ASIAN JOURNAL OF ACCOUNTING PERSPECTIVES

DOI: 10.22452/AJAP.vol15no2.4
Vol. 15, No. 2, p. 66-80
30 August 2022

A CONCEPTUAL FRAMEWORK OF SUSTAINABILITY BALANCED SCORECARD TO ENHANCE THE PERFORMANCE OF SHARED SERVICE CENTRE

AGHA SHADAB ALI[1,*]
RUHANITA MAELAH[2]
MUFEED AHMED MEERANI[3]
MOHD. DAN JANTAN[4]

Received: 21 November 2021 / Revised: 13 December 2021 / Accepted: 6 August 2022

ABSTRACT

Research aim: The paper aims to propose a conceptual framework of a sustainability balanced scorecard that communicates the requisite of SSCs along with aggregation of the three dimensions of Triple Bottom Line (People, Planet, and Prosperity) and four perspectives of the Balanced Scorecard (Financial, Customer, Internal Business, and Innovation and Learning) to the assess appropriate performance indicators and sustainability approach on the management dashboard at SSC.
Design/ Methodology/ Approach: This conceptual study is based on a review of prior literature on sustainable performance management in SSCs and in-depth interviews with SSC executives to assess the performance indicators for enhancing corporate sustainability.
Research finding: The proposed research framework is a combination of several perspectives of BSC and facets of TBL such as customer, internal business innovation and learning, economy, environment, and social.
Theoretical contribution/ Originality: The paper proposed a conceptual framework of sustainable performance management at the organisational level, especially in the shared service industry that can also be applied for future academic research.
Practitioner/ Policy implication: The proposed framework may generate new insights for the policymakers and practitioners to guide the practices to strategically refine for effective management dashboards in the shared service industry.
Keywords: Balanced Scorecard (BSC), Performance Management, Shared Service Centre (SSC), Sustainability, Sustainability Balanced Scorecard (SBSC)
Type of article: Conceptual paper
JEL Classification: M14, M21

1. Introduction

The concept of organisational performance is believed to be the most imperative in the management literature (Martin-Rojas, Garcia-Morales, & Gonzalez-Alvarez, 2019). Performance management plays an essential role in the contemporary competitive world to optimize productivity in all areas. Business organisations are able to sustain themselves in the market by effectively managing their resources while emphasizing productivity (Rostam, 2019). Performance

[1] Department of Faculty of Business, Information and Human Sciences, Infrastructure University Kuala Lumpur, Malaysia.
[2] School of Accounting, Faculty of Economics and Management, Universiti Kebangsaan Malaysia, Malaysia.
[3] Shanghai Knowsports Athlete Goods Co., Ltd 200041, China.
[4] Faculty of Business, Information and Human Sciences, Infrastructure University Kuala Lumpur, Malaysia.
A. S. Ali aghashadabali@yahoo.com, R. Maelah ruhanita@ukm.edu.my, M. A. Meerani meerani@knowsports.cn, M. D. Jantan djantan@iukl.edu.my
* Corresponding Author

management is noted with practices and an assessment of the benchmark in respect of efficacy and productivity (Neely, 2002). The success of the company's performance articulates the outcomes of the practices and efforts to achieve the objectives (Hammer & Champy, 1993; Henri, 2004). Performance management signifies the company's competency to achieve its goals such as cost-effectiveness, productive financial outcomes, market share, high-value products, satisfying the needs of the customers, sustainability, and implementation of appropriate approaches along with strategies and practices (Sawalha, 2013). According to Kim (2020), organisational performance is generally classified into financial and non-financial perspectives, to the level at which the company can be able to achieve its objectives. The company's performance articulates the goals of measurement and competence to accept the evolving trend of finances. The research mentioned above referred to the classification of effective performance management into financial performance, specifying the profitability and non-financial performance, which interpret the level of the expansion and growth in the business.

Generally, a Balanced Scorecard (BSC) is the most applicable approach to performance management, widely used by practitioners and rated by the researcher. Since its invention, the BSC framework has achieved a high level of recognition and is known as a prominent performance management method. According to Abubakar, Mustapha, Ayoup, and Anuforo (2019), BSC enhances the performance and strategic plan, resulting in significant improvement in the organisation's overall performance. It has evolved from performance measurement to performance management to the use of financial and non-financial measures for strategic alignment. Essentially, it enables the performance management and the balance among the four perspectives that stimulate the organisation to determine the present and future performance. Hristov and Chirico (2019) emphasized that the implementation of BSC delivers benefits to the decision-makers and the development of the organisation. Similarly, as noted by Rafiq, Zhang, Yuan, Naz, and Maqbool (2020) BSC is strategically connected with the organisation to identify performance and sustainability.

According to Fatima and Elbanna (2020), most of the studies have concentrated on understanding and implementation of the BSC in different organisations and industries, with a slightly lesser focus on understanding the larger-scale aspects of the execution of the BSC and its effect on the industry level. Their study also mentioned that many researchers provide evidence that practitioners have implemented the BSC extensively. However, a small number of the studies have shown traits of the BSC in the existing literature. Fatima and Elbanna (2020) further highlighted the lagging perspectives of the BSC, which directly and indirectly accelerate the improvement of the performance in a different measurement system, from the financial, environmental, and social perspectives. This leads to the concept of the Sustainability Balanced Scorecard (SBSC). The gap coupled with the growth of the shared service industry became the motivation for this study to incorporate the concept of sustainability and BSC as the basis for performance management in shared service centres (SSCs). The shared service industry is performing a significant role Malaysia's economic growth. This modern incline of the business is growing rapidly due to cost-saving and productivity gains. Malaysia ranked as the most favourable leading location and for the companies to set up the function of the SSC in the last decade.

Amiruddin et al. (2013) highlighted the performance risk in the SSC concerned with unsatisfactory services, which can be mitigated through the appropriate key performance indicators and service level agreements (SLA). In parallel, Shahar, Mohd Satar, and Abu Bakar (2019) pointed out the challenges of the SSC from the perspective of efficiency. It is an inappropriate measurement approach in the traditional performance technique, where measurements are solely the financial and operational aspects. The growing companies could adopt the characteristics of the mature well-known companies to prove successful (Dudic, Dudic, Gregus, Novackova, & Djakovic, 2020). Barjaktarović, Stefanović, and Đukanović (2017) stressed the challenge in SSC related to applying the strategy in accordance with vision and sustainability. Deloitte (2020) further noted that sustainability is the top agenda in the shared service industry for the shareholders, impacting the entire functions of the company. The concept of sustainable development was explained in 1987 by the United Nations (UN) report "Our Common Future" (Brundtland Commission report), which describes sustainability management as the design, execution, and assessment of the environmental and social-economic balance in relation to the actions and decisions (Elkington, 1998; Dunphy, Benveniste, & Griffiths, 2000; Laszlo, 2003; Stead & Stead, 2008; Bell & Morse, 2012).

The corporate sustainability of the firm articulates the balanced development of the various dimensions. Triple Bottom Line (TBL) theory plays a prominent role in illustrating the evaluation of multidimensional performance (Sukkar, 2017). Furthermore, this develops one of the critical strategic paradigms for sustainable organisational performance measurement (Hubbard, 2009). Based on previous research, recurring challenges, and issues in the shared service industry from the perspective of performance, efficiency, and sustainability affect the current and upcoming SSCs (Amiruddin et al., 2013; Đukanović, 2017; Shahar et al., 2019; Deloitte, 2020). The area of the SSC is underdeveloped in terms of performance management with the selection of the appropriate performance indicator on the dashboard. Since 2013, a few studies on the performance management aspect have been extensively reviewed (Chang, Kuo, & Wu, 2013; Marciniak, 2013). Bondarouk (2014) mentioned that the concept of SSC has been discussed by many authors, however, research has started exploring the purposes and the implementation processes of the SSC since the 2000s.

Numerous authors have characteristically mentioned the main potential benefits of the SSC. Such as cost-saving, economies of scale, improvement in service quality, client-supplier relationship, information leverage, and company performance (Swagerman & Steenis, 1998; Kleinfeld, Kronau, & Holtje, 2005; Schulz, Janssen, & Brenner, 2010; Godse, 2012; Marciniak, 2012; Yao, Hu, Huang, & Hu, 2012; Fadhil et al., 2016; Yee, 2019). Despite the adoption of the shared service model widely, the subject area is still in its early stage and academically limited (Schulz, Hochstein, Ubernickel, & Brenner, 2009; Lakshmi, Sricharan, & Vijayakumar, 2020). Hence, there is an opportunity in the emerging industry for the research focused on the performance measurement and enhancement of sustainability strategy for sustainable performance systems. The main purpose of the study is therefore to develop a conceptual framework of a sustainability balanced scorecard that assesses the appropriate performance indicators of the shared service industry.

2. Motivation of Study

The economic environment is changing rapidly, influencing the business environment, and becoming more competitive. The performance assessment plays a significant role in maintaining the effective operations of the SSC. It is particularly important to establish a performance evaluation system to sustain the characteristics of the SSC (Mina & Nian, 2019). Organisations need to manage, examine and assess the performance indicators in social and environmental dimensions that stress the concern for corporate sustainability (Hansen & Schaltegger, 2016). The purpose of managing the performance is to enhance productivity and sustainability due to the rapid emergence of the shared service industry. Carpi, Douglas, and Gascon (2017) mentioned that effective performance management is important for an organisation to achieve its purpose of setting up the SSC. The selection of the appropriate performance indicators on a management dashboard triggers the possible problems that enable leaders to steer strategic objectives accordingly.

The shared service industry is growing rapidly in Malaysia, creating employment opportunities for more than 100,000 with an estimated growth of 10 percent to 15 percent per year, exceeding the target of the Malaysia Digital Economy Corporation (MDEC) (Authority, 2017; MREM, 2019). It is one of the main industries driving Malaysia's economic development toward high revenues by 2020 (Tech Monitor (2017). The authors found that shared service centres face organisational performance challenges in terms of effective customer management impact on the service level agreement (SLA) leading to efficiency and customer satisfaction in regard to stakeholders (Godse, 2012; Amiruddin et al., 2013; Knol et al., 2014; Shahar et al., 2019). Barjaktarović et al. (2017) highlighted the challenge of implementing the new sustainability strategy to support the vision of SSC, which accelerates digitalization, increases agility, drives growth, and finances growth. According to a report by Deloitte (2020), sustainability is the leading agenda in the shared service industry for shareholders, which is part of the corporate strategy affecting the entire functions of the company.

The rationale of this paper contains the benefits that organisational performance management can bring to the sustainability issue in the shared service organisations and articulate a framework to support them in implementing the sustainability approach in their business to streamline the processes, transforming into sustainability business process to enhance the performance of shared service centre. Furthermore, it will be valuable for the practitioner, executive, and business consultant of the shared service industry to identify in a systematic way the practices that positively impact organisational performance. The research framework cantered on the assessment of appropriate performance indicators and sustainability approach on the management dashboard at SSC. This research fits into this perspective as the development of literature review and practical knowledge in the forms of sustained organisational performance and concepts of shared service centre in history with equally important in operational knowledge. Especially, this study can be essential for Malaysia, as the shared service industry is growing and there are great potential development opportunities.

3. Shared Service Centre (SSC)

The structure of the SSC is the division of the labours to focus on the small aspect of the production to increase the overall efficiency, popularised by Adam Smith using the example of a pin factory in *"An Inquiry into the Nature and Causes of the Wealth of Nations"* (1776). It had been noted that the efficiency of the production had increased immensely due to the division of workers and separate responsibilities being offered in the makeup of a pin. A prominent example of the division of labour took place in 1920 at Henry Ford Motor Factories. The high level of production enforces the division of labour to gain economies of scale.

The establishment of the shared service achieves the economies of scale through the division of labour and the provision of improved services to the customers (Nasir, Abbott, & Fitzgerald, 2011; Domingues, Pinto, & Guterres, 2018). Defining and understanding the phenomena of the SSC is the specialization of work in the organisation. SSC establish in a location where the resources focus provides the services internally or within the same group of the organisation (Schulman, Harmer, Dunleavy, & Lusk, 1999). The idea of the SSC emerged in the United States of America in the 1980s (Godse, 2012; Bondarouk, 2014; Ulbrich, 2015; Domingues et al., 2018; Marciniak, 2018). Daher (2018) stated that the fundamental aim of establishing the SSC is to save cost with the growth strategy of process optimization that enhances the service quality. Typically, it is considered a cost centre entity based on SLA and connected to business units (Ulbrich, 2015). SSC is based on optimizing the people, capital, time, and resources available to support the multiple business units (Domingues et al., 2018).

Since the 1980s, the shared service model has focused on both the private and public sectors. Today, 80 percent of the world's 2,000 largest organisations are migrating their non-core activities in the form of the SSC. They are viewed as autonomous organisational units that consolidate, reorganize, and standardize the functions, systems, and processes (Marciniak, 2016). Deloitte (2019) survey report indicates that the shared service industry is emerging rapidly on a global level, with the number of establishments significantly. Numerous organisations are established near-shore like Poland, Spain, and the United Kingdom for Europe; Mexico and Costa Rica for North America; Argentina and Colombia for Latin America.

The shared service industry is highly competitive. Some countries are considered hot spots for SSC such as Poland, Ireland, Malaysia, India, China, and the Philippines. These locations are becoming the most favourable due to modern infrastructure, readily available talent, government incentives, and policies, and information communication technology capabilities for finance and accounting activities. The locations are evolving into a significant role in market stability in Europe. While in the Asia-pacific region, Malaysia, China, and India are comparatively stable globally (Marciniak, 2018). Over the past decade, Malaysia has been the top ten preferred country for setting up operations of new or relocate

SSC according to the Global service (GSLI) (Kearney, 2016; Deloitte, 2019). Tech Monitor (2017) noted that the shared service industry is one of the main industries asserting Malaysia's economic development towards high-level revenue. Malaysia Digital Economy Corporation (MDEC) has structured the SSC companies under the Global Business Services (GBS) terminology, which facilitates the simplification of the operating model of the SSC and Business process outsourcing (BPO) (MDEC, 2019). A report by MREM (2019), the GBS industry creates more than 100,000 job opportunities with an estimated annual growth of 10 percent to 15 percent, exceeding the MDEC target. Malaysian Investment Development Authority (2017) listed that Kuala Lumpur is the first largest investment in the GBS industry.

In circumstances of the competitive market, organisational performance plays an essential role for firms nowadays (Cania, 2014). Industries are becoming more vibrant, and businesses must be aligned themselves with this development. Performance is the outcomes of the activities that strategically articulate the results of the process management. Profitability and growth play an important role in measuring organisational performance (Agha, Alrubaiee, & Jamhour, 2012). SSC is a unique strategic management concept that differs significantly from outsourcing, centralization, and decentralization (Ulbrich, 2015). Particularly, the organisations are adopting a popular shared service model in finance, human resource, and information technology (Fadhil et al., 2016). Mashovic (2018) explained that multinational companies make use of several measures that assess the performance of the foreign subseries intending to realize the company's level of success in terms of attaining its strategic targets.

The most appropriate approach to assessing the performance of a foreign entity is to compare the company's results of operations. Also, as a foreign entity, it can be used to have appropriate effective measures that support the targets of the company. An effective performance evaluation system should ensure the balance between financial and non-financial performance measures. In this context, a BSC is an appropriate technique as a baseline for evaluating the performance of foreign subsidies. The performance management of the SSC can be constructed and defined in broader terms of components - financial, non-financial, and sustainability, which articulate the appropriate selection of the indicators for assessment. Ultimately, it leads to the objective for which performance requires to be measured.

4. Methodology

This is a conceptual study based on a review of prior literature on sustainable performance management in SSCs. The empirical data will be acquired via in-depth interviews with SSC Malaysia executives to assess the performance indicators for enhancing corporate sustainability.

5. Literature Review

5.1. The Evolution of the Balanced Scorecard (BSC)

In 1992, Kaplan and Norton introduced the Balanced Scorecard, along with objectives, to support the decision-makers with short-term, and long-term planning. BSC is the combination of financial measures and non-financial measures that mainly focuses on the organisation's vision and mission to exploit improvements (Tuori, Rois, Martowidjojo, & Pasang, 2021). The BSC framework is based on four perspectives: financial, customer, internal business, and innovation and growth. The four perspectives are classified into two types of measures: financial measures (financial perspective) and non-financial measures (customer, internal business, and innovation learning growth perspectives). Financial measure articulates the financial position and outcomes of the previous activities, while non-financial measures are leading indicators and drivers of future monetary performance (Kaplan & Norton, 1992).

In recent years, sustainability has become an alternative preference for growth and achieving significance in organisations and academics. Hence, companies are striving to integrate into the foundation of environmentally acceptable and socially responsible corporate governance with activities oriented towards economic goals (Barbosa, Castañeda-Ayarza, & Ferreira, 2020). The word Sustainability comes from the roots with the division of the two words such as "sustain" and "ability," which generally mean "the capacity to maintain." In the past years, it used to apply to the nature of human societal development and is known as sustainable development (Starik & Kanashiro, 2013). The integration of the business and sustainability strategy empowers the organisation to address the objectives in the three dimensions of sustainability by the integrating of the economic, environmental, and social issues and consolidates these three dimensions into a single combined performance management system.

Based on these considerations, Sustainability Balanced Scorecard (SBSC) has been developed by the researchers (Figge, Hahn, Schaltegger, & Wagner, 2002; Hansen & Schaltegger, 2012; Kang, Chiang, Huangthanapan, & Downing, 2015; Lu, Hsu, Liou, & Lo, 2018). In 2002, Figge et al. proposed three different approaches to integrate sustainability into the BSC, which are summarized in Table 1.

The aim of sustainable performance is a measurement of environmental and social performance, ensuring its implementation and development as part of the strategic management system of the organisation. The conventional performance systems are not comprehensive enough to measure the aspects of sustainability and overall performance. Numerous environmental and social are non-financial in nature and have a particular long-term impact on the organisation (Wu & Hung, 2008; Lu et al., 2018). A renowned BSC is a relevant tool that can be used as a baseline for measuring sustainability performance. However, SBSC varies from BSC in the view of architecture to clearly define the performance measurements as environmental and social goals. The SBSC fully articulates the integral view of division in an organisation to measure each dimension of sustainability. This is one of the reasons for the company to encompass multiple dimensions that influence the overall performance, including financial, non-financial matters, and sustainability perspectives.

Thus, SBSC facilitates enhancing the performance of the environmental and social dimensions (Abdelrazek, 2019). Werastuti (2020) mentioned that the implementation of the environmental dimension into BSC enables the organisation to positively impact performance evaluation.

Table 1. Three Integration Approaches for Sustainable Development into the Balanced Scorecard

Subsumption - Integrating Sustainability Approach Throughout Four Perspectives of the Balanced Scorecard:	
Characteristics:	Preferably, firms are willing to measure the environmental protection and social protection aspects in one approach with the integration of sustainability dimensions in the traditional balanced scorecard to achieve the target (Butler, Henderson, & Raiborn, 2011). Environmental and social aspects become an essential part of the traditional balanced scorecard and the integration suggests when firms realize the reasons and impact of corporate strategy and sustainability (Figge et al., 2002; Butler et al., 2011).
Acceptability:	The integration approach performs appropriately for the companies that have a balanced scorecard already and willing to evolve and consider sustainability in practices because of the strength of concentrating the process of integrating into four traditional BSC perspectives. Sustainability measures can be added or replaced in existing measures and do not involve changing the structure of the balanced scorecard. Furthermore, it is also handy for such companies in the design of traditional measures and that is at the development stage of the balanced scorecard consider the practices of sustainable development that include the environmental protection and social aspects (Butler et al., 2011).
Addition - Introduce the Additional Fifth Perspective into the Balanced Scorecard	
Characteristics:	The purpose of adding the fifth perspective to the BSC is to highlight sustainability as an essential corporate value or an important strategy. The sustainability perspective contains the social and environmental aspects link with four perspectives of the BSC features and emphasizes the significance of the social, environmental, and economics as corporate gaol (Butler et al., 2011). Figge, Hahn, Schaltegger, and Wagner (2001) propose the establishment of an additional, so named non-market perspective to incorporate strategically important but not market combined sustainability aspects. Kaplan's study (as cited in Figge et al., 2002, p. 274) also stressed that the company may formulate a BSC by adding or renaming perspectives. The integral approach establishes the sustainability aspect separately from the four perspectives of the traditional balanced scorecard. It is combining of sustainability aspect might be difficult into four balanced scorecard perspectives, however adding the fifth perspective could be visible and enable the improvement of the company's sustainability (Butler et al., 2011).
Acceptability:	The aforementioned characteristics of environmental and social aspects develop the clear integration of sustainability perspective outside of the market system extension of additional perspective in the standard structure of BSC which reflects the market system only (Figge et al., 2002). It is suitable for such companies to have top agenda for sustainability issues and are willing to modify the existing traditional balanced scorecard (Butler et al., 2011).
Deduction - A Separate Sustainability Balanced Scorecard	
Characteristics:	The integral approach of measurement of the sustainability in the balanced scorecard and formulate as separate sustainability balanced scorecard with deduction of the derived environmental and social scorecard. The adoption of this approach will occur at a high cost and take a long time (Nga & Trang, 2020). In this integral approach, companies stress corporate sustainability as an essential strategy without re-examining the traditional balanced scorecard. It builds within limits of perspectives of BSC indicating sustainability, stakeholders, processes, and learning (Dias-Sardinha, Reijnders, & Antunes, 2002; Butler et al., 2011).

Table 2. *Continued*

	Deduction - A Separate Sustainability Balanced Scorecard
Characteristics:	- Sustainability highlighted the triple bottom line (TBL) consisting of economic, environmental, and social. - Stakeholders include the measurement of corporate ethics, labor practices, and influence on society. - Processes concentrate on the particular and detailed company's internal and external processes, products, tools, and structural methods. The learning perspective emphasis on company synergy, training, and research and development.
Acceptability:	The adoption of this approach is suitable for such companies that do not existing a balanced scorecard, however, have a measurement of sustainability or willing to incorporate sustainability in implementing the same scale of the balanced scorecard without distribution and cost. Furthermore, it is also suitable for those companies that have to execute the balanced scorecard and do not consider evolving (Butler et al., 2011).

In addition to the environmental aspect, the involvement of the top management communication is essential for the assessment of BSC. SBSC is a strategic management tool to raise the awareness of the corporate responsibility by some of the researchers (Tsalis, Nikolaou, Grigoroudis, & Tsagarakis, 2013). On the other hand, the researchers highlighted SBSC as an efficient policy strategy that structurally inclusion of the economic, environmental, and social perspectives for the assessment of sustainability performance (Radu, 2012; Lu et al., 2018).

5.2. Triple Bottom Line (TBL)

Essentially, organisational performance indicates the firm's success or failure in the market (Rehman, Mohamed, & Ayoup, 2019). Organisational performance needs to be measured from quantitative and qualitative perspectives (Zehir, Yıldız, Köle, & Başar, 2016). Ideally, global performance needs to be evaluated in the execution of corporate sustainability. The overall performance of the firm is assessed in three distinct parameters, the structure of the economic, environmental, and social performance (Dutta, 2012). These efforts depend on the TBL of sustainable development, including the three bottom lines of economic prosperity, environmental quality, and social justice. Nowadays, the stakeholders are becoming more aware of the environmental and social aspects being implemented by multinational companies around the world. It is considered the leading agenda of corporate discussion in the shared service industry for shareholders, it becomes part of the corporate strategy that is affecting the entire functions of the company (Deloitte, 2020).

In 2004, TBL has been proposed by Elkington, famously known as 3Ps – Peoples, Planet and Prosperity. This theory stresses the balanced development of social, economic, and environmental. Pintea and Achim (2010) explained the 3 Ps of the TBL, which sustain the balance among three pillars as: *People* refer to the social performance, which enhances the performance of stakeholders through the employees, suppliers, customers, investors, creditors, managers, corporate governance, and retaining the shareholders centric. *Planet* implies the environmental performance that protects the environment surrounding the community by imposing the international standards and management of the products or services for suppliers. *Prosperity* addressing to the economic performance that maximizes shareholders' value through financial statements articulating the return on investment (ROI), which is consisted of the ratios of the return on assets (ROA) and return on equity (ROE) (Drake & Fabozzi, 2012).

6. Conceptual Framework

This study proposes a framework on SBSC for SSC based on the comprehensive literature review and current business practices. The framework is conceptualized as the aggregation of the sustainability and BSC for SSC. Which represent corporate sustainability and consist of the six perspectives that are profit (economy), people (social), planet (environment), customer, internal business, and innovation and learning. However, the financial perspective is excluded from the BSC in the illustration of the conceptual framework, since the financial measurement is included in the profit dimension of the sustainability. This is supported by the combination of BSC and TBL, which justifies sustained performance management. The framework will be piloted in the empirical study within SSC in Malaysia. It is expected to provide evidence to support the relationship between SBSC and the performance of SSC. The conceptual framework is illustrated in figure 1.

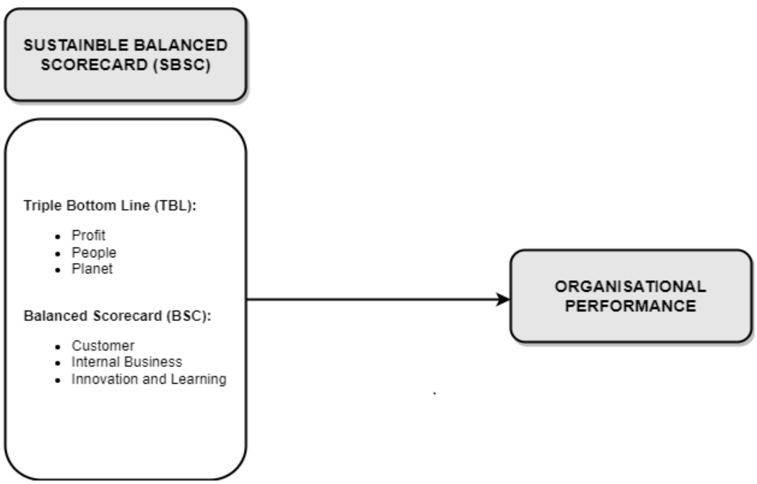

Figure 1. The Conceptual Framework of Sustainability Balanced Scorecard for Shared Service Centre

7. Implications of the Study

This study is expected to be of interest to academic researchers, practitioners, executives, and business consultants in the shared service industry to identify the systematic practices that impact organisational performance. In spite of the establishment of the shared service model, it is academically overlooked (Schulz et al., 2009; Lakshmi et al., 2020). It indicates the gaps in the subject and creates an opportunity to conduct the research. Therefore, this study focusing on the performance management system for sustainable performance via the proposed framework for future academic research related to the SBSC for SSC can fill the gap in the current literature. From a decision maker perspective, the results of this study should help decision makers to steer performance with a set of appropriate performance indicators to be included in the management dashboard. Furthermore, Deloitte (2020) highlighted that sustainability is the top agenda for shareholders and impacts across the functions. It is hoped that the results of this study will provide decision makers with useful insights into the design of a performance management system along with the appropriate performance indicators. This enables them to introduce the appropriate actions to contain the aspect to communicate the value of the internal customer effectively and respond in a timely manner. Moreover, generate new insights for the policymakers and practitioners to leverage the practices of strategic refinement for an effective management dashboard as the shared service industry is emerging in Malaysia.

8. Conclusion

The efficient performance approach is vital for the emerging industry to measure organisational performance. This study conceptualized the framework of SBSC for multinational SSC to effectively measure the performance from every aspect. The perspectives of the leading tool BSC (Customer, internal business, and innovation and learning) and three facets of the TBL (economy, environment, social) are included. The proposed research framework is a combination of customer, internal business innovation and learning, economy, environment, and social. Previous studies have discussed the performance and practices to achieve their objectives in the context of SSC more broadly. Therefore, this study is expected to design the appropriate performance indicators through the integration of the BSC and TBL to enable the improvement of operational efficiency and corporate sustainability. Besides, the proposed research framework of SBSC for SSC can bridge the gap in the literature with the present context, and the assessment will have a positive influence and support the advancement journey of the SSC and contribute to sustainable economic growth in Malaysia.

References

Abdelrazek, A. F. (2019). Sustainability Balanced Scorecard: A Comprehensive tool to measure Sustainability Performance. *International Journal of Social Science and Economic Research, 4*(2), 948-962.

Abubakar, A. H., Mustapha, U. A., Ayoup, H., & Anuforo, P. U. (2019). The Implementation of Balance Scorecard and Its Impact on Performance: Case of Universiti Utara Malaysia. *International Journal of Accounting & Finance Review, 4*(1), 1-16. https://doi.org/10.46281/ijafr.v4i1.226

Agha, S., Alrubaiee, L., & Jamhour, M. (2012). Effect of Core Competence on Competitive Advantage and Organizational Performance. *International Journal of Business and Management, 7*(1), 192-204. https://doi.org/10.5539/ijbm.v7n1p192

Amiruddin, R., Aman, A., Sofiah, Auzair, Hamzah, N., & Maelah, R. (2013). Mitigating risks in a shared service relationship: the case of a Malaysian bank. *Qualitative Research in Accounting Management, 10*(1), 78-93. https://doi.org/10.1108/11766091311316202

Authority, M. I. D. (2017). Special Report: Importance of services sector grows. Retrieved from https://www.mida.gov.my/home/4661/news/special-report-importance-of-services-sector-grows/

Barbosa, M., Castañeda-Ayarza, J., & Ferreira, D. (2020). Sustainable management, balanced scorecard and small business: a systematic review and state of the art. *Independent Journal of Management & Production, 11*(1), 156-179. https://doi.org/10.14807/ijmp.v11i1.1002

Barjaktarović, L., Stefanović, N., & Đukanović, M. (2017). *Shared service centre–case study Henkel GmbH* Paper presented at the [Paper presentation]. FINIZ 2017-Challenges in modern corporate governance, Singidunum University in Belgrade, Serbia. http://portal.finiz.singidunum.ac.rs/paper/42514

Bell, S., & Morse, S. (2012). *Sustainability indicators: measuring the immeasurable?* (2nd ed.): Earthscan.

Bondarouk, T. (2014). Shared services: New opportunities for research and practice. In *Shared Services as a New Organizational Form* (Vol. 13, pp. ix-xiii). Bingley, U.K: Emerald.

Butler, J., Henderson, S., & Raiborn, C. (2011). Sustainability and the balanced scorecard: Integrating 'green' measures into business reporting. *Management Accounting Quarterly, 12*(2), 1-10. https://www.imanet.org/-/media/0d2d9a8868844f58979450f2b02df2b1.ashx

Cania, L. (2014). The impact of strategic human resource management on organizational performance. *Economia. Seria Management, 17*(2), 373-383.

Carpi, R., Douglas, J., & Gascon, F. (2017). Performance management: Why keeping score is so important, and so hard. Retrieved from https://www.mckinsey.com/business-functions/operations/our-insights/performance-management-why-keeping-score-is-so-important-and-so-hard#

Chang, C. J., Kuo, T., & Wu, A. (2013). *Strategy Alignment and Performance Evaluation for Shared Service Centers: A Longitudinal Study on the Role of Balanced Scorecard*. Paper presented at the AAA 2014 Management Accounting Section (MAS) Meeting Paper.

Daher, G. P. (2018). Shared service centre (SSC)–analysis of factors that influence standardisation. A business model for multinational companies. *International Journal of Scientific Research and Innovative Technology, 5*(8), 105-126.

Deloitte. (2019). Global Shared Services Survey Report. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/2019-global-shared-services-survey-results.pdf

Deloitte. (2020). Why ESG should feature on the shared Services agenda. Retrieved from https://www.deloitte.co.uk/sharedservicesconference/assets/img/presentations/deloitte-uk-ssc2020-the-esg-imperative.pdf

Dias-Sardinha, I., Reijnders, L., & Antunes, P. (2002). From environmental performance evaluation to eco-efficiency and sustainability balanced scorecards. *Environmental Quality Management, 12*(2), 51-64. https://doi.org/10.1002/tqem.10063

Domingues, L., Pinto, A. S., & Guterres, C. J. (2018). The relevance of intellectual capital in shared service centres: An exploratory research on the contribution of three models from different areas of knowledge. *International Journal of Technology and Human Interaction, 14*(2), 1-16. https://doi.org/10.4018/ijthi.2018040101

Drake, P. P., & Fabozzi, F. J. (2012). *Analysis of financial statements* (3rd ed. Vol. 204). Hoboken, N.J: John Wiley & Sons.

Dudic, Z., Dudic, B., Gregus, M., Novackova, D., & Djakovic, I. s. (2020). The Innovativeness and Usage of the Balanced Scorecard Model in SMEs. *Sustainability, 12*(8), 1-22. https://doi.org/10.3390/su12083221

Đukanović, M. (2017). Shared service centre–case study Henkel GmbH. *FINIZ 2017-Challenges in modern corporate governance*, 18-24. https://doi.org/10.15308/finiz-2017-18-24

Dunphy, D. C., Benveniste, J., & Griffiths, A. (2000). *Sustainability: The corporate challenge of the 21st century*. Sydney: Allen & Unwin.

Dutta, S. (2012). Triple bottom line reporting: An Indian perspective. *Interdisciplinary Journal of Contemporary Research in Business, 3*(12), 652-659. https://ijcrb.webs.com/

Elkington, J. (1998). *Cannibals with forks: The triple bottom line of 21st century business*. Gabriola Island, BC,: New Society.

Fadhil, A., Miskon, S., Iahad, N., Rahman, A. A., Abdullah, N. S., Sim, A. T. H., & Ahmad, N. (2016). Drivers influencing shared services adoption. *Journal of Theoretical and Applied Information Technology, 90*(1), 93-100. http://www.jatit.org/volumes/ninety1.php

Fatima, T., & Elbanna, S. (2020). Balanced scorecard in the hospitality and tourism industry: Past, present and future. *International Journal of Hospitality Management, 91*(4), 01-18. https://doi.org/10.1016/j.ijhm.2020.102656

Figge, F., Hahn, T., Schaltegger, S., & Wagner, M. (2001). *The Sustainability Balanced Scorecard–a tool for value-oriented sustainability management in strategy-focused organisations*. Paper presented at the [Conference session]. The 2001 Eco-Management and Auditing Conference 2001, Nijmegen, Netherlands.

Figge, F., Hahn, T., Schaltegger, S., & Wagner, M. (2002). The sustainability balanced scorecard - linking sustainability management to business strategy. *Business Strategy and the Environment, 11*(5), 269-284. https://doi.org/10.1002/bse.339

Godse, M. (2012). *Exploiting the values of shared services*. Paper presented at the [Conference presentation]. Third International Conference on Services in Emerging Markets, Mysore, India. https://www.computer.org/csdl/proceedings-article/icsem/2012/4937a162/12OmNAOKnXg

Hammer, M., & Champy, J. (1993). *Reengineering the Corporation*. New York, USA: Harper Collins Inc.

Hansen, E. G., & Schaltegger, S. (2012). Pursuing sustainability with the balanced scorecard: Between shareholder value and multiple goal optimisation [Working paper]. [Press release]. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2169335

Hansen, E. G., & Schaltegger, S. (2016). The Sustainability Balanced Scorecard: A Systematic Review of Architectures. *Journal of Business Ethics, 133*(2), 193-221. https://doi.org/10.1007/s10551-014-2340-3

Henri, J. F. (2004). Performance measurement and organizational effectiveness: bridging the gap. *Managerial Finance, 30*(6), 93-123. https://doi.org/10.1108/03074350410769137

Hristov, I., & Chirico, A. (2019). The role of sustainability key performance indicators (KPIs) in implementing sustainable strategies. *Sustainability, 11*(20), 5742. https://doi.org/10.3390/su11205742

Hubbard, G. (2009). Measuring Organizational Performance: Beyond the Triple Bottom Line. *Business Strategy and the Environment, 18*(3), 177-191. https://doi.org/10.1002/bse.564

Kang, J.-S., Chiang, C.-F., Huangthanapan, K., & Downing, S. (2015). Corporate social responsibility and sustainability balanced scorecard: The case study of family-owned hotels. *International Journal of Hospitality Management, 48*, 124-134. https://doi.org/10.1016/j.ijhm.2015.05.001

Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: measures that drive performance. *Harvard business review, 83*(7), 172.

Kearney, A. T. (2016). Global Services Location Index. Retrieved from http://gbs-iskandar.my/wp-content/uploads/2017/07/2016-AT-Kearney-Global-Services-Location-Index.pdf

Kim, M. J. (2020). A Study on the Impact of Management's Strategic Leadership and Management Strategy on Organizational Performance: Focusing on Small and Medium Venture Companies. *International journal of advanced smart convergence, 9*(1), 121-131. https://doi.org/10.7236/IJASC.2020.9.1.121

Kleinfeld, K., Kronau, D., & Holtje, J. (2005). Shared Services - Theory and Case Study: Siemens USA. In *Perspektiven des Supply Management* (pp. 329-346). Berlin, Heidelberg: Springer.

Lakshmi, M. N., Sricharan, Y. S., & Vijayakumar, T. (2020). Leveraging Technology for Shared Services Transformation. In Rajagopal & R. Behl (Eds.), *Innovation, Technology, and Market Ecosystems* (pp. 51-64). London: Palgrave Macmillan.

Laszlo, C. (2003). *The sustainable company: How to create lasting value through social and environmental performance*. Washington, DC: Island Press.

Lu, M.-T., Hsu, C.-C., Liou, J. J. H., & Lo, H.-W. (2018). A hybrid MCDM and sustainability-balanced scorecard model to establish sustainable performance evaluation for international airports. *Journal of Air Transport Management, 71*, 9-19. https://doi.org/10.1016/j.jairtraman.2018.05.008

Marciniak, R. (2012). *Performance measurement in shared service centers* Paper presented at the [Conference presentation]. 8th International Conference of PhD Students, University of Miskolc, Hungary.

Marciniak, R. (2013). Measuring Service Satisfaction in Shared Service Organizations. *Procedia-Social and Behavioral Sciences, 81*, 217-223. https://doi.org/10.1016/j.sbspro.2013.06.416

Marciniak, R. (2016). *Maturity Models of Shared Services in Theory and Practice* Paper presented at the [Conference presentation]. 11th International Conference on Management, Enterprise and Benchmarking (MEB 2016), Óbuda University, Budapest. https://ideas.repec.org/h/pkk/meb016/191-204.html

Marciniak, R. (2018). *Reals solutions for Hungarian shared service companies' HR problems*. Paper presented at the 15th International Scientific Conference Human potenial development.

Martin-Rojas, R., Garcia-Morales, V. J., & Gonzalez-Alvarez, N. (2019). Technological antecedents of entrepreneurship and its consequences for organizational performance. *Technological Forecasting and Social Change, 147*, 22-35. https://doi.org/10.1016/j.techfore.2019.06.018

Mashovic, A. (2018). Key financial and nonfinancial measures for performance evaluation of foreign subsidiaries. *Journal of Contemporary Economic and Business Issues, 5*(2), 63-74. http://hdl.handle.net/10419/193492

MDEC. (2019). How Malaysia helps to future proof your business service operations. Retrieved from https://mdec.my/blog/?p=233#:~:text=GBS%20is%20an%20abbreviation%20for,of%20choice%20for%20digital%20services.

Mina, Q., & Nian, L. (2019). *Research on the performance evaluation of the financial shared service center based on the sustainable balanced scorecard* Paper presented at the [Conference presentation]. International Conference on Financial Management, Education and Social Science (FMESS 2019), Huhhot, China. https://www.clausiuspress.com/conferences/LNEMSS/FMESS%202019/19FMESS053.pdf

MREM, B. (2019). Global Business Services (GBS) industry will be adversely impacted by curtailing highly skilled expatriates into the country [Press release]. Retrieved from [Press release]. http://mrem.bernama.com/viewsm.php?idm=34081

Nasir, I., Abbott, P., & Fitzgerald, G. (2011). *Shared Services Centres: A Case Study on a Dispersed Services Oriented Organization*. Paper presented at the New Studies in Global IT and Business Service Outsourcing - 5th Global Scourcing Workshop 2011.

Neely, A. (2002). *Business Performance Measurement: Theory and Practice* (A. Neely Ed.). Cambridge: Cambridge University Press.

Nga, T. T., & Trang, T. T. (2020). Sustainability and Balanced scorecard: The case of small and medium enterprise in Vietnam. *Journal of Education and Social Sciences, 14*(1), 19-28. https://www.jesoc.com/wp-content/uploads/2020/03/JESOC-14_210.pdf

Pintea, M.-O., & Achim, M.-V. (2010). Performance - An Evolving Concept. *Economic Sciences Series, 2*(38), 01-12.

Radu, M. (2012). Empirical Study on the Indicators of Sustainable Performance – the Sustainability Balanced Scorecard, Effect of Strategic Organizational Change. *Amfiteatru Economic Journal, 14*(32), 451-469.

Rafiq, M., Zhang, X., Yuan, J., Naz, S., & Maqbool, S. (2020). Impact of a Balanced Scorecard as a Strategic Management System tool to Improve Sustainable Development: Measuring the Mediation of Organizational Performance through PLS-Smart. *Sustainability, 12*(4), 1-19. https://doi.org/10.3390/su12041365

Rehman, S. U., Mohamed, R., & Ayoup, H. (2019). The mediating role of organizational capabilities between organizational performance and its determinants. *Journal of Global Entrepreneurship Research, 9*(30). https://doi.org/10.1186/s40497-019-0155-5

Rostam, F. A. (2019). *Organizational Performance Management*. Paper presented at the Conference: Social Sciences studies.

Sawalha, S. (2013). Investigation of heat recovery in CO2 trans-critical solution for supermarket refrigeration. *International Journal of Refrigeration, 36*(1), 145-156. https://doi.org/10.1016/j.ijrefrig.2012.10.020

Schulman, D. S., Harmer, M. J., Dunleavy, J. R., & Lusk, J. S. (1999). *Shared Services: Adding Value to the Business Units*. New york: Wiley.

Schulz, V., Hochstein, A., Ubernickel, F., & Brenner, W. (2009). *Definition and classification of IT-shared-service-center*. Paper presented at the Fifteenth Americas Conference on Information Systems, San Francisco, California. http://www.proceedings.com/06499.html

Schulz, V., Janssen, M., & Brenner, W. (2010). Characteristics of shared service centers. *Transforming Government: People, Process and Policy, 4*(3), 210-219. https://doi.org/10.1108/17506161011065190

Shahar, S. M., Mohd Satar, N., & Abu Bakar, K. A. (2019). The Challenges in Managing Information Technology Shared Services Operations. *International Journal of Recent Technology and Engineering (IJRTE), 8*(1C2), 322-328. https://www.ijrte.org/wp-content/uploads/papers/v8i1C2/A10520581C219.pdf

Starik, M., & Kanashiro, P. (2013). Toward a Theory of Sustainability Management. *Organization & Environment, 26*(1), 7-30. https://doi.org/10.1177/1086026612474958

Stead, J. G., & Stead, W. E. (2008). Sustainable strategic management: an evolutionary perspective. *International Journal of Sustainable Strategic Management, 1*(1), 62-81. https://doi.org/10.1504/ijssm.2008.018127

Sukkar, A. E. (2017). Sustainability : Its factors and its performance evaluation. *Journal of Commerce & Educational Thoughts, 1*, 14-30. https://doi.org/10.26476/jcet.2017.01.14-30

Swagerman, D., & Steenis, J. V. (1998). *Shared services in accounting and finance* Paper presented at the [Conference presentation]. VoNet-Workshop: Organizational Virtualness: Proceedings of the VoNet - Workshop, Bern, Switzerland. https://research.utwente.nl/en/publications/shared-services-in-accounting-and-finance

Tech Monitor. (2017). Global business services of Malaysia. Retrieved from http://techmonitor.net/tm/images/e/e7/17oct_dec_start-up_venture.pdf

Tsalis, T. A., Nikolaou, I. E., Grigoroudis, E., & Tsagarakis, K. P. (2013). A framework development to evaluate the needs of SMEs in order to adopt a sustainability-balanced scorecard. *Journal of Integrative Environmental Sciences, 10*(3-4), 179-197. https://doi.org/10.1080/1943815X.2013.858751

Tuori, M. A., Rois, R. S. R., Martowidjojo, Y. A. N., & Pasang, H. (2021). Formulating a sustainability balanced scorecard (SBSC) for a leading integrated palm oil based consumer products public company in Indonesia. *Journal of Management Information and Decision Sciences, 24*(03), 01-15.

Ulbrich, F. (2015). *Shared services* (Vol. 7). Chichester: Wiley Encyclopedia of Management.

Werastuti, D. N. S. (2020). Sustainability Balanced Scorecard and Management Communication in Evaluating A Company's Performance. *Jurnal Ilmiah Akuntansi dan Bisnis, 16*(1), 45-59. https://doi.org/10.24843/JIAB.2021.v16.i01.p03

Wu, S.-I., & Hung, J.-M. (2008). A performance evaluation model of CRM on non-profit organisations. *Total Quality Management & Business Excellence, 19*(4), 321-342. https://doi.org/10.1080/14783360701591978

Yao, Q., Hu, A., Huang, T., & Hu, J. (2012). *The Research of Implementing Enterprise Financial Shared Service Center Information System* Paper presented at the [Conference session]. 2012 International Conference on Computing, Measurement, Control and Sensor Network, Taiyuan, China.

Yee, L. C. (2019). Finance Shared Services Organizations in Malaysia: A Knowledge Management View. *Taylor's Business Reviews, 8*(1), 47-55. http://university2.taylors.edu.my/tbr/uploaded/TBR%208(1)%20Paper%203[3][2].pdf

Zehir, C., Yıldız, H., Köle, M., & Başar, D. (2016). Superior Organizational Performance through SHRM Implications, Mediating Effect of Management Capability: An Implementation on Islamic Banking. *Procedia - Social and Behavioral Sciences, 235*, 807-816. https://doi.org/10.1016/j.sbspro.2016.11.089