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13 ESSAY TOPIC :

Explain

and evaluate the contribution of

Balanced scorecards to organisational

performance management (1,000 words) SUBMISSION DEADLINE: 17

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0 INTRODUCTION OVERVIEW Organisational performance management

system can transfer the organisation or a particular business to the desired

level but when only if the system is designed and implemented in a proper

particular way. There are number tools, approaches and techniques, that

various researchers worldwide have introduced to assist in the transformation

of any particular organisation's vision and mission into the desired action. By

the introduction of various essential practical approaches into the system and

how the decision maker may participate in conveying their knowledge and

skills into the success of the organisation, these tools have assisted into the

transformation of traditional approaches into new ways of thinking, organising and accessing organisation's resources and people in term of the objectives versus performances and predicting the organisation's future. Logical processes and easy to understand that makes performance management very important system by assisting to get into every level of the business through way of raising critical questions and come up with desire solution. Most organisation had traditional way of practising the activities in their organisation by simply focus on measurement on the profit maximization, (they concentrated more on financial measurement). However in modern business environment it has been proven the need of non financial measurement growing rapidly. In early 1990s Robert Kaplan and Ken Norton introduced the concept of balanced score which give the need organisation to adopt into framework that will include the involvement measurement beyond nonfinancial matters. 2.

1 BALANCED SCORECARD THEORY Balanced scorecards is the famous strategic performance management tools that can used by any organisation environment to transform the mission and vision into the practical action, setting up the objectives, measure performances versus objectives and predict the future by aligning the financials part, people, customers and learning and development. The methodology was developed by Dr. Kaplan and Dr. Norton in 1992 after series of research or examination of the successful business around the world. Balanced scorecard plays a major role in the performance management systems in any particular organisation by analysing different four perspective in any given organisation.

Norton and Kaplan identified four main icons in the balanced scorecard for the any particular organisation to analyse their current performance and ultimately predict the future or the direction of the organisation with the first published article by Harvard University with 4 business perspectives:

1. Financial
2. Customers/external
3. Processes/internal
4. Innovation and learning

Fig. 1. 1 The Balance scorecard model by Norton and Kaplan (1992)

The balanced scorecards above depict various essential elements that whoever who is encountered in decision making process must adhere to, by setting goals in each perspective and set up the measure for instance in the financial perspective one of the overall questions decision maker has to take into account it so to ask themselves how should we appear into our shareholders mind, by setting goals on profit, growth of the organisation and profitability and set up measures such as checking cash flow (in and out), market share and return on equity.

ORGANISATIONAL PERFORMANCE MANAGEMENT MODEL Udine and Spa 2018

discuss that the meaning of operation performance management as the process by which the organisation link or integrate between the plan that are strategic and organisation practise/operation. According to these authors the operation performance management serve as a system that replace the traditional organisation way of practices such as top down techniques in which information flow from the high management to the rest of the organisation with less integration in departments or between people. M. Bourne and P. Bourne (2011) discuss that majority of the business operation culture is based on the 'tick box practice' when engaging in performance management process. Operation performance management

should have a number of people equipped with necessary skills and knowledge to run the organisation, the system should touch every staff and by the way the of the integration the system into the organisation without leading into the wrong direction of the organisation.

. The salient features when organisation performance management is put in place in any organisation it must include expenditure control and efficiency gain, results based management, improve performance and competitiveness, accountability, good governance, stakeholder involvement and communication, effectiveness and success. All these features are to ensure that the organisation runs smoothly in all internal affairs that is within the organisation departments relationship and external affairs such as government affairs and shareholders affairs. On the words the operation performance management will assist the relevant managers in the organisation with overview of their current performance/trend and be able to predict the direction of the organisation by making correct decision.

CONTRIBUTION OF THE BALANCED SCORECARD (BSC) IN THE ORGANISATION PERFORMANCE MANAGEMENT (OPM) The balanced score provide an opportunity to bring together different views for managers into the internal objectives of the company. It provides broad view of the company long term strategies and the company directions in general. As a result it provide them with ability to transform these understandings into the high level of commitment during the company operation. It serve as the way to signal to every employee or individual within the organisational and stakeholder about what the company is trying to achieve by weighting the current objective versus the

performance . According various writers it said that it is essential that in organisational operation performance adhere with the strategies that are achievable and can be implemented and measure during organisation growth from time to time. With the balanced scorecard the decision maker at all level are guided with for strategies S. Kaplan and P. Norton(1993). a) translating the vision that is to say that the organisation is provided itself with opportunity to clarify the vision and put itself in position that there is agreed comments by the group as whole.

This enable the effective operation performance management since that from the top level management to the lower level everyone is aware of the company vision b) Communicating and linking different departmental/individuals by ensuring that education is well provided, clear goal setting and linking rewards based on the performance of the individuals . c) Business planning and let the members must be aware about the current plan and future plan. The balanced scorecard provide the light by which the organisation can set goals/target target, initiatives, allocating resources and out clear established milestone. d) Feedback and learning within the organisation, the balanced scored card bring together the share vision , feedback and provide the firms with opportunity to review their result and learn. Fig.

1. 2. The figure above Depict the 4 strategic managing processes that can be implemented in operation performance management system, originally suggested by S. Kaplan and P. Norton(1992) CONCLUSION The balanced scorecard has assisted into the overall linkage in between financial

perceptive and non financial perceptive especially towards improving the organisation performance management in the developing economic sector such as in countries like Russia, Brazil India, and China. It is important to make utilise of the use of balanced scorecard for better result of the operation performance management system, as the study show that in America alone more than 60% of the companies have used the balanced scorecard R. K.

Tyagi and P. Gupta, 2008. It is expected that the top decision maker to utilise the use of balance scorecard components in order to gain the efficiency in organisation performance management. As discussed, the balanced scorecard has assist the firm to visualize the their organisation performance management not only from the provider side but also from the customer perspective as discussed by aligning the organisation objectives and corporate objectives and strategies

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