**ABSTRACT**

**Objective:** Performance measurement and reporting leading to greater transparency and accountability of universities have become a challenging issue. Increasingly, universities have been required to provide performance indicators—empirical evidence of their value creation — to the different group of stakeholders. One of the approaches that may be applied by universities is the Balanced Scorecard (BSC). The objective of this paper is to indicate the BSC as a useful tool for the evaluation of the universities’ performance.

**Methodology:** This study is based on the following research methods: descriptive, deductive, and the literature review. It refers also to case studies that are quoted in the context of their practical BSC application experience and it presents the pioneer approach of California University in BSC adoption. The rationale of this paper follows the principal-agent theory that is a foundation of the accountability concept. It refers also to the new managerialism, new public management, and entrepreneurial university.

**Findings:** Based on the literature review concerning the analysis of the examples of universities implementing BSC, this paper argues that BSC provides a framework for the performance measurement that allows for the increased transparency and accountability of these institutions.

**Value Added:** The pioneer BSC framework presented in this paper can be used as the basis for the development of general performance measurement in universities.

**Recommendations:** It is recommended that the universities that want to boost their transparency and be accountable for their outcomes apply and develop the BSC framework to which we refer to in this paper.