
At the Intersection

An investigation into the integration and alignment of the Balanced Scorecard with operational risk management frameworks to enhance strategic execution in the UK Financial services industry.



Research design

Research design

- ❑ Whilst the subject matter is potentially very broad and general, the research is designed to be focused. Focused from an industry perspective (UK financial services industry) and from a subject matter perspective (integration and alignment of performance and risk).

- ❑ A systematic approach will be taken to the research;
 - concise research question,
 - reviewing literature,
 - gathering primary data via interviews,
 - analysing that data and,
 - proposing an approach to address the issue identified in the research question.

Research design (2)

- ❑ Research conducted within the UK Financial Services industry, for the following reasons;
 - the burden it has faced, and continues to face from a regulatory perspective
 - the industry position globally and within the UK economy
 - the transferability of insights from this leading industry to other industries.
 - author's experience and interest

- ❑ Research approach used: Inductive reasoning approach
 - research approach involving the development of a theory as a result of the observation of empirical data, Saunders et al (2003)

Research design (3)

- ❑ Research methodology used: qualitative methodology
 - chosen for the richness of the process and level of engagement required between interviewees and author

- ❑ Semi-structured interviews were chosen as the primary data collection method.
 - these enabled exploration of complex topic in-depth via rich dialogue
 - provided flexibility to have detailed discussion around specific points raised by interviewees.

The research question

- The research question was *'How can UK financial services organisations integrate and align their PM and ORM processes to enhance strategic execution?'*
 - structured to address research related issues identified by Johnson (1994)
 - concise enough to bring focus and set boundaries
 - outcome orientated, with ultimate aim of helping companies enhance their strategic execution

The research question (2)

- The research had the following objectives;
 - to identify current best practice, from literature and industry, relating to PM (Balanced Scorecard) and ORM
 - to test the applicability of the proposed Risk-based performance approach to integration and alignment of PM and ORM
 - to identify likely benefits of integrating PM and ORM processes

Research structure

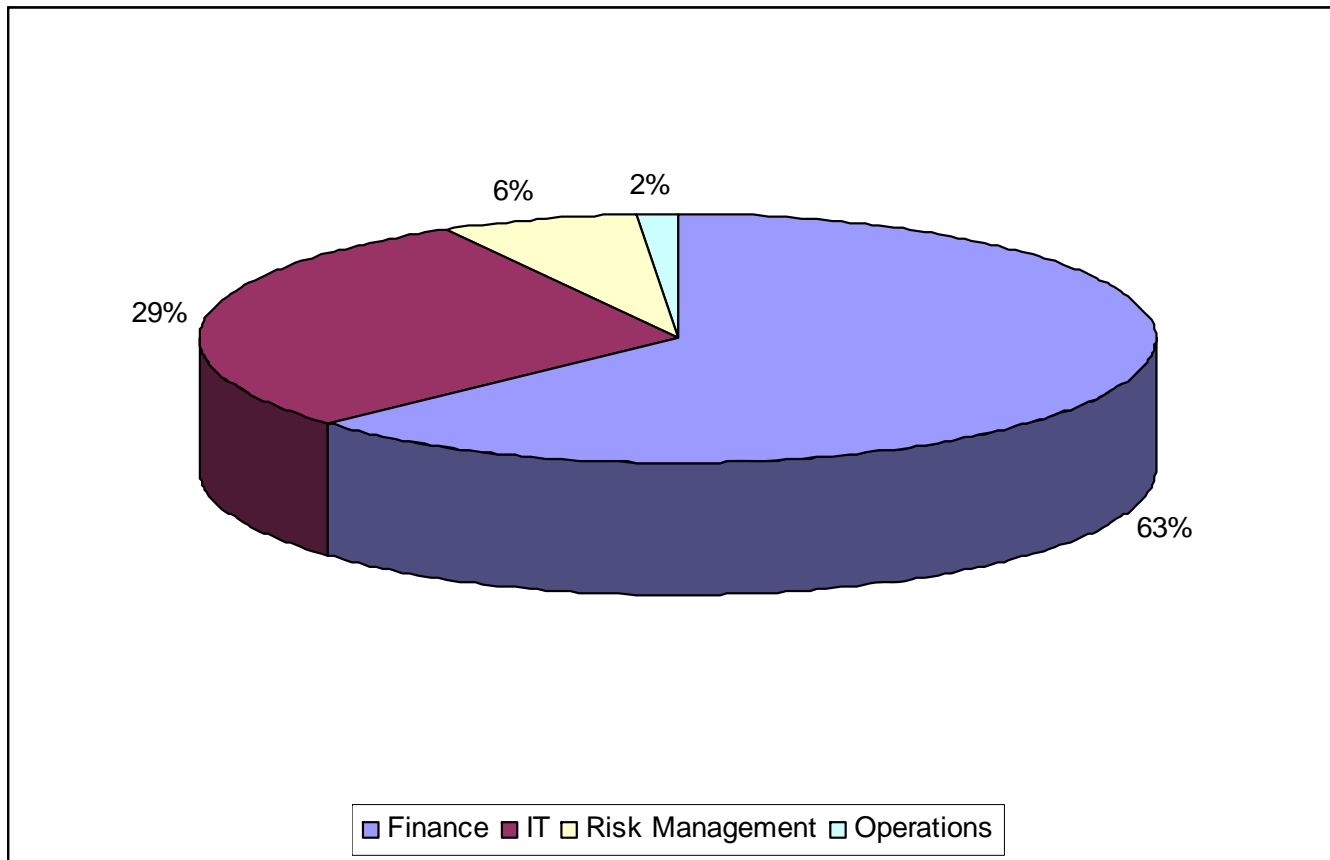
- ❑ The unit of analysis was the UK financial services industry.
- ❑ The interviewees were from the roles of risk management, finance, IT and operations.
- ❑ The target list of interviewees, approximately, 500 were generally unknown to the researcher, coming from a purchased list.
- ❑ The target number of interviews was 25, approximately 5% of the list.

Research structure (2)

- ❑ Interviewees were invited to take part in the research via email and phone calls.
 - this invites bias and other issues related to self-selection, Saunders et al (2003)
- ❑ Data was captured during the interviews using SMARTWisdom and recordings to produce transcripts.
- ❑ Data was analysed using narrative analysis, using open coding to categorise data.

Figure 20 – Breakdown of interviewee roles

This figure shows a breakdown of the roles within the target sample



Further information

Please visit <http://www.riskbasedperformance.com/> for further information related to this study and the Risk-based performance approach to the integration and alignment of corporate performance management and operational risk management.

Or contact;

Andrew Smart

Managing Partner

Manigent Limited

andrew.smart(at)manigent.com