EVALUATION OF FAILURE BALANCED SCORECARD AND ADVANTAGES OF OBJECTIVES AND KEY RESULTS AS A STRATEGIC CONTROL SYSTEM: CASE STUDY ON THE ABC FOUNDATION

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DOI: https://doi.org/10.21107/pamator.v16i3.21321

Abstract

An organization needs a strategic control system to keep tabs on how well its long-term goals are being met. The Balanced Scorecard (BSC) is a widely adopted strategic control system with a high rate of unsuccessful implementation. OKRs, on the other hand, seem like a strategic control system with several benefits. The purpose of this research is to learn more about the factors that lead to BSC failure and the benefits of OKRs as a strategic control system. Case study analysis and other forms of qualitative research were used to compile these results. This investigation focuses on the ABC Foundation, a non-profit organization that used BSC from 2010 to 2018 before switching to OKRs. Lack of senior management commitment, insufficient BSC team capabilities, and the fact that BSC is underutilized in SMEs were all identified as causes of BSC failure in this research. OKRs are advantageous because they are simple to comprehend, promote participation from all team members, and have shorter cycles to promote flexibility and openness to change.

Keywords: balanced, scorecard, key results, abc foundation

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INTRODUCTION

An organization's level of success in implementing its strategy may be gauged with the use of a strategic control system. When it comes to strategic control systems, Balanced Scorecard (BSC) is among the most well-known and all-encompassing options. The ABC Foundation is a philanthropic group focused on bettering society via education and human resource development; it employs BSC to meet its long-term objectives and boost its finances and effectiveness. From 2010 till now, it has been used by the ABC foundation.
The BSC failed to have the desired impact of improving the economy. The ABC Foundation's finances have had several ups and downs throughout the years, as can be seen in Table 1.

**Table 1. Financial Performance of the ABC Foundation for 2012-2018**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donasi</td>
<td>3,663,909,328</td>
<td>2,498,432,254</td>
<td>5,171,480,781</td>
<td>5,332,433,198</td>
<td>6,662,368,506</td>
<td>7,286,287,059</td>
<td>9,599,567,783</td>
</tr>
<tr>
<td>Perubahan Aset Bersh</td>
<td>1,785,149,312</td>
<td>617,790,778</td>
<td>144,015,681</td>
<td>-77%</td>
<td>359,362,865</td>
<td>150%</td>
<td></td>
</tr>
<tr>
<td>Kas dari kegiatan operasi</td>
<td>2,142,229,819</td>
<td>1,274,295,721</td>
<td>633,856,684</td>
<td>-50%</td>
<td>748,636,962</td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed by the Author from the ABC Foundation Financial Statements

Donation revenue fell by -32% in 2013 and by -4% in 2016, as shown in Table 1. Reductions of -65%, -77%, and -56% in net assets and -41%, 50%, and 85% in cash flow from operational operations were seen in 2013–2016–2017. If a company continues to deal with a precarious financial condition, it will be unable to implement the programs necessary to realize its vision and purpose. Although BSC is widely accepted as a reliable strategic control system, it is not always implemented properly. Although many businesses have embraced BSC, many have struggled to implement the idea. There is clearly a steep learning curve associated with implementing BSCs, as over 70% of such projects have failed.1

The BSC idea has shown a lot of promise in major corporations, but it has to be approached with care in smaller businesses because of their fundamentally different nature. In Small and Medium-Sized Businesses (SMEs), because UKM often implements new strategies, BSC is underutilized. Because of this, a majority of SMEs experience BSC failure. There are several studies on the benefits of BSC for big companies, but much less is known about its implementation and limits in small and medium-sized enterprises (SMEs). This study aimed to address that void by examining the causes and consequences of BSC non-implementation in a small and medium-sized enterprise. Therefore, the purpose of this research is to identify the factors that contribute to the BSC's demise as a strategic control mechanism.

The ABC Foundation switched from using the Balanced Scorecard to the Objective and Key Results (OKRs) method for strategic management. To boost its financial performance and expand its capacity for program development, the ABC Foundation required a new strategic control system that could serve as a diagnostic and interactive control system in regulating and communicating strategy efficiently. OKRs are an easy-to-implement tool for regulating organizational rhythms and generating alignment via

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performance monitoring. The purpose of OKRs is to keep everyone on the same page and working toward the same goals at all times.

Rapid changes in the organizational environment demand the development of new organizational characteristics, such as flexibility or expertise to quickly respond to changes in technology, competition and customer preferences/stakeholders. In general, system OKRs are established, tracked, and re-evaluated every three months. In a global context, there are more than 1,000 international organizations that have implemented the OKRs system, ranging from SMEs to well-known large companies such as Google, LinkedIn, Intel, Zynga, Sears, Oracle, Twitter, Adobe, Amazon, Facebook, Microsoft, Netflix and Samsung.

This study aims to evaluate the conditions that cause the failure of the BSC and the advantages of OKRs as a Strategic Control System (SPS) at the ABC Foundation.

While OKRs have been shown to be superior over BSCs in terms of both interactive and diagnostic SPS in the ABC Foundation, the scope of this study is confined to scenarios under which the BSC fails. A look back at the BSC and OKRs eras (2010-2019 and 2019-2020). Nopadol Rompho has done some prior study on this topic, and it's titled “Why the Balanced Scorecard Fails in SMEs: A Case Study”.

The research found that one reason why the Balanced Scorecard fails to be implemented in SMEs is the frequent changes in strategy. In addition, The Challenges of Implementing Balanced Scorecard (Bsc) in Public Sector: in the Case of B/G/R/S, Some Selected Bureaus by Geneti, Abebe Gurie. The research indicates that upper-level management is not fully invested in the company's work culture. The breakdown of BSC implementation may be attributed to issues with communication and cascade.

Charoenlarpkul also conducted a study on the SG Group of Companies, titled A Proposed Employee Development Program from Objectives and Key Results. Organizational leadership was shown to have the greatest impact on productivity and morale, according to the data. However, qualitative evidence from interviews indicated that every component of the OKRs idea significantly impacted both productivity and morale. Different study objects were utilized in each of the prior studies, but a number of the findings about the variables contributing to the failure of BSC implementation were

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4 Rompho.


6 Charoenlarpkul and Tantasanee.
consistent across investigations. Based on the aforementioned studies, we will evaluate the drawbacks of the BSC and the benefits of the OKRs systems.

RESEARCH METHODS

This final report makes use of the case study approach and descriptive qualitative writing style. This approach will describe a variable in detail over several examples, all of which will be geared toward solving the formulated issue. Several devices were used to aid in the data gathering processes for this investigation. To begin, the published studies. The purpose of this research is to collect secondary data on organizational SPS from sources like businesses and publications, focusing on methodologies like BSC, OKRs, papers pertaining to organizational and strategic control systems, and studies from the scientific literature. The second is doing experiments in the real world. Research is conducted on actual research items that can help in getting a bird's eye perspective of things. Information gathered via talking to people. We conducted interviews to get insight into the situations that lead to flaws and failure factors in BSC implementation, as well as the benefits of OKRs. The following is a list of recommended readings that may help you address the issues brought up in the problem formulation.

Table 1. List of Sources

<table>
<thead>
<tr>
<th>No</th>
<th>Source person</th>
<th>To answer questions on the research element</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>dir. Executive</td>
<td>1. Conditions that cause failure of BSC as SPS</td>
<td>A1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Conditions that cause advantages of OKRs as SPS</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>dir. HR and General</td>
<td>1. Conditions that cause failure of BSC as SPS</td>
<td>A2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Conditions that cause advantages of OKRs as SPS</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Development SPV</td>
<td>2. Conditions that cause advantages of OKRs as SPS</td>
<td>B1</td>
</tr>
<tr>
<td>4</td>
<td>HR and General Staff</td>
<td>2. Conditions that cause advantages of OKRs as SPS</td>
<td>C1</td>
</tr>
</tbody>
</table>

The ABC Foundation's Executive Director and HR & General Director will field inquiries on the causes of the BSC's demise and the benefits of using OKRs as SPS. The
SPV Development and HR & General teams, on the other hand, solely addressed concerns about the BSC's demise and the benefits of OKRs as SPS. This was done because they had insufficient information about the BSC's implementation at the ABC Foundation due to their lack of involvement during its first rollout.

Table 2. List of Interview Questions

<table>
<thead>
<tr>
<th>1.</th>
<th>Conditions that cause BSC Failure as SPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Transition Failure</td>
</tr>
<tr>
<td>a.</td>
<td>Has there been a new management change and disapproved of BSC implementation in the foundation?</td>
</tr>
<tr>
<td>1.2</td>
<td>BSC Design Failure</td>
</tr>
<tr>
<td>a.</td>
<td>Does the specified BSC perspective cover all aspects and activities of the organization?</td>
</tr>
<tr>
<td>1.3</td>
<td>BSC Process Failure</td>
</tr>
<tr>
<td>a.</td>
<td>Is senior management commitment lacking in Organizational BSC implementation?</td>
</tr>
<tr>
<td>b.</td>
<td>Does the BSC Team have sufficient skills in Organizational BSC implementation?</td>
</tr>
<tr>
<td>c.</td>
<td>Is the low level of individual involvement in BSC implementation a factor in the failure of BSC implementation?</td>
</tr>
<tr>
<td>d.</td>
<td>Is the BSC Foundation determination taking too long?</td>
</tr>
<tr>
<td>e.</td>
<td>Does the Organization employ inexperienced consultants to assist in the BSC implementation process?</td>
</tr>
<tr>
<td>f.</td>
<td>Apart from the factors mentioned above, are there other factors that cause the failure of the BSC in the ABC Foundation?</td>
</tr>
<tr>
<td>1.4</td>
<td>BSC essay</td>
</tr>
<tr>
<td>a.</td>
<td>Is BSC appropriate to be used as a control system for small and medium organizations such as the ABC Foundation?</td>
</tr>
</tbody>
</table>
b. Does the hierarchical top-down BSC formulation system cause problems in the interaction between top management and operational staff, thereby hindering the achievement of organizational goals?

c. Are there any weaknesses in the BSC System in monitoring competition and technological developments due to the lack of interaction processes?

2. Factors that cause OKRs to excel as SPS

2.1 Advantages of OKRs

a. Is the system easy to understand in implementation?

b. Is the process of establishing OKRs shorter to foster agility and change readiness?

c. Do OKRs encourage organizations to focus on important things in achieving organizational goals?

d. Do OKRs promote alignment across organizational functions?

e. Do OKRs encourage individual involvement in achieving organizational goals?

f. Do OKRs encourage individual organizations to give their best thoughts in achieving organizational goals?

g. Are there any advantages of the OKRs system compared to the BSC other than those mentioned above?

Literature in the field of control systems is employed for this purpose. According to Miles and Huberman, qualitative analysis includes gathering, reducing, displaying, and verifying information gleaned through interviews. Transcripts of the interviews were taken. The field data is substantial, intricate, and sophisticated. Because of this, data analysis through data reduction is required. The process of data reduction involves summarizing, selecting the most important aspects, and searching for recurring patterns.

After data is filtered, it must be presented. Data from qualitative studies may be presented in a number of ways, including tables, charts, and explanations of connections.

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between variables. Narrative text is the standard format for presenting results from previously conducted qualitative research.

According to Miles and Huberman, the next stage in analyzing qualitative data is developing conclusions and verifying those findings. In qualitative studies, the final result is always an original discovery. A discovery may take the shape of a description or description of a previously ambiguous item that, upon closer inspection, reveals its true nature. The factors that contributed to the BSC's failure and the benefits of OKRs as SPS at the ABC Foundation may be determined by qualitative and quantitative data analysis.

RESULTS AND DISCUSSION

The Balanced Scorecard (BSC) was created by Kaplan and Norton to standardize performance evaluations across four distinct dimensions: financial, customer, internal business process, and development. There is a causal connection between the four factors, which is a hallmark of the BSC-based measuring method.

Beginning with the notion that financial outcomes can only be accomplished if the targeted consumers are happy, the BSC framework describes how the strategy of connecting intangible assets with the value creation process. The customer value proposition outlines the steps necessary to attract and retain a certain group of consumers. A customer value proposition is developed and delivered via internal procedures. The learning and development viewpoint pinpoints a company's most valuable intangible assets. Value creation relies on a targeted and internally consistent strategy that ensures goals are aligned within these four viewpoints.

The BSC serves as a diagnostic control system, documenting financial goals, evaluated markets, underperforming processes, and qualified personnel. Variance information may be used as feedback to adjust inputs or processes to better align with company objectives, but the lengthy BSC cycle might make this difficult to do. Users of the BSC typically face a difficult decision-making process when trying to balance competing interests. Strategic statements are sometimes phrased in a way that makes them difficult to grasp, and this is a common difficulty. There is no participation from workers at the operational level in the development of measures or in their distribution to teams and individuals. This leads to issues during implementation, such as communication breakdowns between upper management and frontline workers. In order for the BSC to properly operate as an interactive control system, managers must arrange in-person meetings with staff to review data, assumptions, and action plans, and to answer issues prompted by new data.

Despite widespread support for the BSC framework, its implementation has proven challenging for many businesses. However, the rising complexity of models is a major concern voiced by businesses. Experts' adoption of ever-more-complicated methods has led many businesses to believe that the BSC is too difficult to implement company-

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This goes against the grain of what is required of a good interactive control system, which is that it be straightforward and simple to use. Organizations will have a hard time making changes and improvements within this complicated structure.

Niven elaborates on the reasoning for this connection with regards to NGOs. The BSC for NGOs has four interrelated views, each with its own set of connections. The defining feature is the consumer's viewpoint, which stands above all others.11

Community support for organizations is growing thanks to the public's viewpoint. ForTo do this, businesses need to create internally-focused procedures that are both creative and efficient. Organizations require strong capacities to realize new internal processes. From a learning and development standpoint, it is believed that more training may boost organizational capacities. Adequate funding is required to carry out training. Non-profits rely on charitable contributions from the public for their operating budgets, thus raising more money boils down to attracting more givers.

These four views allow the company to regularly control, monitor, and assess the strategy's efficacy. In this approach, the BSC can help the organization realize its goals. Kaplan and Norton described instances of BSC implementation failure and grouped the causes of these failures into three broad groups:12

1. Transition Failure.
   Cases when BSC implementation fails because of transitional difficulties include when a company has a change in leadership and that leadership refuses to adopt the model. The ABC Foundation did not have a failed transfer. Both A1 and A2 acknowledged that there was no change in ABC Foundation management throughout the BSC implementation period that would have prevented the success of the BSC. The (J/A1/1.1a, J/A2/1.1a)

2. BSC Design Failure
   Some businesses fail because they construct a poorly functioning BSC. Consider a company that uses just a few of measurements for each viewpoint. Some have too many metrics while missing the most essential ones. When companies and shared service units are not in sync with the bigger picture, that's another recipe for disaster. If different departments use different approaches to building the BSC, the company as a whole won't be working toward the same objectives. There was no design failure at the ABC Foundation since the BSC had been adequately prepared and the BSC viewpoint that had been defined encompassed all areas and activities of the organization in light of its requirements, strategies, and objectives. Sources A1 and A2 have verified this. A pair of J/A1/1.2a documents


Process failure is the most common cause of BSC failure namely:


11 niven.

12 Kaplan and Norton.
a. Lack of senior management commitment

There are a number of factors that need the backing of upper management. The first step is for top executives to define the direction the company will take. Kaplan and Norton found that the vast majority of middle managers know nothing about strategic planning for their company. As a result, the BSC cannot be built with input from the middle management team who are responsible for capturing the organization's strategy. The second is that top-level leaders are required to make the tough calls and concessions that are necessary to any successful plan. To choose target consumers and market categories and to establish the value proposition that will attract, keep, and deepen relationships with target customers, senior management cannot abdicate these responsibilities to the middle management task force. Because of a lack of information or authority, the middle management team is unable to design BSC for the business unit.

The strategic hypotheses of a corporation may be defined by its objectives and metrics on its balanced scorecard (BSC), as well as the cause-and-effect links shown on its strategy map. The BSC as a means of strategic communication and the management processes that are strategy-focused are strengthened via these gatherings. This level of support from upper management seems to be both required and adequate for achievement.

The ABC Foundation's inability to successfully implement the BSC is at least partially attributable to a lack of top management commitment to monitoring and evaluation. According to A1's explanation and A2's confirmation (J/A2/1.3a), management commitment was lacking until late in the BSC implementation process.

"Yes, it's only a commitment at the beginning, but in monitoring and evaluation like the start of implementing the BSC..., because management doesn't monitor it intensely, staff are also not motivated to maintain this BSC system." (J/A1/1.3a)

In order for the organization's BSC to be successfully implemented, senior management buy-in is required not only during the creation of the BSC, but also in monitoring and assessing the BSC. The success of BSC is threatened by a lack of support from upper management.

Since BSC is a sophisticated system, yet BSC knowledge is learned by self-teaching rather than by employing experienced consultants, as indicated by resource person A1 and verified by resource person A2 (J/A2/1.3b), the inexperience of the BSC Team was a contributing factor to the failure of the BSC implementation at the ABC Foundation.

"No, because we know what the ideal is like and we know what went yesterday like, so I can say it's not good, yesterday we had knowledge at the beginning not from a consultant, so we were self-taught." (J/A1/1.3b)

In order for a BSC to serve as an efficient diagnostic control system and interactive control system, thorough familiarity with the system is essential.

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13 Kaplan and Norton.

14 Gurie.
b. Too few individual organizations involved.

In certain organizations, a key member of the senior leadership team, such as the CFO or CPO, establishes their own business strategy council (BSC). The lone CEO makes two assumptions rather than directing the team's approach to produce the BSC. To begin, there are already too many meetings scheduled for the senior leadership team, who are dealing with too many projects at once. It will be challenging to add another round of meetings to this team in order to develop BSC. Executives at the highest levels of a business might develop their own BSC by using their expertise in analysis and strategic planning.

One reason BSC hasn't taken off at the ABC Foundation is because individual groups haven't gotten on board. According to replies A1 and A2, below, individual engagement is limited since the BSC is only prepared and understood by the highest level of the company.

"Yes, because only the top leadership level understands and is involved from start to finish, socialization is also lacking, so participation is also lacking." (J/A1/1.3c)

"Yes, for BSC, yes, it's still top down and there's rarely any feedback from below." (J/A2/1.3c)

As was seen above, the sole element of management involved in BSC planning is that of the company itself. It's likely that many workers are unaware of the goals and objectives of their organization. More people inside the company need to be involved in BSC for it to be successful. Everyone in the company should be on board with the plan and helping to put it into action.

c. Keeping BSC at the top level

Having just the top executives involved is the polar opposite of having no executives at all involved. Effective BSC requires that it be disseminated to all employees. Everyone in the company should be on board with the plan and helping to put it into action. The distributed BSC gives a framework for launching projects and encourages staff to understand more about the company's overall strategy. Businesses who don't implement BSC across the board are losing out on opportunities for growth in these areas. In most companies, strategy isn't seen as a core function.

d. BSC development process is too long

The pursuit of perfection in BSC production is a contributing factor to its eventual demise. According to Kaplan and Norton, many businesses spend months collecting reliable data for each BSC metric. There has been no usage of the BSC in management meetings in the eighteen months since it was first introduced. Imperfect measurements are the foundation of the most effective BSC systems. Up to a third of the procedures may be unavailable during the first few months. However, the BSC is still included into the management system by being used as an agenda for reviewing and allocating resources.

15 Kaplan and Norton.
The BSC evolves into a dynamic resource. Even without concrete information, discussions about objectives and next steps continue. The size of a user's BSC may increase with practice and familiarity. The organization's learning will inform periodic adjustments to its aims, methods, and data-gathering procedures.

As described by resource person A1 and A2, the development process takes a long time; in the instance of the ABC Foundation, the determination of the BSC was carried out for one month and was highly time-consuming and energy-intensive, but not implementable and only lasted 2 to 3 months. (J/A2/1.3b)

"Yes, we have a month, yes it is quite draining of time and energy too. This means that a month is long in the sense that the energy released, the time spent making it, when it's finished, is not very implementable, so we are tired of making it and the implementation is weak... Sometimes this BSC only lasts for the first 2-3 months. (J/A1/1.3s)

Instead than waiting for the BSC to be flawless before making changes, the BSC should be seen as a living document that is constantly enhanced. Despite much planning and effort, the implementation of the organization's BSC has stalled owing to a lack of dedication to monitoring and assessment.

e. Hiring an inexperienced consultant

When businesses need help adopting the BSC, they turn to a wide variety of consulting firms for advice. When asked about their measuring methods or information systems, consultants typically just label them as "BSC" instead. Using a junior consultant who presents their pet approach under the BSC banner is a certain way to be burned.

Studies conducted in 25 different countries and involving 103 different businesses were particularly helpful in pinpointing the reasons why BSC implementations have failed. Three primary criteria were identified based on the findings. 

Consultants are not used in the ABC Foundation's BSC implementation, and BSC expertise is acquired by self-study. According to confirmation from informants A1 and A2 (J/A1/1.3e & J/A2/1.3e), the consultant's participation in the BSC implementation process is unnecessary in the instance of PT ABC. Because the BSC is a complicated SPS, the ABC Foundation would benefit greatly from having a consultant with experience providing BSC assistance and best practices while creating their own BSC.

Dominant variables are those that have a high likelihood of having a significant impact on the success of the BSC's implementation. The dedication of executives and senior managers, the BSC team, and the identification of suitable BSC perspectives are the primary determinants of the success or failure of the BSC's implementation. There are three main elements, and they are:

1. Executive support and commitment

   Without buy-in from upper management, it's impossible to complete a project successfully. For BSC adoption to succeed, managers must make it a top priority.

In addition, their dedication and support must continue through the BSC's inception and facilitation stages and into the project's final stages of execution. They need to show their dedication to the project by participating in each phase.

2. Form a skilled BSC team
   The BSC team is essential to the program's growth and execution. In order to successfully complete BSC initiatives, upper management must first select the most capable employees, form them into cross-functional teams, then give those teams significant autonomy. The BSC group has to be able to get information, process it, and then relay the results to others. The BSC group has to be aware of the strategic concerns facing the company.

3. Identify an adequate BSC perspective
   Successful BSC deployment relies heavily on identifying relevant BSC views. It has been shown that the four lenses proposed by Kaplan and Norton are applicable to the vast majority of businesses and sectors. The four viewpoints mentioned above, however, should be revisited as a guide. As a result, a business strategy center's (BSC) point of view should reflect the needs of strategy execution and the development of a sustainable competitive advantage.

Financial outcomes are far more favorable for businesses that adopt organized management procedures that center on monitoring performance and objectives. The probability of a company's financial success rises once it introduces an OKRs program. Some of OKRs' more compelling benefits are outlined here.

1. OKRs are easy to understand.
   The OKRs framework's simplicity is a major selling point. Basically, it boils down to just two words: Key Results and Objectives. Employees who are being bombarded with a company's goal, vision, core values, and key performance indicators may get even more confused by the jargon-filled approaches of other performance management and strategy execution methods. When OKRs are implemented properly, however, employees at all levels of an organization may hone their predictive abilities, ensure that the company's founder or CEO is included in all major decisions even when they are not there, and improve their capacity to say "no" to unnecessary tasks. The OKRs method provides a straightforward framework for defining and monitoring organizational objectives and providing feedback on progress toward those objectives.

   When OKRs are put into place at the ABC Foundation, benefits such as those presented by B1 and C1 below, as well as confirmation from A1 and A2, will be realized. (J/A1/2.1a),(J/A2./2.1a)
   “The OKRs system is quite easy and simple too. And we use the Ally system, a tool that is easy to understand because all administrators are involved in these OKRs…” (J/B1/2.1a)
   "In my personal opinion, this is very easy to understand, starting from the framework, then from the flow, and the ongoing implementation process. So with the existing OKRs it is very easy to achieve the targets that have been set." (J/C1/2.1a)

   With a good understanding of organizational goals, each individual will be encouraged to contribute in achieving the goals that have been set. An important
difference from OKRs is their focus on inclusiveness which reflects a mix of top-down and bottom-up goal setting.  

OKRs may be used to get more people involved in the organization's strategic objectives, such as getting more people to talk to resource persons A1, B1, and C1, as stressed by resource person A2. (J/A2/2.1.e)

"Yes, because each individual is given space to participate, from the start we ensured that each individual was involved." (J/A1/2.1e)

"Each field has objectives as the goals we will achieve and we have initiatives, and these initiatives are given to each individual in that field. Because of that, individual involvement is needed and individuals have their own targets." (J/B1/2.1e)

"Of course, all administrators must be involved in the OKRs project. So they will be involved in OKRs. With the involvement of each individual, organizational OKRs will be easier to achieve because everyone has their own Key Results. (J/C1/3e)

The following sources demonstrate how the OKRs concept may inspire team members to work together toward common objectives. The level of contribution an employee makes toward company objectives is a good indicator of that person's success.

2. Shorter processes foster agility and change readiness.

Goals in OKR are often established every three months. Setting priorities on a regular basis is crucial. In order to keep up with the ever-increasing rate of change both within and outside of a company, it is essential that all relevant data be collected, evaluated, and turned into actionable insights. If the company just sets yearly objectives, this becomes very difficult to achieve. Individuals are inspired to grow as learners and take initiative by reviewing OKRs on a quarterly basis and keeping tabs on the business and its environment. This will put the company in a better position to weather the inevitable winds of change and upheaval.

OKRs allow the ABC Foundation to make strategic adjustments quickly if necessary because of the quicker process of decision and review, as described by responders A1, B1, and C1 below.

"Based on our experience, setting OKRs takes about 1 month, the difference is with BSC, in the same time setting, BSC is more complex, less agile because it is top down, whereas with OKRs it is very dynamic in preparation and implementation during these 2 years we have used many new strategies." (J/A1/2.1b)

"Yes, we determine the work meeting per quarter, so almost every quarter we have changes for improvement from the previous quarter. So that OKRs are more agile.." (J/B1/2.1b)

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17 Niven.
There, setting OKRs is quarterly, every quarter we plan what OKRs to achieve” because of the short timeframe, this requires agility from each administrator on how to achieve these OKRs optimally. (J/C1/2.1b)

Shortening the time it takes to make decisions and assess results will make it simpler for the company to see whether its strategy is producing the desired results.

3. OKRs focus on what matters most.

In order to use OKRs effectively, businesses must identify and focus on their most critical objectives. OKRs are a tool for sharing the organization's strategy and the metrics by which it will evaluate its performance. A management or executive must decide between many options that can all be described with a simple yes or no. Organizations that effectively employ OKRs get an advantage in two ways: they gain clarity about what they should prioritize, and they gain the means to reject projects that aren't in line with their objectives.

OKRs is a technique that helps businesses zero in on possible factors that will help them achieve their objectives. Sources A1, A2, B1, and C1 below attest to this.

"Yes, it's automatic because it forces the organization to determine what the main objective is and then later to achieve that objective what is the key result." (J/A1/2.1c)

“Yes, that was earlier, OKRs are simpler, focused, what you want to achieve in three months, can be directed there. So we focus on solving the problem and what innovations we want to implement." (J/A2/2.1c)

“That's right.... Makes us focus on achieving our goals earlier and must have initiative on how to achieve the targets that have been set.” (J/B1/2.1c)

"This is of course very optimal with these OKRs, where every organization has important focuses that need concentration to achieve them. So this can be achieved with these OKRs”(J/C1/2.1c)

From the explanation above, it shows that OKRs function well as Diagnostic control system.

f. Transparency drives alignment across functions.

Programs that use OKRs effectively function on several levels: Objectives and key outcomes are executed at the corporate level, the department or business unit level, and the person level. OKRs at each tier are not restricted to the concerns of that tier alone while composing them. Well-developed OKRs, on the other hand, will have crucial objectives and outcomes that promote teamwork. OKRs work best when everyone in the company has access to the same data and can contribute comments and suggestions on the OKRs set by others. This openness promotes cooperation and harmony in carrying out the plan.
The OKRs methodology acknowledges both vertical alignment (also known as cascading down) and horizontal alignment (also known as crossing silos) to implement organizational strategy.

OKRs were used at the ABC Foundation to foster alignment across organizational activities, leading to the gradual resolution of various difficulties that required multi-sectoral action, such as those detailed in presentations A1, A2, B1, and C1 below.

"Yes, so the axis is in management and meeting with the captain, we hold a meeting once a week, that's where we do the synchronization." (N/A1/2.1s)

"Several issues that have developed here have actually been rooted in the past, but because they are resolved they need to be cross-sectoral with the OKRs system being resolved little by little. The easiest example is the donor database. This donor database is cross-sectoral between the finance section, the fundraising section, and the coaching section, because for the SP program, donors get the progress of SP participants from the SPV." (N/A2/2.1s)

"The main core of the foundation is its development. And fundraising is one of the subs that encourages the training activities of the participants to run well. That is supported by the fundraising that we collect from donors. So interdependence between fields. (J/B1/3s)

"Yes, in one OKRs it does not only consist of one division but also some which consist of several divisions, either from HR, the business sector, in the beneficial sector, they are made into one group to achieve certain goals and of course this will be more optimal and the productivity will be higher." (J/C1/2.1d)

Most tasks in businesses need collaboration across diverse teams in order to find solutions to issues or develop new sources of value. This demonstrates the usefulness of OKRs as a kind of interactive control.

**g. OKRs encourage engagement.**

OKRs are not a framework in which higher-level units and departments are expected to impose their will on lower-level units and departments. Their emphasis on diversity and inclusion is a key distinction from OKRs. Top-down and bottom-up approaches to goal formulation will likely coexist, with people's input shaping the final product. Everyone gets a chance to have input on the tasks that will be assigned to them. As a consequence, employees will be more invested in their work, and employers will be able to see that their investment has paid off by having them move forward in the firm.

**h. OKR encourages visionary thinking.**

OKRs that are just carbon copies of the current system are doomed to failure and will most likely turn off brilliant workers in search of deeper motivation. OKRs are designed to foster growth by encouraging teams to reevaluate their approach to achieving organizational objectives. When using OKRs, employees at the ABC Foundation are prompted to consider other strategies for reaching goals that have so far proven unsuccessful. In addition, people may contribute input to foster an innovative culture
inside their own organizations via measures like the introduction of resource people A1, A2, B1, and C1.

"Yes, because when the Objectives and Key Results have been set it doesn’t automatically succeed, on the way the achievements are continuously monitored every week, meaning that like it or not we have to think about other ways to achieve this target, we continue to look for ways when the target has not been reached." (J/A1/2.1f)

"Yes, it was a matter of aspirations or feedback, because OKRs stop-down and bottom-up, each individual has a sense of belonging to innovation. If the BSC is top down, it must be passed down from the director, while in OKRs individuals can help set targets and strategies, so they have a sense of ownership of those objectives and targets." (J/A2/3f)

"Here, usually before the plenary enters the new quarter, the HR usually makes something like a questionnaire which contains two parts, the first is about how the process of running the system that was previously carried out, input is given, are there any improvements that need to be made. The second is for the next quarter, are there any suggestions or input in the next quarter. This is filled out to all administrators. (J/B1/2.1f)

"Usually before the new quarter plenary session is held, we will be given a gform or Bottom-Up Aspiration System to accommodate all the aspirations of the board to be carried out in the following quarter. And usually the OKRs that appear in the next quarter are based on the aspirations that have been given by the management to what the organization will be like in the future (J/C1/2.1f)

CONCLUSION

This study evaluates the failure of BSC implementation and the advantages of OKRs based on criteria derived from the strategic control system literature. BSC failure factors, and lack of BSC. This data suggests that problems with the implementation process and a lack of BSC are to blame. BSC failure cannot be attributed to a failure in the transition or in the BSC’s design. This status implies that the BSC will fail even if it has been adequately prepared since it will lack the support of a good process.

There are four main reasons why BSC development projects fail: (i) insufficient support from upper management; (ii) insufficient expertise among BSC team members;

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(iii) insufficient participation from individual firms; and (iv) insufficient time. ABC Foundation's failed BSC implementation can be traced back to a number of factors, including (i) the BSC's ineffectiveness in small and medium-sized organizations and (ii) the formulation of a hierarchical top-down BSC’s impedance of the bottom-up interactions necessary for effective implementation. (iii) the BSC is unable to keep up with competition and technical changes due to a lack of bottom-up input; (iv) the BSC in non-profit organizations is different from BSC in profit companies, thus adjustments are necessary, which are extremely difficult to apply.

In this research, the benefits of OKRs are used as criteria to determine the OKRs' relative excellence. OKRs are beneficial in process and design because they meet these characteristics. With these benefits, OKRs as SPS will be better equipped to help enterprises monitor and communicate their strategy by acting as a diagnostic and interactive control system.

OKRs outperform the ABC Foundation in the process dimension because (i) they're simple to understand and put into practice, (ii) they promote the participation of individual organizations, (iii) they foster agility and change readiness through shorter processes, (iv) they encourage visionary thinking, and (v) they become a means of people development. The ABC Foundation is a medium-sized organization, and achieving process excellence will facilitate the adoption of OKRs as the organization's SPS. Meanwhile, the ABC Foundation will benefit by adopting OKRs as SPS because (i)OKRs zero in on what really matters, (ii)OKRs promote alignment across organizational functions, and (iii)OKRs don't need any adjustments for non-profits.

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