Chapter XVIII

Measurement of Transformational Government Strategies Using Balanced Scorecard Approach

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ABSTRACT

This chapter puts forth some guidelines for transformational government strategy measurement using balanced scorecard. The complexity of transformational government strategy is rooted in the multistakeholder environment it is derived from. The citizens, the businesses, and the administration have different interests and finding the right balance of these interests would be a challenge for any initiative. Everyone is a stakeholder in the transformational government, since everyone participates in the decision making process through democratic elections, everyone contributes to the financing of the government by paying taxes, and finally everyone uses government services. In this multistakeholder environment the balanced scorecard methodology can provide tools for effective measurement and management of the transformation of public services. Planning and presenting the strategy in strategy maps and creating a system of performance measures in a number of perspectives can ensure a foundation for effective management system of the transformational government on the strategic level.
INTRODUCTION

The research approach in the current paper is broadly based on the conceptual analysis. The study is developed on the basis of detailed research of the transformational government area, including public services modernization, e-government concepts and balanced scorecard. The theoretical views have been examined through the research of books and reports related to balanced scorecard and transformational government. The practical aspects of transformational government introducing and using the principles of balanced scorecard have been studied as has been the available information and case studies, as well as the respective stakeholders in transformational government introduction and the service providers for transformational government and balanced scorecard. The author assumes that studying the literature and the case studies is a sufficiently reliable source of information for an area related on one hand side to public processes and on the other to the introduction of information technologies. Both factors support and encourage the stakeholders to share their achievements openly in the public space.

The information collected in the research process was used to perform a feasibility analysis of the introduction of the main principles and best practices of balanced scorecard in managing the transformational government strategy. The transformational government is a strategic initiative, which encompasses the interests of stakeholders different in type. The IT-based public services improvement strategies define three stakeholder groups: citizens, businesses and administration (Whitehouse, USA, 2003; Cabinet Office, 2005). The administration’s role is twofold: it is both a party providing public services and a client of the strategy as well.

The needs and expectations of the different stakeholders are transforming with different dynamics. Preserving the balance between the needs and expectations is an important process in the transformational strategy execution. The success or failure of this balancing process is determined by the stakeholders’ satisfaction and participation not only in the accomplishment of the strategic goals but also in the entire process of the strategy execution (Hopkins, 2005). Improving the public services by means of information technologies is a massive reform in the overall work of the administration. The success of this reform is not known in advance. International Institute of Administrative Sciences (1998, p. 6) defines six success factors that contribute to the successful implementation of public reforms programmes. They can be summarized in three groups:

**Group 1: Political support and implementation capacity on strategic level**
- explicit political support over an extended period to give the exercise credibility and create an acceptance
- an implementation body with sufficient power to put the program into effect, and intellectual and technical capacity for successful execution

**Group 2: Effective communication with all stakeholders**
- communication between all actors and stakeholders on the objectives and the strategies of the programs
- involvement of ministries and agencies in the identification of issues to be addressed and the development and implementation of programs

**Group 3: Sound management on strategic and operational levels**
- clearly defined goal and strategy for its achievement
- a feedback, monitoring and evaluation processes