

The Relationship Between Cultural Factors and Balanced Scorecard Implementation

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Abstract

This study tried to determine the implementation of Balanced Scorecard system rate and to examine the relationship between cultural factors and BSC adoption and implementation in Jordanian companies. A questionnaire survey was used to collect data on the cultural factors meant supposed to motivate the implementation of BSC in Jordanian industrial sector. The findings revealed that BSC implementation in the context of Jordanian Industrial Sector is approximately 25.3% measured according to the number of implementers companies within Jordanian Industrial Sector. In order to test hypotheses Logistic regression used in the current study. The findings in this study reveals that Outcome Orientation and Team orientation don't have significant influence on the implementation of BSC among industrial companies in Jordan, whereas the data analysis shows that, Innovation and Attention to Detail have significant relationship on BSC implementation, Therefore hypotheses H1 and H2 are rejected, whereas hypotheses H3, and H4 are accepted. This study show the extent of BSC within the Jordanian Companies, Most previous studies focused only on the implementation of BSC in western developed countries. This study contributes to the further development of knowledge in management accounting and provides a basis for further research in Jordan and other Middle East developing countries. To our knowledge, this is the first study conducted on Jordanian companies on the subject. Our contribution to this field of research is broader and it would help facilitate the implementation of appropriate management tools in the Jordanian companies. This research could also give some business leads for the implementation of BSC. However, Cultural factors play a significant role in determining the success or failure of BSC implementations. So, the companies must take these factors into account before, during and after BSC implementation, and it must adjust its expectations regarding the results to be attained and the speed at which they are realized to produce better benefit to the company.

Key Words: *Balanced Scorecard (BSC), Cultural Factors, Implementers, Industrial Sector, Jordan.*

Introduction

The twenty first century brought about significant changes that challenged managers all over the globe. Owing to these changes, economic fluctuations in the economically interdependent countries of the world, the considerable computer use, and a dynamic global business market resulted. The situation is such that skilled managers face a complex business market place rife with both opportunities and risks, where in effective business decisions can be made, interpersonal relations can be enhanced and societal obligations