



Balanced Scorecard and Performance Measurement System Given by Islam; A Comparative Study

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Abstract:

Balanced Scorecard performance measurement system is getting wide acceptance around the globe. Basically it has four perspectives learning and growth, internal business, customer and financial. This performance measurement system is very popular because of its flexibility; Balanced Scorecard can be modified and altered according to the requirement of organization. This study provides a brief introduction of Balanced Scorecard measurement system. Some modified perspectives of Balanced Scorecard are also given of different industries. The Islamic performance measurement system is discussed comprehensively. This is a qualitative study. The study is based on secondary data. The main source for the Islamic view of business is Quran and Hadith. Comparison between Balanced Scorecard performance measurement system and the Islamic performance measurement system is done that indicates, there is no specific tool or performance measurement system in Islam rather Islam gives a code of conduct and some ethical values for entrepreneurs.

Key words: Balanced Scorecard, Performance Measurement, Islamic economics.

Introduction:

“Tunnel vision is only useful in tunnels! On any journey, we need to know where we have been, where we are going and how to get there.” With the passage of time many techniques and methods have been introduced to measure the performance of an organization, “financial measures such as return on investment (ROI), internal rate of return, net present value and payback period” are the most studied methods in literature.(Bottani B. B., 2010)

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Some of the management tools are welcome very promptly but others are not accepted swiftly by organizations (Rogers, 2003). “The Balanced Scorecard introduced by (1992) in the platinum jubilee anniversary edition of Harvard Business Review (1997) and is amongst the fifteen (15) most vital management ideas ever launched by the magazine (HBR, 1997).” The main cause of development of Balanced Scorecard was the increasing dissatisfaction due to the conventional performance measures that measured performance according to financials of an organization only. The Balanced Scorecard is a performance measurement system that helps to line up the corporate activities according to the vision and mission of the organization; it helps to improve communication externally and internally. “It includes various performance indicators, namely customer perspective, internal-business processes, learning and growth and financials” (Kaplan, R.S. and Norton, D.P., 1993) . (Kaplan, R.S & Norton, D.P, 1996) (Kaplan, R.S and Norton, D.P., 2001a) (Kaplan, R.S and Norton, D.P., 2001b).

Balanced scorecard is a famous performance measurement system in United States. Use of Balanced Scorecard as a performance measurement system is 43% according to the survey of Maisel (2003) which is conducted on AIPA (American Institute of Public Accountants) members. (Kaplan, 2005)

“By 2000 some surveys indicated that a majority of firms in the United States, and Scandinavia used scorecards – or at least intended to do so soon. Others, like Bain’s management tools survey, indicated a slight drop in usage to 36 per cent, but with a high average satisfaction with the tool. The number of software packages for scorecard on the market was growing and exceeds 100 today. In only ten years, the idea of the balanced scorecard has certainly made its mark. (Gadenne, 2000)”

The financial measures are not sufficient according to the need of organizations these days in profit sector. The intangible assets as quick and trustworthy services, skilled employees and responsiveness are not shown in balance sheet but they mean a lot for the success of any organization. According to the Balanced Scorecard financial and nonfinancial measures are all necessary to run a system smoothly (Brewer, P.C & Speh, T.W., 2000).

Balanced Scorecard is a top down driven process, there must be balance between internal measures of learning and growth, internal business process and the external process as customer and stakeholders. In

long run the Balanced Scorecard can be used as a strategic management tool, there must be balance between future and past measures (Poll, 2001).

When constructing the BSC implementation model, consideration must be given to structuring it to be as practical as possible. Such an objective is best achieved by presenting the components of the model in the form of implementation guidelines, with the critical Balanced Scorecard factors superposed as a useful “checklist”.(Eid, 2006)

By 1996 the remit of the BSC had been expanded into an organization-wide strategic management system, which enabled managers to break down high-level business strategy into agreed operational initiatives for constituent business units within each of the four performance categories of finance, customer, internal process and learning and growth. (Rich, 2007)

These four perspectives should be linked by cause-and-effect relationships, because a BSC is more than just a collection of measures in four categories; it also tells the story of the overarching strategy used by a business or, more specifically, used by a division within that business (Kaplan, D.P & Norton R.S, 1992) (Kaplan, R.S & Norton, D.P, 1996)

The process of Balanced Scorecard is as follow:

- ❖ Vision strategy: develop coordination between stated vision and strategies of business.
- ❖ Deep understanding and knowledge of Balanced Scorecard from top to down all employees and develop alignment among objectives and tools of measurement.
- ❖ Develop the feedback process on strategic basis. In past firms used traditional performance measurement system for performance assessment, but they assessed the performance on short-term basis, but Balanced Scorecard includes customers dimension, learning and growth dimension, and internal business process indicators.

(Latshaw, C.A. and Choi, Y., 2002)

It helps to view the business performance on long-term basis and also explain the way through which performance of a business can be assessed. (Hanghood, W.O and Friedman, L., 2002)

The Balanced Scorecard shows a complete picture of what we need to know about an organization, the scorecard is balanced. “First, there is a time dimension going from bottom to top.” Current year’s productivity may be a result of steps taken last year and measures we take this year will definitely affect the performance of next year. “The scorecard is also balanced in another way: it shows both internal and external aspects of the business. It is obvious that a “well-oiled machinery” of internal processes is important in any

business. On the other hand, customers' views and the contacts that have been established in the market-place are obviously important too". The scorecard shows both. (Arora, 2002)

Use of Balanced Scorecard does not guarantee to bring success. As it does not provide assistance towards management from a distance. But use & execution of Balanced Scorecard guides the firm in attainment of key performance indicators (Epstein, 1998).

Learning and growth dimension: "To find out what capabilities should be changed by a firm to achieve its stated vision?"

Capacity of employees, employees motivation and information system used is measured In this perspective. (Chavan, 2009).

Continuous improvement in products is necessary to be in the environment full of competition, different production ideas must be adopted and consider learning a continuous process to fulfill the consumer expectations. This dimension include business cultural attitude and employee training that is essential for the company's long-term growth which ultimately leads towards corporate self improvement and the individual improvement both (Bottani, 2010).

This dimension deals with the human resources needed to satisfy the customers, because innovation and learning is a continuous process the target for success keeps on changing (Zafar Ahamd, Zulfqar Ahmad, Ishfaq ahmad and Muhammd Musarrat Nawaz, 2010)

Internal perspective: "to satisfy our shareholders and customers, at what business processes must we excel?"

Development of products and services, delivering products and services and post sales services are measured in this perspective (Chavan, 2009). The strategies and objectives of the organization and the methods to attain them are included in this perspective. Satisfaction measurement is absolute but is only possible when all the internal processes are in action to meet customer's expectation. It is included in manager's duties to work for the tactics that will ensure the customer satisfaction, and managers also have to identify the company's competencies and expertise which will decide the position in the market of that organization (Bottani, 2010).

To meet the customer demand sources which are required comes under this dimension. Organizations define their expertise to be the market leader and Managers put focus on these decisive operational measures. (Zafar Ahamd, Zulfqar Ahmad, Ishfaq ahmad and Muhammd Musarrat Nawaz, 2010)

Customer perspective: "to achieve our vision how should we appear to our customers?"

A vital mission of the companies is to give the best services to the consumers now days. (Kaplan, D.P & Norton R.S, 1992). Type of Customer is to be defined in this perspective, what is the nature of customer their expectations should be known according to their culture and demographics. According to the Modern management philosophy customer satisfaction is the most important target of any organization. Customer is the king of today's market. If the customers are not satisfied it will ultimately cause the decline of organization's performance even if the financials of the organization are strong (Bottani, 2010).

“What are the procedures that are used to deliver the product or service to the customer? Product/service attributes, customer relationships, and image and reputation is also measured. (Chavan, 2009)”

Focus of this perspective quality, time, cost, performance & services. Sometimes to know the level of satisfaction of customers, services of third parties are taken (Zafar Ahamd, Zulfqar Ahmad, Ishfaq ahmad and Muhammd Musarrat Nawaz, 2010).”

Financial perspective: “to succeed financially how should we appear to our shareholders?”

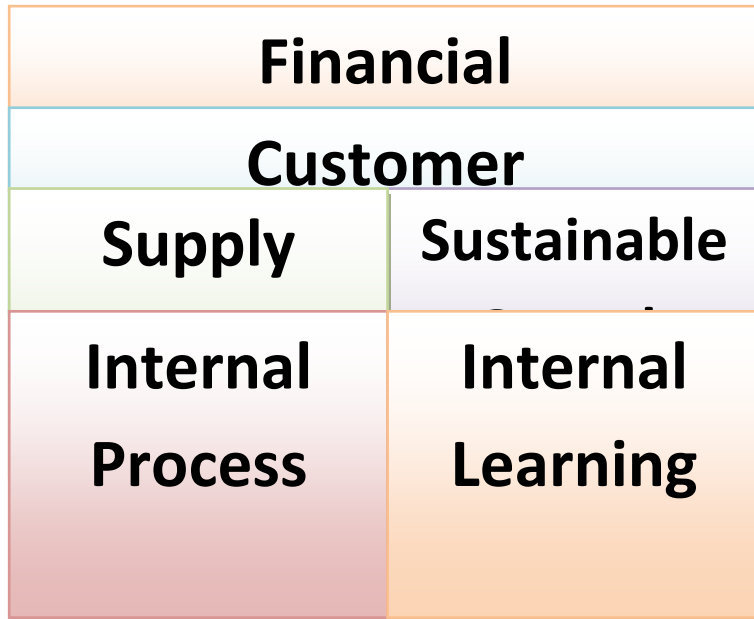
Financial performance is represented by this perspective of any organization. It shows that whether the organization's set targets and goals are met or not. Conventional measures used to examine the financial performance in just a look. “Increase in the market value of the firm, return on investment, profits increments, asset utilization increase in share price are all which represents the financial performance of the firm” (Chavan, 2009) and with the help of balanced scorecard investors can easily analyze its performance and can invest.

This dimension shows the need of conventional measures the financial ones. But the point is that the emphasis on financials leads to the “unbalanced” situation with regard to other perspectives. Hence, additional financial-related data, such as risk assessment and cost-benefit data, are often included in this category.” (Bottani, 2010)

Shareholders' wealth and profitability comes under this dimension. It can be measured by “income to sales percentage, earning per share, Return on Capital Employed (ROCE), Residual Income (RI)” etc (Zafar Ahamd, Zulfqar Ahmad, Ishfaq ahmad and Muhammd Musarrat Nawaz, 2010)

Balanced scorecard is a performance measurement system that can be tailored according to the need of the organization and perspectives can be added according to the cultural variation beside the four basic perspectives Developing the Balanced Scorecard further on the basis of researchers efforts (Karabay, 2012)(Lohman, 2004),

A 6-perspectives model has been proposed for implementation in textile industry in Pakistan. (Maqbool, 2015)



Pharma AG's revised Balanced Scorecard structure was developed and a new perspective was introduced and balanced scorecard perspectives were five:



This perspective structure now fully reflects the mission of Pharma AG (Ahn, 2005).

A modified Balanced Scorecard approach was adopted through the study as the methodology for increasing the effectiveness of the

preparation of a balanced corporate plan for University of Kelaniya, Sri Lanka. And communication of it to the different layers for the implementation.



In order to attain the ultimate mission and vision of the university this line of thinking facilitated to produce one page visual tool which links objectives to accomplish the strategic themes according to cause and-effect relationship, ensuring whether all required objectives have been developed to cover all the perspectives. Thus, the modified Balanced Scorecard approach contributes to improve strategic management process of the corporate planning, and can be used as diagnostic model to examine even the efficiency of corporate planning process in other universities, especially in Sri Lanka. (patabendige, S.A..C.L Senartha and S.S.J., 2015)

Given above are the modified perspectives of Balanced Scorecard in different industries and even in same industry Balanced Scorecard varies from organization to organization. Balanced Scorecard is a flexible tool that can be modified and altered to be the best performance measurement system. But in contrast to Balanced Scorecard Islam gives basic rules and ethics, the code of conduct that cannot be modified or altered. Islamic performance measurement system is discussed here:

Islamic performance measurement system :

To explain and make clear the Islamic basic rules of practical life and culture Muslims have Quran and Hadith. Certainly, the Holy Qur'an and Hadith is the starting point for the Shariah Principles (Islamic Law) and principles of civilization. Every dimension of one's life is covered under the Shariah, as it provides complete guidelines for people's actions. As viewed through the window of religion, every Islamic organization must align with the laws of Islam named as Shariah

principles and must know all the aspects regarding the working environment with respect to Islamic knowledge. (Seidu, 2006)

Islam gives a large variety of ethics of living life in a good manner for all humans and also explains how good relations can be made humans with other humans ALLAH and to his own self. Islamic ethics not only focus on economic worth but also focus on development of welfare, social and economic equality and contentment among all humans. Rules and regulations which are decided by Islam also guide in business community (Supriyatna, 2012) (Hanafi, AA. and Sallam, H, 1997).

Examined by (Beekun, RI. and Badwi, JA, 2005) Islamic business ethics from a normative dimension. Muslims daily life code of conduct cannot be separated from the business rules and regulations. Islam give equal rights and respect for all. Islam also states that human should all time remember his duties and purposes which are fixed by Allah for all humans.

Organizations are bound to follow the ethical perspective of the business language because without knowing Islamic business ethics any business activity cannot be best organized and managed especially for Muslims. Because the holy Quran says “ **Allah has made business for you**”. An entrepreneur can never deceive customers if the attitude of ethics exists in his mind. In this regard overall business reputation and goodwill can be damaged by irresponsible behavior.

The tradition of prophet (SAW) states:

“The Muslims are bound by their provisions or stipulations.”^[16]

In business transaction Islam encourages reliability and candor. The Holy prophet said:

“The honest merchant/business man on the day of resurrection will be rewarded with prophets, pious, virtuous and martyr people.”^[15]

“We may define ethics as normative science of the conduct of human being living in societies a science which judge this conduct to be right or wrong, to be good or bad. Or in some similar way”. (Lillie, 1971)

“In Islamic perspective basically the word ethics means to see what is bad and good morally as well as socially because ethics is something which play important role for making and developing a strong and pious society. (Mawdoodi, 1994)”

Here the performance measurement system given by Islam is discussed briefly:

1. Trust (Amanah)

Trust is very important ethic in Islam. Trust is very important in every dealing or activity of all humans' life. It also helps a lot in development of strong relations with others. Concept of trust is depend on

sense of answerable to Allah one day where everyone have to answer all of activities they performed in their life in this world .The Holy Quran and Hadith give a lot of emphasize on importance of trust as stated in following:

“If you are on a journey, and cannot find a scribe, then let there be a pledge taken(mortgage); then if one of you entrust the other, let the one who is entrusted discharge his trust (faithfully), and let him be afraid of Allah, his Lord. And conceal not the evidence for he, who hides it, surely his heart is sinful. And Allah is all knower of what you do”.^[2]

The Prophet (SAW) mentioned the importance of trust in this public administration as follows:

“Any ruler who has been entrusted with the affairs of a group of Muslims and whodies as a dishonest ruler, to him paradise is forbidden by Allah.”^{[13][14]}

2. Justice (‘Adl)

“Justice or ‘Adl means to treat people equally is a precondition of justice and fairness.” It means to identify the rights and duties in your surroundings and also to keep balance in both of them. Islam makes it compulsory to be just in daily life too as Allah says in Quran:

“O you who believe! Stand out firmly for Allah and be just witnesses and let not the enmity and hatred of others make you avoid justice. Be just: that is nearer to piety, and fear Allah. Verily, Allah is well acquainted with what you do.”^[4]

“Be equitable. Verily, Allah loves those who are equitable”^[6]

3. Sincerity (Ikhlas)

Sincerity is generally understood to be truth in word and act. Islam also stresses on existence of Sincerity it refers as a state of mind and actions where only truth is communicated no lies no double cross no cheatings. Allah says:

“And they have been commanded no more than this: to worship Allah, offering Him sincere devotion, being True (in faith); to establish regular Prayer; and to practice regular Charity; and that is the Religion right and Straight.”^[7]

The following is a selection of Hadith as regards to sincerity:

“Allah does not look to your bodies, to your faces, but He looks to your hearts and your deeds.”^[14]

“Actions are but intention and every man shall have but which he intended. Thus he whose migration was for Allah and His messenger, and he whose migration was to achieve some worldly benefit or take some woman in marriage, his migration was for that for which he migrated. The Prophet (SAW) also the mentioned that religion is

sincerity! We said: To whom? He said: To Allah, and his Book and His messenger and to the leaders of the Muslims and common folk.”^{[13][14]}
 Therefore, Islam attaches great importance to the sincerity of intentions and actions in every walk of life. The performance of duties requires that all individuals in organizations work with sincerity and fidelity. A sincere businessman is not expected to deceive, harm and take advantage of others intentionally.

4. Truthfulness (Sidq)

Truthfulness is a basic ethical value of Islam. Islam is, in a way, the other name of truth. Allah speaks truth, and commands all Muslims to be straight forward and truthful in their dealings and utterances.

Allah says:

“O you who believe! Keep your duty to Allah and fear Him and speak the truth.”^[8]

“O you who believe! Be afraid of Allah, and be with those who are true (in words and deeds).”^[9]

Islam strongly condemns falsehood and deceit in any form (Ahmad, 1991).

Holly Prophet (SAW) said in this regard:

“Rafe’h reported: He came with the Prophet (SAW) to the place of prayer and he saw the people engaging in business. The Prophet said, O group of traders! They answered him and turned toward him, and the Prophet said, Verily, the traders will be raised on the Day of Resurrection with the wicked except for those who fear Allah, behave righteously, and are truthful.”^[15]

5. Benevolence (Ihsan)

As far as kindness is concerned, an act which benefits persons other than those from whom the act precedes without any obligation is benevolence. It also means proficiency, fineness, or magnanimity in dealing with others. The concept of justice is frequently repeated with the concept of benevolence in the Quran and the Hadith. Allah says:

“Spend your wealth for the cause of God, and be not cast by your own hands to ruin; and do good. Lo! God loves those who behave with ihsan.”^[1]

The Prophet (SAW) is reported to have said:

“The inmates of Paradise are three types: one who wields authority and is just and fair; one who is truthful and has been endowed with power to do good deeds; and the person who is merciful and kind-hearted towards his relatives and to every pious Muslim, and who does not stretch out his hand in spite of having a large family to support.”^[14]

6. Forward Transactions

All business that involves forward transactions are prohibited in Islam. Hazrat Muhammad (SAW) does not allow goods that are not in one's hand to sale. These are the following Ahadith in this regard:

Amr-bin-Shu'aib reported from his father who from his grandfather that the Messenger of Allah said:

“Advance loan and sale are not lawful, and there are no two conditions in a sale, and no profit till it comes in possession, and no sale what is not in your possession.”^{[15][16][18]}

Ibn Omar reported:

“They (people) used to purchase food-grain in a place confronting the market and sell it also in its place. Then the Holy Prophet forbade them to sell it in its place till they take it in possession.”^[16]

Hakim-bin-Hezam reported:

“The Messenger of Allah prohibited me to sell what is not in my possession.”^[15]

Modern economic theory proves that all the trade cycles that cause disturbance in economy partially are because of forward transactions.

7. Swearing in Trade

To convince the buyer about the good quality of a product people used to take oaths in times of Prophet Muhammad (SAW) as modern sellers also do to sale their goods of inferior quality. This practice is prohibited in Islam and many traditions of Prophet Muhammad (SAW) and ayahs of Quran clear this prohibition

As in Quran Allah says:

“Verily, those who purchase a small gain at the cost of Allah's Covenant and their oaths, they shall have no portion in the hereafter (Paradise). Neither will Allah speak to them, nor look at them on the day of resurrection, nor will he purify them, and they shall have a painful torment.”^[3]

Abu Qatada reported that the Messenger of Allah said:

“Be careful of excessive swearing in sale, because it finds market but then reduces (blessing).”^[14]

Abu Hurairah reported that the Messenger of Allah said:

“Oath is a means of bargain for the commodities but a cause of deterioration in blessing.”^{[13][14]}

8. Weights and Measures

To deceive the customer, defective measures and weights are strictly condemned and prohibited in Islam. Quran have stated to give full

measures and weights and tells us about people of to whom Hazrat Shu'aib was sent who lived in Madyan. To escape punishment of Allah clear command is to give full weights and measures. Hazrat Muhammad (SAW) took steps to popularize the use of standard measures and weights. He prayed for the honest merchants and sellers. The Quran says:

“And give full measure and full weight with justice.”^[5]

“And to the Madyan people (we sent) their brother Shu'aib. He said: “O my people! Worship Allah, you have no other God but Him, and give not short measure and weight, I see you in prosperity; and verily, I fear for you the torment of a Day encompassing. “And O my people! Give full measure and weight in justice and reduce not the things that are due to the people, and do not commit mischief in the land, causing corruption.”^[10]

The Prophet also emphasised that the goods should be measured or weighed before purchasing or selling them. Moreover the weighing and measuring is on the seller

Usman R.A reports that the Holy Prophet told him:

“To always weight and measure anything he bought or sold.”^[13]

9. Monopoly

When supply of a product is completely in one party or person's hands, known as monopoly. The monopolist fixes the price and supply of product is in his hand. This practice is strictly prohibited in Islam because it is harmful for the whole society. Following traditions of the Prophet of Islam make this clearer:

“It is reported by Ibn Abbas (R.A) that the Messenger of Allah said: Grazing land belongs to Allah and His Messenger and no one is permitted to keep it to himself.”^[13]

Ibn Abbas (R.A) reported that the Apostle of Allah said:

“All Muslims jointly share three things i.e., water, grass and fire.”^[16]

Ma'mar reported that the Messenger of Allah said:

“Whoever monopolizes is a sinner.”^[14]

10. Price Control

To control the price an artificial shortage of goods is produced in market. All these practices are forbidden in Islamic society. Therefore, ordinarily there is no fear that price would rise artificially because the true Muslims are not expected to indulge in hoarding or speculation. Such situation took place once even during the reign of the Prophet. The relevant Hadith is as under:

Anas (R.A) reported that:

“The current price once became high at the time of the Messenger of Allah. They asked: O Messenger of Allah! Fix a rate for us. The Holy Prophet replied: Verily Allah is One who controls price, curtails, gives amply and provides sustenance; and certainly I hope that I should meet my Lord while there will be none amongst you who will hold me responsible either for blood or for property.”^{[15][16][19]}

Although the Prophet declined to intervene to fix or control prices, yet steps were taken by him so often to eliminate hoarding, abolish monopolies and forbid speculative business so that prices should not unduly rise.

In normal circumstances, government is not allowed to interfere in the natural flow of prices in an independent market.

11. Corporate social responsibility

What the organizations do with the money and profits and how they earn it and how much the organization is responsible towards society. “The questions may arise that the emphasis on the Corporate Social Responsibility is more given by the corporations in the West and wherever they operate around the world. Does Corporate Social Responsibility all about the western values of doing business?(Abdullah, n.d)”

In contrast to the Western theories, the Islamic view of Corporate Social Responsibility takes a rather holistic approach. It offers spiritual view based on the teachings of the Quran and the Sunnah providing a better alternative philosophical framework for man's interaction with nature as well as his fellowmen(Ahmad, 2002). In fact, the moral and ethical principles derived from divine revelations are more enduring, eternal, and absolute(Ahmad, 2002)(Ahmad S. F., 2003b). Thus may serve as better guidelines for corporations when exercising their business and social responsibilities simultaneously.

Islamic guidance, with its commitment to justice, brings about a balance between the rights of individuals and their duties and responsibilities towards others (Pervez, 2000), and between self interest and altruistic values(Naqvi, 2003).

Throughout the ages business organizations have very important role in economic and social life of people. Business activities are considered as religious obligation in Islam. Protection and contribution towards the society in which an organization operates is known as corporate social responsibility. Therefore Corporate Social Responsibility is vital for Islamic organizations(Muhammad, 2007). Taqwa (God consciousness) is the central point of a Muslim's life, it is crucial in every field of life of a Muslim so, similarly in business dealings(Siwar, 2009).

“Islamic framework of corporate social responsibility has three dimensions: first is relationship with Allah, second relationship with fellowman, third is relationship with nature or environment (Muhammad, 2007).

Corporate Social Responsibility is all about the rules and regulation of running a business, recognizing the rights of employees, the conservation of nature and the establishment of justice and avoidance of corruption. A pious Muslim businessman that really practices the teaching of Islam is always a good practitioner of Corporate Social Responsibility. (Abdullah, n.d)

12. Rights and obligations of employees:

(Tayeb, 1997) Stated that human resource management is important to set up the ways of Islam of employee management as well as a key function that make and assist, the employees to obtain the goals of organization more effectively and efficiently.

The rights of employee are the duties of employer and the duties upon employee are rights of employer so there is a need to understand the term rights and duties. Allah’s Messenger (SAW) had laid specific emphasis on equality in a Hadith reported by Abu Zar Ghaffari:

“Allah’s Messenger (SAW) said they are your brothers. Allah has placed them under your control as a trial. So it is incumbent upon the one whose brother works under his authority to feed from his own food, dress him like his own dress. He should not assign him hazardous works that overwhelm him (the worker). If such work has been given to him, he (employer) should help him.”^[15]

“Let a laborer get his wages before his sweat dries.”^[19]

“Allah’s Messenger (SAW) warned that, concerning those who don’t pay the wages on time, Allah will argue on behalf of the affected workers on the day of reckoning.”^[13]

13. Fulfillment of promises:

One of the virtues talked about in the Holy Quran is keeping of the Promise or Covenant. It has been mentioned as one of the special and distinct features of the faithful Momineen. Breaking of promise or breach of a covenant has been called therein as one of the habits of the polytheist Mushrikeen and hypocrite Munafeqeen.

Not keeping the word or breaking of promise or trust is one of the offences that break the relation of confidence and trust in the society and thus its foundation. Fulfilling a promise, besides being an Islamic right, is also a human right.

Allah says in the Holy Quran:

“Those who are faithfully true to their amanah (all the duties which Allah has ordained, honesty, moral responsibility and trusts) and to their covenants.”^[11]

“O you who believe! Why do you say that which you do not do? It is most hateful to Allah that you should say that which you do not do.”^[12]

The Prophet Muhammad (SAW) said:

“The person who has no covenant has no faith.”^{[17][20]}

“There are three qualities and conditions which make a man hypocrite even if he fasts and prays and is a Muslim in his opinions: Shows dishonesty when trusted, Tells a lie while speaking and Breaks a promise.”^{[13][14]}

Conclusion :

The Balanced Scorecard can be tailored and modified for different industries, different organizations in same industry and even in different units or departments in same organization, based on business objectives and corporate principals. Balanced Scorecard development process is fairly involved process which requires a lot of commitment and understanding and for some business unit leaders a lot of facilitation.

Balanced Scorecard requires understanding, commitment and support from the very top of the organization down. Different organizations have quite different needs, products and services, people, market areas and will ultimately end-up in different scorecards.

When applied in an organization appropriately Balanced Scorecard have significant benefits. It is a powerful tool but must be understood that Balanced Scorecard cannot be thought of as a miracle tool that will somehow uplift the performance of a striving firm. We should keep in mind that any approach used cannot contain the “guarantee of success”.

This study has attempted to propose some guiding principles to measure the performance of an organization according to Islam. Business ethics have their own dominant role in business society in today’s modern business world, they may serve the organization well and benefit the society too but Muslims adopt these practices which benefit to mankind especially.

If we compare Balanced Scorecard performance measurement system and the performance measurement system given by Islam we don't get a tool like Balanced Scorecard but Islam give a set of ethics and code of conduct which are same in every aspect of life.

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