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| Title | How can sound strategic control and performance measurement be created in Russian and non-profit context? Fitting the Balanced Scorecard to the needs of non-profit organization active in Russia | | |
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Abstract

Since its creation in the beginning of 1990s the Balanced Scorecard (BSC) has become one of most popular and widely used management applications. The BSC is a tool, which tries to combine strategic control and performance measurement, which are known to have a strongly tied. Even though the BSC has been well studied, very little research has been done about the usage of the BSC in Russian and non-profit context. The aim of this research was to study how non-profit context and Russian national culture effect performance measurement and strategic control and build a fitting Balanced Scorecard to the case organization, a non-profit organization active in Russia, namely to the Nordic Council of Ministers Russian offices.

The theoretical frame of the study was built on the basis of levers of strategic control by Robert Simons, analysis of performance measurement as a phenomenon, the theory of the BSC and analysis of the effect of non-profit context and Russian national culture.

The primary data of this research was collected by interviewing 10 members of the case organization. The secondary data was collected by observing and document analysis. Data triangulation was seen as preferable to form a more complete picture of the studied phenomena. Qualitative approach was selected as study methodolgy, since the research was naturally limited to the case organization and as the research phenomena were known to be big, but research population small.

The non-profit context was noted challenging to the implementation of BSC since objectives, vision and strategy were found to be unclear with-in the case organization. Also the current measurement, which was internal, ad hoc and output based having no target levels, was seemingly challenging for BSC implementation. In addition the results of the organization's work were occurring in long term and were often of immeasurable nature, which further set challenges. In terms of Russian culture the power distance, the past-oriented and collective mindset of Russians and low knowledge share where found to be challenging for the method of BSC. In many ways the BSC can help solving the non-profit context challenges and when modified to fit organization's demands, no obstacles where found to use the model in non-profit context, even though there needs to be further development. In terms of Russian culture the model of BSC was refined to meet the challenges of Russian culture. In general though the small size and non-profit nature offered the solution to cultural challenges, which at the end enabled the implementation of BSC. For other organizations the model of BSC might need further development in Russian context, as some its assumptions can be argued to be against Russian national culture.

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| Key words | Balanced Scorecard, non-profit, Russia, strategic control, performance measurement |
| Further information | |