PERFORMANCE EVALUATION BY USING BALANCED SCOREDCARDS: ANALYTICAL VISION

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ABSTRACT

Global knowledge economy, knowledge creation, sustenance and has become the key differentiator of success application. Much company that traditional knowledge and knowledge workers to manage effective physical asset management are also an important source of competitive edge as realized.

Performance evaluation system has been increasing criticism of the fiscal measures and new initiatives were floated over the last two decades of the varieties, the balanced score card is an important among them the performance measurement system has changed a lot compared to the past. Comparison between similar items just applying traditional performance measurement approach real measurement results are in, Is one of the most important goals of evaluation performance measurement capacity assessment the modern approach while growth and development has focused on.Modern evaluation system is improving satisfaction, improving the efficiency and effectiveness of the organizational activities to improve results in the end.

Balanced scorecard for a quick and comprehensive examinations offers top managers nowadays, just organizations that can use their industry better as a leader and his enemies and new methods to increase your competitive advantage by using resources can thus be considered, BSC management as a new tool in the hands a better competitive positioning organizational performance the better assessment can provide news The letter emerged and developed during the years how we BSC review.

Keywords: Balanced Scorecard, Performance Evaluation, Competitive advantages.

Introduction: Performance measurement system has changed a lot compared to the past. Comparison between similar items just applying measurement results is real.

This report focuses on one such framework: balanced scorecard to improve company performance. Designed tool, balanced scorecard is probably the most popular is basically a performance measurement tool developed scorecard as is now increasingly associated with the implementation of this strategy a management framework to identify and your best tactical ability of organizations to take advantage of key value drivers serves as with Is.

This report scorecard thinking, more recent developments, particularly in the strategy considers the key role of mapping it outlines how, wide application, and facing ever-changing operating conditions through the scorecard in the past ten years, different organizational "mission" – profit maximization, of service delivery or resource to use is developed to support. for example Many organizations increasingly realize that much of their people, their strategic value systems, Processes and the ability to innovate is contained in this report how organizations in their capability of scorecard can integrate a description of intangibles are involved.

Traditional performance measurement approach, the most important valuation goals performance measurement while the modern approach to evaluate growth and development potential (Niknazar, 2009) is focused on Peter Ducker argued in 1954 that a potential solution to implement "balanced set of measures". "The market standings, innovation, productivity, physical and financial resources with profitability including management performance and development, worker performance and attitude and public responsibility" is the appropriate performance and attitude, and are the appropriate performance criteria are "public responsibility (Neely, 2005).

Modern evaluation system with results in satisfaction improvement, efficiency improvement, and finally improvement is in effectiveness of organizational activities (Norton, 1999).

Performance evolution in Balanced Scorecards: At the end of the 1980s, corporate performance evaluation methods of the efficiency of the European and American management were published numerous articles in magazines in American accountant management society 1978. Research has revealed that 60% of the total United States financial managers and corporate America's 260 64 executive managers were dissatisfied with their performance measurement systems. Kaplan and Norton in the BSC perspectives 12 companies with a research identified by the managerial Innovation (Kaplan and Norton, 2009, 14) to evaluate organizational performance opened the doors to new. They stated that firms in their performance evaluation only financial aspects should not lend but see the client, processes, and learning and development of their performance must also consider the first generation of the BSC business can prepare for a unified Visual management is a set of metrics. Balanced scorecard financial metrics results of past activities Rich – and customers, internal processes and learning and growth metrics (operational metrics that financial performance in the future cause) operational metrics (Kaplan and Norton, 1992).

A well-designed balanced scorecard objectives and measures you have selected (Given, 2007) through its strategy should be able to describe. Kaplan and Norton, according to successful companies evaluate their performance to not only use financial measures but also on their other three approach their ass organization i.e. client, Internal processes, and learning and development-based approaches for each of these four companies., evaluate their goals and objectives for each perspective, Measures and targets to determine success; And for the duration of all these measures is to identify quantitative goals believed. The executive actions and initiatives to achieve these objectives and programmers are implementing the plan.

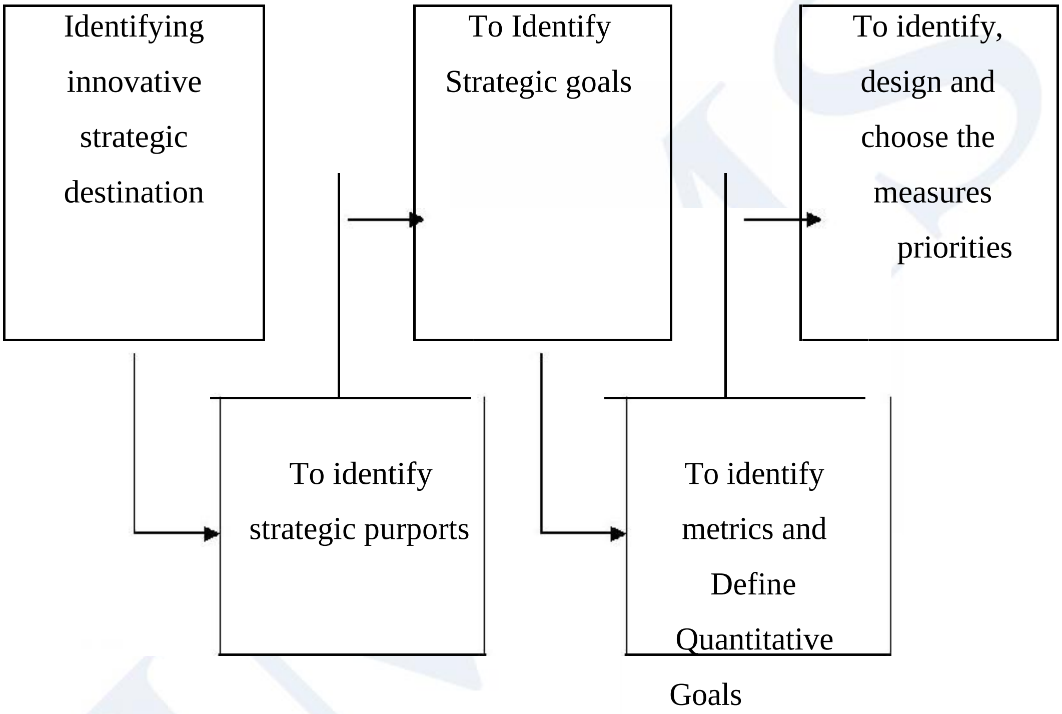

Figure 1: establishment process

These measures should link together in a chain of cause- and- effect relationships from the performance derivers in the learning and growth perspective all the way through to improved financial performance as reflected in the financial perspective (Given, 2007).

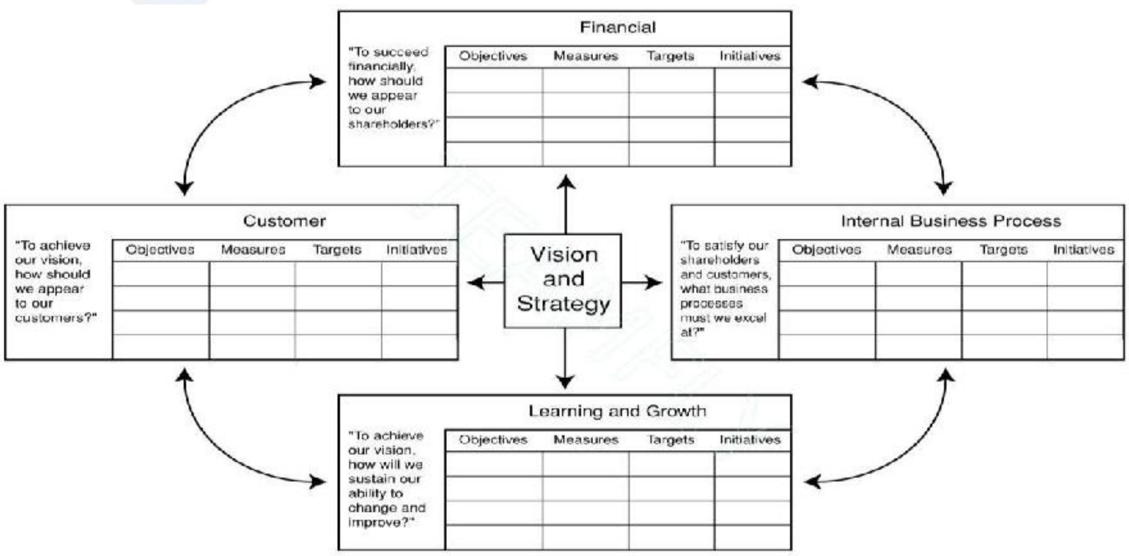

Figure 2: Structure

The cause-and-effect relationship so if phrases (Kaplan 2009) can be termed as a sequence.

Therefore, financial outputs (financial perspective) to achieve, we value our costumers (costumer's perspective) should be built up in and it never happens if only we can overcome our operational processes and adopt our costumers requirements (internal processes perspective) and this does not happen if we do not have a suitable place to prepare employees and try to improve creativity, Learning, and our Organization (Kaplan and Norton, 2001) increase.

Performance evolution system generations of Balance Scorecards

- **First generation of BSC**

Kaplan and Norton stated in their first article that in order to have an integrated organization performance assessment, the performance should be noticed from four aspects; these four perspectives answer to four key questions:

1. How should we be in customer view?
2. In which internal processes we should transcend?
3. Can we stand in continuous improvement and value creativity?
4. How should we be in our shareholders' view?

The first generation of target and each BSC perspective in addition to the above metric are their first generation perspective in these four perspectives are considered in the following ways:

Mission statement focuses on most corporate customers. "Create value for customers, in the best of company". BSC that causes managers into four categories in your mission statement for clients four essential translation: time, quality, performance and service delivery, and price.

Firms to implement your goals time BSI based on quality, performance and service express should deliver and then translated into specific metrics.

Managers view key internal operations on them in order to meet the needs of the clients to enable the focus need to be done.

Companies after identifying his usually financial BSC and customer perspective goals & metrics identify your internal processes of metrics.

Internal processes metrics should be selected based on the business processes which have the most effect on customer satisfaction. Companies should decide in which processes they want to be at top and define each metric related to these items.

Growths of perspective: Related to internal processes and customer metrics and goals approach after identifying that there in order to achieve the goals of existing organizational infrastructures and optimized level there is a difference between customers and internal processes is possible. Based on organization competitive metrics for success are very important parameters are important for judging. However, Universal companies products and processes in a close contest on continuous improvement ideas and new products to identify efficient enough.

The company's ability to innovate, improves, and directly affects the company's value in learning. In other words, your customers and create value for the continuous improvement of operational efficiency companies simply provide new products, enter new markets by their capabilities and their benefits and can increase income.

Financial perspective: The financial perspective is to identify whether the metrics strategy and execution improve profitability a company plays the role or not. Regarding financial goals usually profitability, growth and shareholder value are being defined with.

Corporate sustainability, success and economic boom in a framework of financial perspectives should define goals. boom by cash flow, seasonal evolution of operating income classes and sell stock market and ROI by improving economic boom is measuring success by Kaplan and Norton (1992 and 1993) point directly to the cause and effect relationship and just refer to the relationship between the four BSC perspectives.

Second Generation of BSC: Although the organization performance evaluation in the financial numbers and future value to create a balance between derivers manufacturer b.SC. was the main goal of the first generation, however, Kaplan and Norton "what is a balanced scorecard?" didn't give a separate and clear definition and explained just how to implement it and other organizational factors talked about regarding BSC. Figure 2-7 shows the BSC model.

In 1996 Robert Kaplan and David Norton book "BSC: strategy to form the word translated" suggested by cause-and-effect display deriver metrics (lead indicator) and the relationship between interval indicators. He also explained that metrics lead and lag indicators should be set.

1. In General, the second generation made three important reforms in the balanced scorecard: choose metrics based on clear strategic goals.
2. The cause-and-effect relationship that results in a strategic communicational model or designing

a strategic map to identify strategic goals in the Middle o.

3. Four new managerial processes which use them, BSC to be transformed into a strategic management system creating a performance evaluation system.

Third Generation of BSC: There are still some weaknesses were identified in the second generation BSC concepts and although Kaplan and Norton could not overcome the weaknesses of selected metrics, however, there were still a few other problems.

Used to provide a 2nd generation tactical communicational model in a cause-and-effect relationship that "learning and development" and "internal procedures" and "customer" perspective was finally launched by passing to the financial perspective. Was ending

Many experts, like Neely, Kenneled (2002) all argued that these cause-and-effect relationships is inappropriate for many important organizations and macro targets and do not link to the Organization's vision is not any BSC method. Because monitoring and control on competitors and technological development; therefore, a strategic control cannot be considered as models. Mac Adam and Merisel (1992) is based on a TQM framework and explained as a strategic management TQM are what should be measured and assessed the main organization reviewed the strategies factors BSC.

Therefore, the balanced scorecard is only a tool and not a decision the organization strategies and tactics for measuring selection tool.

Kaplan and Norton to second generation of new matrix BSC to enhance strategic communication was added and made changes based on the third generation of BSC. In the late 1990s, the other two metrics strategic destination and strategic themes BSC added. In addition cause-and-effect relationships model equipped with a more accurate tool last level which named strategy map

Fourth generation of BSC: Robert Kaplan in an interview in 2008 published in HBR "strategy to execute what are the most important factor?" answered the question he said that first of all the leadership is very important and effective leadership can apply a strategy successfully and that after adding strategy is required for the operation are important both strategy and action But compared to their performance is quite different to each other.

1. **Characteristics :** Characteristics of balanced scorecard and its derivatives in a single concise report within a ' target ' in the financial and non-financial measures comparing the price of each is a mixture of presentation report means a replacement for the traditional financial or operational

reports, but a brief summary for those that read it to capture the most relevant information is this method by which this "most relevant" information is fixed (content IE used to select, Design processes) that most differentiates the different versions of the devices in circulation. Balanced scorecard indirectly even more specific/to be tangible stems in normal strategic statement (such as mission, vision required) by an organization's strategy-provides a useful insight.

Balanced scorecard asserted that the first edition of relevance to corporate strategy, and proposed design methods that are required to implement measures and strategies associated with the main activities focus on choosing targets should receive from the initial audience was, as Harvard Business Review readers offer the reader to a specific journal that the feeling – we have translated into a form of commercial business managers was accordingly, Initial design financial outputs-"customer,"" Internal business processes "and" learning and development. "In addition to those of non-financial measures were encouraged to measure three categories these categories,

Non-profits or complex organizations (high degree of expertise which could be internal) were not relevant to the within units, and more ' alternative ' perspective of the early literature on balanced scorecard that has more relevance for these groups may be focused on ' suggestions.

Modern balanced scorecards initial thoughts in the late 1980s and early 1990s proposed in, including modern and fairly balanced scorecard performance management tool-(to suit a broad range of organizational types) is more flexible and more effective (to make it easier to design them design methods, and has been developed to use as) are being improved since have been developed.

2. **BSC drawbacks:** Balanced scorecard has attracted criticism from a variety of sources. most of the academic community, which has come from empirical nature dislike framework: Kaplan and Norton's infamous failed his initial letters subject to prior art consists of any citation of the criticism focuses on the ways in which some of the technical flaws and design basic balanced scorecard proposed Kaplan and Norton, Other academics just focuses on the lack of support of the citation.

   Another type of criticism is that the bottom line or balanced scorecard score clear recommendations does not provide an integrated view with: it's just a list of metrics (e.g. Jensen 2001) how these critics assume ' unanswered ' may be the answer to the question about his criticism contains suggestions usually, but generally relate to the unanswered question (such as strategies to develop) balanced scorecard itself to things outside the scope of (For e.g. Brig all)

A third type of criticism is that the model completely on others financial stakeholder's stakeholders-bias needs to insert fails to reflect. Balanced scorecard Kaplan Norton of forms where this proposed by & investment returns was appropriate to focus on the United States of America-commercial organizations focused on the needs of care was maintained through subsequent amendments. still 20 years later they were before the proposed, Four basic Kaplan proposed in the paper four most common approach & Norton balanced scorecard in mirror designs, however, noted in this wiki page before, there have been many studies that suggest other approaches better organization not particularly address the needs of organizations in the public and private sectors related to but not exclusively reflect the priorities of May 3rd generation balanced scorecard and results-based management practices clear Consider the interests of the broader stakeholder groups, and addressing this issue in its entirety, such as more modern design approach.

There are some better decisions using empirical balanced scorecards or to improve the financial performance of companies to study, but has worked in these areas. However, use of the survey in this regard, The definition of what a ' balanced scorecard ' wide variation is due to the difficulties mentioned above (it's hard to work out a survey if you are comparing with like). There was no single organization case studies organizational change to study "a lack of control ' issue is suffering from-you don't know what would have been achieved if the Organization was not changed, so it's hard to find a single (such as the introduction of a balanced scorecard) observed over time for the intervention of attribute changes. However such studies have been generally found to be useful is the balanced scorecard.

3. **Variants:** Since the balanced scorecard was popular in the late 1990s, the original "four box" option for a large number of the balanced scorecard by Kaplan and Norton promoted their various articles and books have very limited applications, is the emerged and are usually proposed by academics to promote other agendas as vehicles (such as green issues)-for example Brig all (2002) variation in books and/or (e.g. For Bourne (2002); Consultancy sales as an effort to promote consultants Given (2002). Many of the proposed structural variations are roughly similar, and in 2004 published a research paper, noting these variations-variation to identify a pattern in three different types, an attempt is made to develop a balanced scorecard concept of differences. share appeared to be, and so the paper "generations" refers to these as

different types is largely, 1st generation balanced scorecard design basic ’measures ’ boxes type design (as proposed by the Kaplan Norton &) formed; Balanced scorecard design is a "strategy map" or "strategic relationship model (e.g., performance Prism, later Kaplan & Norton design Love, Roy & Wetter (English translation published in 1999, 1st Swedish 1997) display driver model) includes 2 ’ generation formation of balanced scorecard design; And designs that enhance the strategy map/long term consequences of a separate document ("destination" statement views) to comprise sought to describe the 3rd generation balanced scorecard strategic relationship with model design.

Variants that conform to variations of the structure of balanced scorecard feature better than a particular approach or agenda are the focus of a number of examples of such adaptations. Include green issues, decision support, public sector management and health care management results-based management of the United Nations system performance management elements of design and structural similarities to the 3rd generation balanced scorecard design approach is used.

Balanced scorecard too often quality is linked to management tools and activities although cross-over are obvious areas of the Association, and two sets are complementary rather than duplicative of the device.

Balanced scorecard is a common use even though it was not designed for this purpose and in particular is not conducive to support incentives for individuals to have to pay.

Conclusion: A research into Kaplan and Norton that 54% of companies under research strategy performance management were using a formal process discovered these firms 70% compared to a similar group of companies a better performance is obtained. Strategy to execute a formal system of success creates the possibility of two or three times higher compared to when there is no system. And this organization to conduct programs due to a relationship between strategies in 2008, Kaplan and Norton has published the results of their research in HBR. This article contains the compilation tools and operations management such as mission statement compile method, dynamic vision, budgeting and resource allocation, quality system and process improvement, and statistical and economical analysis tool (Kaplan and Norton, 2009) due to the integration of learning strategy management systems identified.

Therefore, the balance in the balanced scorecards reflected in balance between short-term and long-term goals , balance between financial and non-financial indicators , balance between indicators measuring past performance and future performance measurement indicators , and finally balance between the internal and external performance .

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