

UNIVERSITI TEKNOLOGI MARA

**BALANCED SCORECARD (BSC)
IMPLEMENTATION TOWARDS
VALUE CREATION
WITHIN A MALAYSIAN
GOVERNMENT-LINKED
COMPANY (GLC)**

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Thesis submitted in fulfilment
of the requirements for the degree of
Doctor of Philosophy

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

It has been noted that businesses seek to increase capability and improve performance using Balanced Scorecard. From a performance viewpoint, Balanced Scorecard has been widely advocated as a potential competitive management tool that contributes to firm performance, particularly in the Government-linked Company, the focus of this study. This is important because Government-linked Companies play a vital role in the Malaysian economic development and constantly responding to the changes following the environmental forces of globalization. A possible opportunity for advancement of Balanced Scorecard as a competitive management innovation tool is the potential contribution to create value for companies. Furthermore, the shift towards comprehensive value creation within BSC adoption and implementation is consistent with the recent developments in management accounting. However, studies which examine Balanced Scorecard adoption and implementation have often resulted in inconclusive results. Furthermore, it has been acknowledged that the successful adoption and implementation depends on the factors that facilitate or hinders (critical success factors). Yet, the studies are mainly conducted in the developed countries with little emphasis on developing countries. Little attempt also has been made in the literature to examine the diffusion of Balanced Scorecard at organisational level within Malaysian Government-linked Companies. In addition, the cumulative knowledge on the motives of adoption and implementation of innovations from the theoretical and practical perspectives is still lacking. These issues are examined using an exploratory and explanatory case study method on a Government-linked company in Malaysia to provide a holistic view of the adoption and implementation of BSC. Hence, the main objective of this study is to understand and explain the development of BSC and its practice within identified Government-linked Company utilising Rogers' (2003) theory of diffusion of innovation. The case study findings reveal that several environmental factors (external and internal) which include Government-linked Companies Transformation Programme, business environment, uncertainty towards reaction to the business environment and consultant's recommendations, the need to sustain competitive advantage, and a change in corporate level strategy motivated the BSC adoption. It is also able to identify contextual variables that seem to facilitate or hamper the adoption within the GLC. The case study also contributes knowledge about the stages of adoption within the GLC. The stages consist of acquiring knowledge of BSC concept through the guidelines in the Blue Book of the Government-linked Companies Transformation Programme. Additionally, findings from the study indicate that the case company went through agenda-setting; matching; redefining/restructuring; clarifying; and routinizing phases. This study also suggests that BSC implementation is not championed by the accountants, despite the recommendations made by professional accounting bodies. Finally, the results of this study provide additional insights into the impact of BSC implementation towards the creation of financial, social and environmental values within a Government-linked Company in Malaysia. Thus, this research provides an opportunity to the practitioners to gain a better understanding of how BSC could be leveraged to comprehensively enhance company's performance. For academicians, insights from this study will add to the body of knowledge particularly through the linkage of Rogers (2003) framework with BSC.

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