

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 6, Issue 6, June 2017

Balanced Scorecard: Technology Focus

Meenakshi Nadimpalli*

Accounting and Information Systems in Information Systems research, USA

Abstract: Key features of the Balance Scorecard - Customer feature, Financial feature, Processes feature, Learning and Development feature. Balance Scorecard makes difference to the manner in which companies make decisions and to company performance.

Keywords: Balance scorecard, Feature.

I. INTRODUCTION

The key challenge faced by human resources managers is the issue of strategically aligning the HR practices with the organization's objectives. In certain scenarios, strategies and business goals are terminated at the level of planning because of the difficulty involved in moving forward [1]. Nonetheless, a tactical human resource team has the potential to improve practices and turn them into excellent strategies. Many organizations have realized that the best way to successfully align their HR to their missions is through the use of a balanced scorecard. The key role played by this framework is ensuring that the business's activities are in line with its vision and mission. It can equally be used to create a model of interaction between the personnel and management for the purpose of harmonious relationship [2]. The paper explores the key features of the Balance Scorecard and how it benefits companies to make decisions and influence performance.

II. THE KEY FEATURES OF THE BALANCE SCORECARD

From what the name suggests, a balanced scorecard is not only meant for performance evaluation purposes, but it similarly allows organizations to monitor various facets such as consumer interests [3]. To ensure that a balanced scorecard completes its functions, it is designed with four unique features as discussed below.

III. CUSTOMER FEATURE

In a balanced scorecard, the customer component entails aspects that ensure consumer satisfaction. The feature is strategically designed for the current era when every company desires to run a consumer-centered business. The focus of this component is customer satisfaction because discontented consumers tend to shift to the rival's products. It involves delivery of products to customers and ensuring prompt response to their concerns [3]. Consumer concerns in this paradigm may mean the value of the products and the expenses incurred during packaging and shipment.

An organization that aspires to realize the pointers of buyer satisfaction must conduct exceptional research. The human resource team can attain this by distributing survey forms to clients to so that they can record their concern and approval levels. The HR can also outsource advertising services before embarking on its own promotion departments [3]. Important to note is that an effective customer feature enables a company to determine potential market niches or the most appropriate target groups.

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 6, Issue 6, June 2017

IV. FINANCIAL FEATURE

The financial feature involves how compliant a business is with the organization's financial plans. Financial aspects include wages, equipment costs, personnel training, rents, and levies. The information is important in enabling the human resource to know the best approaches to cost cutting. An instance is where the HR may use the facts in studying the most inexpensive options for welfares [3]. Financial data is a requisite for every firm that is success oriented and this makes the financial feature of balanced scorecard unavoidable.

Moreover, managers are required to take note of business operations and provide accurate fiscal information in good time. The reason for this is to ensure that the organization does not incur much cost in reestablishing its economic strengths as it happened in the past. Management information systems have been considered as highly resourceful in automating the process of handling and collecting financial data. The effectiveness of the financial feature determines its ability to lower the budgets [3]. Through this, it can give rise to new opportunities for the company to direct its resources and increase production.

V. PROCESSES FEATURE

The component involves the internal industrial procedures that an organization applies to ensure that every task is completed. Various aspects, including IT software and hardware, are essential in the determination of cost and time efficiency. In addition, a business requires recording and reporting of its book-keeping activities in accordance with the available financial policies [3]. The human resource department may equally ascertain if practices, such as recruitment, training, and employee retention, are yielding the anticipated organizational outcomes.

Ideally, the internal component is aimed to offer a framework of business processes for ease in supervision and optimization of a firm's performance. In most occasions, it assists to maximize factors such as the profit on capitals. A number of methods for modeling business operations exist but the role of consultants is emphasized in this area because of their expertise in understanding organizational structure [3].

Furthermore, the process perspective appears to be a very complicated component of the balanced scorecard for several firms and this is why it has become highly reliant on IT. As a result of the value added by the information technology, success in the internal process perspective has become comparatively easier [3]. Definitely, the potential to use the tools lies in a company's ability to invest in both assets and operative skills.

VI. LEARNING AND DEVELOPMENT FEATURE

The feature relates to how much an organization has acquired new skills and evolved throughout its operational period. It revolves around employee education and the creation of a positive corporate image. For the HR team to discern an organization's position in this area, they need to review matters such as employee morale and contentment. The learning and growth feature allows a firm to realize constant improvement and transformation. The HR may deal with fragile aspects by coming up with stronger programs for education and performance enhancement [2]. For example, starting an award and acknowledgment program may help an organization to achieve in this feature of the balanced scorecard.

Besides, the high technological advancement of the current period makes it important for a company to develop its personnel in terms of the much needed practical skills. Manufacturers of IT tools are working towards ensuring that they come up with friendlier ways of operating their products, but it is still important for workers themselves to be equipped with basic technical expertise. It ensures that they understand the tools and participate fully in allowing

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 6, Issue 6, June 2017

companies to maximize their potential [2]. More importantly, the learning and development feature is a fundamental component for an organization to achieve its long-term goals.

VII. METHODOLOGY

The research centered on a critical evaluation of literature about Kaplan's and Norton's ideas of the balanced scorecard. The study particularly utilized peer-reviewed journals, books, and educational web sources to isolate the relevance of the balanced score card and what makes it unique in decision making and performance enhancement. The research also involved implicit observation of the current progress of the concept, which made it possible to point out its prevailing strengths in ensuring the success of organizations.

VIII. FINDINGS AND DISCUSSIONS

Importance of a Balanced Scorecard

Most organizations opt to use this concept because of its ability to harmonize long-term goals with the short-term strategies. In other words, a balanced scorecard makes it possible to visualize and use the existing strategies to control eventualities. The tactical nature makes a balanced score card important for large firms to do their scenario planning. A common case is where businesses make use of the concept to decide how they can counteract risky economies [4]. Firms stand a chance to benefit from the concept because they can use it to conduct environmental scanning as a way of studying the potential effects of critical transitions in the industry.

Further, the balanced scorecard tends to be a distinctive framework. The uniqueness arises from the fact that it is applicable to many operations. For instance, a firm may have various complicated methods to managing finance, human resource, and consumer relations, but the management can revert to a specific balanced scorecard framework such as Total Quality Management (TQM) or the Six Sigma Black Belt (SSBB). Essentially, the magnificence of the balanced scorecard is that an organization can solely rely on it to supervise several areas [5].

In addition, being that big firms are associated with various units and departments, the balanced scorecard may play the role of managing these varied areas to ensure that they lead to the planned objectives. Through this concept, firms have the guarantee that their divisions clearly understand the connection between their own strategies and those of the whole entity. As a result, personnel can have a better picture of what can enable the organization to succeed. Important to note is that the balanced scorecard may be used autonomously in a single subunit without affecting other departments [1]. Though not encouraged, the single-unit approach of deployment may be helpful if there are conditions that do not permit for organizational-wide harmonization.

The balanced scorecard is equally significant in the management of variant data bases. Ideally, one of the key concerns of corporations is proper management of their numerous data sources. But with the use of strong software for the balanced scorecard, companies are able to effortlessly manage data from different sides and disseminate them to the various departments [4]. Therefore, reporting becomes much simple and large companies can ultimately achieve their divisional and organizational objectives.

Undoubtedly, a balanced scorecard has a closer relationship with execution of strategies. In other terms, the existence of a balanced scorecard, as a strategic framework, makes it possible for an organization to exhaustively execute plans. An added advantage is when an organization has proper support and leadership system [4]. Effectively balanced scorecard and proper management positively impacts strategy execution processes and enables continuity of tactical operations in a more effective manner.

Companies have realized that the balanced scorecard offers a structure to keep people cognizant of the organization's vision and mission. From the time of its first use, a balanced scorecard has remained a fundamental and distinctive component of organizational framework. Companies apply the concept to develop their strategy maps where they can

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 6, Issue 6, June 2017

visually showcase their strategies in a summarized format. The method gives organizations an opportunity to determine and concentrate on their valued set of goals. In this view, a balanced scorecard allows firms to be highly receptive to eventualities within their competitive markets. The noneconomic elements enable a business to see beyond and forecast prospective performances [6]. The implication is that monitoring market signs can allow a company to react to a range of problems before they finally transpire.

Also, a balanced scorecard may provide measurable scales that reveal an organization's health. Apparently, the lack of measurement causes difficulty in management. The practice of opting for a single Key Performance Indicator also does not guarantee success in administration because it may unexpectedly lead to inefficiency. However, a balanced scorecard solves the potential problems associated with specific Key Performance Indicators and lack of measurable metrics because it detects and fixes issues within a strategy [7]. The important idea is that strategy may not independently be an assurance for an organization's success, but with the incorporation of a balanced scorecard, execution is definite.

IX. HOW A BALANCED SCORECARD MAKES A DIFFERENCE IN DECISION MAKING AND PERFORMANCE

Unlike other concepts, the balanced scorecard tends to inspire transparency. The idea that it enables an organization to freely expose its strategy makes consumers cognizant of the operations involved in production, hence the courage of consumption. In addition, balanced scorecards can be published and monitored by shareholders, which makes it easy for them to recount areas that need to be discussed during decision-making process [6]. For example, local governments have realized the relevance of the balanced scorecard, and they now publish their facts and allow for citizen participation in decision-making.

Also, the balanced scorecard is unique by the virtue that it is able to create a relationship between measures, projects, and strategies. The usual concepts are known to cause a bridge between strategic and project measurement, which is unethical in terms of business. Apparently, projects are the organizational activities and they require proper budget apportionment. The balanced scorecard counters the challenges associated with the bridging between strategies and projects by creating an explicit connection between them. It comes with initiatives that are critical to closing the gaps on projects that are failing. As a result of the connection between strategies and projects, a business can be visible to the interested parties and lobby for their participation in decision making [1]. By doing so, an organization can isolate where its potential lies and where it needs to work on.

Unlike other strategies, a balanced scorecard can be modified to suit an organization's decision making mandates. Definitely, the key success factor for the balanced scorecard is because it can suite various operations. For instance, a business that aspires to adopt direct procurement can resolve to the concept as the approach through which it can realize the goal [8]. This makes the balanced scorecard useful to the companies that run on international charters and other minor ventures. The HR team can decide to bring on board the company's best approaches and practices and incorporate them into the balanced scorecard [9]. By doing so, the organization is assured of fully custom-made end products that that satisfy all of the customer requirements.

Businesses are advised to apply the balanced scorecard strategy to instill operational superiority, consumer confidence, and product novelty. The framework stands out because of its simplicity; it condenses organization's principles into simple systems that anyone is able to comprehend and follow. Accordingly, while the balanced scorecard may still appear as a novel idea, it has proven a higher potential for success [10]. The framework is exceptionally convenient and millions of corporations all over the globe can benefit from it.

Conclusively, the balanced scorecard is amongst the most recent development strategies in the business world, but it has proven much success through its various features including customer, process, learning, and financial components. Ideally, the concept is built with measures that allow an organization to detect and fix challenges that exist in business

International Journal of Innovative Research in Science, Engineering and Technology

(An ISO 3297: 2007 Certified Organization)

Vol. 6, Issue 6, June 2017

operations. Through this, it can help in reestablishing the link between projects and strategies, hence the successful execution of organizational mandates. The balanced scorecard is meant to assist a business in ensuring that its operations are in line with the organizational goals and objectives. It is unique owing to its ability to make a business transparent and allow interested parties to be part of decision making. Consequently, firms that use the concept are assured of comparatively higher performances.

X. CONCLUSION

We have implemented an automatic text detection technique from an image for Inpainting. Our algorithm successfully detects the text region from the image which consists of mixed text-picture-graphic regions. We have applied our algorithm on many images and found that it successfully detect the text region.

REFERENCES

- [1] Hoque, Zahirul, "20 years of studies on the balanced scorecard: trends, accomplishments, gaps and opportunities for future research", The British accounting review, vol. 46,no.1, pp.33-59, 2014.
- [2] Cooper,J. David ,"Popularizing a management accounting idea: The case of the balanced scorecard", 2016.
- [3] Martello, Michael, "Implementing a balanced scorecard in a not-for-profit organization", Journal of Business & Economics Research (Online), vol. 14, no.3, pp. 61, 2016.
- [4] Coe, Nicholas, S. Letza, "Two decades of the balanced scorecard: A review of developments", The Poznan University of Economics Review, vol. 14, no.1, pp. 63, 2014.
- [5] Gibbons, Robert, S. Kaplan, "Formal Measures in Informal Management: Can a Balanced Scorecard Change a Culture?", 2015.
- [6] Lin, Y. Hsu, "Balanced scorecard performance evaluation in a closed-loop hierarchical model under uncertainty", Applied Soft Computing, vol. 24, pp. 1022-1032, 2014.
- [7] Madsen, D. Øivind, K. Slåtten, "The balanced scorecard: Fashion or virus?", Administrative Sciences, vol.5, no.2, pp. 90-124,2015.
- [8] Tjader, Youxu, "Firm-level outsourcing decision making: A balanced scorecard-based analytic network process model", International Journal of Production Economics, vol. 147, pp. 614-623, 2014.
- [9] Shafiee, Morteza, "Supply chain performance evaluation with data envelopment analysis and balanced scorecard approach", Applied Mathematical Modelling, vol. 38, no.21, pp. 5092-5112, 2014.
- [10] Dudin, M. Nikolaevich, E. Frolova,"The balanced scorecard as a basis for strategic company management in the context of the world economy transformation", 2015.