

The Implementation of the Balanced Scorecard System in Strategic Management of Siauliai University Social Sciences Faculty

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Abstract

An empirical research performed in January-February 2009 is presented in the article. An anonymous semi-open questionnaire was chosen as the main research method; the respondents were students and personnel (lecturers) of Siauliai University Social Sciences Faculty. 303 members of the researched organization participated in the survey.

Analysis of the data gave an opportunity to analyse the current situation of the development priorities, create the Strategy Map of Siauliai University Social Sciences Faculty.

The empirical research confirmed a hypothesis that the strongest fields of Siauliai University Social Sciences Faculty are well-trained prospective professionals and dynamic leaders. The data also revealed that the priority development areas of the Faculty should be mission, values, objectives and structure offering opportunities. The analysis of the current situation shows that the organization becomes stronger by strengthening its most developed areas and by taking advantage of its opportunities; it is useful to develop organization's strategic management in accordance with the Balanced Scorecard system and to follow the Strategy Map of the Balanced Scorecard system on the levels of vision and strategic aims.

Keywords: balanced scorecard, strategy map, strategic management, performance measurement.

Introduction

The importance of the research. Traditionally, performance measurement systems were based on accounting and financial parameters. Modern technologies and production processes have set out new requirements for management and control systems (Olve et al., 1999). Economic systems based on the US economy and production moved to the system of services and knowledge. This situation was caused by the dissatisfaction with traditional performance measurement systems and their possibilities when important information about performance indicators had to be provided to the top management.

At the beginning of 1980s, an intensive search for the new tools of performance measurement was begun. In 1987, the USA introduced a national award program for quality (The Malcolm Baldrige National..., 1987). The aim of the Award Program was to improve quality and productivity at the USA companies (ATP National Meeting..., 2001). Some criteria of the Award required the organizations to produce reports on such non-financial areas as morality of their employees, quality of the products and client satisfaction (Meyer, 2003). Eccles in the paper "The Performance Measurement Manifesto" offered evidence that today the main performance indicators are found not only in the financial tools of measurement (Eccles, 1991). Birchard also pointed out that "80 percent of the largest American companies want to change their performance measurement systems" (Birchard, 1995). The problem encountered by company leaders and managers was that previous performance measurement systems did not have non-financial quality measures, such as client satisfaction, innovation and other factors, which have been supposed to increase the market share, income, and to lay the foundations for the sustainable competitive advantage in the present-day business environment (Olve et al., 1999).

Consequently the Balanced Scorecard system was introduced as an alternative to the demand for organization strategic management tool that joined into one traditional financial measurement with non-financial and operational aspects. Subsequently, the Strategy Map was introduced, as a tool that provides a visual framework for an organization's strategy.

Subject of the research is institution's performance measurement according to the Balanced Scorecard system.

Aim of the research is to evaluate the strategic management of the Faculty of Social Sciences of Siauliai University according to the Balanced Scorecard system and make the Strategy Map.

Objectives of the research are to analyse scientific sources in the aspect of balanced scorecard system; to empirically investigate the attitudes of members of organisation towards its development priorities.

Methods of the research: analysis of theoretical sources, generalization, adaptation of a standard questionnaire, questionnaire survey of 303 respondents, quantitative and qualitative analysis of the empirical research data, interpretation and summing-up of secondary data.

The main principles of the Balanced Scorecard system

In 1990, Nolan Norton Industries (KPMG research branch) performed a year-long research, the outcomes of which were published in the report titled “Performance Measurement in the Future Organisation” (Kaplan, Norton 1996a). The research analyzed 12 organisations and was based on the assumption that the existing performance measurement systems based on the financial accounting measurement can no longer help in achieving sustainable competitive advantages. The outcome of the year-long research was a theoretical model of *the system of Balanced Scorecard*, designed by Kaplan and Norton. The model united traditional financial measurement with non-financial and operational aspects, and was implemented in the business organizations and higher education institutions such as California State University (Nayeri et al., 2008).

These operational measurements were held the driving mechanism of the financial – customer satisfaction, internal processes, learning and innovations – activity. The activity measurements were considered the main implementation/non-implementation indicators; the core indicators help the organization to predict the future results. It has long been thought that financial measurements provide variable indicators or results, which are monitored after more than one event occurred. The Balanced Scorecard system gave an opportunity for executives to look into their organization from four perspectives and answer to the four main questions (Kaplan, Norton, 1992, p. 72):

1. How should we appear to the customers in order to accomplish our vision? (Client perspective);
2. What business processes must we excel at in order to satisfy the shareholders and customers (Internal processes perspective);
3. How should we strengthen our abilities and competences in order to meet the external environment requirements? (Learning perspective);
4. How should we appear to our shareholders in order to be successful financially? (Financial perspective).

The system of Balanced Scorecard was one of the first conceptions geared towards the interest of organisations to find a simple and compact solution of how to understand and develop the system of non-financial measurements that is important in order to ensure the sustainable process of successful performance of an organisation in the future. Since then, the Balanced Scorecard system was transformed from the system of measurement of the state of performance indicators into the key strategic management system. This process of development was defined in publications by Kaplan and Norton.

At the beginning, the Balanced Scorecard system was designed to measure the indicators of the performance of an organisation. In their research Kaplan and Norton pointed out that those who applied the system first, soon started using it as a tool of communication of the strategy of their organisation that helped the organisation to focus its attention on spheres other than financial outcomes. This caused the appearance of the second research performed by Kaplan and Norton titled “Putting the Balanced Scorecard to Work” in 1993, which defined the importance of joining strategy and performance measurement into one. In 1996, Kaplan and Norton introduced their third research work “Using the Balanced Scorecard as a Strategic Management System”. In this work the authors discussed how the system joins short-term actions and long-term strategic aims into a whole and how the Balanced Scorecard conception (system) is used in such business processes as business planning, target setting, distribution of resources and development (Kaplan, Norton, 1993, 1996b).

In 1996, Kaplan and Norton published a book called “**The Balanced Scorecard**”. The book summed-up the authors’ research carried out between 1990 and 1996, in which companies having adopted the Balanced Scorecard system were analyzed. The book also defined how the Balanced Scorecard system evolved into a strategic planning system and offered specific advice on how to implement it.

Because the Balanced Scorecard system has become more than a tactical or operational measurement system, innovative organisations started using it as a strategic management system in order to manage (to control) their strategy with a view towards a more distant perspective. They are using the tools of measurement with a focus on the Balanced Scorecard system in order to implement the following critical management processes (Kaplan, Norton, 1996a):

- Strategy adjustment and its transformation (change) into a program of concrete actions.
- Establishment of the interrelation between strategic aims and measurements and their communication to the employees at all the levels of the organisation.

- Planning, setting concrete goals and ranking strategic initiatives, their communication to the employees at all the levels of the organisation.

- Strengthening of the feedback on the strategy and its development.

At first the system was implemented in business companies. Having established its efficiency as a strategic management tool, the system was successfully implemented in educational and other institutions. The model cases were those of Wisconsin University and Kenneth W. Monfort College of Business at Northern Colorado, which received the Baldrige National Quality Program Award (Beard, 2009).

The Balanced Scorecard system offered the leaders an opportunity to view their organisations through the prism of four important perspectives – clients, the processes of internal activities, innovations and development, and finances, which enabled them to answer the four key questions (Kaplan, Norton, 1992):

- How should we appear to our clients in order to accomplish our vision? (the Clients' perspective);

- What business processes must we excel at in order to satisfy our shareholders and clients? (The perspective of the processes of internal activities);

- How do we strengthen our skills and competences to correspond to the constantly changing external requirements? (The perspective of innovations and development);

- What should we look like to our shareholders in order to ensure financial success? (The financial perspective).

These four perspectives are best coordinated and then aligned with the organization's strategy through Strategy Map (Kaplan, Norton 2004; Chen, Jones 2009).

The Balanced Scorecard system is based on the four processes in order to link short-term activities with long-term aims (Kaplan, 1996):

Vision interpretation. Relying on the measurements, the system makes managers achieve a consensus as to what measures they are going to use in order to operationalise their visions.

Communication and setting links. When a system is disseminated up and down in the organisational scheme, the strategy becomes a tool accessible to everyone. When a high level scorecard system goes down by stages to the individual administrative units of an organisation, strategic aims and tools pertinent to all are translated into strategic aims and tools in accordance with certain groups respectively. By joining these aims into individual performance and levelling systems, the system makes it possible for "personal balanced scorecard systems" to be developed. Thus every employee can individually un-

derstand how their own productivity strengthens the whole strategy.

Planning. Most organisations have separate procedures (and sometimes separate administrative units) for strategic planning and making a budget. The usual long-term planning is carried out by one leading person who tries to set realistic targets in accordance with the planned budget. Discipline while creating the Balanced Scorecard system makes organisations join those two functions into one thus ensuring that financial budgets actually support strategic aims. Having agreed on what measures are going to be used as the performance indicators of the four perspectives of the system, organisations define the factors making the greatest impact on the aims to be achieved and then approve the main milestones of measuring progress they achieve with the chosen factors.

Feedback and development. The system providing a mechanism for strategic feedback and viewing of the outcomes helps the organisation to stimulate the process equal to teaching, which is often missing in organisations; it trains thinking and correction skills that allow concluding about the cause and effect relationship.

In 2000, Kaplan and Norton published their fourth research paper titled "Having Trouble with Your Strategy? Then Map It", in which the implementation of the Balanced Scorecard system is moved to another dimension by revealing how to unite the strategy of the organisation with every perspective of the balanced scorecard. Here the authors introduced the concept of *Strategy Maps*. The maps act as illustrative models showing the cause and effect relationship between the measurements of the balanced scorecard system and strategic aims of the organisation. Strategy Maps of the organisation answer the question of which strategy in each perspective of the balanced scorecard system improves performance outcomes.

In 2001, Kaplan and Norton published a renewed model of the Balanced Scorecard system in their book "Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment". This new model points out that the strategy of an organisation is the basis of the system of Balanced Scorecard (Kaplan, Norton, 2001). Organization's strategy defines the place in which the organisation wants to be in the future; the Balanced Scorecard system defines various activities that will have to be carried out in order to implement the desired strategy (Kaplan, Norton, 2001). This proves the statement that the Balanced Scorecard system is no longer a performance measurement system only; it has evolved into a strategic management system. Having researched more than 200 companies, the authors discussed the obtained data by pointing out the

fact that the Balanced Scorecard system has been successfully implemented at various organisations, including private and public sectors, profit and non-profit organisations, large and small companies in various cycles of their lives.

In their research works Kaplan and Norton argue that most organisations fail in implementing their chosen strategies. They go on to say that between 70 and 90 percent of strategies are not implemented due to their inappropriate realisation (Kaplan, Norton, 2001). Their conclusions about the first users of the Balanced Scorecard system show that those organisations that were more efficient in implementing new strategies also achieved positive outcomes of their performance.

Kaplan and Norton include *drawing Strategy Maps* (together with the Balanced Scorecard system) in their management instrumentation. They also emphasise the importance of establishing the common link among the means of performance measurement in the process of strategic management. They acknowledge that modern leaders realise the importance of strategic management and the impact of indicators on the performance outcomes. However, they maintain that the leaders “seldom think about performance indicators as about the key part of their strategy” (Kaplan, Norton, 1996, 2004a).

The Strategy Map (see Fig. 7) can serve as a checklist. It provides a visual framework for an organization’s strategy – how it intends to create value (Kaplan, Norton, 2004b). If organization’s strategy is missing an element on the Strategy Map, its strategy is likely flawed (Kaplan, Norton, 2004c). As examples of crucial missing elements, Kaplan and Norton frequently find that organizations have no connection between internal process measures and a customer value proposition, no objectives for innovation, and only vague objectives for personnel skills and motivation, and for the role of information technology.

The Strategy Map is based on five principles (Kaplan, Norton, 2004c):

1. Strategy balances contradictory forces.
2. Strategy is based on differentiated customer value proposition.
3. Values are created through internal business processes.
4. Strategy consists of simultaneous, complementary themes.
5. Strategic alignment determines the value of intangible assets (human capital, information capital, organization capital).

In set terms, if the Strategy Map is developed correctly, it will link together (Kaplan, Norton, 2004b):

1. The desired productivity and growth outcomes.

2. The customer value proposition which will be needed.

3. Outstanding performance in internal processes.

4. The capabilities required from intangible assets.

In order to improve and adapt the concept of Strategy Maps in accordance with the needs of various organisations, it is suggested to combine it with various data analysis methods, e.g. with structural modeling (Slagheap, Gasmen, 2009).

Critical view on Balanced Scorecard system

Even though the majority of literature on Balanced Scorecard system is positive, during more than 15 years the system also received a lot of criticism (Elkington, 1998; Kennerley, Neely, 2005; Neely, 2006; Norreklit, 2000). The majority of early criticism concerning balanced Scorecard was concentrated on the cause and effect relationship (Norreklit, 2000). Kaplan and Norton (1992, 1996, 2006) maintain that the educational programme which increases the skills of the personnel (Learning and Growth perspective) also improves the quality of service (Internal Perspective), which determines the increased customer satisfaction and loyalty (Customer perspective), which will increase income and profits (Financial perspective). Norreklit (2000) disagrees with this point of view, because, in his opinion, there is no empirical data which would sustain the cause and effect relationship argument. But Kaplan and Norton did not lay down this argument and firmly defended their position, especially if it is sustained by Strategy Mapping conception. Other criticism evolved apropos of specific measurements filtration and choosing, which are needed when preparing annual reports (Egalson, Waldersee, 2000; Kennerley, Nerely, 2000). The last important thesis criticising Balanced Scorecard is regarding clustering – a process when all measurements are grouped into four perspectives (Kennerley, Nerely, 2000). Kaplan and Norton (1996) take into consideration this argument in their first book, arguing that some organizations can require more than 4 perspectives, thus their names can be changed in order to meet the specific organization’s or industry’s requirements. Other critical views evolve around such statements as that Balanced Scorecard system is too simple, when others state that it is not well-balanced (Pickard, 2006).

Meyer (2003) in his book “Rethinking Performance Management” states that Balanced Scorecard system lacks the cause and effect relationship between non-financial measurements and financial activities. His argument is that non-financial measure-

ments show the current or the occurred events, while the economic activity is based on cash flow which will be needed in the future. The measurements analyze the past; the economical practice looks into the future perspectives. According to Meyer's theory, there are no such measurements that would define the most important practice indicators, even if the Balanced Scorecard system is based on the presumption of balance between the leading and the lagging measurements. Thus there are some uncertainties regarding the reliability of measurements when prognosticating the value of the future economy (Meyer, 2003).

The second Meyer's (2003) argument against Balanced Scorecard is that the larger an organization is, the harder it is to implicate the system. The base of this argument is that in large organization stationary measurements, such as the indicators that define the organization's success, become less important and reliable. This has three reasons. Firstly, usually at large organizations there are several areas of function, which have various purposes – one measurement that covers all areas can be unrealizable or irrational. Secondly, in organization, because of its size, the gap between the change of actions and economical results appears. That can result in resistance against the measurements, if the received results are different from what was expected. And thirdly, the variety that exists in a large company makes things complicated when it is needed to spread the unchanging measurements through all levels of organization hierarchy, and at the same time to transfer the results of

non-financial measurements from working groups to the general level (Meyer, 2003).

In summary, the critics of Balanced Scorecard hold the position that the system, as a corporate management system, is not effective in large organizations, and that the cause-effect relationship between non-financial and financial measurements is at least weak. The Balanced Scorecard system is also criticized because it is "too much" restrictive to capture the competitive aspects in today's markets.

Analysis of performance of the Faculty of Social Sciences of Siauliai University according to the Balanced Scorecard system

The aim of the questionnaire used in the present research was to examine the attitudes of the respondents towards priority development spheres of the Faculty of Social Sciences. The questionnaire consisted of 6 sections, 8 questions each, 48 questions in total. Each section had to be filled out separately. One section was allocated the total of 10 points. The number of points by which the respondent evaluates each statement reflects how much this feature is typical of the Faculty of Social Sciences of Siauliai University.

In order to review the organization's development priorities, the survey data (the answers of all the surveyed respondents to each question) was transferred to the "key-table", specially designed for interpreting the outcomes (Table 1).

Table 1

Interpretation of the results of the survey on the organisation's development priorities

Numbers of questions						Total	Area
1	11	20	30	37	42		Vision, values and objectives (VVO)
2	14	19	25	39	44		Dynamic leadership (DL)
3	10	22	31	36	45		Surplus value systems (SVS)
4	16	18	29	35	46		Positive climate (PC)
5	9	23	32	38	43		Structure offering opportunities (SOO)
6	15	24	27	40	41		Suitable competences (SC)
7	13	17	28	34	48		Trained professionals (TP)
8	12	21	26	33	47		Positive team work (PTW)

Source: Person Premier 2008. The company's strategy management according to the Balanced Scorecard system. Vilnius: Person Premier.

The questionnaire was adapted from "Person Premier" consultancy group questionnaire.

A low result in any sphere means that this sphere could be a priority development sphere. A high result points out to an obvious strength of the company (Person Premier, 2008).

Analysis of development priorities of the Faculty of Social Sciences of Siauliai University

The research aimed to find out the development priorities of the Faculty of Social Sciences of Siauliai University. The survey sample consisted of 303 respondents who were the personnel and students of

the mentioned faculty. 243 bachelor students of Economics, Business Management and Public Administration full-time, part-time and extramural study programs, 60 members of academic and administrative personnel of the departments of Management, Economics and Business Administration were surveyed. Most of the respondents of the survey in terms of gender were female (81 percent): 76 percent of personnel members and 82 percent of students were women.

The distribution of the personnel members participating in the survey by the age group is almost even. The distribution of the personnel members by gender and age was more varied. 2/3 of the surveyed male personnel members were over 45 years of age, while 1/3 of them were under 45. 2/5 of the surveyed female personnel members were between 30 and 45 years of age, 2/5 were under 30 and 1/5 were over 45 years of age. A comparison between male and female personnel members by age showed that 4/5 (80 percent) of female lecturers were under 45 years of age, while the majority of men (64 percent) were, on the contrary, over 45.

The majority of students participating in the survey (93 percent) were under the age of 25.

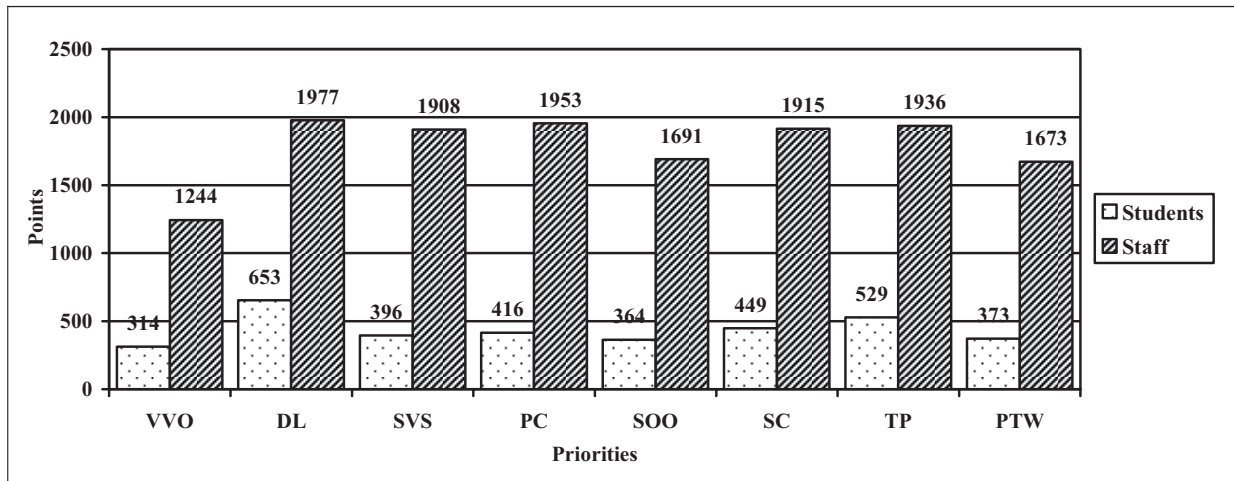
Having grouped the respondents' answers to 48 questions into 8 priority areas of organisation's development (Table 1), we can see that the personnel members participating in the research gave most points to the two strongest areas of the Faculty of Social Sciences: Dynamic Leadership (19 percent) and Trained Professionals (15 percent) (Fig. 1). In this case, dynamic leadership is understood as a persistent and energetic style of management, making a positive impact on the employees, the latter trust the leaders and expect firm decisions from them. In the respondents' opinion, the personnel of the Faculty (lecturers and non-academic personnel) have working skills corresponding to the quality standards of the organisation, while their individual potential is being constantly developed.

In the opinion of the lecturers participating in the survey, the following areas of development of the Faculty have to be strengthened: Suitable Competences (13 percent), Positive Climate (12 percent), Surplus Value Systems (11 percent), and Positive Team Work (11 percent) (Fig. 1). Talking about suitable competences, the abilities to reach world standards should be increased and the abilities of the Faculty to put the strategy into action should be strengthened.

Positive climate should be reinforced so that the relationships and attitudes among the colleagues and students were coordinated, friendly and open. In terms of surplus value systems, management systems and procedures should be made more accurate by ensuring control but not limiting initiative or flexibility; each system should improve the quality of the decision. In terms of the positive team work, working together could be improved and team resources could be better coordinated; meetings should produce useful outcomes and projects should be efficiently implemented.

In lecturers' opinion, the priority development areas of the Faculty of Social Sciences of Siauliai University should be as follows: Vision, Values and Objectives (9 percent) and Structure Offering Opportunities (10 percent) (Fig. 1). The leaders should clearly define the vision, values and objectives of the organisation and ensure that they reach all members of the organisation's community; heads of the departments should link their activities with general aims, while employees should have a clear understanding of the mission and objectives which lead the organisation forward.

The students participating in the research allocated most points to the five areas that, in their opinion, are the strongest spheres of the Faculty: Dynamic Leadership (14 percent), Positive Climate (14 percent), Trained Professionals (13 percent), Suitable Competences (13 percent) and Surplus Value Systems (13 percent) (Fig. 1). Dynamic leadership is characterised by energetic and charismatic style of leadership, which makes a positive impact on the students and induces their confidence. The students also expect firm decisions on the part of the management. Talking about positive team work, the community of the Faculty should put an extra effort in interpersonal relationships and attitudes so that they become more coordinated, friendly, open and positive. According to the students, the personnel of the Faculty are qualified and have working skills corresponding to the organisation's quality standards to provide the students with knowledge and skills. In the respondents' opinion, the Faculty management has suitable competences, is able to strive for and reach world standards and transform the strategy into actions. The students' opinion regarding surplus value systems is that the systems and procedures of the Faculty are accurate in order to ensure control without suppressing initiative and flexibility.



VVO – clear vision, values and objectives; DL – dynamic leadership; SVS – surplus value systems; PC – positive climate; SOO – structure offering opportunities; SC – suitable competences; TP – trained professionals; PTW – positive team work.

Fig. 1. The evaluation of development priorities of the Faculty of Social Sciences of Siauliai University, lecturers ($S_1 = 60$) and students ($S_2 = 243$)

In the opinion of the students who participated in the survey, the following spheres of the development of the Faculty of Social Sciences should be strengthened: Structure Offering Opportunities (12 percent) and Positive Team Work (12 percent) (Fig. 1). In the respondents' opinion, talking about the structure that would offer opportunities, the hierarchical structure of the Faculty should be developed. That would ensure opportunities to finish all the work efficiently and make the processes easier. In terms of the positive team work, collaboration between personnel and students in teams could be improved. The teams should have good leaders, a coordinated number of team members, efficient working methods, positive climate and understanding of one's own role in the organisation.

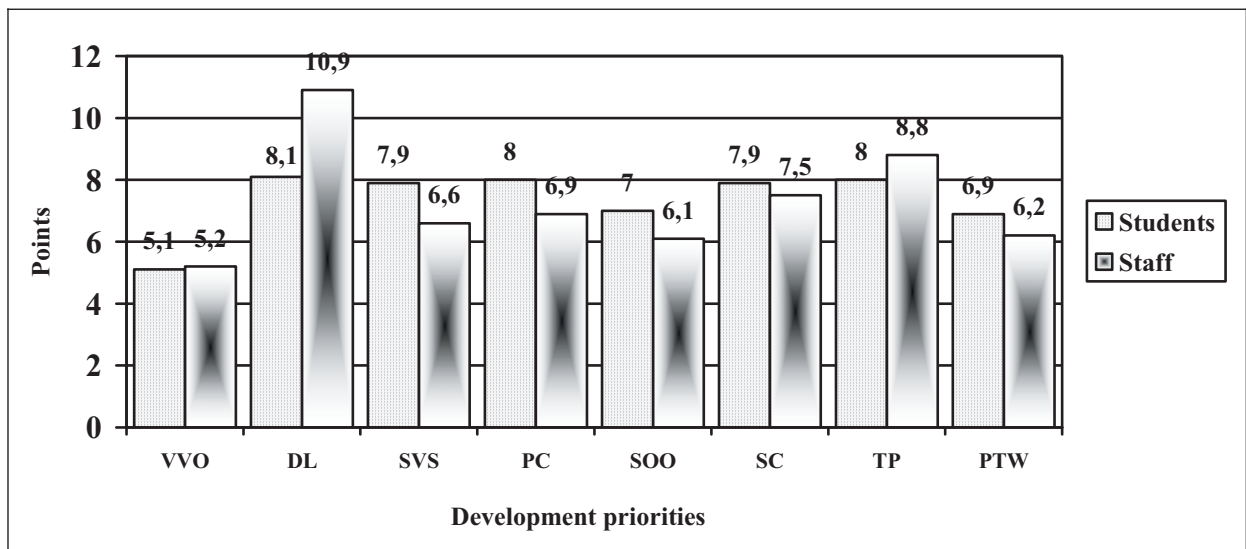
In the students' opinion, the priority development area of the Faculty of Social Sciences should be Vision, Values and Objectives (9 percent) (Fig. 1). The leaders should clearly define the vision, values and objectives of the organisation and ensure that they reach all the members of the organisation's community (leaders-personnel-students); employees

should clearly understand the mission and strategic aims of the organisation.

Figure 2 presents data on the distribution of the respondents' (personnel and students) opinions concerning the development priorities of the Faculty in accordance with the arithmetic mean.

The students pointed out five areas that, in their opinion, are well developed: Dynamic Leadership (8.1); Positive Climate (8.0); Trained Professionals (8.0); Surplus Value Systems (7.9); and Suitable Competences (7.9). In students' opinion, the priority development area of the Faculty should be Vision, Values and Objectives (5.1).

In lecturers' opinion, the best developed area of the Faculty is Dynamic Leadership (10.9). In their opinion, the Faculty trains professionals well (8.8). In lecturers' as well as students' opinion, the priority development area of the Faculty should be Vision, Values and Objectives (5.2). A comparison of the students' and lecturers' opinions shows that the latter more clearly distinguish between the well developed and priority areas in the development of the Faculty (Fig. 2).



VVO – clear vision, values and objectives; DL – dynamic leadership; SVS – surplus value systems; PC – positive climate; SOO – structure offering opportunities; SC – suitable competences; TP – trained professionals; PTW – positive team work.

Fig. 2. The evaluation of the development priorities of the Faculty of Social Sciences of Siauliai University according to the arithmetic mean ($S = 303$)

Analyzing the development priority areas of the Faculty of Social Sciences in greater detail, Fig. 3 presents the data on the distribution of the respondents’ (personnel and students) opinions concerning distribution of the points while evaluating statements regarding the Faculty. The students of the Faculty gave the largest number of points to two statements: sta-

tement No. 36 “Large amount of finances and time have been invested: Using the advantages of information technologies” (486) and statement No. 46 “In comparison with other faculties of other universities, the Faculty of Social Sciences is: Open minded, energetic and positive” (447).

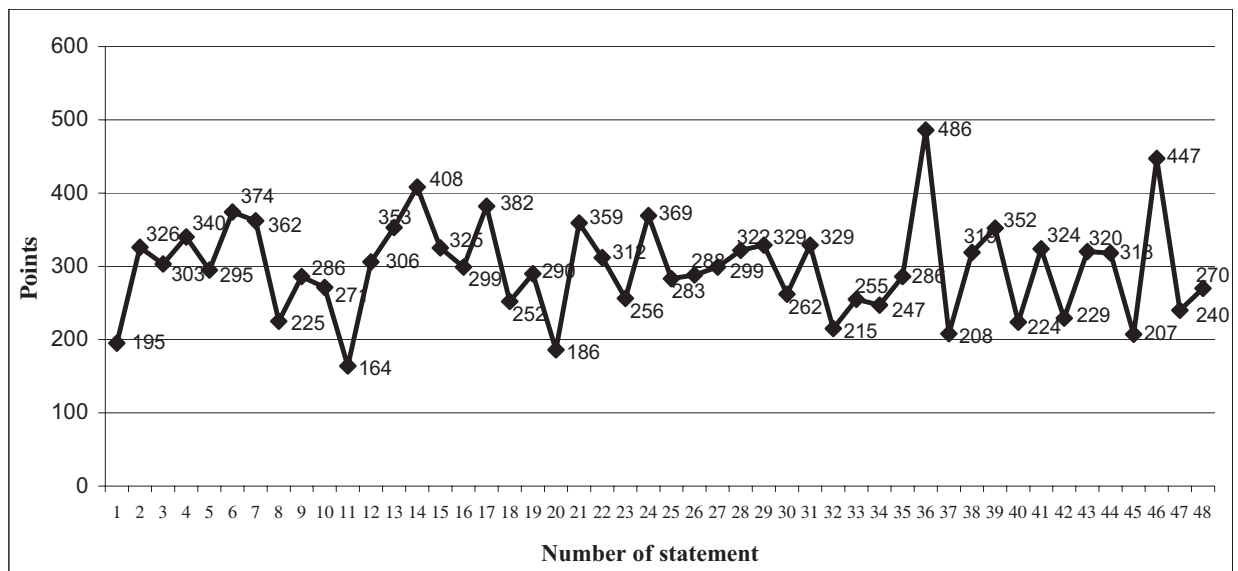


Fig. 3. The evaluation of the respondents’ (students’) statements about the Faculty, points ($S_2 = 243$)

The lowest number of points was given by the students to three statements: statement No. 11 “I enjoy studying/work at the Faculty of Social Sciences, because: I feel that I am a part of organization with clear vision” (164), statement No. 20 “The really strong areas of the Faculty of Social Sciences are:

Clear future strategy of the Faculty” (186) and statement No. 1 “I have heard the majority of the people working at the Faculty of Social Sciences say: “It is very clear for me what direction the Faculty is heading towards” (195).

The personnel of the Faculty gave the largest number of points to two statements: statement No. 14 “I enjoy working at the Faculty of Social Sciences, because: I respect the Faculty executives” (145) and statement No. 25 “If there is a crisis: The Faculty executives deal with it effectively” (127). The lowest number of points was given by the students to three statements: statement No. 32 “If there is a crisis: People

are prepared and know how to respond in crisis situation” (28), statement No. 11 “I enjoy studying/working at the Faculty of Social Sciences, because: I feel that I am a part of organization with clear vision” (40) and statement No. 45 “In comparison with other faculties of other universities, the Faculty of Social Sciences is: Backed by effective activity management systems” (41) (see Fig. 4).

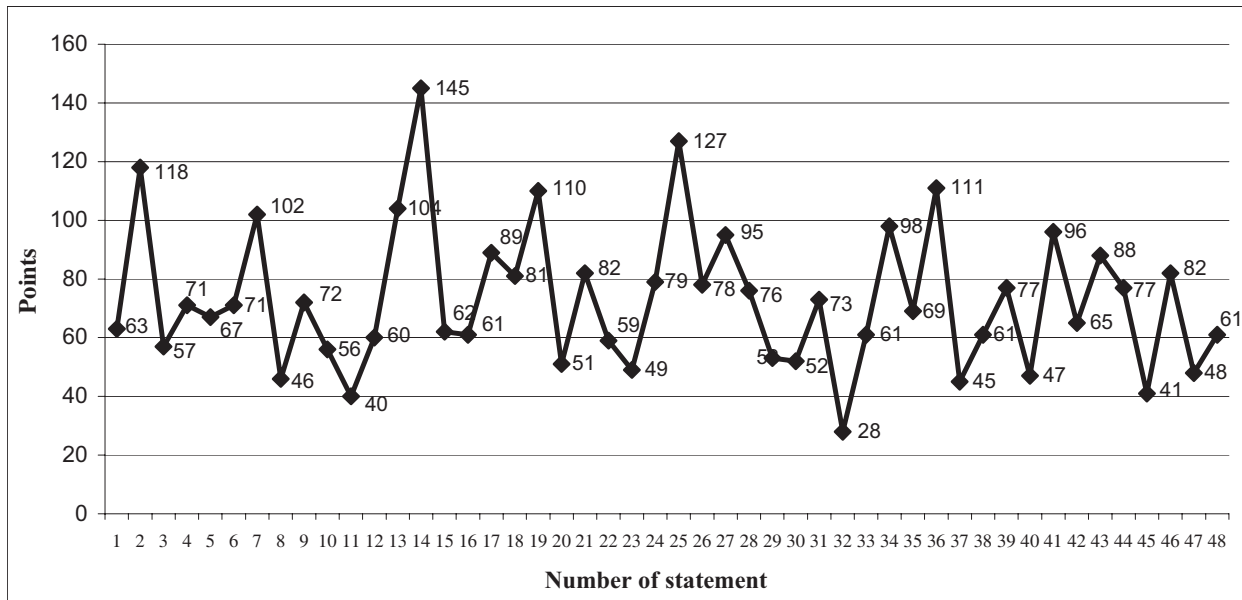
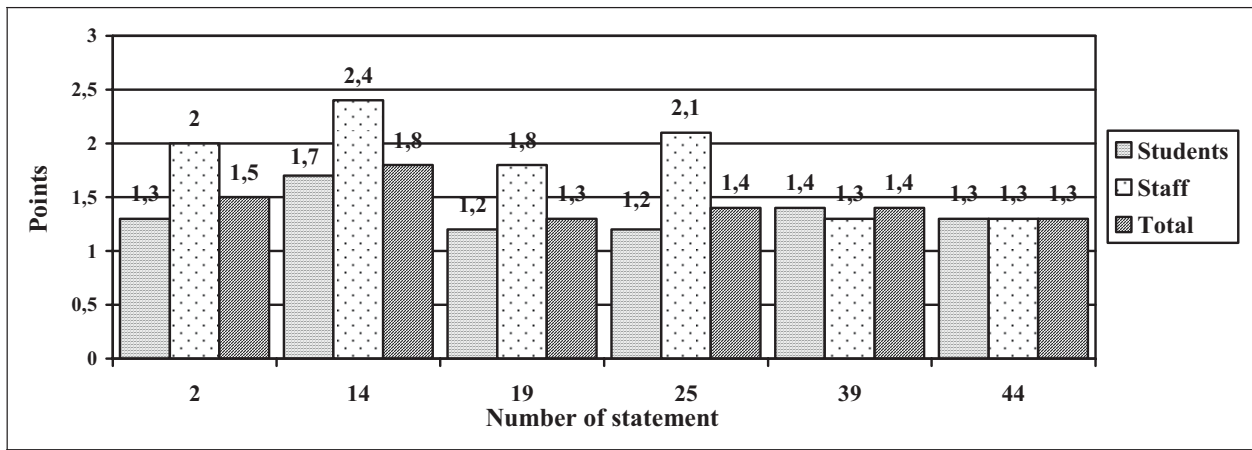


Fig. 4. The evaluation of the respondents’ (personnel’s) statements about the Faculty, points ($S_1 = 60$)

Figure 5 presents data regarding the distribution of the points in accordance with the arithmetic mean while evaluating statements regarding *dynamic leadership* at the Faculty. The students of the Faculty gave in average the largest number of points (1.7) to statement No. 14 “I like studying/working at the Faculty, because I respect those who lead me”, and the smallest number of points (1.2) to two statements: No. 19 “The strength of the Faculty: Its managers are perfect leaders” and No. 25 “In case of a crisis the leaders solve it efficiently”.

The lecturers of the Faculty as well as students gave most points (2.4) to statement No. 14 “I like stu-

dying/working at the Faculty, because I respect those who lead me” (Fig. 5). Lecturers also gave many points (2.1) to statement No. 25 “In case of a crisis the leaders solve it efficiently” and to statement No. 2 (2.0) “I have heard that most people working at the Faculty of Social Sciences say that “Those who lead the Faculty, do an excellent job”. The lowest number of points (1.3) were allocated to two statements: No. 39 “A lot of funds and time have been invested in the improvement of the qualifications of its leaders” and No. 44 “In comparison with the faculties of other universities, the Faculty is led by gifted people”.

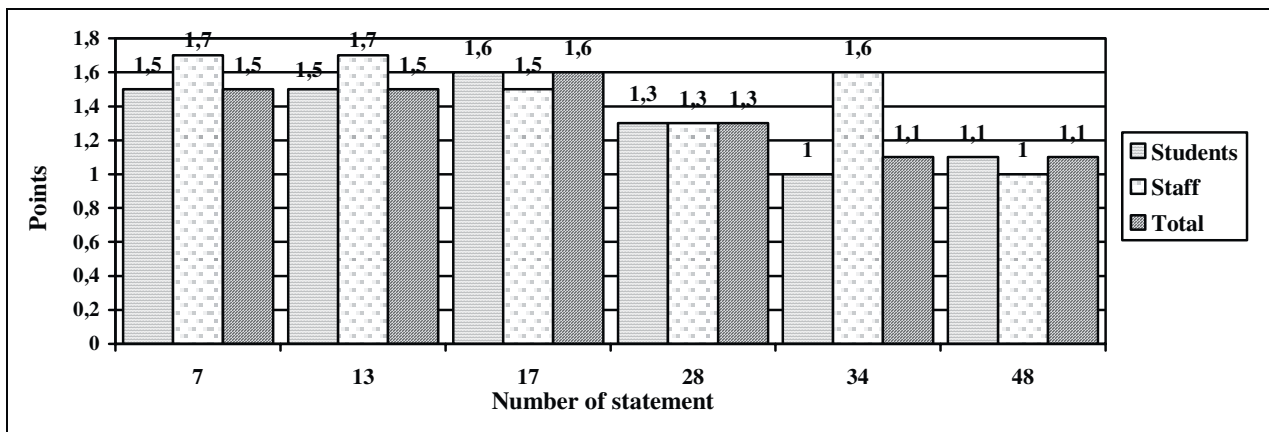


Statements: 2. I have heard that most people working at the Faculty of Social Sciences say that “Those who lead the Faculty do an excellent job”; 14. I like studying/working at the Faculty because I respect those who lead me; 19. The strength of the Faculty: Its managers are perfect leaders; 25. In case of a crisis, the leaders solve it efficiently; 39. A lot of funds and time have been invested in the improvement of the qualifications of its leaders; 44. In comparison with the faculties of other universities, the Faculty is led by gifted people.

Fig. 5. The evaluation of the respondents’ statements regarding *Dynamic leadership* of the Faculty according to the arithmetic mean ($S = 303$, $S_1 = 60$, $S_2 = 243$)

Figure 6 presents data on the distribution of the respondents’ points according to the arithmetic mean while evaluating statements regarding *professionals trained* by the Faculty. The students of the Faculty gave the highest evaluation (1.6) to statement No. 17 “The strength of the Faculty: people are able and responsible”. They also gave a high evaluation (1.5) to two statements: statement No. 7 “I have heard that most people working at the Faculty say “People are

offered opportunities to develop their potential” and statement No. 13 “I like studying/working at the Faculty because I can pursue personal professional excellence”. The lowest number of points were given by the students to two statements: statement No. 34 “A lot of funds and time have been invested in nurturing individual talents” (1.0) and statement No. 48 “In comparison with faculties of other universities, the Faculty is superior by talented people”.



Statements: 7. I have heard that most people working at the Faculty say “People are offered opportunities to develop their potential”; 13. I like studying/working at the Faculty because I can pursue personal professional excellence; 17. The strength of the Faculty: people are able and responsible; 28. In case of a crisis, professionals quickly take the initiative; 34. A lot of funds and time have been invested in nurturing individual talents; 48. In comparison with faculties of other universities, the Faculty is superior by talented people.

Fig. 6. The evaluation of the respondents’ statements regarding *trained professionals* of the Faculty according to the arithmetic mean ($S = 303$, $S_1 = 60$, $S_2 = 243$)

The personnel of the Faculty, similarly to the students, gave most points (1.7) to two statements:

statement No. 7 “I have heard that most people working at the Faculty say “People are offered opportuni-

ties to develop their potential” and statement No. 13 “I like studying/working at the Faculty because I can pursue personal professional excellence” (Fig. 6). They also gave rather high evaluation to two statements: statement No. 34 “A lot of funds and time have been invested in nurturing individual talents” (1.6)

and statement No. 17 “The strength of the Faculty: people are able and responsible” (1.5). The lowest number of points was given by the personnel, as well as by students, to statement No. 48 “In comparison with faculties of other universities, the Faculty is superior by talented people” (1.0).

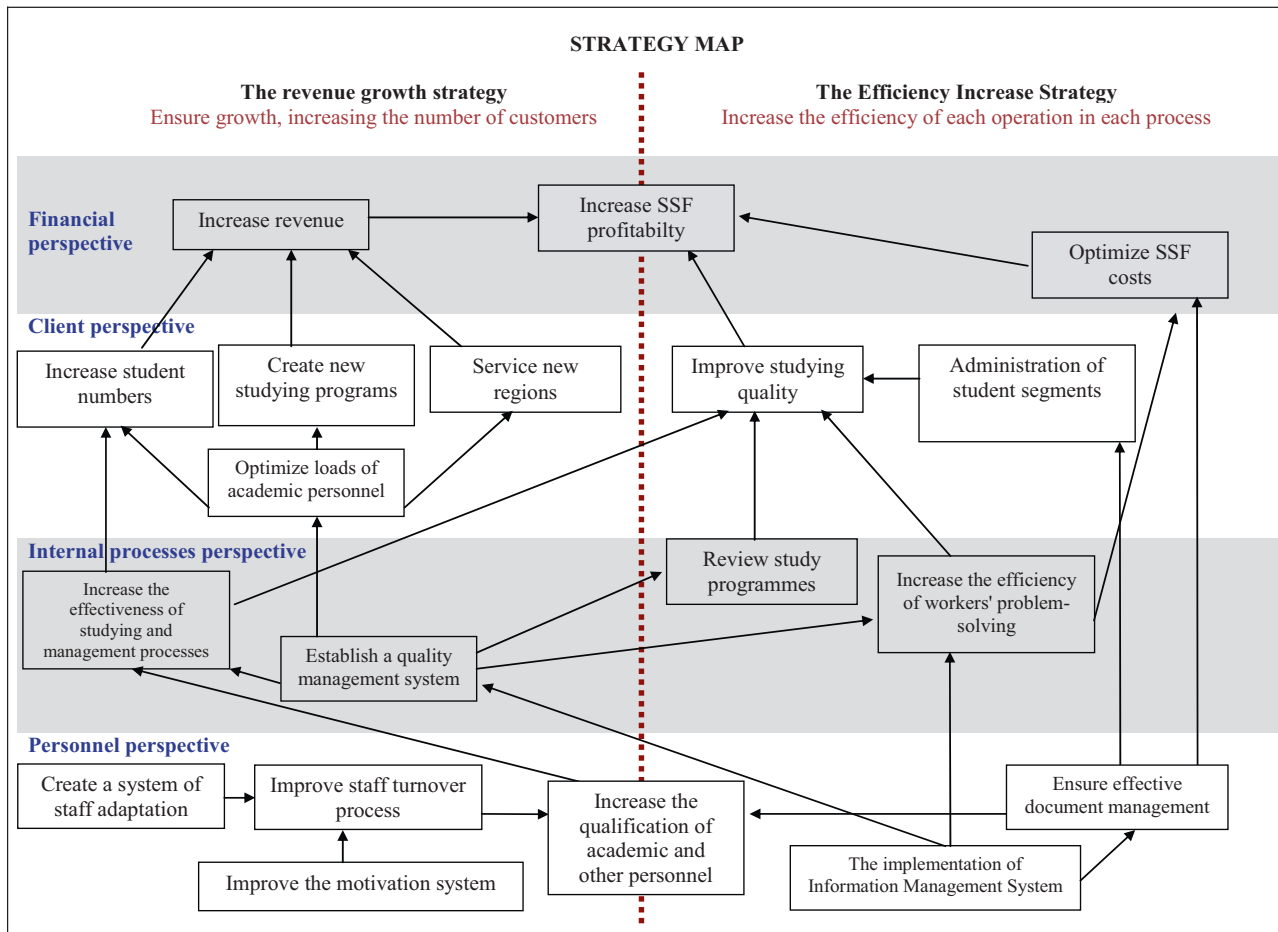


Fig. 7. Siauliai University Social Sciences Faculty Strategy Map according to Balanced Scorecard system

Source: Composed by the authors with reference to Kaplan, R., S., Norton, D., P. (2001). Translating strategy into action: The balanced scorecard. Harvard Business Press.

The analysis of the Balanced Scorecard theoretical models and the Faculty’s previous activities reveals the priorities of strategic management of the Faculty of Social Sciences of Siauliai University.

According to them, the priority development fields of Faculty of Social Sciences of Siauliai University can be formulated. Figure 7 presents the Faculty’s Strategy Map according to the Balanced Scorecard, on the basis of which the Faculty’s strategic plan can be improved in the level of the vision and strategic objectives.

Conclusions

- Having in mind the great impact of strategic management models on the harmonious development of the organisation, it is necessary to choose an optimal strategic management model in order to improve the sustainable development of all the spheres of an organisation and it is advisable to use the progressive experience of organisations abroad. Only the choice of a suitable strategic management model of an organisation allows ensuring dynamic development of

the organisation and maintaining its position in a competitive market. Progressive experiences of foreign companies reveal both positive and negative aspects of strategic management, in our case, those of the Balanced Scorecard system or model. The system, when put into practice, allows decreasing the number of wrong decisions and actions.

- An increasing dissatisfaction with traditional performance measurement means and their limited opportunities to offer important information made managers of different levels look for new systems that would also include non-financial parameters. In 1992, Kaplan and Norton introduced such a system titled the Balanced Scorecard system. It combined the traditional financial parameters with some non-financial measurements, such as client satisfaction, internal processes, innovations and development. During more than 15 years, the system evolved from a simple performance measurement into a strategic management system.

- Most organisations have already introduced performance measurement systems that combine financial and non-financial parameters. One of the shortcomings of such systems is that they are used only by the top management, most often to generalise the results of the performance of the lower level employees. The Balanced Scorecard system emphasises that financial and non-financial measurements have to perform the function of information systems, which can be used by the employees at all hierarchical levels of an organisation. In order to ensure the dynamic process of strategic management of an organisation, it is necessary for it to involve all the hierarchical levels of the organisation.

- The Balanced Scorecard Strategy Map can serve as a checklist. It provides a visual framework for an organization's strategy – how it intends to create value. If organization's strategy lacks an element on the Strategy Map, its strategy is likely flawed. On the basis of Siauliai University Social Sciences Faculty Strategy Map, the Faculty's strategic plan can be improved, at the level of the vision and strategic objectives.

- In the opinion of the critics of the Balanced Scorecard system, it is not efficient in large organisations as a general management system, the cause and effect link between financial and non-financial indicators is weak, it is difficult to establish what concrete tools of measurement should be chosen for each organisation, and it is difficult to carry out research in the sphere of clusters. The Balanced Scorecard system is criticised for being too restrictive to record competitiveness aspects in present-day business.

- Kaplan and Norton argue as follows: in order to perform a cluster analysis, organisations can incre-

ase the number of necessary perspectives according to their needs; the link between cause and effect is based on the conception of Strategy Maps; in order to choose performance measurement tools more attention should be paid to providing several tools for one function and level rather than to the increase of the total number of tools.

- The analysis of the research results shows that in the opinion of the lecturers participating in the survey, there are 2 strongest areas of the Faculty of Social Sciences of Siauliai University: Dynamic Leadership and Trained Professionals. In this case, dynamic leadership is understood as a persistent and energetic style of management, making a positive impact on the employees; the latter trust the leaders and expect firm decisions from them. In the opinion of the respondents, the personnel of the Faculty (lecturers and non-academic staff) have working skills corresponding to the quality standards of the organisation, while their individual potential is being constantly developed. In the opinion of the lecturers, the priority development areas of the Faculty of Social Sciences of Siauliai University should be as follows: Vision, Values and Objectives and Structure Offering Opportunities. The leaders should clearly define the vision, values and objectives of the organisation and ensure that they reach all members of the organisation's community; heads of departments should link their activities with general aims, while employees should have a clear understanding of the mission and objectives that lead the organisation forward.

- The analysis of the research results shows that the students participating in the research allocated most points to the five areas that, in their opinion, are the strongest spheres of the Faculty: Dynamic Leadership, Positive Climate, Trained Professionals, Suitable Competences and Surplus Value Systems. Dynamic leadership is characterised by energetic and charismatic style of leadership, which makes a positive impact on the students and induces their confidence. The students also expect firm decisions on the part of the management. In the students' opinion, the priority development area of the Faculty of Social Sciences should be Vision, Values and Objectives. The leaders should clearly define the vision, values and objectives of the organisation and ensure that they reach all the members of the organisation's community (leaders-staff-students); employees should clearly understand the mission and strategic aims of the organisation.

- The research results confirmed that for the Faculty of Social Sciences of Siauliai University it is useful to develop its strategic management in accordance with the Balanced Scorecard system and to follow the Strategy Map of the Balanced Scorecard system on the levels of vision and strategic aims.

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Subalansuotų rodiklių sistemos taikymas Šiaulių universiteto Socialinių mokslų fakulteto strateginiame valdyme ir strategijos žemėlapiu sudaryme

Santrauka

Tradicškai veiklos rodiklių matavimo sistemos grindžiamos apskaitos ir finansiniais matais. Modernios technologijos ir gamybos procesai sukūrė naujus reikalavimus valdymo ir kontrolės sistemoms (Olve ir kt., 1999). Šiaurės Amerikos ekonominės sistemos, paremtos ekonomika ir gamyba, perėjo prie paslaugų ir žiniomis paremtos sistemos. Tokia situacija susidarė, nes didėjo nepasitenkini-

mas tradicinėmis veiklos matavimo sistemomis ir jų gali- mybėmis, reikėjo suteikti svarbią informaciją apie veiklos rodiklius aukštesniojo lygio vadovams.

9-ojo dešimtmečio pradžioje prasidėjo intensyvi naujų veiklos matavimo priemonių paieška. 1987 m. Jungtinėse Amerikos Valstijose (toliau – JAV) buvo pristatyta nacionalinė apdovanojimo programa už kokybę – Mal-

colm Baldrige nacionalinis apdovanojimas (The Malcolm Baldrige National..., 1987). Šios apdovanojimo programos tikslas buvo tobulinti kokybę ir produktyvumą JAV kompanijose (ATP National Meeting..., 2001). Dalis šio apdovanojimo kriterijų reikalavo iš organizacijų rengti ataskaitas apie tokias nefinansines sritis kaip darbuotojų moralė, produktų kokybė ir klientų pasitenkinimas (Meyer, 2003). Eccles straipsnyje „Veiklos rodiklių manifestas“ pateikė įrodymus, kad šiandien pagrindiniai veiklos indikatoriai aptinkami ne tik finansinėse matavimo priemonėse (Eccles, 1991). Birchard savo straipsnyje pažymėjo, kad „80 proc. didžiųjų Amerikos kompanijų nori pakeisti savo veiklos rezultatų matavimo sistemas“ (Birchard, 1995). Problema, su kuria susidūrė vadovai ir vadybininkai, buvo ta, kad ankstesnės veiklos rezultatų matavimo sistemose nebuvo nefinansinių kokybės matų – klientų pasitenkinimo, inovacijų ir kitų veiksnių, kurie, kaip buvo manoma, turėjo padėti padidinti užimamą rinkos dalį, pajamas ir paruošti pagrindą ilgalaikiam konkurenciniam pranašumui šių dienų verslo aplinkoje (Olve ir kt., 1999).

Didėjantis nepasitenkinimas tradicinėmis veiklos matavimo priemonėmis, jų galimybėmis pateikti svarbią informaciją privertė įvairių lygių vadybininkus ieškoti naujų sistemų, kurios įtrauktų nefinansinius rodiklius. 1992 m. Kaplan ir Norton pristatė tokią sistemą pavadinimu *Subalansuotų rodiklių sistema*. Ji sujungė į visumą tradicinius finansinius matavimus su tam tikromis nefinansinėmis matavimo priemonėmis Per daugiau nei 15 m. sistema iš paprastos veiklos matavimo priemonių sistemos išsivystė į strateginio valdymo sistemą.

Strategijos žemėlapis – subalansuotų rodiklių sistemos instrumentas – gali būti naudojamas kaip kontrolinis sąrašas. Jis naudojamas kaip vaizdinė priemonė pateikiant ir analizuojant informaciją apie organizacijos strategiją, t. y. kaip su ja bus sukuriama vertė. Jeigu strateginiame žemėlapyje trūksta tam tikro strategijos elemento, tikėtina, kad strategija turi trūkumą.

Subalansuotų rodiklių sistemos kritikų nuomone, sistema yra neefektyvi didelėse organizacijose kaip bendroji valdymo sistema, priežasties–pasekmės ryšys tarp finansinių ir nefinansinių rodiklių yra silpnas. Be to, sunku nustatyti, kokias konkrečias matavimo priemones reikia pasirinkti atitinkamai organizacijai, nėra lengva atlikti tyrimus klasterizacijos srityje. Subalansuotų rodiklių sistema yra kritikuojama, nes yra per daug suvaržanti, kad užfiksuotų konkurencinius aspektus šiuolaikiniame versle.

Tyrimo *objektas* – institucijos veiklos įvertinimas pagal subalansuotų rodiklių sistemą.

Tyrimo *tikslas* – įvertinti Šiaulių universiteto Socialinių mokslų fakulteto vadybinę veiklą, subalansuotų rodiklių sistemą ir sudaryti strategijos žemėlapi.

Tyrimo *metodai*: teorinių šaltinių analizė ir apibendrinimas, standartinės anketos adaptavimas, anketinė 303

respondentų apklausa, empirinių apklausos duomenų kiekybinė ir kokybinė analizė, antrinių duomenų interpretacija ir apibendrinimas.

Teorinėje straipsnio dalyje atskleidžiamas strateginio valdymo pagal subalansuotų rodiklių sistemą teorinis kontekstas, analizuojant vizijos interpretavimo, komunikacijos ir ryšio nustatymo, planavimo, grįžtamojo ryšio ir tobulėjimo aspektus. Empiriniu lygmeniu pristatoma Šiaulių universiteto Socialinių mokslų fakulteto dėstytojų ir studentų nuomonės raiška apie fakulteto vystymo prioritetus, pateikiamas Šiaulių universiteto Socialinių mokslų fakulteto strateginis žemėlapis, subalansuotų rodiklių sistema. Pagrindžiama, kokios turėtų būti fakulteto veiklos vystymo prioritetinės kryptys, siekiant gerinti fakulteto situaciją strateginio valdymo aspektu.

Apibendrinus tyrimo rezultatus galima daryti išvadą, kad stipriausios Šiaulių universiteto Socialinių mokslų fakulteto sritys yra trys: dinamiškas vadovavimas, pozityvus klimatas ir parengti specialistai. Respondentų nuomone, fakultetui vadovauja energingi ir ryžtingi vadovai, akademinė fakulteto bendruomenė jais pasitiki ir laukia iš jų drąsių sprendimų. Dinamiškas vadovavimas pasižymi energingu ir charizmatišku vadovavimo stiliumi, kuris daro teigiamą įtaką studentams, kelia pasitikėjimą. Fakulteto darbuotojai turi darbo įgūdžių, atitinkančių organizacijos kokybės standartus; jų individualus potencialas nuolat plėtojamas. Fakulteto dėstytojai yra kvalifikuoti ir turi darbo įgūdžių, atitinkančių organizacijos kokybės standartus, kad suteiktų studentams reikiamų žinių ir įgūdžių.

Respondentų nuomone, prioritetinės Šiaulių universiteto Socialinių mokslų fakulteto vystymosi kryptys turėtų būti tokios: vizija, vertybės ir siekiai bei struktūra, suteikianti galimybių. Įvertinus respondentų nuomonę, galima teigti, kad vadovai turėtų aiškiau apibrėžti organizacijos viziją, vertybes bei siekius, ir užtikrinti, kad visa tai pasiektų visus organizacijos bendruomenės narius. Skyrių vadovai turėtų sieti savo veiklą su bendraisiais tikslais, o darbuotojai – aiškiai suprasti organizacijos misiją. Kartu reikia optimizuoti ir hierarchinę organizacijos struktūrą, kuri reikalinga siekiant įgyvendinti užduotis. Organizacijos struktūros optimizavimas palengvintų minėtų procesus.

Tyrimo rezultatai patvirtino, kad Šiaulių universiteto Socialinių mokslų fakultetui tikslinga tobulinti strateginę veiklos valdymą pagal subalansuotų rodiklių sistemą, o vizijos ir strateginių tikslų lygmenyje vadovautis subalansuotų rodiklių sistemos strategijos žemėlapiu.

Pagrindiniai žodžiai: subalansuotų rodiklių sistema, strateginis valdymas, strategijos žemėlapis, veiklos rodiklių matavimas.

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