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## Implementing of Balanced Scorecard: Sample of Turkish Republic Ministry of Youth and Sport

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### Abstract

The Balanced Scorecard approach has emerged as a selecting method through multiple performance measures that meets many of challenges faced by public institutions. The adoption of what is considered to be private sector management styles and techniques is now becoming commonplace. With the method of balanced scorecard, institutions are able to perform measurements of material assets as well as nonmaterial assets. These measurements are performed in four dimensions defined as financial perspective, customer perspective, internal process perspective, and learning and growth perspective. In contemporary management, sport needs to be managed autonomously like developed countries. Turkey is one of the three countries that sport is managed by government. Sport is a state-run institution, but a widespread sector with profit and non-profit organizations in Turkey. For this reason, in this study, the balanced scorecard method is applied to Ministry of Youth and Sport as a strategic management tool.

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### 1. Introduction

Especially in recent years sport is an item that is required to have and maintain a healthy and balanced way in a better quality of human life. The idea of cultural activities and sporting activities are together psychologically prepared to person everyday life is generally agreed today. As a global phenomenon

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sport is becoming widespread depending on the socio-economic conditions of communities. Sport also part of the consumer phenomenon which accelerate to globalization widespread (Dağlı Ekmekçi et al., 2013:91). In last decades sport economies highly increased in Turkey. Therefore, Ministry of Youth and Sport established in 2011 instead of General Directorate Youth and Sport which could not provide appropriate services as a public institution.

Components such as major emphasis on consumer orientation, privatization, decentralization, strategic planning and management, outsourcing, new accounting methods, the measurement of results, financial efficiency, and separation of politics from administrations, known as New Public Management (NPM), obligate public administrations in many countries underwent reform in the last decades. The public sector reforms have focused on increasing efficiency and effectiveness, seeking excellent organization. To achieve this aim, the need to plan, control and report on the performance of public sector organizations, several public sector authors have suggested the use of business improvement methodologies such as the Business Excellence Model, the Balanced Scorecard and other Total Quality Management based approaches to assist in improving services and making more effective use of resources (Bolívar et al, 2010: 118).

The balanced scorecard (BSC) was introduced in 1992 by Kaplan and Norton to provide a framework for selecting multiple performance measures focused on critical aspects of business. The BSC also provides a tool for organizing strategic objectives into customer, internal process, and learning and growth perspectives and financial perspective. By integrating the four perspectives, the BSC is expected to help managers understand cross-functional relationships that can ultimately lead to improved problem solving and decision making. While the BSC was originally designed for multidimensional performance measurement, now the concept has ~~now~~ evolved into an organizing framework for a strategic management system (Banker et al., 2004:3).

Kaplan and Norton (1992) developed the BSC to supplement financial measures with operating measures oriented toward customers, internal processes, and learning and growth activities. Financial measures, such as return on investment, return on sales, return on capital, cash flow, project profitability, reliability of performance are used to indicate whether the company's strategy implementation and execution are contributing to improvements in the bottom line. Customer measures, such as customer satisfaction, market share are intended to measure the company's performance from the customer's perspective. Internal process measures, such as time to process customer returns in retail stores, are employed to identify core competencies, recognize strengths and shortcomings, and make improvements. Since the path to success for any business changes with time, a company's ability to innovate new products and new processes is critical in achieving excellence. Learning and growth measures, such as employee skills and computerization, focus on factors that facilitate continuous improvement.

## 2. Literature Review And Hypotheses

Especially, the traditional performance measurement methods are based on financial measurement. However, financial measurement alone does not reflect the organisational mission of governmental and non-profit organisations. Also the greatest difference between businesses and non-profit organisations is the achievement of the mission (Kriemadis, 2009, 43). Since the balanced scorecard doesn't require the measurement of financial terms, it could be easily applied by the public sector and non-profit organizations (Gürol, 2004: 319).

Decisions are made in the past and attributed to the measure. Only financial measures which are made businesses traditionally are not enough to evaluate the performance. When developing the balanced

scorecard, other measures were needed apart from financial measures to see how the organization looks in the long-run. In addition, only using financial data may make the organization to focus on only short-term gains. The key to the successful implementation of the balanced scorecard is to be careful about placing too much emphasis on any one metric and to get a detailed, encompassing view of the organization as it works to achieve its mission statement (Delaney, 2008:2).

The balanced scorecard helps organizations for effective organizational performance measurement and implementing strategy. Balanced scorecard enables organizations to review the limiting factors for successful strategy implementations (Niven, 2002).

Rodriguez Bolivar (2010) offers in their research paper “Implementing the balanced scorecard in public sector agencies: An experience in municipal sport services” an insight into the process of elaborating the Balanced Scorecard for a public sector agency of sport services. They indicated that Balanced Scorecard approach can be an invaluable tool for governmental administrators in transforming their organizations and those whose organizations have implemented BSC have a strong belief that its benefits outweigh the costs. As conclusion the paper indicates the lack of a clear sport policy and strategic planning of its activities, faulty communication tools, the existence of competition in the provision of sport services, the overlapping of sport programs.

Greiling’s (2010: 534) study on German non-profit organizations indicates that balanced scorecard is often used as a measurement tool, not as a management system. This could be a reason of that most of the non-profit organizations which have been analyzed in that paper, are in an early phase of balanced scorecard implementation. Table 1 provides an overview of the comparative studies of balanced scorecard implementations in the non-profit organizations.

Table 1. Comparative studies of balanced scorecard implementations in the non-profit sector

Authors	Type	Focus
Inamdar and Kaplan (2002)	Qualitative study with nine hospital managers	Motives for adopting the balanced scorecard, included perspectives, major challenges and barriers encountered, benefits and encountered performance improvement
Contrast Management Consulting (2002)	Quantitative study including 82 non-profit organisations	Main focus on strategic management instruments, balanced scorecard as the most known instrument, five reasons for implementing a balanced scorecard, six reasons against implementing a balanced scorecard
Greiling (2009)	Quantitative study including 343 non-profit organisations	Main focus: state of the implementation of performance management, relevant stakeholders, used performance measures and goals of non-profit organisations Percentage of balanced scorecard implementers in comparison to other performance measurement systems

Source: Dorothea Greiling, *Balanced Scorecard Implementation in German Non-profit Organizations*, 2010: 537

There seems to be a loose consensus in the literature that a modern, fit-for-purpose evaluation of the drivers. There is undoubtedly a need for better knowledge transfer and exchange in evaluation and performance measurement, and Walmsley (2012) advocates a holistic, balanced scorecard approach, where outcomes are judged against multiple objectives rather than on investment alone. The policy aimed to increase the number of participations. The traditional economic models could be argued and that this provides a historic opportunity for the arts sector to unite to reject the measurement tightly coupled of public policy and develop a more creative approach, which puts the public back into value and the value back into evaluation. Ultimately, “culture is concerned with the construction and transmission of

meaning” and if “art is the currency of experience” in an “economy of meaning”, then the arts surely have a key role to play in elucidating the value of this meaning. The ultimate objectives of the programme which were mentioned in this paper were to increase the public’s engagement in culture and sport and assess its likely impact on their well-being (Walmsley, 2012: 332).

To evaluate organizations’ performance via models which are based only financial dimensions is not efficient to measure all the factors bearing critical importance. Emerging multi-dimensional models eliminate the deficiencies and insufficiencies of the traditional performance evaluation systems. Ağca and Tunçer (2006) focused to form balanced Scorecard of Özdilek Shopping Center based on BSC model (Ağca and Tunçer, 2006).

In order to move major sport events analysis, which includes complex aims and objectives, beyond simple economic impact studies, moreover to satisfy the needs of different partners the balanced scorecard methodology could be adopted (Gratton et al., 2006: 57).

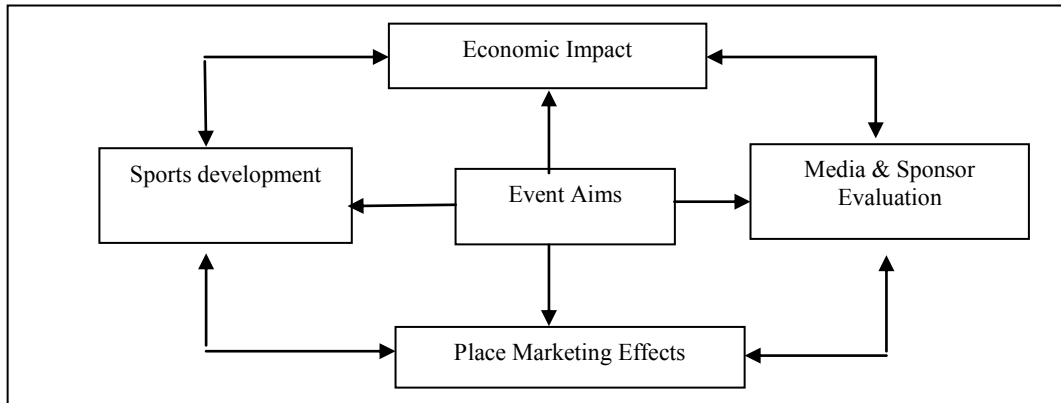


Figure 1: The ‘Balanced Scorecard’ approach to evaluating events (Gratton et al., 2006: 54).

With balance scorecard method, companies or institutions can evaluate their performance according to four components which are financial, customer perspectives, internal processes and learning and growth perspective.

*H1: Learning the dispersion state of these four components at the strategic plan of the Ministry of Youth and Sport*

### 3. Methodology

#### 3.1. Research Goal

In this survey, identifying the dispersion state of the balanced scorecard’s components at the strategic plan of the Ministry of Youth and Sport is aimed. To test the hypothesis, the first strategic plan of the Ministry will be analyzed. Ministry of Youth and Sport was established in 2011 and the first strategic plan covers the years between 2013 and 2017. This study aims to identify balanced scorecards purposes of dimension, to create strategic aims table and to evaluate the results.

The Ministry of Youth and Sports of Turkish Republic (*Türkiye Cumhuriyeti Gençlik ve Spor Bakanlığı*) is a governmental agency within the Cabinet of Turkey in charge of regulating activities related to sports and youth development in Turkish Republic. On June 29, 1938, the Directorate of

Physical Education was established. Following the 1969 general election, the Ministry of Youth and Sports was formed on November 3 for the first time. After the 1983 general election, the ministry was renamed National Education, Youth and Sports on December 14. The Ministry of Youth and Sports was re-established as an independent ministry on June 29, 2011. In the past, the governmental activities on youth and sports affairs were carried out by different governmental agencies subordinated to a state minister, who had also other responsibilities. Those organizations were brought together under the umbrella of the newly established ministry while the status of the provincial organizations were redefined in accordance with the alignment of the acquires for Accession of Turkey to the European Union (en.wikipedia.org, 11.03.2014). As a nonprofit organization the Ministry of Youth and Sports has been protected and restricted by government.

The broad mission of the Ministry of Youth and Sport is to determine interests, needs and problems of youth, by working with solution partners in coordination and collaboration to form supporting policies on individual, social and sportive arena; to devise, apply and support projects which are based on continuing education and development and thus to raise leader youth as an active member of social life, innovator, poised, sense of domestic and spiritual values and represent his/her country in the international arena (Strategic Plan, 2012).

The vision of the Ministry of Youth and Sport is to provide a reading, thinking, querying, self expressive, taking sport, art and science as lifestyle, open for improvement, respective for diversity, reformer, based on ethical values, participating in decision-making processes, evaluating sources effectively, environmentally sensitive, self-confidence, happy, healthy and strong youth for stronger tomorrow (Strategic Plan, 2012).

Statistical tests indicate that there is not always a fit between strategy and structure in institutions (Smith E, 2009:163). As a new established structure the Ministry Youth and Sport should be careful as defining its strategies.

### *Sample and Data Collection*

In this study it is aimed to evaluate the Ministry Youth and Sport's first strategic plan based on a multi-dimensional performance evaluating model "balanced scorecard". Using the mission, vision and strategic goals the balanced scorecard measure objectives are determined. Finally, the results are evaluated.

As defining and evaluating the strategic goals, what happened in 2012 is taken as references. So services and activities which will be made are taken into seven groups connected to the major service units. In these groups areas which can be improved are determined. Accordingly to this determination the areas are youth services, project and coordination, education, culture and research, sport services, foreign relations, development of the institutional capacity and consultancy.

Table 2. Objectives of Balanced Scorecard Measures

Measures	Objectives					
<b>Financial Measures</b>	To ensure processes will be realized effectively, economic and efficient					
<b>Customer Measures</b>	To make youth centers and youth camps suitable for use	To reach the number of young members of the youth center (including disadvantaged young people) to 500,000	To increase activities for young people at the rate of %200	To reach at least 30% of young people between the ages of 14-29	To carry out joint projects with public, private sector and civil society organizations	To ensure that athletes benefit from health services
<b>Internal Processes Measures</b>	To employ 150 recreation specialist and psychological counselling and guidance expert	To make prevention and information studies to prevent violence and bad habits	To increase brand awareness of activities at the rate of 100% using the media tools	To achieve internal and external stakeholders	To prepare national youth and sports policy document	To create a Ministry promotion system based on career and merit
					To increase the number of countries to 50% with whom new relations were established	To create a database and to set up internet radio
						To establish internal control system



### *3.2. Analyses and Results*

To evaluate the strategic plan of the Ministry of youth and Sport of Turkey which is the first strategic plan of this institution, document analysis has been made. The strategic plan and web site of the Ministry has been examined. The Ministry of Youth and Sport has created the strategic plan from seven themes and seventy strategic objectives.

In general the strategic plan is a comprehensive study, which includes almost all the elements of the broad mission and the vision. The strategic plan covers five years from 2013 to 2017. While this study is completing, it is the 15. Month of the strategic plan. Although it is indicated to open a web page in order to bring the volunteers together, has not happened yet. In the same area, one of other objectives was to set up an Internet radio. But also this objective has not happened till now.

### *4. Conclusion*

MacStravic (1999) believed that the balance scorecard could provide to readjust internal focus of operation and incentives to stockholders internally, strengthen the customer relations, promoted customer loyalty, and extended the value of the enterprise externally (Wu and Hung, 2007:775). Non-profit organizations participants are considered as customers, so to evaluate the performance of the Ministry of Youth and Sport via balanced scorecard is suitable.

In order to determine a framework for the strategic plan, the Ministry of Youth and Sport firstly has made SWOT (strengths-weaknesses-opportunities-threats) assessment.

Because of being not satisfying to taking part in sport events of the big young population of Turkey, the present status seems worrying. The most popular sports are football and basketball in Turkey. After determining the suitability of other sport branches, new sport facilities should be made (Kıyıcı and Konca, 2009:278). The strategic plan of the Ministry of Youth and Sport shows that the institution aims to define the lack of facilities in various sport branches. After defining the lack of facilities, the Ministry of Youth and Sport indicates to plan to improve existing facilities or to establish new facilities.

Since the Ministry of Youth and Sport is a nonprofit organization it is under no pressure to meet earnings targets. For a non-profit organization many times the traditional financial measures are not necessary (Delaney, 2008:9). In the same way there are almost no financial goals. However the Ministry Youth and Sport is a governmental organization, it should have financial measures to be efficient.

In the view of customer measures, the Ministry of Youth and Sport is focused on youth at cultural and sporting activities, especially to provide taking part of the youth in Turkey which has never been taking part in an activity till now. Thus an active youth will be shaped. The “consumer” perspective will focus on the youth as the customer. Still 20 youth projects are running.

The Learning and Growth measures include facilities, recruiting, academic support. the Ministry of Youth and Sport mentions at these themes in its objectives. Also a journal named “Journal of Youth Research” is publishing for one year.

The researcher had aimed to obtain data from the Ministry of Youth and Sport to make the study more comprehensive but the process of getting information via e-mail has taken a long time and it couldn't be ready up to the deadline. However generally mentioned the lack of management in the field

of sport, it can be told that this strategic plan has prepared by adhering to the principles of management. Also this is a promising situation for the field of sports management.

Sports federations and non-profit sport organizations can apply balanced scorecard implementation for better performance determination. So that, organizations may use these research results for their future strategic plans.

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