate safely once again in their communities.

At times, nonprofits struggle to provide services and stay open, and while some may not consider nonprofits a traditional business, that could not be further from the truth. These organizations operate in the same manner as for-profit businesses, which are

known to integrate their work environment and, in some cases, hire staff who focus on the performance of the company. The same should be true for nonprofits, but that is not always the case. This was especially important due to the work they provide to the community daily and with limited resources. There needs to be some type of measurement system that all nonprofits can integrate and use with ease within their organizations. Performance measurement systems should never be a deciding factor based on the availability of funds, but rather should be ingrained in their everyday work. The BSC is one of the most widely recognized and utilized measurement systems throughout the world for many decades. Kaplan and Norton (2001) believed the BSC could be used in any environment. I wanted to put that belief to the test within nonprofits. The hypothesis was to put the BSC to the nonprofit test, and this was how my case study was created.

### **Interpretation of the Findings**

#### **Empirical Study**

When initially conducting research on the BSC and observing many large corporations that implemented this system, there were very few nonprofits that had previously implemented the BSC. As discussed in Chapter 2, there were examples of local municipalities that used the BSC to change the quality of services they provided to their community. When starting this study and understanding the steps involved to develop and implement the BSC into daily practice, I did not see how this could be feasible to accomplish in a drug and alcohol environment. This assumption was also based on the knowledge and exposure I had throughout the years working with

rehabilitation centers, seeing how strained staff was already, and most conducted their services without a performance measurement system. When first introduced to the BSC, years before starting this research, my limited understanding of the system was that the BSC was more of a one-time review of the organization, subsequently followed by a return to the business-as-usual approach, but my understanding was completely misinformed.

Based on the findings, it was my determination that the BSC could be a useful tool for a drug and alcohol organization; however, based on the limited number of respondents for this study, it cannot be stated with assurance that the BSC is readily adaptable in its original form for a nonprofit environment. Moreover, another uncertainty was further interaction with the complete executive team and department heads to construct the mapping out and identify every role who would be responsible for the BSC. It is also important to note that although this BSC on paper appears to be simple in nature, it is the execution and ongoing work where the challenge lies. Any initiatives or changes to an environment means an impact on the company and potentially its culture. This also involves obtaining a buy-in from the staff, who are also extremely critical in the success or failure of the implementation.

Radnor and Lovell's (2003) study was performed on a health care system without changes in staff and a full implementation of the BSC throughout the organization. However, the BSC implemented was not the full version, but rather an adapted version that creates a limitation in their study when addressing the question of whether the BSC was effective in its original form. The number of changes made for the sake of the



implementation was unclear and the other question to consider is can the BSC be abridged and still be effective for the organization? Were elements that were removed from the original BSC able to be sacrificed for the implementation and ongoing use? In this research it was important to keep the BSC in its original form. In their research they noted the focus group concluded the following limitations would impact the measurement system: limited staff, time, resources, and additional work on top of an already demanding position. Each of the identified challenges raised by the organization shows clear challenges and reticence by staff to commit to the process.

Even with the identified challenges Radnor and Lovell (2003) discovered in their study, they found the BSC should be considered and implemented into organizations. By comparing the work of Radnor and Lovell to this study, one can see the authors went further into implementing the BSC throughout the organization versus the initial step of identifying the objectives, measurements, and potential staff responsible for monitoring and providing the data. Additionally, the studies were similar in the use of a small group of individuals that provided the information needed to create the organization's BSC.

While there may be some simplicity in the initial steps of creating the infrastructure of an organization's scorecard, the complexity in developing, remaining committed to the process, and closely analyzing with realistic goals is where the challenge begins. Organizations may have the ability to produce the measuring elements, but the time to adjust current processes and addressing trends discovered in the actual data was where yet another challenge may lie and quite possibly be the reason for an organization's inability to fully execute the BSC. The organization must be prepared to

make the necessary changes until it finds the success it hopes to attain, otherwise success may not be in the foreseeable future. Based on Radnor and Lovell's (2003) participant responses regarding limitations does it tie back into potential pitfalls that the subjects could come across if they were to fully implement the BSC.

Dorothea Greiling (2010) conducted a study with the BSC based in Germany. The study included 343 nonprofits, many of which viewed the BSC as a tool for modern management to assist in creating legitimacy within their organizations. It was discovered during the time of the study that most of the participants utilized a measurement system; however, it was unbalanced from the perspective of the BSC approach. The organizations focused on the financial and customer aspects of the business, but they left out the internal, learning and growth perspectives. The differences identified between this research and Greiling's was initially how the participant pool was significantly larger than this study and many of the organizations had a measurement system in place, although it addressed some of the same objectives as the BSC, but their systems lacked mission perspective as the BSC subscribed to in developing the objectives. Greiling's takeaways from his research: it was unclear if the BSC could work in all environments, there was a lack of previous studies focusing on NPOs in Germany, which utilized the BSC and the notion that the lack of implementation among nonprofits was due to heavy regulations in the German nonprofit sector, limiting the organizations' ability. One common taken away comparing both Greiling and this research was based on the findings—it was inconclusive whether the BSC can function successfully in all work environments.

The Soysa et al. (2019) study was also similar in process to this study requesting participants' responses to various questions to validate the BSC framework for nonprofit organizations in Australasian organizations. Their participant pool was broader in nature, but the analysis focused on the BSC the same as this research. There were no changes in staff in this study simply requesting the organizations feedback. The authors believed the mission should drive the complete strategy map versus treating each perspective as its own element. The mission creates the existence of the organization; therefore, the mission should be identified in every decision the organization makes. They viewed the mission as being the critical decision maker for each section of the map, and the current map—developed by Kaplan and Norton (2004) did not give room for the mission to be the driving force in the BSC. The authors presented the idea of completely remapping the BSC, particularly for nonprofit organizations. The reason for their position was that for-profits tend to have not only more staff, but additional revenue to attach incentives for staff to remain engaged in the process, where that tends not to be the case in nonprofit organizations.

Comparing this study and the other empirical study findings against Soysa et al. (2019) there are points that may carry some validity to their argument. Radnor and Lovell (2003) participants raised the concern regarding the lack of staff in order to implement the BSC. While Greiling (2010) made no recommendations in changes of staff she did raise concern as whether the BSC could work in all environments, which was the same position presented in this study. While Soysa et al. (2019) proposed remapping to the BSC may carry possible validity without further research to executing proposed change,

it was difficult to determine if this was a possible alternative to the BSC. Another question to consider was if additional research were completed on Soysa et al.'s (2019) remapping theory will also address the issue of limited staffing concerns that could impact the success of the BSC. Kaplan and Norton (1992) noted the need for committed staff to be engaged throughout the process would be essential for successful implementation.

Dimitropoulos et al. (2017) believed the BSC could be implemented and prove to be successful. One of the first things the authors noted was the board was unanimous in their agreement to invest in the BSC and its full implementation and ongoing use, which was needed throughout every department at a minimum of three years. It created a task force given the responsibility first to be trained on the system to ensure proper application and usage and to also hold staff accountable. Management and the board were deeply invested in the 3-year study. The study was one of the few discovered during research where documented steps impacting reports were presented throughout the 3-year trial period. The local government would not know if the system worked unless they gave it time and patience through the growing pains. The objectives were clear and realistic. The foundational objectives remained the same throughout the 3 years. The only change was the new goal for the year. One of the arguments Kaplan and Norton have addressed throughout the years was hiring additional staff. They carried the belief there was no need to hire additional staff to execute the BSC while several researchers and theorists found the opposite. In this study the board did invest in additional staff however they did identify that they were short staff and were having difficulty with staff retention. There

was no indication in the study that in addition to the positions that needed to be hired additional positions were added to support the BSC model. However, in this study they did establish a task force with oversight of the project throughout the duration of the 3 years. In this case this does not confirm nor deny whether Kaplan and Norton's belief that additional positions are needed to implement. In this case the departments needed revamping and the government took the time to rebuild and revise employee positions to also account for the work involved with the BSC. Kaplan and Norton (2004) have addressed numerous times throughout the years that additional positions were not needed to implement the BSC. If this is accepted as true, could there potentially be a need to review staff responsibilities and incorporate the work required for the BSC to be added to their role? Even if this approach was taken in a nonprofit environment, will that be enough for the BSC to be successful in an environment where resources, such as adequate staffing, exist?

Based on the empirical study there were mixed findings around the BSC's effectiveness in a nonprofit environment. Radnor and Lovell believed the BSC could be implemented without any changes. Based on Greiling's (2010) study insufficient evidence was presented to support the idea that the BSC was adaptable in all environments. Soysa et al. (2019) determined the BSC was appropriate but recommended remapping the current BSC to better fit the identified needs of the nonprofits. Dimitropoulos et al. (2017) provided analytics showing the effectiveness of the BSC over a 3-year period. The one common denominator throughout the empirical studies was that despite the limitations, the research focused specifically on nonprofit organizations.

## **Theoretical Work**

Kaplan and Norton's BSC was built around four approaches they concluded to be the pillars for an organization's success: financial, customer, internal business, and innovation, and learning perspectives. Since the inception of the BSC in the 1990s this performance measurement system has taken businesses by storm. The authors believed firmly and still do that the BSC was effective without modifications in all environments.

The primary question in this study was is the BSC a useful evaluation instrument in a nonprofit organization? Based on research results the conclusion was that it was a useful instrument. The first organization (completed survey and interview) was able to clearly articulate the objectives and how they would be measured along with individuals who would be responsible for monitoring and reporting. The one factor to be considered with the BSC was based on the objective and the measurement identified that may require changes in the organization's structure, especially focusing on the internal business and innovation. It was known that nonprofits' resources can be limited, preventing their ability to expand and implement additional support as they would desire.

While in theory, yes, the BSC was a reliable performance system to be considered; however, this research cannot address whether it was a useful tool once implemented in a nonprofit organization. There are multiple challenges, such as limited resources financially and staff that would directly impact the success of the system. The authors identified the need for a committed staff to be a part of the process from beginning to end. If an organization, nonprofit or for-profit, if staff is limited the chances of success with the BSC could diminish significantly. The BSC was a help aid to an

organization to evolve and achieve identified goals, but if there are not enough people to complete the work can it still be successful? Kaplan and Norton's (1992) model was built with the understanding that the organization would have adequate staff to support the BSC. But what if support staff are lighter than what Kaplan and Norton have factored in their system? Can the BSC still be implemented and effective? It is not only just implementing the BSC scorecard, but also the changes within the organization that need to occur which may impact the culture. Can the current staff support both their regular responsibilities along with organizational and cultural change? Or does this require another group of people that manage change in the company? While this study may not be able to answer these questions at this time these are questions that should be considered in future research.

Patton's position was that the evaluation should be judged on the actual use of the study and not based on assumptions. In this study the findings were based on what was provided by the organizations. While the study was limited in the participant pool the steps taken to evaluate the BSC fell into the same approach as Patton. Organization 1 was presented with the blueprint of the BSC, and it was their responsibility to develop the objectives, measures, and staff responsible to complete the respective sections. Although this study did not focus on the actual implementation of the BSC, what it did capture was the organization's process on how they would go about developing and implementing the BSC. The organizations mentioned some of the challenges they experienced with the implementation of a new system and the struggles they experienced with the adaptation of the electronic system. Although this implementation was not a part of the study, it should

be factored into the decision that results revealed the organization has some cultural challenges to bring about change, which could impact the implementation of a BSC. Patton's approach accounts for cultural struggles that many organizations deal with daily.

Does Kaplan and Norton's approach address the cultural struggles or resistance that may arise? This brief example shared by the organization revealed the need for additional discussion regarding the cultural and how to bring change within a resistant environment. The question remains about the validity of long-held belief that changes begins in leadership and if leadership was on board the staff will follow. Will that be enough? Every organization and its cultural was different, so there are no guarantees this would be enough. Patton's approach of continual adaptability based on the response from the organization holds true if an organization was going to be successful. Using the BSC as an example, the objectives may be identified and in the process of implementing something else may be revealed, which impacts organizations. If not addressed this could lead to further frustration and time wasted when something was being forced. Patton's theory gives space for the unknown to occur and an organization an opportunity to address and change when needed.

Campbell's *The Experimental Society* (1998) focused on abstract issues such a social reform. There was an agreement to embrace the study and allow it to play out on its own terms embracing the trial and errors that may arise. Campbell concurs the environment and or study needs to be given the freedom to play out on its own terms without any outside direction given, which he projected would generate a flawed outcome of the experiment. Allowing the environment to tell the observer what was



occurring without any justification was the opposite of many methodologists. One of the major areas Campbell felt strongly about in research studies was the use of a single case study when conducting research. His reason for this was that one was not able to conclude definitively a response to the research question. Campbell's position that repetitions, using the same process repeatedly, on several participants or subjects would create a pattern, which in turn creates a basis for or against a hypothesis. Without this type of structure or process in place in research, a single case study can create a weak study with limited justification to support one's findings.

One of the major limitations discussed early in the chapter concerning this study was the limited pool of participants involved in the study make it difficult to address the research questions of this paper. There was some hesitation to properly address the response to these questions because the pool was small. Taking Campbell's theory into account there was validity to his theory that not enough patterns were acquired in order to identify similarities and differences amongst the participants. The more availability of data when researching creates a wide base for analysis when researching.

Lincoln and Guba's (1985) naturalistic inquiry theory carried similar beliefs to Campbell. There was minimum manipulation and interference to allow the study to reveal its findings to the observer. However, there was also the premise that there are cracks in the world of science that cannot be explained and additionally, the approach and or perspective on how science was viewed and dissected. The theorists challenged the traditional scientific approach of explanation, to introducing a holistic approach.

This research study structure was developed to limit the amount of interaction on the researcher's part to see genuine results generated by the organizations. The process for this case study was like Lincoln and Guba's position of allowing the results to be organically presented without the need for the researcher to intervene. All questions used throughout the study were specific to the organization's feedback, limiting and/or eliminating the opportunity for the research to manipulate responses to questions presented to the organizations. While the findings to the questions presented in this study were not definitive in nature, one element especially important in this type of study was researching this topic without interference from outside sources, aside from educating the organizations on what the BSC is and how to implement it throughout the organization.

### **Limitations of the Study**

The initial limitations identified in Chapter 1 included the accessibility of organizations to be involved in the study or lack of interest in the study. Limited studies previously completed focused on nonprofit drug and alcohol organizations resulting in limited data available. After completing the study, the initial limitations identified in Chapter 1 proved to be accurate in the challenges faced. There was little to no interest from organizations wanting to participate in the study. There appeared to be little impact on the trustworthiness when executing the study itself. Questions used for the study were carefully crafted focusing on the BSC and how the organizations could develop, and possibility implement the measurement tool. One of the strengths of this study was the fact that this researcher had no prior knowledge or interaction with the organization making it impossible to potentially create responses on behalf the organizations. The

responses required individuals with a significant understanding of the organizations identifying their strengths and weaknesses and how could they develop measurements along with the responsible parties to oversee and implement.

The execution of the study itself in both Part 1 and 2 of the study were successful in how they were developed but one of the biggest challenges in the study was the lack of participation by organizations. This could have occurred for several reasons: lack of interest in the study, not enough time and resources of staff to participate, not willing to potentially expose their organizations to a researcher who might identify potential broken systems, or the study could reveal a lack of quality treatment.

Two organizations agreed to be a part of the study. Both organizations completed the online survey. When attempting to schedule the second part of the study organization two became non-responsive, resulting in only organization one participating in the interview portion of the study. This resulted in a change to a single case study. Some additional limitations not previously considered during Chapter 1 was this study did not complete a full implementation of the BSC as that was not the intent of the study. The reason for this approach was based on the fact there has been limited studies focusing on the BSC and nonprofit organizations specifically. A full implementation of the BSC also involves the support of leadership. Compared to some of the other research completed on similar organizations, some form of implementation or review of the BSC was completed. One question that should have been included during the interview process was whether all leadership would be on board for this type of implementation. This type of change would impact the culture of the organization. The participants discussed the

intense resistance they received from staff when they implemented their electronic medical record system, which was an overdue process needing to occur, according to the organization.

### **Recommendations**

In reviewing the overall outcomes of this study there were a few recommendations to be considered for future research. The lack of organizational participation was a major factor in this study. Minimum participation needed to be greater during part one of the study using the online survey to provide a larger basis for the study and potentially insight into the use of the performance measurement systems. Additional questions would need to be added if the emphasis were to be placed on the online survey for the organizations to complete at their leisure focusing more specifically on the BSC. One of the lingering questions from this study that could not be answered with reasonable assurance was whether the BSC can work in a nonprofit organization. Only the organizations can provide insight into this question and without their input this question will continue to be a mystery. Like Soysa et al. (2019) research presented the larger responses the more data and answers can be found. Campbell's work focused on the pattern and repetition that was needed in this study to gain a greater insight on the effectiveness of the BSC in a nonprofit environment.

Another recommendation to be considered for future research to engage drug and alcohol organizations could start through presenting a research proposal on the effectiveness of the BSC and the necessity of the tool to be incorporated among drug and alcohol organizations. One area where there was little discussion presented in the

previous studies was the opinion of the Department of Human Services. Has research been submitted to this type of department to garner more support and increase the conversation among drug and alcohol programs to consider? In the state of Pennsylvania, the following contacts were identified where this study could be presented for further review and consideration to expand this research with their support:

- Pennsylvania Department of Human Services, Office of Mental Health and Substance Abuse Services – P.O. Box 2675, Harrisburg, PA 17105-2675;
  - Deputy Secretary, Bureau of Policy, Planning & Program Development;
  - Bureau of Quality, Data, and Clinical Review; (OMHSAS Executive Council, 2020)

On the federal level this study could be presented for further review and consideration to expand this research with their support:

- The U.S. Department of Health & Human Services Substance Abuse and Mental Health Services Administration
  - Assistant Secretary for Mental Health and Substance Use (OAS) (National Association of Counties, 2020)
  - National Mental Health and Substance Use Policy Lab (NMHSUPL) (Biographies, 2020)
  - Director of Center for Behavioral Health Statistics and Quality (CBHSQ) (Biographies, 2020)

The approach in this recommendation was to obtain support from the state, federal, or local government to create active engagement with drug and alcohol organizations not only to participate, but also with the hopes of finding an appropriate measurement tool whether it was the BSC or another tool to assist nonprofits in their long-term success.

If additional support were provided by the agency to increase the level of participation a request to begin accessing the use of measurement systems could be included with grantees application request incorporating questions centered on this research.

The third recommendation for further research was to complete a study on one organization over a period, at minimum one year if not longer, like Dimitropoulos et al. (2017). Although their study focused on a local government the key factor was the commitment to the process and the journey, which Kaplan and Norton (1992) emphasized throughout their work. Their work in utilizing the BSC and making the necessary changes for at least three years gave them enough insight as to the effectiveness. The success of changing an organization was contingent on the commitment of the leaders and all the individuals responsible for implementing and sustaining the process. There was a tremendous difference in mapping the BSC and what the organization would like to accomplish; however, there was a different impact even with one organization when an organization was able to assess and monitor the successes and failures of the journey over a period.

## **Implications**

The misuse of drugs and alcohol has been prevalent throughout the United States for many years. In 2017 the U.S department of Health and Human Services declared an opioid crisis and a public health emergency. Drug misuse has expanded beyond heroin or cocaine it has now expanded into over the counter and prescribed medication abuse. In 2018 it was estimated at least 130 people die every day from a drug related overdose (2020). Communities have been overtaken by drug abuse creating unsafe environments for both the young and old. Communities that once thrived in business are now replete with abandoned homes, some which are occupied for drug use. Rehabilitative services directly impact the community. Organizations providing these types of services need to have as many tools as possible available for them to succeed providing the best possible care to those in need of their services. Helping recovering addicts improves the quality of life within the community. Resources are stretched thin from federal to local governments. Without these organizations located within the community the drug abuse could be significantly worse. Juergens (2020) wrote “Nearly 80% of domestic violence crimes are related to the use of drugs” (2020). Families dealing with members that have substance abuse disorders impact everyone’s way of living, which could in turn affect their work performance.

Rehabilitation centers directly answer the call to social change for communities throughout the world. Quality services provide changes to the culture for the surrounding community making it safe for families and businesses to live and grow. Why do we need these organizations? To provide support and the tools to overcome their addiction, restore

broken relationships within the family, decreases the crime rate, increases public safety, and increases the ability for businesses to prosper and families to safely live within their community.

### **Conclusion**

The purpose of this study was intended to answer the questions: Is the balanced scorecard a useful evaluation instrument in a nonprofit organization and is the BSC is readily adaptable within its original form. The challenge when developing this study was the limited research previously completed focusing on nonprofit organizations specifically. The goal of this study was not to criticize any organizations and their methods of rehabilitative care, but rather to equip them with the best tools to support organizations success in treatment. Kendra Shaw wrote, “Nonprofits give shape to social issues and break down solutions into manageable goals that can be achieved by groups of dedicated people” (Shaw, 2020). Drug and alcohol abuse have been prevalent in the United States for many centuries and the numbers continue to increase. Since 2017 the United States has been under a public health emergency (PHE). Drug and alcohol organizations are the fabric of the community, and without high quality services the communities they serve will suffer. They exist to bring change not only to those suffering with addiction but the neighborhood. Without active and effective treatment programs communities will never gain the ability to thrive



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## Appendix: Balanced Scorecard Survey Questions

Doctoral Research conducted by Karen L. Graves, a student of Walden University.

Questions - All answers are kept confidential. No organization names will appear in the research paper.

1. Select the size of your Organization
  - 0-400 Employees
  - 401-800 Employees
  - 801-1,000 Employees
  - Over 1,000 Employees
  
2. What services does your organization provide?
  - Alcohol Rehabilitation Services
  - Drug Rehabilitation Services
  - Both Drug and Alcohol Rehabilitation Services
  
3. Are you familiar with any Performance Measurement Systems?
  - Yes
  - No
  
4. Have you heard of the Balanced Scorecard prior to this survey?
  - Yes
  - No
  
5. If you answered yes please list the Performance Measurement Systems you are familiar with. Otherwise type in None
  
6. Does your organization currently use a Performance Measurement System?
  - Yes
  - No
  - Unknown
  
7. If your organization currently uses a Performance Measurement System please list the name of the system below. Otherwise type in None.
  
8. In your field of work do you feel Performance Measurement Systems necessary?
  - Yes
  - No
  
9. Does your organization have a quality improvement department and/or identified personnel?



- Yes
- No
- Unknown

10. Does your organization currently use qualitative and or quantitative analysis?

- Qualitative Only
- Quantitative Only
- Both
- Neither
- Unknown

11. If you selected A, B or C in question 12, does Management utilize analysis to improve their department. If you selected D for question 12 answer this question as N/A.

- Yes
- No
- N/A

12. In your opinion is the purpose of the Performance Management System utilized to support the internal management's goals for the organization?

- Yes
- No
- Unknown

13. Does your organization utilize any form of evaluation methods other than a Performance Measurement System?

- Yes
- No
- Unknown

Volunteer Information - You may print or save a copy of this survey as your consent to be included in this study

Name of Organization

Staff Person Completing this survey

Staff Person Title Completing the Survey

Email Address

Interested in participating in the second section of this study?

The second section of this research study involves interviewing a nonprofit and for-profit drug and alcohol organization. Questions will be centered around the overall functions of the organization using the Balance Scorecard Performance Measurement System.

Are you interested in being a part of the second section this research?

- Yes
- No thank you

Thank you for completing this survey. Remember your organization's name will not appear in the research paper. This research is under strict protocols as mandated by Walden University. All information is kept confidential.

Feedback

Provide Feedback Here!!!

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