The Influence of Lateral Relations on Performance Management and Its Measurement: A Case Study

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Abstract

This study aims to explore the impact of lateral relations, particularly informal relationships, on the adoption of the Balanced Scorecard (BSC) in the General Board of Tourism (GBT) which is a public sector organization in the Kurdistan Region (KR). An explanatory approach and qualitative method, specifically case study, is utilized. For the data collection, semi-structured in-depth interviews were conducted with key members of the GBT, and content analysis was employed for the analysis. The findings reveal that the BSC is proposed as a strategic Performance Management and Measurement (PMM) tool in the GBT. The results suggest that lateral relations play a significant role in facilitating PMM processes. Although this study is limited to a single case study organization, but it offers practical implications by demonstrating how lateral relations influence the adoption of the BSC. Organizational policies that promote the use of informal (lateral) relations are recommended to enhance PMM processes. Finally, this research contributes to the literature by providing insights into the influence of lateral relations and their consequences in the context of BSC adoption.

Key words: strategy, PMM, BSC, lateral relations, public sector, Kurdistan Region

1. Introduction

The current development in the public sector resulted in adopting different approaches from the private sector. Managers in public organisations tend to balance the interest of broader openness with private sector effectiveness (Halachmi and Greiling, 2013). Therefore, performance management as one of these approaches became common in the language of the public sector organisations and the focus of their actions.

The success and/or failure of organisations are dependent on a number of reasons in which performance management and its designing is one of them. In this respect, the existence and designing of performance management system play a key role for organisations. Although, the way how to enhance performance management in the public sector is an arguable topic in the literature which requires further study specifically in developing countries. Therefore, this research paper studies different means of enhancing performance management and its designing in the public sector in particular the Kurdistan Region as a developing country. The focus is on the personal governance within the Business Process Governance (BPG) and specifically lateral relations (Kirchmer, 2005; 2015; Markus and Jacobson, 2015) as an effective way to assist in the adoption process of the BSC as a performance management and measurement tool.

This paper differs from prior research in the area as it studies the process of adopting the BSC and consequently to enhance performance in a public sector organisation. Further, the extent to which and how governance assists in the process. In particular, 'how governance influences the designing and adoption of the BSC in the organisation' is investigated in this research paper. It has been proven that the BSC in the recent years contributed to aid organisations to establish actions parallel to a value creating strategy (Moore, 2003). Further, it contributed to meet the stakeholder, customer and employee expectations, as well as to the internal processes, improvement of services and learning and innovation.

Literature revealed the benefits of the BSC in private sector organisations (Kaplan and Norton, 1993; 1996; Moore, 2003), public sector organisations (Nistor, 2008) and non-profit organisations (Moore, 2003). However, designing and adopting the BSC, as the aim of this research, is different from one country to another. Given the findings of this research, organisations in the KR as a developing country, neither have enough knowledge to properly implement their strategies according to the international standards nor capable to

adopt proper tools for strategy implementation. The BSC as one of the strategy implementation tools which is considered a cross-cutting business process (Markus and Jacobson, 2010). Any cross-cutting business process requires coordination and collaboration among relevant units which are usually poor in such contexts. Effective coordination and collaboration result in a successful implementation of the BSC otherwise, challenges emerge and affect the entire process in a negative way. In order to overcome these challenges, organisations seek for solutions in which one of the proposed solutions is lateral relations which is part of governance concept.

However, critical reviews in the literature reveal that there are some research gaps on the adoption of the BSC and about the role of the BSC on strategy implementation in the public sector. Further, the mechanisms which aid the adoption and use of the BSC in public sector organisations. Therefore, the purpose of this research is to analyse the extent to which the BSC is properly designed and adopted in the GBT and the extent to which the process is influenced by lateral relations.

The theoretical and practical perspectives of this research derive from the understanding of (1) the design and adoption of the BSC as part of the Management Control System (MCS) in a public sector organisation in an emerging region; and (2) the use of mechanisms, such as the lateral relations, and how it assisted in the design and adoption of the BSC.

The structure of this research is as follows; the next (second) section presents the literature review. The third section presents the research methodology and research design. The fourth section elaborates on the BSC design in the organisation. The fifth session presents a comprehensive discussion. The sixth and final section summarises the main conclusions drawn from the case study.

2. Review of the Literature

2.1 Performance management and BSC in public sector

Public sector, during the last decades, experienced two 'dominant paradigms' of new public management (Hood, 1991; 2004; Modell, 2009) and good governance (Common and Acevedo, 2006; Osborne, 2006). Both streams were trying to improve organisations through performance management systems. The systems enforced providing information which is more relevant, comparable and useful for decision-making processes within public sector

organisations. According to the literature, inaccuracies were noticed in contextual, conceptual and definitional approaching performance measurement and performance management. They were often used synonymously in the literature due to the close link between the two concepts. There are many definitions for performance management in the literature (Lebas, 1995) demonstrating that it includes a wide range of activities such as, planning, organising, coordinating, leading, controlling, staffing and motivating (Coste and Tiron-Tudor, 2015). Therefore, it demonstrates the perspective that performance management is the broader domain which includes performance measurement (Samsonowa, 2011). Lebas (1995) stated that management is not possible to exist without measurement. Accordingly, performance management is perceived more broadly as a management tool which aids to enhance the performance of the public sector through target setting but whose achieving remains uncertain (Radnor and McGuire, 2004). Whereas, performance measurement focusses on performance indicators and the measures used to assess how an organisation is performing. Though, performance management is used throughout this study.

Literature revealed that performance management in private sector is different than in the public sector and hence the latest reforms suggested significant changes to performance management in the latter sector (Vesty, 2004). One of the performance management tools adopted in the public sector is the BSC which is the focus of this study. BSC employment in the public sector requires necessary qualitative and quantitative changes in the sector (Niven, 2003). For instance, the extent to which it is adopted and what aids the process to be successful. Scholars discuss that managers, executives and employees in the public sector need a system able to measure the inputs and outputs (Niven, 2003; Vesty, 2004). Most importantly, to assist in reaching the organisation's mission. Evaluating performance and learning from the achieved results provides the opportunity to offer guidance how to achieve the mission (Niven, 2003).

The implications of the BSC in general and in the public sector in particular became a significant topic of discussion. Although, the empirical research on the tool is still not adequate (Dias Jordão and Casas Novas, 2013) and how the tool could be properly adopted in an organisation. Previous literature did not recognise the causal model between the perspectives and indicators (Ittner and Larcker, 2001) and that the systematised relationship created by the BSC are not considered causes but logical relationships (Norreklit, 2000). In this respect, Harvard Business School Review (2015) rated the BSC as one of the most

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influential tools for organisations. It suggested that new mandates for collaborative and transparent public sector which should cut costs, require a balanced performance evaluation tool. However, the concern is how to guarantee a smooth adoption and implementation of the BSC in a public sector organisation.

Previous research focused on the financial performance measures though less attention was paid to an effective performance measurement system (Goh, 2012; Brignall, 2008; Cavalluzzo and Ittner, 2004). In this respect, the emergence of the BSC in the private sector then in the public sector resulted in the popularity of performance management and measurement. Accordingly, strategic management system in the public sector became more important. In particular, strategies of the public sector are formulated using indicators to measure the extent to which strategies are realized (Greiling, 2006). It is evident that the difference between private and public sector's BSC is drawn from the fact that mission is placed at the top of the organisation's framework (Niven, 2008). The mission comprises organisation's customers and other non-financial perspectives. Therefore, achieving the mission of the organisation is not merely about the financial responsibilities but rather, who are the customers that the organisation must serve and how to meet their needs and requirements (Niven, 2008). Thus, the BSC is a suitable tool for public sector organisations due to the fact that it comprises three non-financial perspective and only on financial perspective.

Regardless of the widespread use of the BSC in the private sector, public sector organisations face challenges with the BSC implementation as they have not devoted ample time and effort to customise the tool to meet their needs (Fryer et. al., 2009; Schalm, 2008; Jarrar and Schiuma, 2007). Change (2006) critiques the BSC that it is used as an information system rather than a strategic performance management tool in the health sector. Further, the BSC implementation in the public sector encountered other challenges for instance, conflict between the organisational actors working on the BSC implementation (Ali, M. S., 2019).

On the other hand, Modell (2003) stated that the public sector organisations' failure to connect their performance indicators to the broader organisational goals does not signify a weakness, but it is a normal reaction to the need of the broad range of customers for information. Thus, the improved performance management for public managers requires proof of the success of the programmes (Callahan and Kloby, 2007). Stakeholders require

public sector organisations to be more efficient in serving customers as well as reducing overall costs and promoting performance.

2.2 Governance and lateral relations

Governance refers to direction, coordination and control (Rosemann and de Bruin, 2005; Markus and Jacobson, 2010). Governance is usually required when organisations or groups are entirely or partially autonomous of each other. Governance could be either impersonal (institutional) mechanisms or personal mechanisms. According to impersonal mechanisms, relationships between individuals and entities are arranged by laws, standards, regulations and contracts. While, personal mechanisms means that processes are directed, coordinated and controlled by individuals. Impersonal governance are always formal while personal could be formal or informal. The informal personal governance means that responsibilities are not explicitly assigned to individuals or organisations. Whereas, formal personal governance are different than informal personal governance which can be in the form of coordination units, standing committees, liaison roles or process organisations (Markus and Jacobson, 2010). The figure below depicts the relationship between governance and lateral relations.
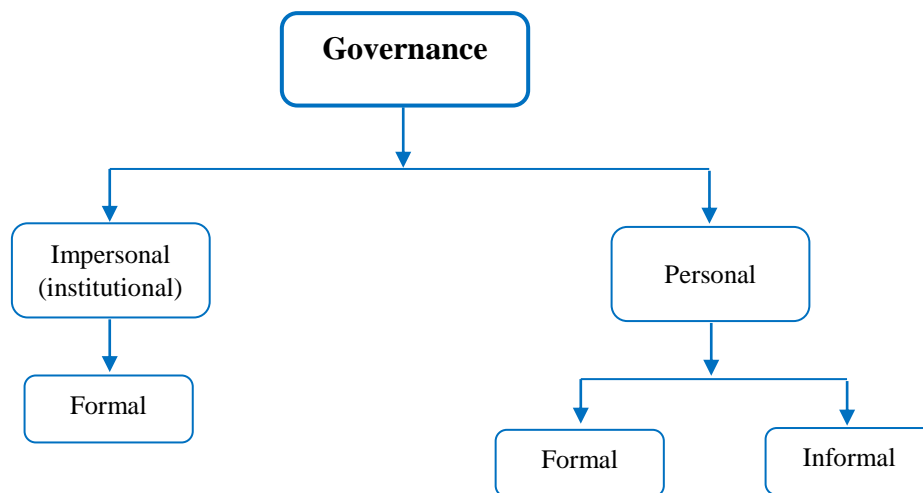

Figure 1: The relationship between Governance and Lateral Relations (designed by the researchers)

As shown in the above figure, lateral relations represent the informal personal governance which is the lower right section of governance concept. In the same context of governance,

lateral relations refer to the horizontal governance mechanisms at a lower level between peers (Markus and Jacobson, 2010). Lateral relations can be used to facilitate processes and decision making without referring problems up the hierarchy. Thus, managers are expected to contact and cooperate with peers in order to solve problems at their level (Galbraith, 1973; Van der Meer-Kooistra and Scapens, 2008). In addition to lateral relations there is the concept of lateral organisation which refers to the mechanism for decentralising general management to lower level managers in different organisational units which are closely related to the issue in hand. This is because they have necessary information to be considered as general managers for that particular issue (Van der Meer-Kooistra and Scapens, 2008; Galbraith, 1994). Horizontal organisation is a term used by Ostroff and Smith (1992) for lateral organisation. Lateral relations concept is necessary for BPG which may occur informally. Otherwise, they are explicitly set up and constitute formal organisational responsibilities. Within the informal governance spectrum, individuals in different units who are involved in a 'cross-cutting' business process possibly place a phone call, send emails, or call ad hoc meetings when they need to coordinate for a specific issue. The evident drawback for informal relations is that they are not certain to happen. This is because lateral relations are not explicitly assigned. Eventually, individuals are not accused for not doing a job as they did not liaise well informally (Markus and Jacobson, 2010). The focus of this research paper will be on lateral relations which will be used from now onwards.

Van der Meer-Kooistra and Scapens (2008) researched the nature of lateral relations and attempted to develop a framework to conceptualise and comprise 'the package' of practices to govern lateral relations. Whereas, drawn upon Galbraith (1994), Markus and Jacobson (2010) discussed how 'organizational structures' and 'management hierarchies' parallel each other. Further, the reason why lateral relations are required to govern across organizational units. In addition, how trade-offs always involved in BPG design. Where BPG 'is a set of guidelines focused on organizing all "business process management" activities and initiatives of an organization in order to manage all of its business processes' (Kirchmer, 2015, p. 92; see also Kirchmer 2005; Markus and Jacobson, 2015). While Markus and Jacobson (2010) define BPG as 'the direction, coordination, and control of individuals, groups, or organizations that are at least to some extent autonomous: that is, not directly subject to the same hierarchical authority' (2010, p. 201).

Reference to the abovementioned, this research paper investigates *how and the extent to which 'informal' lateral relations influence the BSC adoption and implementation in the GBT?*

3. Research methodology and research design

3.1 Research methodology, data collection and analysis

The research depended on a single case study method which was a government organisation namely the GBT of KR. The organisation is relatively small in size and hence other methods were used in order to collect as much data and information as possible. At the beginning of this research a preliminary survey was conducted across different organisations. The aim was to have an overview about the current status of KRG related to PMM, the BSC and the existing collaboration scheme. Afterwards, an interview guideline was developed for the next stage of the study. The stage involved semi-structured in-depth interviews with eight key members in the organisation who were intensively involved from the beginning until the end of the research and worked intensively on the implementation of the BSC. The last stage of data collection involved semi-structured interviews with 23 staff members. In addition to the team working on the BSC implementation, other staff members were interviewed who were users and/or implementers of the BSC. Interviews were conducted around specific themes of PMM and relations. The two stages of the interviews followed by a focus group consisted of eight participants. The first focus group lasted for 40 minutes while the second session took 1.5 hrs.

They were undertaken in person which were recorded, transcribed, and analysed using Atlas.ti software along with a constant comparison approach (Strauss and Corbin, 1990; 1998) for validity and credibility.

The collected data provided the researcher a clear insight into the current position of the organisation related to PMM and the existing forms of relations. In addition, different perspectives and views were revealed from the data which the interviewees held as they were from different levels of management.

3.2 The case organisation

The case organisation selected for this study is the GBT which is one of the public sector organisations in Kurdistan Regional Government (KRG). The GBT is functioning in KR since the establishment of the first Kurdish government in 1992 though, in different forms. It was either an independent ministry or an entity under a ministry. Most recently, in 2010 the Ministry of Municipalities and Tourism was established in which the GBT became under the umbrella of that ministry by a parliament law. By then, the allocated budget for tourism sector was around $13.6 million. The GBT set their strategy in 2013 in which their focus was on multiple axis for tourism sector development such as development of, tourism administrative structure; tourism products and sites; quality and its competitiveness; tourism brand strategy; tourism marketing strategy; infrastructure; the government role and support for tourism sector; environment impact and waste management; and modernisation of legislations, laws, and tourism regulations.

3.3 Adoption of the BSC in the organisation

As with any organisation, social and market forces demand better services, higher quality, and greater value for money. Therefore, the GBT tried to improve its operations through the implementation of their strategy. The organisation's early focus was only on the internal local expertise. So, they depended simple formats and templates for setting action plans at the beginning of the year and for performance evaluations at the end of the year. The collected information from the annual evaluations were mainly non-quantitative. These attempts proved to be insufficient to reach the desired objectives of the strategy.

The exerted efforts with the limited success enforced the GBT to adopt a tool or system for this purpose especially after they were awarded ISO 9001:2008 in October 2014. Thus, late 2014, they decided to adopt the BSC for their strategy implementation. This has been decided by the Board Management Council (BMC) which was chaired by the Head of the General Tourism (HGBT). Their perspective was to set specific Key Performance Indicators (KPIs) to enable them to quantify their performance evaluation. For this purpose, a task force was established at the strategy level. At the beginning of their establishment, the HGBT highlighted the importance of the BSC to the task force team, in particular relating to its importance to translate the strategy into actions and eventually achieve the optimal goal. The task force was led by the HGBT and consisted of the Director of Quality Management (DQM), Director of Information Technology (DIT), Director of Planning (DP), and a Staff

of Quality Management (SQM). The HGBT ensured that roles and responsibilities were properly assigned although they had to work as a team. The formation of the task force ensured well-organisation of the process from investigations to implementation through the persistent collaboration and communications. This was not assigned formally but the team members were employing informal communications and collaborations to facilitate the process and proceed forward. Due to all the lateral relations exercised by the task force members the BSC was introduced at the strategy level in one year only. However, the deployed software required more data in order to provide more accurate quantified results. The team realised that a successful BSC adoption requires cascading across the GBT to include the operation level, in addition to the strategy level, as they are involved in operations and are the main providers of the tourism services.

Afterwards, the BSC was introduced to the various General Directorates (GD) in different provinces. More intensive collaboration was required to ensure that the tool is well understood by organisational staff across the GDs. Along with the process of the BSC introduction and adoption, there was an essential need for more collaboration. As a result, the formal established relations were not always sufficient to continue. Therefore, informal relations were employed in various instances. In particular, between the different departments located in different provinces which made the collaboration and communication much more difficult. Therefore, this study, further, investigates whether these lateral relations (formal and informal) assisted in the progress of the BSC adoption or created complication along with the process.

3.4 Research design

This research covers a period of twenty four months starting from October 2014 until October 2016 in which the BSC was adopted in the GBT. This study uses qualitative data obtained from semi structured in-depth interviews (Bryman and Bell, 2015) with key members in the GBT who were involved in the process. Content analysis approach (Graneheim and Lundman, 2004; Elo and Kyngäs, 2008; Neuendorf, 2016) is used to analyse the interviews (Creswell, 2003). Given the positioning of this research in a single organisation along with the explanatory nature, the study has been conducted as a case study (Yin, 2014). The study was undertaken within the natural setting of the GBT as the case study organisation with the researcher having the objectives of obtaining findings that are useful and relevant to the organisation, organisational staff and the wider PMM practitioner

community (Neuman, 2013). The researcher had the advantage to have over ten years' experience in KRG organisations and is familiar with the system within the context. She also knew some of the staff in person which resulted in approaching the organisation easier and quicker. Her familiarity with the system enabled her to have a clearer understanding about the processes and the organisational staff' behaviour related to the adoption of the BSC. Further, she reflected on the relationship existed between herself and the GBT staff involved in this research study in order to understand the extent to which, if any, she affected the case under investigation. This type of relationship and the researcher's reflexivity on a situation is described by Rossman and Rallis (2003) as a central relationship to understanding the practice of the adopted qualitative research. Reflexivity is also explained as an automatic response made in reaction to an event or action (Rossman and Rallis, 2003).

3.5 Data collection and analysis

An initial survey was conducted to understand the status of PMM in the GBT, together with the existing relation aspects. The survey indicated that:

- There is no system/tool for strategy implementation and accordingly, no PMM was in place. For instance, one of the interviewees said,

There is no strategy across the government, but few organisations have their own short and mid-term plans […] organisations do not depend on a specific tool for strategy and plan implementation because there is no follow-up and evaluation.

- Collaboration and communication were not well-regulated and hence, it was undertaken in a relatively bureaucratic hierarchical manner. In this regard one of the interviewees said,

In the governmental organisations, we do not have a written document to regulate the communication structure which identifies the ways and channels how to communicate and collaborate between organisations. The only existing document is the organisational structure which is merely a figure.

- Managers of different units were not confident enough to collaborate in certain situation. In this respect an interviewee stated that,

Because few managers did not have enough knowledge about the BSC and could not organise proper reports, they were not able to submit their monthly or quarterly reports on

time. Some of them were not asking for more assistance due to their pride as they were considering themselves higher than the other (BSC team).

Using content analysis, the findings of the interviews were interpreted to inform the development of the BSC adoption along with the relation structure. The two different classifications of the findings are presented in table 1 below.

Content analysis by stages	
1. The BSC at the strategy level	
Findings made in the BSC process	- Decision was made to introduce the BSC at the main office of the GBT (the strategy level) - The first step of the process was to set action plan for each department - IT department to find system/tool options for strategy implementations - QM team to design a format for the action plan to ensure that all departments have a unified action plan including KPIs - Planning team to assist the QM team for setting the action plans for each department - QM team to design a format for performance assessments to be adopted by the planning team - Performance evaluation started to be undertaken on a monthly bases by the planning team
Findings made in relations	- Formation of task force which was chaired by the HGBT and membership of DQM, DIT, DP, a staff of QM, two staff of planning - Work instructions and procedures clearly defined the roles and responsibilities for each member (and his/her team) in which IT team were responsible to find few options for a proper tool/system. QM team were responsible to design a template to be utilised for

	setting action plan. Planning team were responsible to assist QM team to circulate the designed templated for action plan. - Meetings were continuously held among task force as well as with other departments and staff to introduce the BSC - HGBT persistently communicated all the relevant issues with the task force
2. The BSC at the operation level	
Findings made in the BSC process	- Decision was made to cascaded the BSC to include the GDs (as the service providers) in addition to the main office (strategy and operation levels) - After having the action plans set and departments started implementing them, the next step of the process required a focus on performance assessment - QM team modified the template for action plan and improved the KPIs - QM team re-designed a format for performance evaluation that the planning team adopts - Planning team undertook assessments on a quarterly basis - The BSC software was purchased to be utilised to quantify the departments' performance - IT team made the necessary arrangements for setting up the software and provide required assistance for launching it
Findings made in relations	- Formation of assessment team which was supervised by the DP and membership of three staff of planning department and a member from each GD - Roles were redesigned in which DP was the main responsible in this stage while the other departments provided support.

	- IT team communicated with the BSC Designer Company for the BSC software purchase
	- Meetings were continuous between the GBT with the other DGs' staff to facilitate the process and provide support
	- The communications were moving from the existing hierarchical structure pattern towards a horizontal type.
	- HGBT created direct links with staff in each DG through phone calls and social platforms

Table 1. Content analysis of organisational documents

4. The BSC Design

The purpose of the BSC was to enhance the organisation's performance through turning the GBT's strategy into actions and achieving the set goals. The adoption of the BSC went through two stages. First stage was at the strategy level while the second was at the operation level.

4.1 The BSC at the strategy level

4.1.1 Development of the process

The BSC was decided upon by the BMC which was based on the IT department investigations and searching options for an effective tool/system. The BSC was designed using two elements to consider, the action plan and the performance assessment. Although, at this stage, the action plan was the main focus to work on and develop. First of all, the HGBT provided an understanding of the BSC tool and its importance to the GBT and to the organisational staff. They followed a structured plan in which QM team to design a template to be utilised across the different departments in the GBT for setting the action plan. Although not formalised, but they provided training for all the departments how to prepare their action plan. As a mean of lateral relations, the planning team assisted in circulating the template so that the departments use a unified format. Further, the QM team were continuously informally collaborating and providing support to the departments for establishing their action plans. These lateral relations consisted of phone calls, emails, and

ad hoc meetings. This has remarkably assisted in mitigating the risk of misunderstanding the template and encountering a false adoption of the tool. Some departments did lend themselves well to the BSC from the start while other departments found difficulty in doing so. As for the other element, i.e., performance assessment, again, the QM team had to work on designing a format for the assessments and data collection. For this purpose, they collaborated with the planning team. When the format was in place, planning team had to schedule a work plan to conduct the performance assessments with each department individually. At this stage, the assessments were conducted on a monthly basis. The monthly assessments provided better understanding about the utilised standards and criteria. Further, it assisted in revising the action plan as well as the KPIs in order to quantify them. In the middle of the stage IT team had to investigate the BSC software and familiarise the other task force team members how to use it properly. The collaboration between the QM, planning and IT was not properly formalised and documents. Therefore, enormous lateral relations were practiced between these three departments in different forms. It was evident that lateral relations played a major role in a persistent BSC implementation.

4.1.2 Modelling the roles and responsibilities

The HGBT as the top person in the organisation had a key role in the process. Despite the fact that he had full power, he tended to discuss all the strategic issues in the BMC. While for the non-strategic decision, he tended to discuss with the relevant departments and members as he appreciated group decisions. To do so, he largely depended lateral relations to hold such communications with the task force and relevant departments. This has resulted in the fact that organisational members were more responsive to the BSC and they considered it a significant factor for their organisation. Further, the HGBT aimed that staff do a job satisfactorily rather than enforcing them to do it. He was convinced that this avoids the risk of an improper implementation of the task which would lower the level of performance and cause decoupling (Dillard et al., 2004; Hopper and Major, 2007). Therefore, he discussed with the task force team the roles and responsibilities and then he assigned them the tasks. This assignment was made verbally without having it documented or officially circulated. Accordingly, IT team had to investigate proper tools for their strategy implementation. QM team had to investigate the appropriateness of the tools to their organisation and design specific formats for setting action plans and conducting performance assessment. Finally, planning team to collaborate with QM team for the action plan setting by all departments. The communication and collaboration was again made

through lateral relations specifically phone calls, emails and ad hoc meetings. In addition, to undertake performance assessment and processing them with the trail version of the BSC software. It is worth mentioning that the HGBT was closely involved with the task force in order to ensure the process is persistent which is also a form of lateral relations.

4.1.3 Relations perspective

In terms of the relation aspect, it was revealed that there were both types of formal personal governance mechanisms and informal personal governance mechanisms. Related to the formal personal mechanisms, the formation of the task force was an evident form. The task force formation aimed at a robust foundation of the process. As a result, the team members were accountable for the responsibilities. Further, the liaison role assigned to the IT team to investigate a tool/system for strategy implementation and create contacts with specific companies, increased efficiency as they were expertise in the area. In addition, the role assigned to the planning team to collaborate with QM team and coordinate for the task executions is another example of formal personal mechanisms. On the other side, there were evidence of informal personal mechanisms such as the many ad hoc meetings between the task force team members whenever necessary. For example, the HGBT conducted many ad hoc meetings for a direct supervision. Phone calls were also considerably used between the HGBT and the task force members, as well as between the task force members and staff of other departments. In addition, emails were also employed whenever necessary but to a less extent. Figure 1 shows the lateral relations type in the organisation.
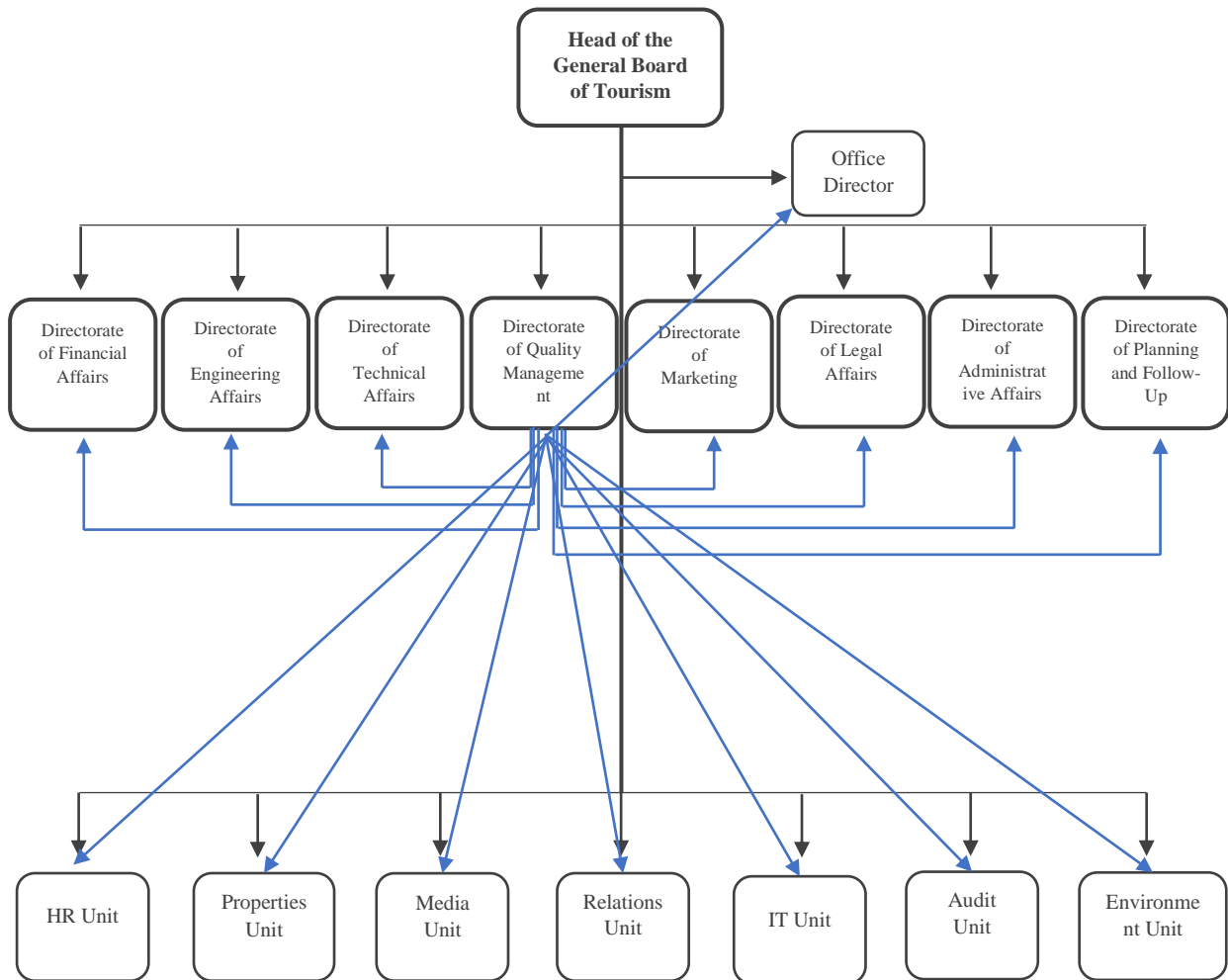
Figure 2: Lateral Relations at the Strategy Level (designed by the researchers)

4.2 The BSC at the operation level

4.2.1 Development of the process

According to the decision made in the first stage, the BSC was cascaded to include the operation level in addition to the strategy level. As the range was broadened, all the task force team had to deliver the information to the other departments at the operation level considering the lessons learned. The action plan format had to go into further modifications to include more features. In particular, the KPIs had to be specified more in order to enable a more accurate measurement. Further orientation sessions and meeting were conducted to provide more support to the GDs in the provinces. In three month time all the departments across the GBT had their action plans finalised. This was mainly facilitated by the GBT's team to provide support and assistance to the other GDs at the operation level. All these

facilities are considered lateral relations. Although, the departments started implementing the action plans at the beginning of the stage. Thus, the process required an assessment to revise their performance and collect data into the BSC software. Hence, planning team conducted performance assessment across the GBT in which a team consisted of members from both strategy and operation levels (a member from each GD). The assessments revealed that there was still weak understanding of the tool by the operation level. Hence, more support and facilitations were necessary. Again, lateral relations were employed to provide more one-to-one and group meetings. Related to IT department, they had to work on the BSC software and provide support to the staff to manage it. Throughout the process, the HGBT was persistently involved to provide support whenever required.

4.2.2 Modelling the roles and responsibilities

Reference to the previous stage in which the BSC was introduced at the strategy level, task force continued to operate but with some modifications to the roles and responsibilities. For instance, QM team were required to involve more intensively in the process to introduce the action plan format and provide support to the DGs staff. The progress has also required QM team to modify the assessment format to align with the action plan and the BSC software. Once the action plan format was finalised, the planning team, once again, took the lead following up with the other departments. Related to performance assessments, they were scheduled to be conducted on a quarterly basis. This process encountered challenges as the GDs were located in different provinces. So, to handle the meetings, relevant members had to travel to the capital city, Erbil, to undertake the meetings and submit the necessary evidence and documents[1]. On the other hand, IT team were assigned the responsibility to purchase the BSC Designer software to utilise for performance evaluation. This software was necessary to produce accurate quantified results in return to their performance. Some of the departments scored very low which put them in an embarrassing situation. Consequently, a sense of competition was created among peers which led them to work harder aiming to improve their performance for the following quarterly assessment. It is significant to mention that the integration of the BSC with the assigned roles and responsibilities would provide a robust design and improved strategy approach to the GBT.

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[1] KRG does not apply e-government, thus, procedures tend to be more manually than digitally.

4.2.3 Relations perspective

As this stage included both levels of strategy and operation, more organisational actors were involved. Normally, this creates further challenges in terms of communications and relations. However, compared to the previous stage, the relation structure experienced a slight change. Data revealed that more informal personal governance mechanisms were employed. For instance, regardless of the hierarchical structure, the HGBT created flatter communication channels with the GD staff via social applications, phone calls and ad hoc meetings in which agreement was made verbally at the BMC level. As a result, departments at lower levels in the strategy and operation bodies started to communicate easier than before. This pattern of lateral relations enabled the lower-level staff to communicate directly and more easily with the GBT. It was more efficient than following the bureaucratic style of management and communicating according to the existing hierarchical structure. Although, at the strategy level the informal personal mechanisms continued as the previous stage. Related to the formal personal mechanisms, a team was formed for the performance assessments to undertake the assessments on a quarterly basis. Each member of the task force as well as directors of planning from each GD were assigned specific roles for setting their action plan and responsibilities towards the assessment team. The directors of planning in the GDs were responsible to liaise with the other departments in their respective provinces to collect data with supporting documents and evidence so that they compile them before the quarterly assessments. The structure of lateral relations is shown in figure 2 below.
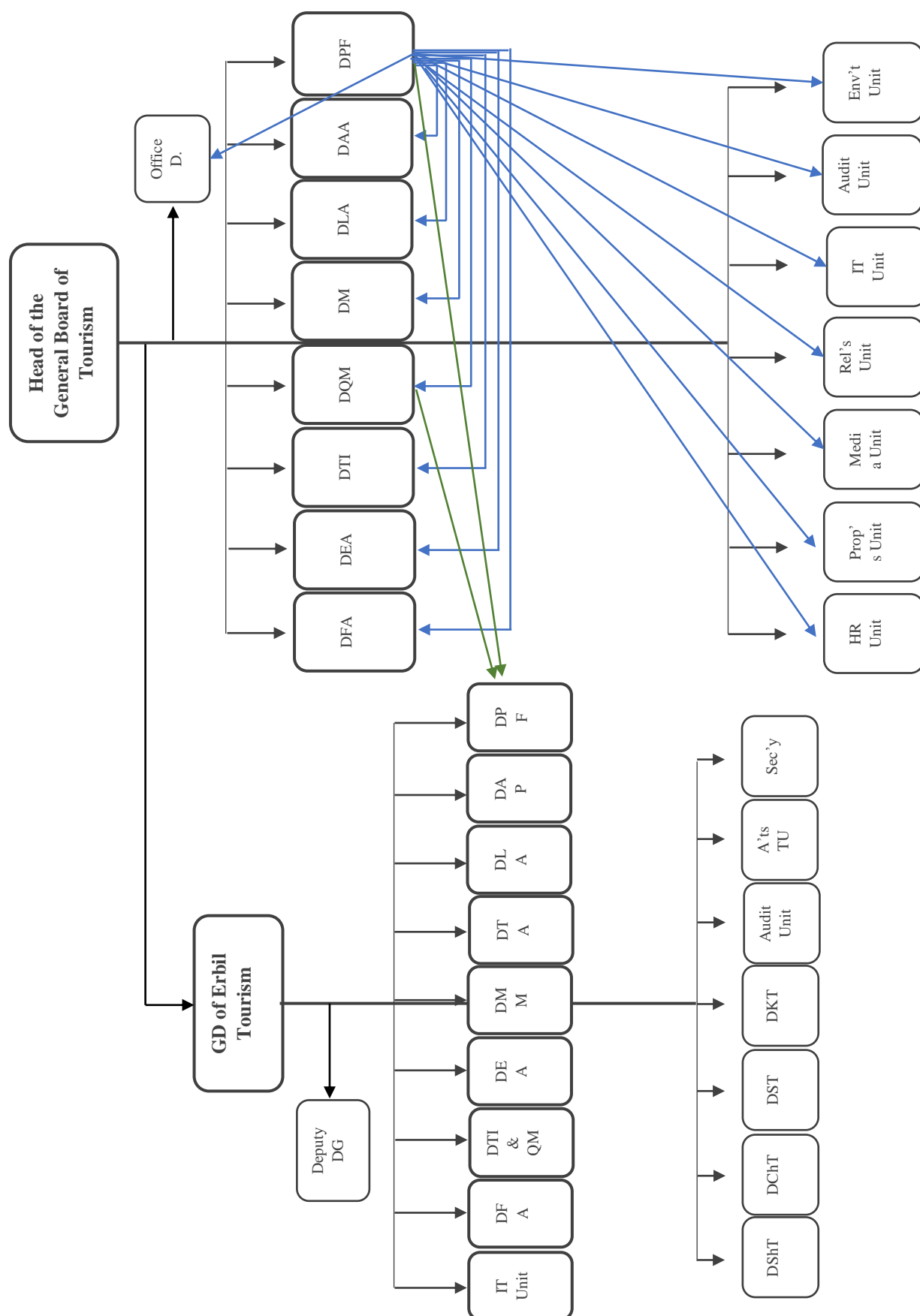
Figure 3: Lateral Relations at the Strategy and Operation Levels (designed by the researchers)

Figure 2 shows the lateral relations inside the GBT (the strategy level) as well as with the operation level in which the department of planning in each GD had direct contact with the planning and QM departments in the GBT. It is worth mentioning that the planning department in the GDs were following similar structures for communications and collaborations within their organisations. However, these structures were not highlighted in the figure because the focus of this research study is on the GBT. Further, for simplicity, the figure only shows the GD of Erbil Tourism in which the same applies to the other GDs of Sulaymaniyah, Duhok and Garmiyan Tourism.

5. Discussion

Data from the content analysis (Graneheim and Lundman, 2004; Elo and Kyngäs, 2008; Neuendorf, 2016) of the interviews provided insights to the adoption process of the BSC (Kaplan and Norton, 1993; 1996) and the lateral relations (Van der Meer-Kooistra and Scapens, 2008) perspective as part of governance (Kirchmer, 2005; Osborne, 2006; Markus and Jacobson, 2010; 2015). Building on the content analysis, a number of interviews provided insights into the existing views and interpretations of the adoption process along with the roles and responsibilities assigned to the task force members. It further provided insights to the lateral relations in which formal personal governance mechanisms and informal personal governance mechanisms (Kirchmer, 2005; 2015) were observed.

The formal structure of the relationship in the GBT was important in dealing with uncertainty surrounding the BSC implementation. Thus, the departments had to depend flexibility to respond to environmental developments occurred throughout the process (Van der Meer-Kooistra and Scapens, 2008). In such instances, if the departments experience a highly structured relationship, it could not be easy for them to use their knowledge and experience in order to respond to the environmental changes within the organisation. Therefore, the departments and organisational actors need flexibility as well as room for manoeuvre (Van der Meer-Kooistra and Scapens, 2008; Das and Teng, 2001).

Das, T.K., Teng, B.-S., 2001. Trust, control, and risk in strategic alliances: an integrated framework. Organization Studies 22 (2), 251–283.

Accordingly, this research assisted in clarifying and creating the case and setting some of the characteristics to the organisation's new PMM tool (Lebas, 1995; Radnor and McGuire, 2004; Samsonowa, 2011; Sutheewasinnon et al., 2016) at both strategy and operation levels. It further assisted in providing the comprehension how to operationalise the BSC tool.

In general, it was found that the roles and responsibilities throughout the process of the BSC implementation are defined to some extent. The findings revealed that both the QM and planning team were taking the lead and had more responsibilities than the other members. At the first stage while introducing the BSC at the strategy level, QM team took the lead. In this respect the DQM said, "we had to ensure that each directorate and unit understand the importance of the BSC and to have them learn how to prepare their action plans based on certain criteria". Whereas the planning team were leading at the second stage after the decision was made to cascade the BSC across the GBT to include the operations level. The DP said,

Our team were very supportive to communicate and discuss with each department and individual how to improve their documents which were required to be submitted for review and evaluation by the evaluation team established in the GBT.

The process of the BSC adoption was accompanied with lateral relations both formal personal governance mechanisms (such as rules, standards, and regulations) and informal personal governance mechanisms (such as phone calls, ad hoc meetings and emails) (Kirchmer, 2005; 2015). It was revealed that the formal personal governance was not enough to have the process continue. Thus, informal personal governance mechanisms, i.e., lateral relations, were deployed in situations where collaboration and decision making were required at lower level. The lateral relations in the form of phone calls, ad hoc meetings and emails helped in improving efficiency along the process by avoiding the bureaucratic hierarchical structures of communications and adopting a flatter structure at lower levels. It also resulted in a quicker and smoother day-to-day activities which helped in mitigating the risk of bringing the process to an end. It is worth mentioning that the HGBT's support and empowerment of his staff made this possible as the responsible of follow up and BSC said,

I heard of the BSC for the first time from the HGBT who was very supportive and was always delegating tasks to staff as well as giving them adequate power to do their tasks properly.

The HGBT's professional perspective to delegate tasks to staff, giving them responsibility, and delegating sufficient power were significant factors that the employees recognised and appreciated.

It was concluded that the BSC as a PMM tool is necessary to be adopted across the GBT at strategy and operation levels. Roles and responsibilities were considerable factors of the BSC adoption process which ensured persistence on the process. For the findings of this research to be deployed effectively, (1) the GBT should fully adopt and endorse the BSC and deploy it as the organisation's PMM practice, and (2) the lateral relations should always be in place in order to overcome the challenges throughout the process and to aid in a quicker and soother implementation of the BSC. Successful deployment of the BSC requires persistence along the process, regular assessments, designing a motivation perspective, effective collaboration, efficient task delegation, and good leadership. Whereas employing lateral relations to overcome the challenges accompany the formal relations, requires having the same morale and attitude.

6. Concluding remarks

Organisations worldwide tend to change the way they operate because pressures increase continuously to improve performance and cope with the modern tools and techniques. The BSC has been considered one of the best tools which helps an effective implementation of strategy and performance measurement, however, results sometimes fall short of expectations. Thus, in response to this issue, research studies have investigated the BSC implementation in order to form the knowledge base and assist public and private organisations with a more effective process of performance management. Although, despite active research in (1) the BSC implementation and its role in the public sector organisation's performance and (2) governance in general and formal relations, in particular, limited information exists in the literature on how to build a robust foundation for the BSC adoption in public sector organisations, and the effective role of lateral relations to processes. Through the adoption of the GBT as a public sector organisation in KR as an emerging country, this research has particularly addressed this issue and therefore, contributed to the academic literature. In particular, it revealed the effective role of lateral relations in processes such as the BSC implementation process. For instance, the findings revealed the significant role of phone calls, ad hoc meetings, and emails to the success of the BSC implementation in the GBT. This means that formal structures, rules, and

mechanisms are not always enough to have processes go on but sometimes organisations and their actors should go beyond that and find alternative ways to have any goal achieved. One of the methods to adopt in such circumstances is flexibility. This research further introduced a new emerging area, KR, which has not been investigated before in terms of PMM. In practice, organisations are advised to value the role of lateral relations and provide a certain level of freedom to their staff to communicate at a less formal level I order to achieve their objectives and have tasks properly done on time.

Related to the limitation of this study, it is recognised that the findings may not be generalisable to other organisations due to two reasons. First reason is that the research focus was on one organisation only. While the second is that it is not possible to decide upon the success of the BSC establishment because it requires longer time to reflect on the results. Consequently, the BSC design and adoption in organisations should be investigated more with attention to longer time periods. Further, the reasons why organisational actors tend to use lateral relations along with the formal relations is not explicit, thus, providing opportunity for future research.

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