

**Impact of the applying a Balanced Scorecard on the  
Effectiveness of the organization**

**Case Study on the Jordan Phosphate Mines Company**

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**Abstract**

The aim of this study was to discover the extent of applying balanced scorecards in evaluating the organization's effectiveness, also to know the difficulties and the obstacles encountering the organizations as a result of applying the balanced score cards through testing each of its dimensions and its effect on the organization's effectiveness.

The study is conducted at the Jordanian Phosphate Mines Company. In order to reach the desired goals, the questionnaire is adopted as the study's tool through taking a random sample from

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the Jordanian Phosphate Company that consisted the directors, the technicians and the employees at the organization.

Sixty questionnaires were distributed to the concerned employees at the Jordanian Phosphate Company, all the questionnaires were retrieved.

The researcher has selected the method testing the hypothesis specific to the study through the statistical package for social sciences programmed (SPSS), and some of the statistical methods such as the use of the multiple regression analysis to measure the effect of variables of each dimension in the balanced scorecard on the organization's effectiveness.

**Keywords:** Balanced score cards, Organization's Effectiveness, Jordan Phosphate

## **Introduction:**

Today, the world stands at the threshold of an unprecedented new stage of economical transformations, globalization, scientific and technological progress, and information and communication technology. These transformation aspects are considered as its most basic promenade aspects, that made the world opens that contribution

to the effect on Jordan with its different economic sectors to interact with that transformation, and pushed the Jordanian organizations to work in the climate of the global competition. So, became necessary (the availability of the sufficient information) to the public and private organizations' administrations.

The balanced scorecard (BSC) issue came to form a distinguish mode for measuring the organizational performance, also forms a method to deepens the administrative responsibility in a way, that gathers all the organizational entities in a basic and vital way. Its pacification is subject to the specification of the human activity and the organizational behavior to guarantee the result and achieving the organization's effectiveness, since effectiveness implied the necessity to do the right things in an effective way after validating the results, and then making a sound and appropriate decisions in the implementation process .

This has created the need to use the (BSC) to provide the basic information to apply the organization's strategic goals and to measure the work's actual performance, comparing it with the pre-set goals. The effect of this card will improve the

administration's efficacy to perform its needed functions, and other known functions (Planning monitoring, directing, evaluating and decision making).

The organization starts with determining its needs that correspond with the customers to provide them and increasing their loyalty level.

To achieve that, the organization should be excellent in the processes and the internal procedures through achieving the complete advantage for the organization that distinguished it from other identical competing organizations. For that pressure, there should be available qualified, and trained human resources that enjoys high degree of efficiency that leads to financial superiority, increasing the organizations market value, and achieving the profit through the harmony between the (BSC) system's four elements.

### **Significance of the study.**

The Significance of the study comes from measuring the level of BSC's application at the Jordanian Phosphate Company because of its great effect on the Jordanian economy So, there

should be an interest in improving the service provided by these organizations to know the extent of (BSC) application and evaluating the effect of that on the performance effectiveness.

Also, to determine the difficulties and obstacles that prevent the application of this system, providing the recommendations and suggestions that might reduce these obstacles, this study also contributes to raise the importance of using this new system, and abandoning the gradational monitoring instruments at the organizations, and the effect of that on the performance effectiveness in the Jordanian phosphate company.

### **Problem Statement:**

This study's problem has emerged from the difficulties encountering the phosphate company as a result of applying (BSC) as a mean to measure the organization's effectiveness, since organizations often depend on measuring their performance effectiveness largely through financial information and, non-financial information.

Because of the importance of these organizations in the economic sector and their effect on encouraging national and foreign investment, these organizations should use the newest performance methods to increase the level of the offered services and to increase their efficiency.

To determine the study's problem, the following questions should be answered:

- Does the application of (BSC) affect the organization's effectiveness at the Jordanian Phosphate Company?
- Does the Jordanian Phosphate Company care about evaluating its performance by using the (BSC) system?

### **Study Objectives:**

This study aims to know the extent of the importance of applying the balanced scorecard in evaluating the effectiveness of the organization, and the effect of that on the employees, the organization and the customers.

It also aims at determining the difficulties encountering the establishments in applying the balanced scorecards because of the importance of applying this card in the Jordanian phosphate company in the economic sector and encouraging the foreign and national investment.

The main aim of the study is to measure the effect of applying (BSC) on organizational effectiveness at the Jordanian phosphate company, it also seeks to achieve the following specific goals:

- TO evaluate the effect of applying the (BSC) on the organization's effectiveness at the Jordanian phosphate company.

- To know to what extent the Jordanian phosphate company depends in its performance evaluation on the balanced scorecard.

### **Study Hypotheses:**

This study hypothesis assumed that there is no effect using statistical significance level ( $\alpha \leq 0.05$ ) of applying (BSC) on the organization effectiveness at the Jordanian Phosphate company.

The specific null hypotheses are:

- H<sub>0.1</sub>: financial dimension does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .
- H<sub>0.2</sub>: customer's dimension does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .

H<sub>0.3</sub>: BPP dimension does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .

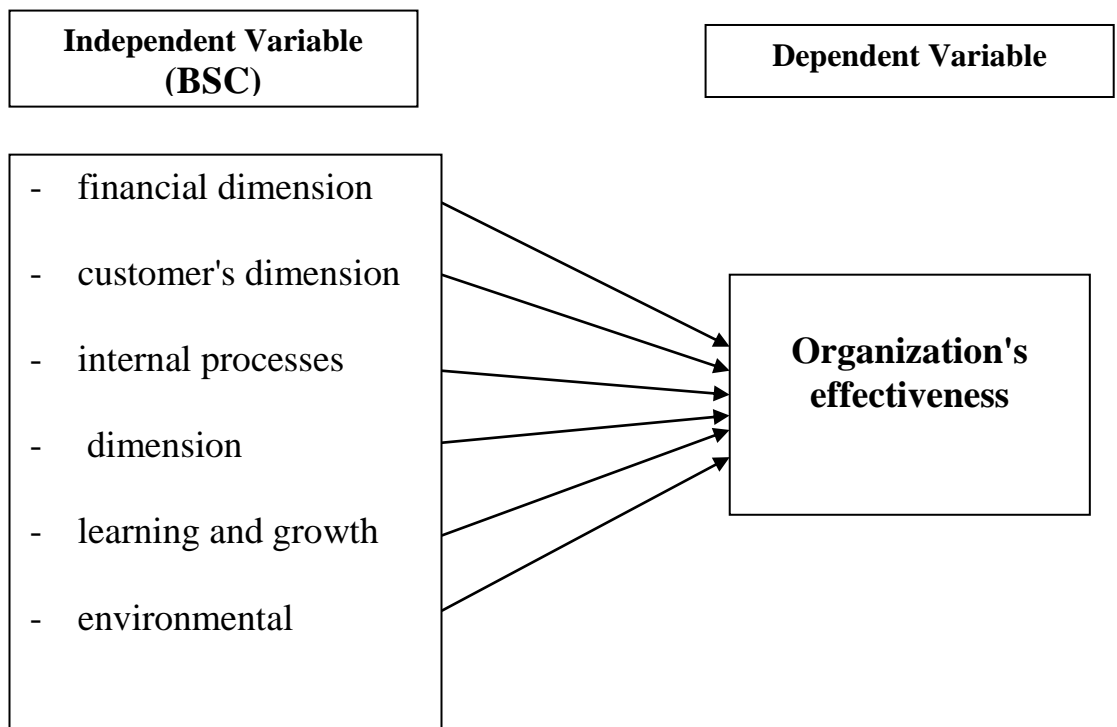
- H<sub>04</sub>: learning and growth dimension does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .
- H<sub>05</sub>: internal processes dimension does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .



H<sub>06</sub>: BSC dimensions adoption does not have a significant impact on Organization's effectiveness, at  $\alpha \leq 0.05$ .

### Study Model:

To achieve the objectives of the study, the researcher has depended on the following model to study the relationships of the study's variable, Figure (1) shows:



**Figure (1): Independent and dependent variables of the study model**

Katebi (2014). Kaplan & Norton (2001)

**Literature Review:**

The characteristics of the age of economy based on knowledge and information, has called the efficiency of the traditional methods of performance evaluation into question. In such a condition, the balanced scorecard method as an efficient performance evaluation method was proposed by Robert Kaplan and David Norton.

In traditional systems of performance evaluation, the emphasis of the managers is on the financial factors, but in the present era, this issue is criticized; because putting emphasis solely on the financial performance, leads to low results in the performance evaluation.

.Rezaei & Dehanvi (2014) Investigating the Relationship between Balanced Scorecard Prospects Using Accounting Numbers in the Manufacturing Companies listed on the Stock Exchange, the main aim of that study was to: Examine the relationship between prospects of the balanced scorecard in companies listed on the stock exchange data collection source was the financial statements and explanatory notes applied on sample companies from the period 2007-2012. The main results revealed that there is a significant relationship between the balanced scorecard prospects, while growth and learning prospects were of great importance among the four variable prospects (Financial, internal processes, customer, and learning and growth).

Khalile & Adhami (2014) investigated the Relationship between Balanced Scorecard Prospects using Accounting Numbers in the manufacturing companies listed on the stock

exchange. The main aim was to examine the relationship between outsourcing and the performance based on balanced scorecard in the year 2013. The study used the descriptive-survey based on questionnaire for data collection from (18) managers and assistants. Results showed that there is a strong and positive relationship between outsourcing post office activities and performance management in the aspects of financial, customers and internal processes, while there was a positive and weak relationship between the aspect of learning and outsourcing.

Gholizadeh, *et al* (2014) studied The performance Assessment of sport organizations according to Balanced scorecard (Case study of sport clubs in Zanjan Province. The main aim was that DEA model is used in evaluating the relative efficiency of the decision-making units with many inputs and outputs, the study found that the new model BSC-DEA has important advantages in providing comprehensive insights about the business for the balanced score managers, other advantages of the model are its flexibility and its high distinction.

Katebi (2014) conducted a study titled "Analyzing the relationship between strategic planning and performance using BSC: A case study of Tehran Metro Company". The main aim of the study was to investigate differences in the rate of improvement in financial perspective, customer perspective, internal processes, learning and growth as a model of balanced scorecard before and after strategic planning in Metro province of Tehran.

Study sample consisted of (100) experts based on a questionnaire paired-t-test comparisons were analyzed, and data analysis revealed that the financial aspects of the organization before and after the implementation of the strategic plan are no different, while the customer perspective, internal process and learning and growth of strategic planning have been improved compared to the previous.

Dias Jordao & Casas Novas (2013) conducted a study titled "The use of the balanced scorecard for strategy implementation in a large Brazilian Mixed economy company". He Analyzed the use of the balanced scorecard as part of management control system for implementing strategies in a large mixed economy.

Based on a case study in Brazil, the research innovates on analyzing BSC uses and contributions to translate the company's strategy into objectives and goals aligned to the four BSC perspectives.

Results showed that (BSC) appeared as an important tool in strategy conception and implementation, balanced scorecard enables to translate the company's strategy into objectives and goals according to the financial, learning and growth, improvement of internal processes and customer perspectives.

- Mohamed (2014) investigated the Effect of Multi-Dimensional Performance Measurement System on Market Orientation. The objective of this study was to examine the effect of performance measurement system design on market orientation behavior. The data were collected using mail survey to top management of Malaysian listed companies. The results shows that non-financial measures have a positive and significant relationship with market orientation. An implication of these findings is that the managers should include both financial and non-financial measures in designing their PMS. Theoretically, this study contributes to the resource-based theory by identifying

PMS as an antecedent to build market orientation and thus, contribute to develop an organizational competitive advantage.

## **Theoretical Frame**

### **Equilibrium concept in the balanced scorecards:**

Equilibrium in the balanced scorecards is made through the interaction between the four dimensions, since the organization will not be able to develop without taking into account all dimensions at the expense of the other dimensions, such as, achieving the customers' satisfaction and increasing their loyalty that cannot be done unless the company is able to satisfy customers' needs. This requires the development of the operational processes. Human resources should be developed, and all previously mentioned aspects should increase the organization's benefits (Kaplan & Norton, 2001: P.157).

The definition of the balanced scorecards became clear through the following components as shown in figure (1):

#### **1. Financial Scorecard:**

This card contains pure financial goals such as the return on investment, products costs, profitability, and cash flow, which is

used to measure the financial ratios, and the different financial numbers.

It is important to select the expressive and important financial values about the works performance. For example, if we only focus on the net profit value, that will not be sufficient because the net profit might be great, but the return on investment is little. Also, some of the financial values might be important at one time such as the cash flow at difficult times (Marzieh, Moeinadin & Dehnavi, 2014).

Financial indexes are used because establishments basically aim at making profits, and their function is to maximize the shareholders' dividends, while for non-profit organizations, the matter is a little different. However, at the end, it should preserve its continuity in its activities by preserving the presence of sufficient human resources.

## **2. Customers Card:**

This card contains goals relating to the customers satisfaction, such as achieving customers' desires through new products and services, responding to clients' complaints, improving the service or selling style and increasing awareness about the products.



This card helps us in covering great shortage in many of our establishments that do not measure such goals. It is really to find an establishment that asks for comments from the customers about the service, while the establishment in the advanced countries in administration sends survey after survey to know about the desires, what the customer like or dislike.

Firms that attempt to maximize that financial value on the short term may be surprised after few years that the customer's needs and demands have changed and their services or products are no longer desired.

Also, the firm that does not follow up the customer's demands, suggestions and complaints is at risk, that these customers will gradually go to a competitor who achieves their desires.

### **3. Internal Business Process Card:**

This card makes us remember the firm's development from inside and preserving a high level of performance while performing the processes. This card might include goals such as: manufacturing quality, waste rate in the raw material during manufacturing, lead time in manufacturing, rapid production

change from one product to another, design quality, relationship with suppliers, development of the work's administrative systems, using information technology, cooperation between the different administrations, and other goals relating to the internal processes.

In our establishment we might find that there is great neglect of many internal processes performance measures, so the level of performance does not improve - rather it declines (Del Sordo & Rebecca, 2012).

#### **4. Learning and Innovation Card:**

This card is concerned with the establishment's ability to develop new products, learning or inventing advanced technology and applying modern administrative policies. It might include goals like applying new administrative methods, learning new technology, and introducing a set of new products. Furthermore, there may be a number of offered suggestions and implemented by the employees, as well as the employees' motive to invent and develop. Without learning and innovation, we cannot continue because competitors are developing which will affect our competition. Hence, the use of this card helps us

monitor our development and our innovative capability, in comparing with others.

### **5- Environments:**

Environmental protection is a practice of protecting the natural environment on individual, organizational or governmental levels, for the benefit of both the natural environment and humans. Due to the pressures of population and technology, the biophysical environment is being degraded, sometimes permanently. This has been recognized, and governments have begun placing restraints on activities that cause environmental degradation. Since the 1960s, the activity of environmental movements has created awareness of the various environmental issues. There is no agreement on the extent of the environmental impact of human activity, and protection measures are occasionally criticized.

Academic institutions now offer courses, such as environmental studies, environmental management and environmental engineering, that teach the history and methods of environment protection. Protection of the environment is needed due to various human activities. Waste production, air pollution,

and loss of biodiversity (resulting from the introduction of invasive species and species extinction) are some of the issues related to environmental protection.

**Advantages of applying the balanced scorecard:** (KAPLAN & Norton, 1996).

The advantages of applying the balanced score card focus on achieving the organization's strategic goals and help translating the strategies to work, so, the administration is able (through the five dimensions of this system) to follow up and monitor the financial performance side by side with the immaterial assets for the organization's future growth, which are as follows:

1. It gives the administration the feedback about the strategic performance and the employees' performance, since the feedback focuses on evaluating if the organization or the employees performed the planned goals or not, based on the current performance, modifying the strategy to fit the changing situations.
2. It gives a full and comprehensive picture about the organization's processes. It is not only a system for

measuring the current processes, but also gives the perception about the firm's processes in the long run.

3. Preserving the customers and their satisfaction, since preserving and acquiring new clients relates to the achievement of success and the organization's efficiency that leads to repeat purchase from the firm.
4. Facilitating communication between the different administrative levels through engaging all the employees in the administrative process through the availability of an effective communication system between the administrative levels to satisfy the needs of the customers and those working in the organization.
5. Motivating the organization to extend improvements and development continuously in order to achieve future growth through developing its employees, capabilities and continuous performance improvement.

It is necessary to connect this card with the organization's vision, strategies, the strategic business clients, and building this card to measure the extent of the organization's effectiveness as a

result of applying the card to give a percentage for each standard of the used standards.

### **The Importance of the Balanced Scorecard:**

BSC is a means to determine periodic goals (annual) for business organizations. Hence, as one goal does not negatively affect another goal, most of the time the financial goals have the greater portion of the goals that are placed by the administration of the strategic planning for the year or for the coming years. This might lead to bad results on the long term, not because of the low importance of the financial goals, but because of the presence of other things organizations should care about. Otherwise, business organizations will encounter many difficulties in the long run, so the BSC considers an integrated system guaranteed in achieving the organization's effectiveness.

It is clear from studies that a conflict might arise between the need to establish long-term competitive advantages and the present historical cost elements in the financial statements. To treat the problem, the BSC is created to help measure the achievement and to show the extent of the organization's validity and how to plan their effectiveness regarding the inputs and

processes. Whereas on the outputs and results side, the measure helps us answering the following questions: Are we doing the right thing? Have the pre-set goals been achieved?

BSC helps measuring an organization's strategic plan and its' general goals. It is a way of clarifying the vision about the extent of the firm's progress towards its high priority goals, and considers a kind of feedback. It also measures the success of the organization's strategies depending on these cards, because they determine from where and when, by illustrating the strategic goals on cards that give a clear answer to the question behind each goal by focusing on five strategic axes: financial, customers, internal processes, learning and growth, and the environment.

### **Benefits of Using the Balanced Scorecards:**

Using the BSC will bring to the organization a set of benefits because it takes into account the material and immaterial dimensions specific to the organization that leads to the balance between the employees' needs through the learning and growth dimension and the customers' needs and desires that leads to a reduction in costs and an increase in revenues. This in turn leads to achieve the financial dimensions and achieving the balance

between the organization's goals and the customers and employees.

The most prominent benefit is perhaps achieved from applying the systems, as in the following:

1. It works to deliver the organization's strategy to all administrative levels.
2. It works to determine the organizations and the individuals' goals in a consistent and harmonic form that leads to achieving the organization's strategy.
3. Connects the strategy with the annual goals, budgets and plans.
4. The cards four axis leads to the presence of a kind of balance through containing the financial and non-financial measures.
5. The card helps the organization's employee's at all administrative levels to understand the cause-effect relationship, and the effect of the functions and the tasks they perform.



6. Works to find a kind of accountability based on the responsibility and the capability to achieve the specific goals.
7. Connecting the performance results and the feedback with the performance development process.
8. Uses the measures and the results of the measure from the BSC as information to depend on in the change processes and building the plans.

#### **Critics of the balanced scorecard system:**

The BSC system as other systems has encountered critics.

The most important critics to the system are the following:

(Wheelen & Hunger 2008).

1. Some see that the BSC contains many financial and non-official measures that consider them as a difficult and complex process; there is difficulty in determining the card, which is how many measures affect the performance.
2. Some see that the BSC system is not real, since the learning and development axis merges in the internal processes, while the customer's axis is a concern about the

basic goal to achieve for any organization or establishment.

3. Preparing and following up the implementation and the periodic review needs great effort, as well as time and high experience that might not outweigh the desired benefit from applying this system.

### **Organizations' Effectiveness:**

All organizations seek survival and development in the business world that is characterized by change and innovation. This has pushed researchers to give organization's effectiveness vital great interest and care. Studying and analyzing organization's effectiveness is seen as a reflection of the organization management's ability to deal and respond to occurring change and innovation (Griffin, 1999, P.175)

### **The concept:**

Researchers and writers in the management's field have introduced a set of intellectual perspectives that describe the effectiveness which is essential, since it is described by George

Pulos & Tannenbaum (1957), as the frame that enables the organization as a social system to reach the needed and relevant means in order to achieve goals.

It reflects the dependency between the organization and the environment in order to maximize the organization's revenue by all means.

While performance effectiveness is "the organization's ability to achieve the goals it is founded for", these concept's effectiveness differs from the concept of efficiency since effectiveness indicates that the process has accomplished the activities to preserve and achieve the organizational goals, referred to as "doing the right thing" while efficiency means attaining the results at less of the inputs and refers to it as "doing things right".

Achieving effectiveness demands the presence of matched culture and is consistent with the organization's strategy, environment, and the used technologies.

Models of measuring performance effectiveness of the organizations: because of organizations' different goals and environments in which they operate has had a great effect on the

emergence of a set of models to measure the organization's performance effectiveness. These models were divided into traditional modern models summarized as follows:

### **1. The traditional methods for measuring performance effectiveness:**

#### **a. The System-resource Model:**

This focuses on the resources in measuring performance effectiveness that indicates the organization's ability to exploit its environment in acquiring the valuable and scarce materials to accomplish its function and it is possible to measure the effectiveness of the organization performance according to this model through the use of a set of indicators. The most important are: (Bentes Alexandre, Carneiro, Silva, Kimura, 2012).

- The organization's negotiation ability.
- The ability to respond to the environmental changes.
- The ability of the organization's managers to understand and analysis the environment's features in which the organization works in.

#### **b. The Goal Model:**

It measures the organization's ability to achieve its organizational goals in order to know the progress sides in its performance, and uses the operational goals as indicators to measure the organizational effectiveness, since it is possible to express to them in measurable quantitative form, including:

- Profitability goals.
- Growth goals.
- Market share.

But some problems might arise and limits the process measuring the performance effectiveness, the most important being:

1. The multiple and conflicting organizational goals that makes measuring the effectiveness by one indicator unacceptable.
2. The presence of some goals that it is difficult to measure, especially in the non-profitable organizations.

**c. Internal Process as Model:**

It focuses and uses a set of indicators to measure the organizational effectiveness, the most important:

- The presence of a good work climate.
- Collective work, cooperation and team spirit.
- The presence of communication means.
- The rise of the internal economic efficiency.

One disadvantage is that, it is not interested in the external environment that surrounds the organization.

**2. The contemporary models for measuring the effectiveness of the organization's performance:** ( Rapiyah, 2014)

These models avoid the deficits and the weaknesses of the traditional models for measuring the effectiveness. The indicators of measuring the performance effectiveness were merged in one model, the most important model of which is the stake holder-satisfaction models that focus on the desires and the goals of the stakeholders affected by the organization's works, or any party that deals with the organization, such as the suppliers, customers, workers managers, owners and the government .

The basic problem in this model is that the goals' conflict with the effectiveness of organizations. To avoid this

problem, more than one partial model was placed to measure the organizational effectiveness:

- a- The relative model-giving relative equal weights to the parties dealing with the organization.
- b- The power model seeking the best party of the dealing parties, satisfying its' needs and desires.
- c- Social justice model: it is the opposite of the power model, the organization seeks the less satisfied party then satisfying its' needs and desires. The aim is to reduce the parties' dissatisfaction.
- d- The developmental model which means the importance of the affected parties change over time according to the stages of the organization's life cycle. The organization should choose the relevant model according to its conditions in detrainning the most important parties to deal with, then measuring the total performance effectiveness.

**Factors of selecting the relevant model to measure the organizations' performance effectiveness**

(Thyleffors , Person & Hellstron 2005).

- a. Preferences of the organization's top management.
- b. The extent of the ability of the goals to be measured quantitatively, which is more effective.
- c. Environmental situations. The environment is characterized by scarce resources model, or the internal processes, while the complex and changing environment makes the organization standards differ to measure the effectiveness of the organization's performance.

### **Methodology of the study**

In this study an analytical descriptive method was used. Primary and secondary data were used. Primary data was collected on the basis of a structure distributed to a group of employees in the Jordanian phosphate company that form a sample for this study. However, the secondary data was based mainly on related references, M.Sc. and PhD theses, and other scientific articles related to the theme of the study. In addition to the official and unofficial records of the Jordanian phosphate company.



### **Study population:**

The Jordanian phosphate company depended on the form the sample's population.

### **Study sample:**

The study population in and Jordanian phosphate company is a random sample of (60) employees, was selected from the employees in the Jordanian phosphate company.

BSC Of the most important factors to the success of organizations are paying attention to customers' opinions, production design and providing services to meet the expectations of customers and constant improvement

of organizational processes will lead to customer satisfaction. Performance management is a way to facilitate communication and understanding between employees and supervisors and leads to makeg a

more favorable working environment and better commitment to The quality of services. The techniques and tools to this management are used to increase staff productivity and gain competitive advantage of organization. Beneficial processes and principles help supervisors' performance management in

identifying poor performance, adopting proper scales, rewarding good performance and motivating them to do it again.

**Reliability Test (Cronbach's Alpha):**

If Alpha Coefficients were above 0.80, they were considered high, and if they were above 0.75, they were accepted, while if they were below 0.60, then results indicated weak internal inconsistency (Bollen et. al. 2005). As shown in table (2), the results of Cronbach's alpha were registered acceptable; results of Cronbach's Alpha were between 0.808 and 0.922.

Table (2): Results of the Cronbach's Alpha

Variables	Results
Financial perspective (FP)	0.912
Customer perspective (CP)	0.931
Business process perspective (BPP)	0.808
Learning & growth perspective (L&GP)	0.922
Environmental perspective (EP)	0.855
BSC	0.901
Effectiveness of organization (EO)	0.924

### Relationships between the Study Variables

Before testing the hypotheses, Pearson correlation (r) was carried out to test the correlation among the responses of BSC dimensions, then between them and effectiveness of organization.

**Table (2): Pearson’s Correlation (r) Among Independent Variables, and with Dependent Variable**

Variable	FP	CP	BPP	L&GP	EP	BSC	EO
Financial perspective (FP)							
Customer perspective (CP)	0.668**						
Business process perspective (BPP)	0.609**	0.668**					
Learning & growth perspective (L&GP)	0.317*	0.431**	0.457**				
Environmental perspective (EP)	0.221	0.313*	0.283*	0.056			
BSC	0.695**	0.789**	0.772**	0.515**	0.720**		
Effectiveness of organization (EO)	0.540**	0.644**	0.667**	0.657**	0.134	0.633**	???

\*\*Correlation is significant at 0.01 levels (2-tailed)

\*Correlation is significant at 0.05 levels (2-tailed)

Pearson correlation matrix table (2) shows that the relationships among the BSC dimension are significant except between FP & EP (0.221) and between L&GP & EP (0.056), where (r) ranges from 0.283 to 0.789; this gives an evidence of almost absence of multi-co linearity. The matrix also showed that the relationships between BSC dimensions and EO are significant except with EP, where (r) ranges from 0.134 to 0.657, which refers to linearity of data.

### Hypotheses Testing

To test the hypotheses, a multiple regression analysis was used to analyze the relationship between the BSC dimensions and effectiveness of organization EO. The coefficient of determination ( $R^2$ ) indicates the goodness and fitness of the model.

Table (4): Results of Multiple Regressions Analysis: Regressing BSC dimension against EO

Variable	R	R <sup>2</sup>	F- Value	Sig.
BSC dimensions adoption	0.805	0.648	19.764	0.000

*H0: BSC dimensions adoption does not have a significant impact on effectiveness of organization EO, at  $\alpha \leq 0.05$ .*

The results of the multiple regression analysis that regress the five dimensions of the BSC are shown on table (4) above. The five dimensions together explained 64.8 percent of the variance, where ( $R^2 = 0.648$ ,  $F = 19.764$ ,  $\text{Sig.} = 0.000$ ), therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, which indicates that the BSC dimensions adoption affects the effectiveness of organization EO, at  $\alpha = 0.05$ . The following table shows the significant effect of each dimension within the BSC.

The conclusion of table (5) shows that the RC variable has the highest effect on JTCs' BP, where ( $\text{Beta} = 0.378$ ,  $\text{sig.} = 0.002$ ). Thus, it indicates that the RC variable is the most significant and positively and directly regresses to the JTCs' BP, followed by HC variable, where ( $\text{Beta} = 0.217$   $\text{sig.} = 0.119$ ), while SC variable has the lowest effect on JTCs' BP, where ( $\text{Beta} = 0.076$   $\text{sig.} = 0.575$ ).

Table (5): Un-standardized and Standardized Coefficients of Multiple Regression Model for IC Variables

IC Variables	Un-standardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t-value	P
(Constant)	0.389	0.376		1.035	0.305
Financial perspective (FP)	0.095	0.115	0.094	0.830	0.410
Customer perspective (CP)	0.214	0.112	0.238	1.901	0.063
Business process perspective (BPP)	0.242	0.100	0.288	2.433	0.018*
Learning & growth perspective (L&GP)	0.403	0.095	0.396	4.249	0.000*
Environmental perspective (EP)	-0.026	0.035	-0.065	-0.751	0.456

\*Calculate is less than 0.05

The relationship between the dependent and independent variables derived by this model can thus be expressed as:

$$EO = 0.389 + 0.095 (FP) + 0.214 (CP) + 0.242 (BPP) + 0.403(L\&GP) - 0.026(EP)$$

$H_{0.1}$ : FP dimension does not have a significant impact on EO, at  $\alpha = 0.05$ .

From table (5), it is concluded that there is a no significant effect of FP dimension on the EO, where (Beta=0.094, sig. =0.410). Since (t=0.830,  $p > 0.05$ ), the null hypothesis is accepted, which indicates that the FP dimension does not have significant effect on EO, at  $\alpha = 0.05$ .

*H<sub>0.2</sub>: CP dimension does not have a significant impact on EO, at  $\alpha = 0.05$ .*

From table (5), it is concluded that there is no significant effect of the CP dimension on EO, where (Beta=0.238, sig. =0.063). Since (t=1.901,  $p > 0.05$ ), the null hypothesis is accepted, which indicates that the CP dimension does not affect the EO, at  $\alpha = 0.05$ .

*H<sub>0.3</sub>: BPP dimension does not have a significant impact on EO, at  $\alpha = 0.05$ .*

From table (5), it is concluded that there is a positive direct significant effect of the BPP dimension on EO, where (Beta=0.288, sig. =0.018). Since (t=2.433,  $p < 0.05$ ), the null hypothesis is rejected and the alternative hypothesis is accepted, which indicates that the BPP dimension affects EO, at  $\alpha = 0.05$ .

*H<sub>0.4</sub>: L&GP dimension does not have a significant impact on EO, at  $\alpha = 0.05$ .*

From table (5), it is concluded that there is a positive direct significant effect of the L&GP dimension on EO, where (Beta=0.396, sig. =0.000). Since (t=4.249, p < 0.05), the null hypothesis is rejected and the alternative hypothesis is accepted, which indicates that the BPP dimension affects EO, at  $\alpha = 0.05$ .

*H<sub>0.5</sub>: EP dimension does not have a significant impact on EO, at  $\alpha = 0.05$ .*

From table (5), it is concluded that there is no significant effect of the CP dimension on EO, where (Beta=-0.65, sig. =0.456). Since (t=-0.751, p > 0.05), the null hypothesis is accepted, which indicates that the EP dimension does not affect the EO, at  $\alpha = 0.05$ .

## **Results and discussion**

The results of this study revealed the absence of an effect of the financial dimension on the organizational effectiveness in Jordanian phosphate company, this considers as an indication to



the lack of focus on the long-term financial goals, also to the company's peruse to increase its revenues through providing the customers' need at minimum cost and within limited time frame, this may be due to the monopolizing position of the company in Jordan as a single local company its activities specialized in the phosphate mines, still this considers a threat to the company's position on the long term since the legislations allow the importation of the phosphate derivations from the producing countries of this material such as the kingdom of Saudi Arabia.

The absence of an effect of the financial dimension on the company's effectiveness conforms with the absence of an effect with significance of the customers' dimension on the company's effectiveness, this indicates that the phosphate company does not consider the customer the basic driver of its activities, that contributes to the company's success and perpetuation, this could be due to the company's keeping a semi-fixed market share, so it does not seek to direct the performance measure towards creating value to the customers, and does not focus on achieving their satisfaction and to work to retain the customers.

Which is consistent with the study Khalile & Adhami (2014) and the study of Katebi (2014) by focusing on the financial dimension to increase the growth of activities Alentzma and activating the role of the organization to achieve a high level of profits that lead to attention Balae and internal operations of the organization, where it was found a strong relationship and positive after the financial effectiveness of the organization's activities

It was also found the presence of moral effect of the two dimensions the internal operations and learning and growth on the organization's effectiveness, this means that the phosphate company care about the efficacy of its operational processes and directs these operation towards the company's goals.

This might be due to the management pursue to increase the efficacy of the internal operational processes and training the employees because of the work particularity in the phosphate mines that includes many operational risks surrounding the workers during the work and while dealing with chemical materials & the dangerous nature of the work's location.

So, we find that the company cares about making the availability of the vocational safety requirements for the workers and training them on managing the crises and the problems that they might encounter during the work.

From this point could be the link between these two dimensions and the organizational effectiveness of the phosphate company.

The result did not reveal the presence of effect with the significance of the environmental dimension on the organization's effectiveness this is an indication that the strategic performance measure in the phosphate company do not takes the environment affairs seriously, also it does not care about the effect of the company's processes on the environment's safety and pollution level and expansion to the agricultural lands.

This might be due to the legislation that allows the phosphate company that limit the effect of the environmental pollution.

Agreed to study with the study of Mohamed (2014) and the study of Rezaei & Dehanvi (2014) with interest organization applying the strategy Balanced Scorecard inside and outside the

organization, which supports the work and contributes effectively to improve the look customers of the organization and the achievement of its effectiveness, which creates a competitive advantage high Organization

### **Recommendations:**

Phosphate Company should focus on the financial dimension as one of the factors for achieving the organizational effectiveness, and its interest should be on building strong relations with the customers to maintain their loyalty and draws the mental image for the company.

There should be assurance that the company takes the needed procedures to treat the industrial wastes in away that guarantees the environment safety and limiting the resulting environmental pollution from its operations and activating the laws and regulations specific to the application of the standards and environment laws in Jordan through increasing the monitoring of the industrial firms, imposing the fines on the violators, establishing the committees that pertain to commitment of the phosphate company and industrial companies to the environment,

issuing periodic newsletters that rank the companies according to their commitment to the environment's safety and their participation in the society's service.

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