

# Issues in the Balanced Scorecard Implementation: A Vietnamese Case Study

**Mai Xuan Thuy**

National Economics University, Vietnam

Email: [thuymai.neu@gmail.com](mailto:thuymai.neu@gmail.com)

## **Abstract**

*This case study examines the issues in the Balanced Scorecard (BSC) implementation in a business unit of a branch of an international accounting firm in Vietnam. The study described the process of the BSC system implemented a Vietnam-based international audit firm, and used Kasurinen (2002)'s model of barriers to accounting change to analyse barriers that caused the system ineffective. The study revealed that despite a very sound implementation process, several issues were found. They are low awareness of the system among staff and seniors, and the failure to use the system to align the firm's strategy with individuals' development plan. The reasons for these issues were classified into confusers, frustrators and delayers. Confusers were the lack of understanding about the system, weak sponsorship process from seniors and managers, and different views on the use of the system among managers. Frustrators were the preference for indirect communication and routine of using personal relationship in allocating staff into jobs. These were found to be culture-related and task-related barriers. Delaying factors were the inadequate education and training process, the human resource constraint, and the gap between intended and actual uses of a component in the BSC system. The study suggests that the inadequate of training for staff about the system seems to be the main cause of all issues; therefore, a better focus on training for staff may help to improve the effectiveness of the system.*

**Keywords:** Balanced Scorecard, barriers, knowledge-based firms, performance measurement, Vietnam

---

## 1. Introduction

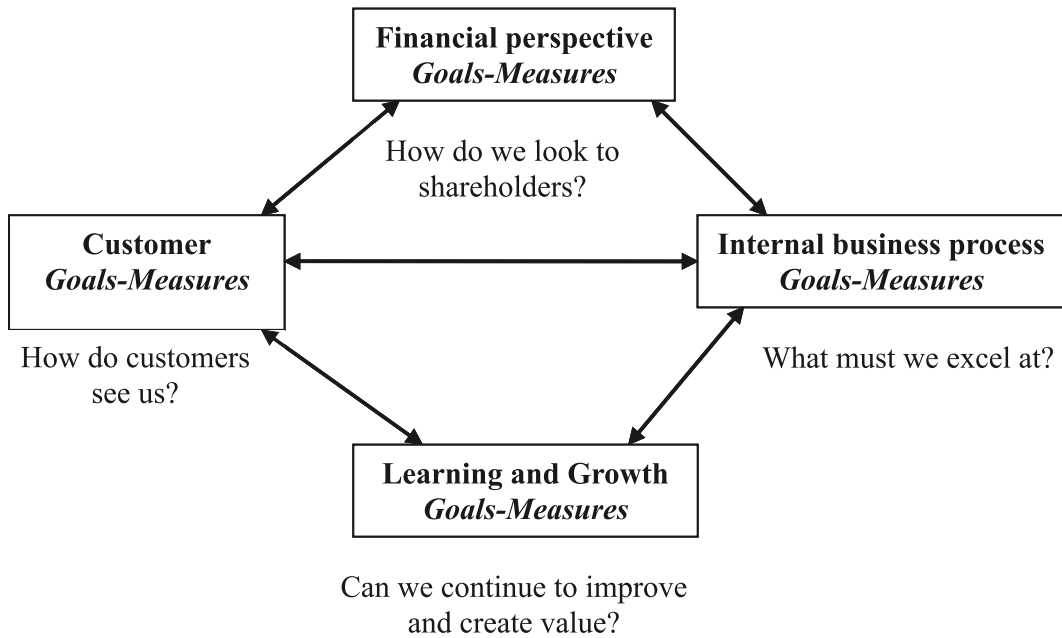
Performance measurement system plays a critical role for success of organisations. Introduced by Kaplan and Norton in 1992, the Balanced Scorecard has become one of the most widespread and popular performance measurement systems in 20<sup>th</sup> century. The BSC is said to improve performance and increase the alignment between strategies and day-to-day activities of firms. There has been a lot of research that attempts to explore how the BSC can be used and what issues associated with implementation process of the BSC. However, there has been a limited amount of research examining the BSC implementation issues in developing countries, especially Vietnam. In the attempt to fill that gap, this study aims to investigate the issues in the implementation process of a Balanced Scorecard (BSC) system in an international accounting firm based in Vietnam. The findings will help identify foreseeable problems and barriers which may hinder the effectiveness of the BSC implementation. This will provide guidance for future users of the BSC to be aware of possible issues for designing more effective implementation processes.

The paper will continue with a quick introduction on the BSC and a brief literature review on the BSC research, leading to the reasons for this study. Then research methodology follows with research design, study method and a discussion on the analytical framework that is used to analyse the implementation issues. The last three parts are empirical findings, discussion on the findings and conclusion.

## 2. Literature review on the Balanced Scorecard

The 1980s witnessed strong criticism for traditional performance measures. Traditional performance measures have been said to only focus on short-term financial results of business and overlook non-financial performance, thus creating a short-term vision and encouraging earning management to improve those financial results (Johnson and Kaplan, 1987; Dearden, 1969). Further, financial measures measure historical financial performances, so they are not very useful in predicting future (Merchant, 1985; Dearden, 1987). Another serious pitfall of traditional PMS is that it measures financial results of separate departments and activities within a business. Thus, it is difficult to assure that activities of all departments use the same targets and strategies. The problems with traditional Performance Measurement System (PMS) have led many researchers to suggest that more attention should be placed on non-financial measures which are future-oriented and tell managers more comprehensive information about all aspects of business operation (Johnson and Kaplan 1987; Berliner and Brimson 1988; Nanni et al. 1988; Dixon et al. 1990). The BSC overcomes limitations of performance measures by including both financial and non-financial perspectives, and especially the BSC claims to align strategies with day-to-day activities. The BSC includes four perspectives, which are Learning and Growth perspective, Internal Business perspective, Customers perspective and Financial perspective.

**Figure 1: The Balanced Scorecard (Kaplan and Norton, 1992)**



Order of each of these four perspectives can be flexible to meet strategies of an organisation. Customer perspective defines what a company wants from the customers and how it wants customers to view it. Internal Business Perspective is about what a company must do to achieve what they want in the Customer perspective and Financial perspective. Under Learning and Growth perspective, the company identifies infrastructure that it must build to create long-term growth and improvement (Kaplan and Norton, 1996, p. 37). Lastly, the Financial perspective includes financial measures that reflect the effectiveness of strategies, implementation and execution. Under each of the four perspectives, goals are set and measures are designed to control the achievement of those goals. Some features of the BSC make it different from other PMS. The first is that even though many other PMS include

both financial and non-financial measures, it seems that the BSC is the first model to explicitly acknowledge that those measures should be cause and effect linked. The second is the clear intention that all of these measures must be aligned with the vision and targets set by top management. The third is that the use of the BSC can be made personal. This means each individual employee in an organisation can have his personal BSC, which includes measures and target that are consistent with those of higher-level personnel. Thus, the BSC is said to potentially increase the work motivation of employees.

Since its birth, the BSC has been used by many organisations all over the world. Silk (1998) found that 60 per cent of the Fortune 1000 companies in the USA have had experiences with the Balanced Scorecard. Chenhall

---

and Smith (1998) in their survey found 88 per cent adoption rate of the Balanced Scorecard in Australian firms ( $n = 69$ ) and observed moderate benefits from its use. More recently, in 2005, a study conducted by Bain & Company on management tools stated that 57% of 960 international executives reported using the BSC and in 2007, this percentage increased to 66% in a sample of 1,221 firms (Rigby, 2005, 2007). In 2011, the BSC was graded 6<sup>th</sup> in the top ten most used management tools (Rigby, 2011). This explains why implementation of the BSC has been a popular topic for researchers.

Research in the BSC field has revealed that companies around the world have adopted the BSC for many different reasons. Some of them are consistent with purposes suggested by Kaplan and Norton, but some of them seem to be more of fashionable and being influenced by experts, consultants or managerial trends (Malmi, 2001) and its supporters (Norreklit, 2000). In addition, research on the BSC implementation issues reported that different companies in different countries encountered different issues during the BSC implementation process. These issues can be associated with the BSC concept and design such as the problem of limiting the number of measures (Butler et al., 1997), or understanding causal links among measures (Davis and Albright, 2004); or they can stem from the existing organisational culture and structure such as the problem of lack of leadership and sponsorship for the new system (Kasurinen, 2002); employees resistance, rivalry among functional managers, and the focus of owners being placed on financial result rather than on

other aspects of the BSC (Wickramasinghe et al., 2007). Even though research on the BSC implementation spreads out in different companies, in different economic sectors across different countries, the BSC picture is far from being complete and conclusive.

This study adds to existing knowledge on the BSC implementation issues by investigating issues in the BSC implementation process in an international accounting firm in Vietnam. This audit firm is a member of a leading international accounting firm, which has members in 130 countries all over the world. There are three reasons that triggered this study. First, the research case study is about an accounting firm – a knowledge-based organisation, where people are considered the largest and most valuable asset and the use of BSC is expected to quantify and link the investment in people with the value creation of the firm (Kaplan and Norton, 2001b). The second reason is that in the case study, the accounting firm adopts the BSC as a standardization program and the implementation process is the same for all countries in the global network, thus the issue is whether the standardized implementation process really works as it is supposed to. This is different from previous studies about the BSC, in which the motivation for adoption mainly come from the internal demand. Lastly, the case study investigates the BSC implementation issues in a company located in Vietnam, where very little or no management accounting research has been done even though other developing countries like China and India have received much attention from researchers in this field. Findings about imple-

---

mentation issues from the study are expected to be useful for other knowledge-based firms which are implementing or intend to adopt the BSC system or any new imported management devices. From that, appropriate attention and solutions can be used to minimize potential barriers to the new system.

### **3. Research methodology**

This study used case study method to investigate the implementation process of the BSC in an international audit firm in Vietnam.

The case used in this study is a business unit of an international accounting firm located in Vietnam. The global firm is one of the leading accounting firms with 135,000 people working in hundreds of offices in 130 countries, providing audit, tax, corporate finance and transaction services with headquarters in the USA. The audit firm in Vietnam, one of member firms in Far East area, was established in 1992 and has two offices, one in Hanoi and the other in Hochiminh city. Audit Division-Banks and Financial Institutions Unit (Banking Unit) at Hanoi office was chosen as the case study. The reason for this selection is that it is easier for researcher to gain access to interviews with the staff in Hanoi office due to the researcher's previous employment. Further, the research field is interesting for some reasons such as being a knowledge-based firm, adopting the BSC as a standardized program from global company, and being located in Vietnam. All of these three features distinguish it from previous studies about implementation of the BSC. It would be more interesting if the researcher could compare the BSC practice of Banking

Unit at Hanoi office and Hochiminh office; however, this remains to be a limitation of this study and a potential future research topic.

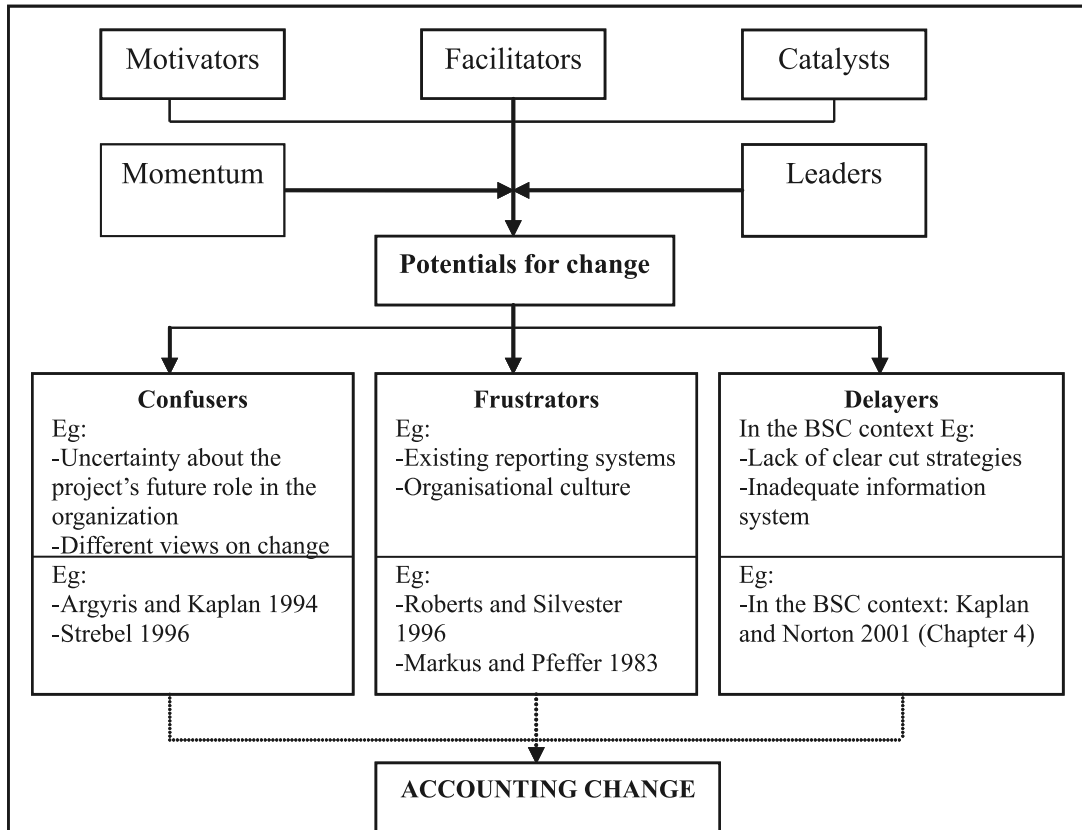
Interviews were conducted with ten interviewees including the Human Resource Director, two managers, three seniors and four staff of the Banking Unit - Audit Division. Interviews were mainly semi-structured to allow for ensuring essential information as well as flexibility in obtaining as much further information as possible (Bryman, 2004). Access to the interviews was gained by the researcher directly approaching the interviewees and asking for interviews. One very important point in this study is that, different from other studies on the BSC implementation which mainly conducted interviews with high level managers, this study is concerned with implementation issues, and interviews were conducted with four levels of staff which are staff, seniors, managers and director. Seven out of ten interviewees were staff and seniors, who are the main users of the BSC in the firm and from them, most of the issues are found. Higher level managers are expected to be too high to know what really happens at grass roots level of the firm.

#### *Framework for Analysis*

#### **Kasurinen's model of barriers to accounting changes**

The objective of this study is to investigate the issues in the current BSC implementation at the researched site. Kasurinen's model of barriers to accounting change will be employed to examine the issues during the implementation process. In return, this case study is expected to add more empirical evi-

**Figure 2: Kasurinen's extended accounting change model (Kasurinen, 2002)**



dence to Kasurinen's classification of barriers to accounting change. The Kasurinen model is reproduced in the Figure 2.

Kasurinen classified barriers to accounting change into *confusers*, *frustrators*, and *delayers*. Confusers in Kasurinen's study are uncertainty about the project's future role in the organisation, and the different views on changes. He mentioned that the difference in priorities between division and business unit levels created a gap between goals for the BSC, with division management supporting deeper level goals while business unit management supported more operational goals.

And the resignation of an important leader of the project led to people questioning the project's future role in the organisation (Kasurinen, 2002). In other words, confusers can be understood as anything that makes people in the organisation feel uncertain about the nature of accounting change, including what the purposes are, how it works and how it affects them. Frustrators in the case of Kasurinen are described as the existing reporting system and organisational culture. The existing reporting system did not ensure the compatibility for information needs of division management and business unit management which led to a fear that a divisionally

---

designed system would not meet the local information needs of the business unit. This in turn led to inconsistency in desired system design with business management preferring uniform operative indicator systems. Further, the “engineering culture” was said to weaken the role of strategies and strengthen the role of diagnostic measurement in the case organisation (Kasurinen, 2002). This also resulted in business unit management to prefer more a cock-pit type of BSC which is merely a tool to combine financial and non-financial measures, while division management preferred it to be a tool to link measures and strategies. Lastly, as the BSC is a new management accounting technique, it requires some supporting characteristics such as the encouragement for individual realization, the clearly specified strategies or an adequate information system. The lack of these supporting features seems to delay the new managing techniques to be implemented (Kasurinen, 2002). These are called delayers. Delayers can occur at the beginning as well as during the implementation process. However, they seem to be temporary in nature as they can be overcome by investing to upgrade information systems, improving the internal operation system or having more appropriate resource allocation.

It would be reasonable to question what Kasurinen meant by “accounting change” and whether it is suitable for this study to use his barriers to accounting change model to explain issues in the BSC implementation at the researched site. In the study of Kasurinen, he did not define accounting change, but from the case study, it would imply that accounting change means the fact that an accounting sys-

tem changes from one state to another state; and if the implementation of the new accounting tool is a failure, then the change has not been successful. In the current case study, the change has already happened, and the question is whether the change has moved to the desired state and the accounting model has been implemented successfully. Burns and Scapens (2000) described management accounting change as a process disrupted by discrete events such as resistance of organisational people or the introduction of a new management accounting technique. Thus, the accounting change is not an end but a process; it should be viewed as a road leading to more effective management accounting system with many potential obstacles. It can be said that barriers mentioned by Kasurinen can cause the changes not to happen, or they can render the changes which already happened ineffective. In this case study, Kasurinen’s model will be used in a slightly modified way. Instead of examining the effects of barriers to accounting change, this study investigates how barriers affect the effectiveness of accounting change implementation. It is expected that Kasurinen’s barriers to accounting change model can help to explain the issues, if any, during the implementation process of BSC at the research field, which make the system become less effective than it is supposed to be.

#### **4. Empirical findings**

##### ***4.1 Description of the PMDP (BSC) system***

The BSC, known as the PMDP (Performance Management and Development

---

Process) in this case, is a system to manage performance and development of staff, and link those to the firm's overall strategy and objectives. It allows each employee in the firm to align their work contribution, personal and career development with the firm's goals. The PMDP system includes the PMDP Annual Plan, Mid-year and Year-end Review, Engagement Feedback and Annual Performance Rating. The system is launched by the global firm and cascades down to each of its member firms. Thus, all the framework and design of the PMDP are created at the global level, only goals and measures are determined at the firm level.

#### **The PMDP Annual Plan**

The first and very important element of the PMDP system is the PMDP Annual Plan. The purpose of the Annual Plan is to support career development of staff and align them with the firm's strategy. The PMDP Annual Plan comprises Career Objectives, Mobility Preference, the Personal Scorecard, and Development Plan, in which the Personal Scorecard and Development Plan are the core parts. The Career Objectives contains staff's short-term career objectives for the current year such as "*want to be promoted to senior I*". The Mobility Preference helps staff to express their expectation of going overseas to work in an exchange program, and they can have up to three preferences. The most important part of the Annual Plan is the Personal Scorecard. The Personal Scorecard has four perspectives: People, Quality, Market Leadership and Growth, and Operational Excellence. Each employee can set his own

Goals, Measures and Targets under each perspective or choose them from the suggested lists of measures and targets. Suggested measures and targets in the PMDP Personal Scorecard are built by the People team of the HR Area and tailored to each level in the firm to reflect the different roles, expectations from the firm and personal demands of the PMDP users. For example, under perspective People at the staff level, the goal is to "take an active role in people activities to attract, retain and develop people", the measure can be "participation in training and development activities" and target for this measure is to "discuss with the counselor to build a reasonable Annual Plan". Under the same perspective, at senior level, the goal is to "be responsible for performance and outcomes", the measure can be to "be responsible for all individual performance and all tasks assigned by Executives" and target for this measure is the "Complete all tasks and assigned work on time, and receive good feedback from manager". The Development Plan contains detailed steps that a staff intends to take to achieve targets set out in the Personal Scorecard. The Development Plan is also the place where staff can express what they want to do in the current year, in terms of career development. For example, if a target under Quality perspective of the Personal Scorecard is to contribute creative suggestions in doing an audit job for a securities company, then in the Development Plan, the plan is to do tasks in audit engagements for securities companies.

#### **The Engagement Feedback**

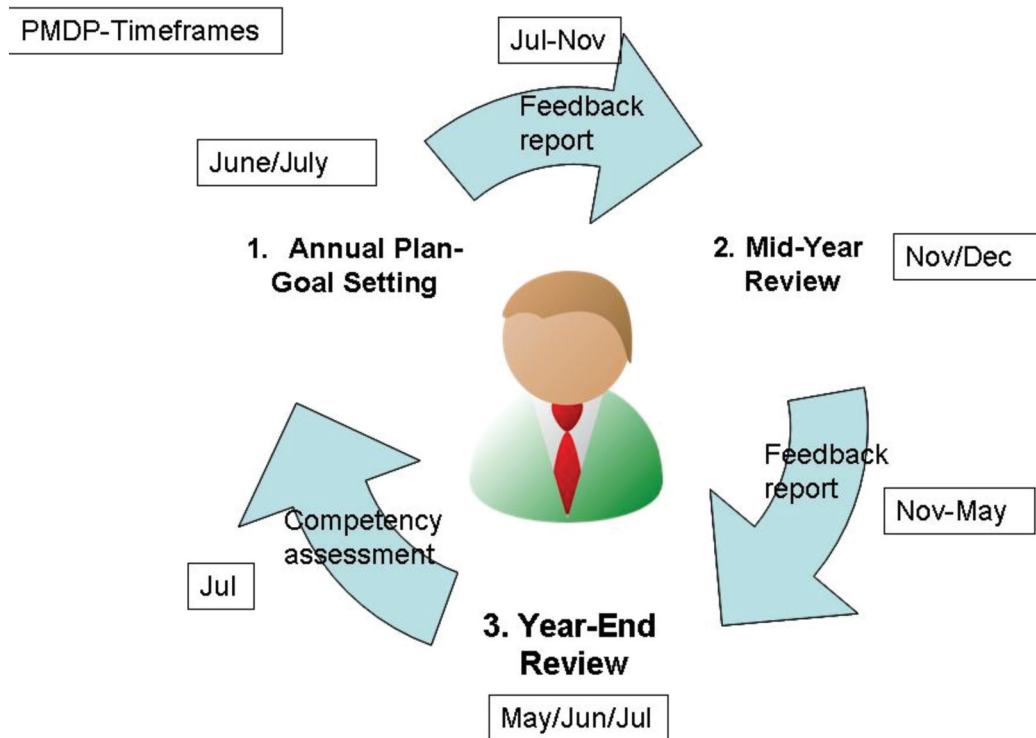
The Engagement Feedback is another



important component in the PMDP system. The Engagement Feedback is a form in which performance of staff is assessed after each job they are involved in. It has the same four perspectives as the Personal Scorecard, and performance of staff will be assessed under each

The key to ensure that the goals and targets in the Personal Scorecard of employees in the firm are aligned with the firm's strategy is the "counselor-counselee relationship". Each staff member at every level within the firm is a counselee, and they have a counselor. For

**Figure 3: The PMDP year**



(Source: the firm's PMDP handbook)

of four aspects by managers in charge of the jobs. In each perspective, there are five scales: Not Met, Not Met-Met, Met, Met-Exceeded, and Exceeded; and performance of staff will be rated according to these scales and the overall rating for the feedback is the average rate of all four perspectives. The Engagement Feedback is the main basis for promotion and reward.

instance, a staff member at level one is a counselee, and his counselor can be a manager or senior level three; a manager is a counselor but also a counselee, who has a director or partner as her counselor. Counselors are responsible for discussing counselee's performance goals and making sure that those goals are consistent with firm's objectives and strategy; giving timely advice as to personal

---

career development of staff; and assessing staff performance against objectives and goals that are set by the counselee and agreed by both counselee and counselor. The role of the counselor is embedded in the PMDP process every year.

#### ***4.2 Description of an annual PMDP process***

The annual PMDP process goes through 3 steps: Annual Plan-Goal Setting, Mid-year Review, and Year-end Review. The process is outlined in the Figure 3.

The process starts in June or July when staff at all levels must prepare the Annual Plan. Staff's PMDP Annual Plan must be discussed and approved by their counselors in a face-to-face discussions between counselors and counsees to ensure that all the targets and objectives in the Personal Scorecard must align with company's strategy and objectives. In Mid-year Review in November or December, the six-month progress of staff in achieving PMDP Personal Scorecard goals will be reviewed. They will have to compare the actual progress against expected objectives and goals, and make necessary adjustments accordingly. At this time, a formal Performance Rating is not determined but exceptional promotions and salary amendments may be made for outstanding performances. At the Year-end, in May or June, all feedback on job engagements will be gathered by counsees and submitted online via the PMDP system to counselors, who will average feedback points to get a preliminary performance rating for each counselee. This rating will be used in the roundtable discussion for

the promotion and reward purpose. Roundtable discussions are a meeting of all seniors and counselors to discuss performance of all staff in Banking Unit. Performances of a counselee will be presented by his counselor. Also, other seniors who work with that counselee can contribute comments not only about the quality of work delivered but also other aspects like punctuality, teamwork, commitment and other work related behaviour. In the roundtable, the final performance rating of a staff will be determined, which is often the average of all feedback rates taken into account other comments of seniors and counselors. Performance rating has 5 scales from level 1 which indicates that goals and expectations have not been met, the overall performance needs significant and immediate improvement; to level 5 which shows that staff has consistently exceeded challenging and stretch goals, and in comparison to relevant peer group and is one of the strongest performers. Other factors that will be taken into account when performance ratings are considered are achievements against personal scorecards, behaviour in performing the broad requirement of the role, and the challenge in the delivery of objectives. Promotion will be based on the performance ratings of staff. The PMDP process is repeated every year, creating a huge database of staff's development and performance from their first year with the company.

#### ***4.3 Issues in implementation of PMDP***

The implementation of the PMDP system has received a warm welcome from most of staff in the firm. It has been said to create an

---

objective and fair basis for measuring performance and promotion, a huge database of all staff's information about performance, development plan, and mobility preference. It also creates a profile for each employee in the firm, which can be seen as a passport for them when they want to work at other offices of the company. Further, it facilitates a friendly working environment in which staff are supported by counselors, who help to advise staff with regards to career objectives and action plan to achieve objectives. In addition, the use of PMDP Annual Plan pushes each staff to plan for himself and to actively assess what he has done and has not done. However, despite the generally positive attitude towards the PMDP, there are several issues existing in the implementation process.

#### **Awareness of staff and seniors**

It was found that even though the system has been used in the company both in paper-based form and online form for 9 years, *the awareness of staff about the Annual Plan is not high*. It is a fact that they think it is good, compared to not having it, but with a very vague understanding about the system. Most of staff and seniors interviewed think the system is good but it is not too important, especially the PMDP Annual Plan. One staff member said that he never got the PMDP Annual Plan on time because he was too busy and did not want to spend time on an "administrative procedure", something that he has to do as a compulsory policy. Most of staff interviewed has worked in the firm for about 2 years and none of them remember all four perspectives of the Personal Scorecard and Engagement

Feedback. This indicates that they have done it mechanically as a compulsory procedure and do not have a strong commitment to the BSC. Similarly, one senior also said that she did not put much effort in building her PMDP Personal Scorecard and Development Plan, she used all suggested goals, measures and targets and she forgot about them right after she submitted it. Some staff even copied the PMDP plan of others in the same position with some minor adjustments. These behaviours show that staff and seniors consider the Annual Plan unimportant and are indifferent between "do" and "not do" the Annual Plan. The indifference attitude, however, cannot be called an indication of resistance to changes (Brooks and Bate, 1994). In the Banking Unit, most of the employees join the firm when the PMDP is already in place; thus, the system cannot be said to "upset the balance" – a reason for resistance from employees (Strebel, 1996). Rather, the problem seems to be simply that employees do not take some of the system's components seriously because they do not understand the system or they do not see the impact of the system on their work life.

#### **Effectiveness of the PMDP system**

The effectiveness of the BSC is measured by whether the users have achieved the original purposes of using the model. In a knowledge-based company like the accounting firm, investing in people is the key strategy. Thus, besides a PMS role, the BSC system is designed specifically for the purpose of supporting employees' development in the way that their career path is aligned with the firm's development strategy. Based on this, the

---

PMDP system serves two purposes. The first, the original purpose of a BSC system, is to measure employee's performance through the use of Engagement Feedback and Personal Scorecard. The second, more specific for a knowledge-based firm, is to align employees' personal development and company's development through the use of the Annual Plan including the Personal Scorecard and Development Plan.

In the Banking Unit, the *first purpose is only partly achieved*. Performance assessment is supposed to be based on both engagement feedback and achievement against the Personal Scorecard goals. However, it seems so far that only engagement feedback has been actively used in the performance measurement process, while the use of the Personal Scorecard is limited to be a Career consultation device. As said by one manager, the performance rating is calculated by taking the average score of all feedback, and discussion of the Personal Scorecard and achievement against goals is mainly used as career consultation. This means that the only factor that affects the performance rating, and thus promotion of staff is the feedback scores. However, as outlined in the PMDP handbook, and confirmation from the HR Director, the performance rating is the overall indicator of a staff's performance; it should reflect the performance as comprehensive as possible. Thus, it is supposed to be the result of combining achievement against the Personal Scorecard goals and Engagement Feedback scores. In fact, in the roundtable, many managers and counselors often rely mainly on the engagement feedback and achievements against the

Personal Scorecard goals is just additional information to consider. Managers also admitted that they have not used achievement against Personal Scorecard goals and Development Plan to determine the performance rating for staff and seniors. The use of only Engagement Feedback scores in determining performance rating leads staff to think that Personal Scorecard is not important. This issue, however, seems not to exist at managers and above levels because managers' promotion and reward are linked directly to the achievement of their goals set in their Personal Scorecard. Managers' performances are often assessed through the achievement of the Personal Scorecard's goals for measures like profitability of engagements, or client relationship maintenance, but does not much rely on engagement feedback. Thus, it may not be right to say that the Personal Scorecard is completely unused because at least it is still useful for manager and above levels, thanks to the visible link to the remuneration plan. However, because the number of staff and seniors is greater than the number of managers and executives, the overall situation is that the Personal Scorecard has not been effectively and consistently used for evaluating performances. Therefore, it can be said that the first purpose of the PMDP system, which is to measure staff's performance through both Annual Plan and Engagement Feedback, has not been achieved.

The issue of the weak link between achievement against personal scorecard goals and performance rating has led to the *issue of low motivation*. All staff and seniors interviewed admitted that the PMDP Personal

---

Scorecard does not motivate them in pursuing goals they have set out because “*taking it seriously does not make any difference*”, as one staff said, or “*Personal Scorecard is not the only way I can achieve what I want*”, as said by a senior. The point is that they do not see the benefit of the Personal Scorecard as a tool for developing their knowledge and skill when they try to stick to and pursue the goals. What they see is the promotion and salary increases. One staff said that the Mid-year Review is to assess whether she can be promoted as an outstanding performer, and because she did not perform very well and was not promoted, the Mid-year Review was not important. If staff are motivated to pursue their goals, they should take the Mid-year Review seriously regardless of whether they are promoted or not, because it is the time when they can review and adjust their Personal Scorecard goals. However, it can be seen that the Mid-year Review is not viewed as an occasion to review the effectiveness of measures and targets in the Personal Scorecard; it is only considered important if in that time, exceptional promotion or salary increases are to be made.

With regard to the second purpose of the PMDP, it seems that *the alignment between the firm's strategies with personal development is relatively loose*. According to the HR Director, the alignment of strategy with personal development is realised through the Annual Plan, with support of counselor-counselee relationship. At the beginning of the year when counsees have to build their Annual Plan, counselors discuss the Annual Plan with their counsees and driving them to the firm's

expectations. This is expected to orient staff to work, and develop following a path that is set by them, approved by the counselors, and aligned with the firm's strategy. However, this mechanism only works if two conditions are satisfied. The first condition is that counselors must ensure that they discuss in details with their counsees at least three times per year as required, and provide timely support with regard to their counsees' progress toward achievement of their Personal Scorecard goals. Secondly, staff must be highly aware of their benefit and responsibility to commit with goals and objectives set out in their Personal Scorecard, and they must be active in pursuing them during the financial year. In other words, both counselors and counsees must fulfill their responsibilities. Nevertheless, both of these two conditions are found to be unsatisfied in the Banking Unit. According to some staff, their counselors basically looked through their Annual Plan, and asked them about their expectation about career, learning and development. The reason is that staff often build their Personal Scorecard using suggested goals, measures, and targets, and because these are deemed to be “correctly” made by the Area, the counselors did not have to discuss much about them. The problem is that if staff always use suggested goals and targets, then these goals cannot be specifically aligned with objectives and strategy of the business unit as well as of the firm. This is because the Area did not know about the business unit strategy when they created these sample goals and targets. Furthermore, it seems that staff did not care about the fact that their counselors did not try to make sure that

---

they understood that the goals, measures, and targets they chose are consistent with the firm's expectations. One staff said that she did not meet her counselor for Mid-year review even at the year end, and her Mid-year Review had not been approved by her counselor. There is a staff member who had not even met his counselor since joining the company, which was one and a half years ago. The reason given is that "*we did everything online, and if there is nothing wrong, my counselor just needs to sign it and then I sign it, that's enough*". Thus, it can be seen that in the Banking unit, both counselors and counselees have not been totally serious about their responsibility for the PMDP; and the use of online systems has created a chance for them to communicate less because now everything is done online. No one knows if they actually discuss anything. For this reason, the counselors may not know clearly whether their counselees' development plans actually align with the firm's strategy. This results in an Annual Plan that cannot be used for alignment purposes. In fact, all staff and seniors interviewed considered that the only good point of the PMDP system was to manage human resources by creating a huge database of all staff's learning and development plans and performance evaluations, not to align personal development with strategy of the firm.

## 5. Discussion

In this case, the decision to adopt the BSC was made at the global level and cascaded down to member firms. The literature has documented some motivation for adoption of the BSC including promotional and fashionable

reasons (Malmi, 2001, Norreklit, 2003). However, because the PMDP system was launched in the year 2000, a huge amount of both human and financial capital has been invested in the global implementation of the system. With such a big investment, a fashionable movement should not be a good reason for adopting the BSC. The reason was found to be the global expansion of the firm. The global expansion of markets has added incentives to recruitment and retention of talented people and also desires consistent levels of skill for employees. There is a need for an internationally interchangeable employee base. This means that employees should be provided the same learning and development opportunities, and their performance should be assessed by the same set of criteria so that they can work for different offices around the world. Therefore, the company needs to develop a system which can be used globally to manage employees' performance and development, and link them with the development of the firm. In that context, the BSC seems to be a sound solution because it has been adopted by many companies in different countries. It is also flexible enough to be adapted to the firm specific condition, and rigid enough to be used globally as a consistent system. More specifically, the firm can use four original perspectives suggested by Kaplan and Norton (1992) or create its own perspectives. The firm can also be able to focus on one perspective, depending on its key strategy. And in this case, the firm has chosen to focus on Peoples perspectives. Further, according to Kaplan and Norton (1993), the BSC can be personalized and used

---

by individuals in the firm. This feature of the BSC should be the one that is sought by the firm. This might be the main reason why the BSC and not other models was chosen by the global firm. Thus, it can be said that, at the global level, the adoption of the BSC in this case is largely attributed to the internal demand for management and work force in the pace of global expansion. However, it is worth noting that at the local level, these advancing forces for change may not necessarily be effective to smooth out the implementation of the new system. Using Kasurinen's model of barriers to accounting changes, this study tries to explain issues existing in the PMDP implementation in the research field. The model contains three groups of barriers, which are confusers, frustrators and delayers.

### **5.1 Confusers**

Confusers are anything that makes people in the organisation feel uncertain about the nature of accounting change, including its purposes, how it works and how it affects them. If in Kasurinen's case, main confusers are the uncertainty about the project's future role in the organisation and difference views on changes; then in the Banking Unit, the issues are the staff's lack of understanding about the PMDP purposes and mechanism, weak sponsorship effort from seniors and managers, inappropriate education method, and different views on the use of the PMDP components between the HR Director and managers.

The *lack of understanding* about the PMDP purposes, contents and mechanism is one of

the clearest signals that can be seen during the interviews with staff. Three out of four staff members interviewed were confused about the contents of four perspectives in the Personal Scorecard and Engagement Feedback even though they have worked with it for nearly two years. One of them even said that she did not understand the difference between goals, measures, and targets; and she confused the Quality perspective with the Operational Excellence perspective because nobody has ever explained the difference to her. Another staff member misunderstood the aim of PMDP in "supporting staff career development". She thought that the PMDP Annual Plan is for her to express her expectation about jobs and she will surely get what she wants. For instance, she said that she put in the Personal Scorecard her desire to study for the Association of Chartered Certified Accountant (ACCA) this year. However, she was eventually not allowed to study and she did not understand why. Actually, this is another illustration of the lack of understanding about how the PMDP system works. That staff member was not informed by her counselor what she must do to get the benefits mentioned in the company's policies. According to the PMDP handbook and explanation of the HR director, some benefits like studying ACCA or overseas work placement will be provided based on performance ratings. In the year 2008, due to financial difficulties and cost cutting programs, only staff with performance ratings of four and above can have financial support for studying ACCA. However, most staff interviewed did not understand clearly why they were allowed

---

or not allowed to study ACCA. According to Brook and Bates (2004), the ambiguity in definitions of the new system concept caused weak understanding and misunderstandings about the change, which was the source for the resistance of staff. Applying to the current case, in fact, it is difficult for staff to take the system seriously if they do not understand it. Consequently, the lack of understanding results in a low awareness among staff and seniors.

Another confuser in the Banking Unit is the *weak sponsorship from seniors and managers*. One of the main reasons for low awareness of staff and seniors about the system is that their counselors and seniors who work with them also did not take the PMDP Annual Plan seriously. Three out of four staff members said that at first, they had taken the Annual Plan very seriously, but later on as they saw their managers and seniors not taking it seriously, then they also considered it as an administrative procedure. One manager also admitted that she did not have time to take the Personal Scorecard seriously, so she could not request her counselees to do so. Interestingly, one staff said that she had to show another counselor, not her counselor, how to access the PMDP system because before that they had done it manually on paper forms. In addition, not only was the Annual Plan neglected, the Mid-year Review was completely ignored by some counselors. Some of them did not meet counselees to discuss the progress toward achieving the Personal Scorecard goals or any necessary adjustment to goals or targets. Some of them even did not approve their counselees' Mid-year review even by year

end. The attitude of seniors and managers leads to staff become confused about the importance of the Personal Scorecard and Development Plan. Following the confusion, staff felt that they are unimportant because if they are important then managers should take them seriously. This can be thought of as one of the main reasons for low awareness of the system among staff and seniors.

Another confusing factor during the implementation process at the Banking Unit is the *inappropriate education* for the responsibility of doing the Annual Plan. Instead of explaining the true value and benefits of the PMDP, partners and HR often used an Area and Global completion rate table, in which Vietnam's completion rate is very low compared to other countries in the Area, and highlighted in red, to urge staff to complete the Annual Plan. This created an attitude among staff that doing PMDP is just to push the completion rate higher, so just to make up an image of full implementation and compliance. This kind of "encouragement and education" also happens in other activities which aim at developing staff's skills and knowledge (web-based learning, audit software quiz). One of staff members said "*he (a senior manager) said if we see it (the quiz), we just close the eyes and tick*", regardless of right or wrong. Thus even though some staff members showed an eager and serious attitude at the beginning but then with the "special encouragement" from managers, they consider them as compulsory activities and they have to do it. Most of them said they did not have time to care about it.



---

In Kasurinen's study, the emphasis was placed on the role of division general manager who initiated the idea of implementing the BSC, and his resignation was said to be one of the main reasons for the failure of the BSC project. In addition, as found by Argyris and Kaplan (1994), education, sponsorship and incentive alignment are the necessary process for implementing new knowledge into an organisation; the weak sponsorship process and inadequate education are reasons for the unsuccessful implementation of any new management technique. In this case, it has been proved that the role of the leader is very important, it can be the motivator for change to happen. It can also confuse staff if the sponsorship process is not adequate. If in Kasurinen's case, the resignation of the division general manager was said to interrupt the sponsorship process at the critical moment, then the inappropriate form of warning and "encouragement" from higher level managers in the Banking Unit can be said to destroy the sponsorship process or send the wrong signal to staff. Cobb et al. (1995) also stressed the role of leader as a key force for the change to happen. However, it should be extended further that this role is not only to motivate the change to happen, it is also important for the change to be fully embedded in the real practices of the organisation. In this case, the official change has been taking place for nine years, but it seems that the real change in mind of staff has not been significant and it still requires more of the sponsorship and serious encouragement from higher level managers.

The confuser also comes from the *different*

*views* on the use of the Annual Plan in determining performance rating. According to the HR Director, performance ratings must reflect both performance on the job and achievement against Personal Scorecard goals. However, performance ratings are determined by managers in the roundtable without the attendance of the HR Director, and all managers and seniors interviewed said that they mainly rely on engagement feedback scores to determine performance rating for a staff. The reason given by managers is that the Annual Plan including Personal Scorecard and Development Plan is mainly used for career advice because goals, targets and action plan are different among people, so it would be subjective if they are used to rate performance. Interviewees at staff level, agreed with reasons given by managers, and they said that they would disagree if managers use achievement against Personal Scorecard goals to assess their performance rating. According to them, their counselors do not have enough understanding about their targets and how they have tried to achieve them. However, as said by the HR Director, if a manager cannot keep track of their counselees' achievement against Personal Scorecard goals, leading to being unable to use it in evaluating performance of their counselees, that manager simply did not spend enough time with her counselees and she did not fulfill her responsibility properly. This, again, proves that the expectation of the firm and the real practices are not really matched, and the HR Director seems to be too high up to see inconsistencies.

The problem of different views on the change has been one of the most common rea-

---

sions causing difficulties in implementing a new management accounting device. In Kasurien's case study, the division manager supported deeper level goals such as strategic goals and business unit manager preferred operational goals for the BSC measures. They had different views on goals of the BSC. Strebel (1996) also said that many difficulties in implementing change programmes have one common root which is the different views on changes between managers and employees. In this case study, that finding is once again confirmed and further extended that the difference does not only exist between managers and employees, it exists between each different level in the organisation, the larger the position gap, the bigger the difference. With these different views, it is not easy for the system to be as effectively used as it is supposed to be.

### 5.2 Frustrators

In Kasurinen's study, organisational culture is one of the frustrators that neutralises or surpasses the change attempt in the organisation. In this case, it is found that national culture is counted as a frustrator. According to Hofstede (1980), culture is defined as "the collective programming of the mind which distinguishes the members of one human group from another" (Hofstede, 1980, p. 25). The word culture often means characteristics reserved for societies as a whole, as a nation, while subculture refers to the level of organisation, profession or family. So, it is expected that organisational culture is more specific and reflects both its own characteristics and national characteristics. In this case, as recognised by one manag-

er in the Banking Unit, the *preference for indirect communication* of Vietnamese has caused the implementation of the PMDP system more difficult. She said:

*"I think... in my perspective only, it is a part of culture. The Asian culture is reluctant to communicate directly, may be you are at this or that level but you will communicate it via unofficial information channel, you will say it with your work mates, and you rarely talk directly to your counselor or firm management. The Asian culture does not have direct communication like Western culture; it will cause difficulties in creating written document about individual expectation".*

As an evidence for what the manager said, most staff interviewed said that when they disagreed with the feedback of seniors, they often complain with their colleagues or friends rather than question their seniors directly or talk to counselor to seek for help. For example, one staff talked about a senior who always gives feedback for his team members at "Met" level, nobody has ever got more than "Met", but as she said, even though everyone feels uncomfortable about that, none of them has ever questioned that senior about the issue. Another staff member even suspected the ability to give feedback of seniors, she questioned how "*they (seniors) have been trained to give feedback as senior one is just one step higher than (us) staff two*". One possible reason is that staff often do not request feedback right after completion of the job, they often wait to mid-year or year-end when they have to gather feedback for roundtable purpose; and at that time, seniors may not

---

remember exactly how each team member performed, that is why some of them give “Met” feedback for “safety” reason.

The preference for indirect communication also exists among seniors through the way they give feedback. As specified in the PMDP requirements guide, feedback must be written in great detail so that it reflects comprehensively performance of staff. However, all seniors interviewed said that they normally give feedback in general, not great detail. One possible explanation for this is that all feedback must be written in English while Vietnamese seniors may not be proficient in written English. Especially, when they have to give negative feedback to the ones that they have good relationship with, they prefer to talk personally to that staff member rather than put negative feedback into engagement feedback forms, because “*it will seriously affect their (staff) performance rating*”, as one senior said. Another senior admitted that even though they have guidelines for giving feedback, which contains the standard definition for each level of performance rate, they rarely look at that reference and give feedback intuitively. The lack of seriousness in giving feedback and the preference for personal talking to official written document have caused difficulties in building a comprehensive and detail database of all staff’s performance and development process in the PMDP system.

Another frustrator that makes the use of PMDP Annual Plan to align personal development with firm’s strategy ineffective is the *practice for asking directly for jobs rather than express the expectation in the Personal*

*Scorecard*. This practice seems to stem from the fact that jobs in accounting firm are team-based tasks; especially, in the Banking Unit, audit engagements can last several months. It can be called *task-related* issues. The team-based nature of tasks leads to the tendency of allocating particular employees who often work together in some particular jobs. This has brought problems into the implementation process and surpassed the efforts of the HR function in making the Annual Plan the official information channel for staff’s expectation and career development path. It is expected that the Annual Plan is the official source of document for staff’s expectation about jobs and career development. However, in the Banking Unit, it is common for staff to ask directly seniors in-charge for booking them into a particular job if the staff and seniors have close relationship. In addition, they have a tendency of booking staff who have worked with them in other jobs; thus, other staff who want to do that job should contact the senior in charge and ask to join the team before staffing is done. The way managers and seniors book staff for jobs rarely relies on staff Annual Plans, and mainly relies on routine, personal relationships and staff availability. This is another reason that makes the Annual Plan is unimportant in the eyes of both seniors and staff.

The preference for informal communication and the routine of relying on personal relationships are two frustrators that surpass the effort of HR department in making the PMDP the standardised consistent and comprehensive system. Different from delayers, which are temporal factors and can be over-

---

come by appropriate adjustments, the cultural factors seem to stay for longer and need more time to change. Similarly, task-related issues may be difficult to resolve because they are totally logical for a person to prefer to work with their familiar workmates. In Kasurinen's case, the "engineering culture" lowered the role of strategies and stressed the role of diagnostic measurements, which dimmed the most pronounced advantage of the BSC – the link of strategy and measures. In this case study, the preference for informal communication and personal relationships to formal documentation has weakened the role of the Annual Plan as a tool to link personal development and performance to the firm's strategy. However, the question is whether the expected use of the Annual Plan is realistic because both cultural and task-related issues are frustrators that cannot be resolved easily.

### 5.3 Delayers

According to Kasurinen (2002), delayers are factors that cause the process of implementation slow down. In Kasurinen's case study, the ambiguity of strategy and inadequate information system hindered the implementation of BSC, because the BSC starts with defining strategy. These delayers were among the reasons for the failure of the BSC project in Kasurinen's case. They are said to be temporal and technical in nature, and can be overcome by allocating more resource to them. For instance, the inadequate information system can be fixed by investing more money to build a more modern information system. In the current study, delayers make the implementation of the PMDP less effec-

tive. Strategy related issues seem not to be the ones causing delay in the implementation of the PMDP. The highest strategy is set by global firm, and cascades down to areas and countries. At the country level, particularly in Vietnam, the strategy is formulated by country managing partners, and all partners will localise the country's strategy in their divisions. On the other hand, the PMDP system is standardised globally and used for individuals to align their career development and learning program with company's strategy. Each individual has to match their personal PMDP to the firm's strategy; they just follow the predetermined strategies. Thus, even if there is an ambiguity of strategy at the local level, it should not cause the PMDP implementation to be paused. Delayers in this case are something else.

The first delayer is the *gap between intended use of the PMDP Annual Plan (Personal Scorecard) and the actual use of it*. The Annual Plan is expected to be used as a source of information about staff's career development plan. This plan will help the firm to support staff to develop their career as they desire and at the same time, as the firm wants. However, the career plan of staff written in the Personal Scorecard is not really considered when seniors and managers conduct staffing. All seniors interviewed admitted that they are often in charge of a particular job together with a manager. Managers select the same senior for the same client year after year, and seniors often select the same staff to form their teams. Therefore, it can be said that seniors do not rely on the Annual Plan of a staff to book them on jobs, they do because of rou-

---

tine and personal relationships. Even though managers and the HR director said that they do use the Annual Plan of staff and seniors to place them in jobs, a staff member gave the reason for his belief that staff bookings were done based on routine and personal relationships. According to him, his counselor is the only person who knows his Annual Plan and career objectives, technically the HR Director may also know as she can access the system, but nothing ensures that she has ever done it. During the working process, he works with different managers and seniors who are responsible for supporting him to realise his expectation and career objectives by assigning him appropriate tasks. However, these managers and seniors can only do that if they know their team members' annual plans. It seems that there has been no mechanism to ensure that all seniors and managers know their team members' expectation of jobs and career. One of staff members raised a question as to why the firm did not have a meeting at the beginning of the year. In that meeting, all seniors and managers would be informed of expectations of staff for the year so that they can conduct staffing more effectively. By that way, the Annual Plan would be properly used as expected. However, as far as the current situation in the firm, there has never been such a meeting. Again, the question is raised that whether it is possible for every senior and manager to know about the expectation of all team members. This is a big concern of all staff because the key to decide whether or not they put their expectation into the Annual Plan and persistently pursue them is whether the Annual Plan is actually used in the conduct of

staffing. And the gap between expected and actual use of the Annual Plan has delayed the process of the PMDP being truly embedded in the practice of people in the organisation.

The next issue is the *inadequate training and education process*. Kaplan and Norton have stressed communication and education as one of the four processes in the BSC implementation process. Inadequate training and education will cause other problems like low awareness and misunderstanding, which are in turn the sources for ineffective implementation. In this case, each staff in the firm is an executor of the PMDP. They are main PMDP users and they must be trained and educated about the system in a very careful manner. However, as expressed by the HR Director, the main resource for the PMDP information is the PMDP website, and staff are expected to go to the website and learn from it. In addition, counselors and seniors are also expected to be the PMDP trainer if the staff needs help. Training is provided every year, but as a small section in a one-day introduction program for new members. Refresher training is also provided but many staff cannot attend because they are on jobs. After all, no step has been taken to ensure the understanding of all staff about the PMDP system. And the HR Director seems to assume that all staff must know about the PMDP system clearly because "*the PMDP is the responsibility of both sides, not only company, but it has the meaning of supporting development of staff*", which brings benefits to staff. However, through interviews, it seems that this expectation of the HR Director has not been met. Furthermore, the high employee turnover also makes the train-

---

ing and education process more difficult and costly. Every year, the firm has to invest in training program for new employees and this number is around one hundred new members for the Audit division only. When they first join the company, they start the awareness process, and when they stay long enough to have high awareness of the system, they leave the firm, and new employees come in with very low awareness. This cycle makes training and education both expensive and ineffective for the firm. That is why from 2006, employees have not had any formal, separate training session for the PMDP system, but an integrated session in the introduction training. As Argyris and Kaplan (1994) said the education and training process is the first condition for later processes of accepting, using, and appreciating the system. With inadequate training, staff cannot see the benefits of using the PMDP including the Personal Scorecard for their career development, promotion and reward. This delays the awareness process of staff, and the implementation takes more time to be on the right track.

The last delayer is the *human resource constraint*. Resource constraints are typical temporal problems with any firm starting to move to a new system (Kasurinen, 2002). However, in this case, the firm has been using the PMDP for nine years, and the problem of human resource constraint is still there. According to all seniors and managers, as well as the HR Director, they have difficulties in assigning counselees to counselors because there are too many counselees while they have limited number of staff from senior three and above levels to be counselors. Especially in the

Banking Unit, the number of staff is very large and the counselee-counselor ratio is approximately 15:1. One manager in the Banking Unit complained that:

*“...the allocation of counselee is not reasonable. I have nearly 20 counselees; I cannot cover all of them. In the past, it was even more unreasonable because counselors and counselees were mixed of bank and non-bank, which is very difficult because I nearly never worked with my counselees, so I could not know them. From last year, they restructured it, bank is bank and non-bank is non-bank. But I still have many counselees and I cannot have enough time to discuss with all of them”*

The issue of human resource constraint cannot be resolved in a short time. However, one possible solution is to invest in training at senior level three to be counselors to reduce the counselee-counselor ratio. In addition, investing more on training for staff is also a way to increase their awareness and understanding; and help them to execute the PMDP better. This can lead to staff being more committed to the firm if they can actually utilize the benefits from using the PMDP actively and properly.

It can be seen that even though delayers tend to be common with the implementation of any new system; they may be the root of all other problems. The delayers like inadequate training or human resource constraint can lead to low awareness of the system among staff and seniors, which causes the system to not be used properly. However, in the Banking Unit, people do not seem to put enough attention to these issues, resulting in the implementation

---

process being ineffective or delayed. In this case, outside factors like the motivators, facilitators and catalysts (Innes and Mitchell, 1990) seem to be too far (i.e at global level) to have a visible effect of pushing people to take the system seriously. Especially within the Banking Unit, where the new system is not initiated from their internal demands, the persistence and serious commitment devoted to it is relatively weak. In this context, the preparation process, which is training and education, or resources available can be critical for the success of the implementation.

## 6. Conclusion

This study aims to investigate issues in the implementation process at a business unit in a knowledge-based firm-the Banking Unit, Audit Division at Hanoi office of an international accounting firm in Vietnam. Findings about implementation issues from this study are expected to be useful for other knowledge-based firms which are implementing or intend to adopt the BSC system or any new imported management devices; from that, appropriate attention and solution can be derived to minimize potential barriers to the new system.

The implementation process of the PMDP system tracks quite well the suggested BSC implementation process by Kaplan and Norton. However, an interesting point about the PMDP system, which differentiates it from the BSC in previous studies and the BSC of Kaplan and Norton, is the role of the HR function in building and implementing the system. The knowledge-based firm's BSC is designed to focus more on the people and learning perspectives. This process is visualized through

various activities from recruitment, training, learning, and linking employees' learning and development with strategy of the firm. The great attention on developing people leads to the role of human resources being so important that somehow the PMDP can be seen as a human resource management tool. During the implementation process, the role of the accounting department is blurred, and the HR department acts as the BSC owner. Besides being a performance measurement system, the BSC is well known as a strategic management tool to translate strategy into actions (Kaplan and Norton, 1996). However, through the implementation process and the actual situation at the researched site, it seems that the BSC has turned out to be more of a human resource management system, and the users have lost sight of the strategic vision of the firm. The understanding and awareness of users can cause a system to be implemented and perceived differently from the initial intention from the top level. Therefore, it is equally important to define the role and sustain it in the mind of users from the top to the bottom level in an organisation, especially in a global organisation.

Investigation of issues during the implementation process of the PMDP system in the research field recognized some problems. The first problem is the overall low awareness of both staff and seniors about the system. At the managerial and above level, the awareness is significantly higher. Another problem is the imbalance of importance of the Personal Scorecard and the Engagement Feedback in staff's perception. Due to its link to promotion, the Engagement Feedback receives much

---

more attention from staff and seniors than the Personal Scorecard does. In contrast, at the managerial level, it seems that the Personal Scorecard and achievement against goals play a more important role. The most direct explanation for this phenomenon is that at different levels, the Personal Scorecard and the Engagement Feedback have different weight in determining promotion and reward of staff; thus they are treated differently. These two issues again confirm the importance of reward-performance linkage, as said by Kaplan and Norton (1996).

This study used Kasurinen's model of barriers to accounting change to examine barriers that have caused the implementation process to be less effective. The model includes three groups of barriers which are confusers, frustrators and delayers. In this study, staff's lack of understanding of the PMDP purposes and mechanism, weak sponsorship effort from seniors and managers, inappropriate education method, and different views on the use of the PMDP components between the HR Director and managers are found to be confusing factors. The preference for informal communication and the use of personal relationships in work are the cultural and task-related features that frustrate the implementation process and weaken the effort of using the PMDP system effectively. Especially, the inadequate training and education process is the main delaying factor that has led to low awareness and low effectiveness of the implementation process. Another delayer was found to be the gap between the proposed use of the PMDP Annual Plan and its actual use. This weakened the role of it in the eyes of users. It is interest-

ing to note that the PMDP system has received a positive view from most employees, but the lack of understanding has resulted in the system being used improperly and ineffectively.

Therefore, the implementation process in the knowledge-based firm calls special attention to training for employees, as they are the main users of the system, and also the key element in the development strategy. At lower levels, enhanced understanding can raise staff's awareness and willingness to devote time and effort in building personal BSC. At higher levels, increased understanding and awareness will strengthen the sponsorship process, which in turn will encourage lower level employees to commit to the new system.

#### ***Limitations***

There are several limitations in this study. First, sample size is small; however, this is an unavoidable problem due to time constraint. Second, the scope of the research is limited to the Banking Unit, where the nature of audit jobs is different from that of Non-Banking Unit. Therefore, the result may not be generalized for the whole firm but only for similar contexts such as the Banking Unit of other auditing firms. Third, very little data about the system at the global and area level have been collected, thus it limits the understanding about the actual process of building a standard set of measures and targets, because the local firm and employees at country level have the role of users rather than system designers.

#### ***Future research***

This research has revealed that the team-based and long tasks have accounted for the tendency of allocating staff based on routine



---

and personal relationships. Therefore, more research should be done about implementation of the BSC system in other service lines to see if the nature of work in the Banking Unit is actually a barrier for the implementation of the BSC. According to Bourguignon et al. (2004), different social ideologies cause different management methods to be accepted by employees. Thus, further emphasis can also be placed on the culture perspective, to see if it affects the effectiveness of a particu-

lar PMS implementation. In addition, more case studies about implementation of the BSC in other companies in Vietnam need to be done to see if the implementation issues found in this research are specific for the organisational context or common for different contexts. Examination of issues in implementing the BSC will help managers of those companies which intend to adopt this system to foresee avoidable problems and find appropriate solutions.

## References

- Argyris, C. and Kaplan, R. S. (1994), "Implementing new knowledge: the case of activity-based costing", *Accounting Horizons*, Vol. 8, Iss. 3, pp. 83–105
- Berliner, C. and Brimson, J. A. (ed.) (1988), *Cost Management for Today's Advanced Manufacturing: The CAM-I Conceptual Design*, Harvard Business School Press, Boston
- Bourguignon, A., Malleret, V. and Nørreklit, H. (2004), "The American balanced scorecard versus the French tableau de bord: the ideological dimension", *Management Accounting Research*, Vol. 15, Iss. 2, pp. 107–134
- Bryman, A. (2004), *Social Research Methods*, 2<sup>nd</sup> ed, Oxford University Press, Oxford, UK
- Burns, J., Scapens, R.W. (2000), "Conceptualising management accounting change: an institutional framework", *Management Accounting Research*, Vol. 11, Iss. 1, pp. 3-25
- Butler, A., Letza, S.R. and Neale, B. (1997), "Linking the Balanced Scorecard to Strategy", *Long Range Planning*, Vol. 30, Iss. 2, pp. 242-253
- Chenhall, R.H. and Smith, K.L. (1998), "Adoption and Benefits of Management Accounting Practices: An Australian Study," *Management Accounting Research*, Vol. 9, Iss. 1, pp. 1-19
- Cobb, I., Helliard, C. and Innes, J. (1995), "Management accounting change in a bank", *Management Accounting Research*, Vol. 6, Iss. 2, pp. 155-175
- Cooper, R. and Kaplan, R.S. (1988), "Measure product costs: make the right decisions", *Harvard Business Review*, Vol. 66, Iss. 5, pp. 97-103
- Davis, S. and Albright, T. (2004), "An investigation of the effect of BSC implementation of financial performance", *Management Accounting Research*, Vol. 15, Iss. 2, pp. 135–153
- Dearden, J. (1969), "The case against ROI control", *Harvard Business Review*, Vol. 47, Iss. 3, pp. 124-135.
- Dearden, J. (1987), "Measuring Profit Center Managers", *Harvard Business Review*, Vol. 65, Iss. 5, pp. 84-88
- Dixon, J.R., Nanni, A.J. and Vollman, T.E. (1990), *The New Performance Challenge: Measuring Manufacturing for World Class Competition*, Homewood, IL: Dow Jones-Irwin

- 
- Innes, J. and Mitchell, F., 1990. The process of change in management accounting: some field study evidence, *Management Accounting Research*, Vol. 1, Iss. 1, pp. 3–19
- Johnson, H. T. and Kaplan, R. S. (1987), *Relevance Lost: The Rise and Fall of Management Accounting*, Harvard Business School Press, Boston
- Kaplan, R.S. and Norton, D.P. (2001a), “Transforming the BSC from performance measurement to strategic management Part II”, *Accounting Horizon*, Vol. 8, Iss. 2, pp. 147-160
- Kaplan, R. S and Norton, D.P. (2001b), “Transforming the BSC from performance measurement to strategic management Part I”, *Accounting Horizon*, Vol. 15, Iss. 1, pp. 87-104
- Kaplan, R.S. and Norton, D.P. (1996a), *The Balanced Scorecard*, Harvard Business School Press, Harvard
- Kaplan, R.S. and Norton, D.P. (1996b) “Using the Balanced Scorecard as a Strategic Management System”, *Harvard Business Review*, Vol. 74, Iss. 1, pp. 75-85
- Kaplan, R. S. and Norton, D.P. (1992), “The Balanced Scorecard: Measures that Drive Performance”, *Harvard Business Review*, Vol. 70, Iss. 1, pp. 71-79
- Kasurinen, T. (2002), “Exploring management accounting change: the case of balanced scorecard implementation”, *Management Accounting Research*, Vol. 13, pp. 323-343
- Malmi, T. (2001), “Balanced Scorecards in Finnish companies”, *Management Accounting Research*, Vol.12, Iss. 2, pp. 207–220
- Merchant, K.A. (1985), “Organizational controls and discretionary program decision making: a field study”, *Accounting, Organizations and Society*, Vol. 10, Iss. 1, pp. 67–85
- Nanni, A.J., Miller, J.G. and Vollman, T.E. (1988), “What shall we account for?”, *Management Accounting*, Vol. 69, Iss. 7, pp. 42-48
- Norrekliit, H. (2000), “The balance on the Balanced Scorecard—a critical analysis of some of its assumptions”, *Management Accounting Research*, Vol. 11, Iss. 1, pp. 65–88
- Norrekliit, H. (2003), “The Balanced Scorecard: What is the score? – A rhetorical analysis of the Balanced Scorecard”, *Accounting, Organizations and Society*, Iss. 28, Iss. 6, pp. 591-619
- Rigby, D. and Bilodeau, B. (2007), “Management tools and trends 2007” [www], Bain & Company, [http://www.bain.com/management\\_tools/Management\\_Tools\\_and\\_Trends\\_2007.pdf](http://www.bain.com/management_tools/Management_Tools_and_Trends_2007.pdf)
- Rigby, D. and Bilodeau, B. (2005), “Management tools and trends 2005” [www], Bain & Company, [http://www.bain.com/management\\_tools/Management\\_Tools\\_and\\_Trends\\_2005.pdf](http://www.bain.com/management_tools/Management_Tools_and_Trends_2005.pdf)
- Ryan, B., Scapens, R.W. and Theobald, M. (2002), *Research Method and Methodology in Finance and Accounting*, 2<sup>nd</sup> ed, Thomson, UK
- Silk, S. (1998), “Automating the Balanced Scorecard”, *Management Accounting (US)*, Vol. 79, Iss. 11, pp. 38-44
- Wickramasinghe, D., Gunaratne, T. and Jayakody, J.A.S.K. (2007), “Interest lost: the rise and fall of the balanced scorecard project in Sri Lanka”, *Advances in Public Interest Accounting*, Vol. 13, pp. 237-271