

BALANCED SCORECARD AS A PERFORMANCE MEASUREMENT TOOL WITH SPECIAL REFERENCE TO INDIAN HIGHER EDUCATION.

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ABSTRACT- For the development and better progress of any country the higher education plays a vital role. Presently India is at 3rd place in providing higher educational facilities which consists of more number of universities, colleges and other educational institutions. Due to lack of proper assessment tools and techniques most of the higher educational Institutions couldn't able to assess where they stand in terms of providing quality education in present competitive world with respect to allocation of Financial resources ,Internal process opted, services to the customer and learning and growth .This paper will going to discuss about application of Balanced Scorecard in higher educational Institutions in India and its impact to improve performance and strategies to be followed for effective performance of institutions.

Key words: Balanced Scorecard, Performance assessment, Quality improvement, Higher Education

1. INTRODUCTION:

In a developing country like India higher education is always plays a key role for further development and a prosperous of growth of a country. In today's competitive world providing quality education is essential in producing good quality human resources. Higher educational institutions now a day are designing a strategy and vision for providing quality services but failed to convert those strategies tangible objectives and measures. Higher educational institutions in India come after 12th or Intermediate consists of numerous courses who offer different types of educational facilities for the needy customers.

India after adopting Liberalization policy and transfer of technology in all aspects in the present scenario of the education system started facing different challenges. To cope up with these challenges so many higher educational institutions in India adopting new innovative methods to attract and retain their shareholders. The purpose of this article is to examine the concept of quality education within higher educational institutions and universities and application of appropriate performance measurement system .The present article also emphasizes for adopting improved balanced scorecard model to improve quality in education and to measure the overall performance of the organization.

2. REVIEW OF LITERATURE:

The Balanced Scorecard (BSC) recently celebrated its 20-year anniversary (Hoque, 2012, 2014). Since the BSC was introduced by Robert Kaplan and David Norton (KN) in 1992 (Kaplan & Norton, 1992), it has received considerable attention in the management and business community. The Harvard Business Review has referred to the BSC as one of the most influential management ideas of the last 75 years (Sibbet, 1997: 12). The consulting firm Bain & company's biannual survey of management tools and trends consistently ranks the BSC as one of the most widely used tools by managers worldwide (Rigby & Bilodeau, 2009, 2011, 2013). The BSC has also been the subject of much debate in academic circles. In recent years, several literature reviews have been carried out on the extensive BSC research literature (Abdel-Kader, Moufty, & Laitinen, 2011; Banchieri, Planas, & Rebull, 2011; Hoque, 2014). Just in the last few years two special issues of Journal of Accounting and Organizational Change have been devoted to papers on the BSC (Hoque, 2012; Nørreklit & Mitchell, 2014). Taken together, these review articles, special issues and various other contributions show that the BSC is a highly relevant and timely topic. At the same time, several authors have noted that it can be challenging to define what the BSC really is (Perkins, Grey, & Remmers, 2014; Soderberg, Kalagnanam, Sheehan, & Vaidyanathan, 2011). The BSC concept has evolved considerably over the last 10-15 years (Bible, Kerr, & Zanini, 2006; Braam & Nijssen, 2004; Cooper, Ezzamel, & Qu, 2012). In the same time period, there has been a growth not only in terms of the number of published articles, but also in terms of the areas covered. Today, research on the BSC is not only confined to discipline-based journals in accounting and management, but can also be found in context-specific journals covering hotels and tourism (Palatková, 2015; Sainaghi, Phillips, & Corti, 2013; Vila, Costa, & Rovira, 2010), education (Karathanos & Karathanos, 2005; Sayed, 2013), the health sector (Trotta, Cardamone, Cavallaro, & Mauro, 2012) and the public sector (Dreveton, 2013; Northcott & Taulapapa, 2012). This article will focus on five research areas which we deem the most essential in the BSC literature. Thus, our intention is not to cover all areas of the BSC literature. The reader should, therefore, consult the aforementioned review articles for more systematic and exhaustive reviews of the BSC literature. In addition, we will not focus on the practitioner-oriented or normative literature on the BSC which focuses on the design and implementation of the BSC. These issues are covered in a number of books on the BSC concept (e.g. Niven, 2005; Olve, Roy, & Wetter, 1999; Olve &

Sjostrand, 2006) as well as nearly all textbooks on management accounting and control (e.g. Atkinson, Kaplan, Matsumura, & Young, 2011; Merchant & Van der Stede, 2012). The article is structured as follows: Section two takes a closer look at the BSC concept's evolution since 1992, and the most important actors shaping its evolution and trajectory. In section three we look at research on the adoption and diffusion of the BSC in different contexts. In section four we focus on the implementation and the use of the BSC in practice. Section five discusses the performance effects of adopting and implementing the concept. Section six discusses various critical perspectives on the BSC. The last section summarizes the present state of the research literature and provides some suggestions for future research on the BSC.

3. QUALITY IN HIGHER EDUCATION WITH INDIAN CONTEXT:

Quality is the ultimate result what customer expects from any institution where educational institutions are no where can be exempted. Every stakeholder (eg .students, Government, professional bodies) has a specific view about quality based services based on their needs. According to O'Neill and Palmer service quality in higher education is the difference between what students expects to receive his/her perceptions of actual delivery. The real success behind educational institutions is quality in service which can lead to student satisfaction and a satisfied student may attract new students through word of mouth and themselves to the University or Institution to take further course a general rule to attract more number of customers.

4. PRESENT HIGHER EDUCATION SCENARIO IN INDIA:

As per the report of UGC on higher education, India occupies 3rd position in world in providing and expanding higher educational facilities. In India there are more than 757 universities, 39,071 colleges, 13000 diploma colleges and 11,293 stand alone institutions having around 3 ½ crores of students which is equal to a countries population. According to international Economic forum India stands at rank no 81 among 138 countries in providing and maintaining standards in higher education. When it comes to ratio of faculty and student in India is 1:26 where as the same is 1:10 in Russia, 1:13 in China and Brazil respectively. Hence in this present context there is a need of proper performance management and measurement tool to evaluate the performance of educational Institutions.

5. BALANCED SCORECARD:

Robert .S. Kaplan and David .P.Norton (1992) first introduced the concept of Balanced Score card in their Harvard Business Review article "The Balanced Scorecard – Measurement that drive Performance". This represents that manager need a balanced presentation of both financial and operational measures. Balanced scorecard translates the business vision, mission into tangible objectives and measures. The balance is an important principle in the balanced scorecard model. There must be balance between the short term and long term objectives, Financial and non financial criteria, external and internal perspectives.

Balanced scorecard provides managers /management an instrumentation they need to navigate to future competitive success. This balanced score card translates an organization mission and strategy into a comprehensive set of performance measures that provides a framework for a strategic measurement and management system. Its main emphasis on achieving financial objectives but also includes the performance drivers of their financial objectives.

The balanced scorecard measures an organizational performance across 4 perspectives. Financial, Customer, Internal Business process and learning and growth. The score card translates a business unit's strategy and mission into tangible objectives and measures. The measure represents a balance between external measures for shareholders and customers and internal measures of critical business process, Innovation and learning and growth. The measures are balanced between the outcome measures the result from past efforts and the measures that drive future performance. The scorecard is balanced between easily quantified outcome measures (objective) and judgmental, performance drivers of the outcome measures.

The four perspectives of the balanced scorecard are:

Financial perspective measures indicate whether a company strategy, implementation and execution are contributing to bottom-line improvement. Financial objective relates to profitability eg operating income, return on capital employed and economic value additions. Generally the answers to these questions will be converted as objective. Enrolment/graduation rates by gender, ethnicity and program.

Measures used in performance reports of higher educational Institutions are :

- Degree completion and time to degree.
- Persistence and retention rates by gender, ethnicity and program.
- Remediation activities and indicators of their effectiveness.
- Transfer rates in the institutions.
- Pass rates on professional exams.
- Job placement data on graduates and graduates' satisfaction with their jobs.
- Faculty workload and productivity in the form of student/faculty ratios and instructional contact hours.

The concept of balanced score card can viewed in four perspectives stated below.

Finance:

- What financial steps are necessary to ensure the execution of our strategy/goals?
- Are the programs/ department's goals, implementation, and execution contributing to the bottom line?
- Are we meeting operational and financial targets?

Customer:

Goals that refer to how our customer see us: The market segment in which the business unit will compete and identify the target man. Core segment measures customer satisfaction, customer retention, new customer accusation.

- Who are our target customers?
- How do our patients/customers see us?
- How do patients/customers rate our performance?

Internal process:

Goals how do we excel our internal process. Identify the critical internal process in which the organization should excel and the new process where they need to work on.

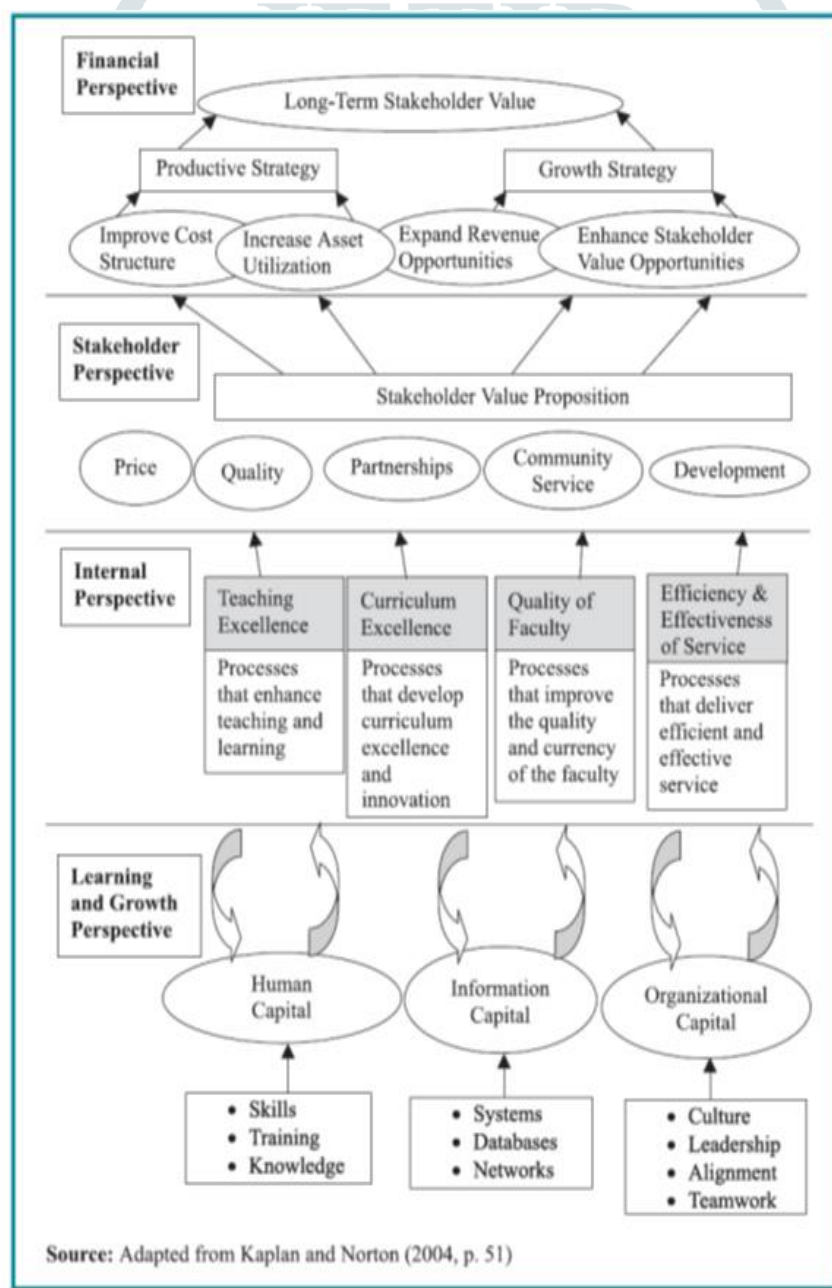
- What critical processes must we excel at to satisfy our customers/stakeholders?
- What must be done internally to meet patient/customer expectations?

Learning & Growth:

Goals that will sustain the ability to change and improve in the future. Identify employee development related aspects to build in long term growth and improve. The measures will be based on employee satisfaction, retention, training and skills.

- How can we continue to improve?
- What capabilities and tools do our employees need to execute our strategy/goals?
- What capabilities and tools do our employees need to execute our strategy/goals?

Strategic map of balanced scorecard:



Financial perspective:

The financial perspective contains the tangible outcomes in traditional financial terms. Table 1 is an overview of the financial perspective's goals and measurements. So as seen in table (1) the financial perspective in the BSC will be with the strategy theme of "Improve self-financing in the educational Institution". To achieve this strategy theme first, it must introduce "establishing a unit for fund raising "through the collection of donations, cooperation between industry and Institution. Second, "Financial Management "through managing the reduction in expenses by using suitable financial policies and practices. Generating revenue through different research operations. A full planning to the financial situation can lead to improving the financial structure which in turn will be reflected in the educational services rendered, salaries which lead to increase the satisfaction level for both employees and students.

Table1: overview of the financial perspective's goals and measurements

Type	Goal	Measurement
Fund Raising	Building endowment/fund raising/ annual giving Fund raising through donors Fund rising committee	Size/growth of endowment Donor support for new Initiatives Total funds raised
Revenue from operations	Increased research grants	Volume and number of research grants received
	Increased state appropriation	% of funding relative to others in system
	Increased student fees	% of contribution cost
Financial management	To be financially sound	Balanced budgets Extend budget submissions cover all essential requirements Cost per unit of production relative to peers Market growth
	To financially succeed	Rate of increase in fee-paying students

Stakeholder perspective:

Value propositions are created to meet the needs of each stakeholder. These value propositions are those that hold the greatest value to each stakeholder and represent outcomes of the college's internal processes. Satisfactory realization of the value propositions translate into financial outcomes outlined in the financial perspective.

This perspective is needed to ensure that that target customers are recognized. proposed that customers of education organization include employees, students, parents, government and business. However, some people disregard students as customers of education. In principle, teachers, administrators and students are all internal customers, whereas government, alumni, business employers, the general public, and parents are external customers. An improvement in customer satisfaction will not only increase business profits, but also facilitate business development As mentioned in Table (2) for the students theme to strength this theme the university will target "attracting high quality students" through establishing restrict procedures and standards for student's selection." Curriculum content development in accordance with the present labor market" through the activation of partnership program with the industry and business, "Increasing internships opportunities "through the activation of partnership programs and training with the business sector. "Encouraging cultural and sports and social activities" by establishing events, seminars, competitions that enhance the students talents and abilities in different fields. "Make the information accessible to the students for admission and transfer policies, distribution disciplines, to withdraw from "by various means such as college website and social media platforms. Regarding Employer theme the university will target "Employer satisfaction "through presenting qualified graduates able to fit in the labor market requirements.

Table 2 : An overview of the stakeholder perspective's goals and measurements.

Stakeholder	Goal	Measurement
Student	Attract high-quality students	No. and quality of students admitted Vs rejected Persistence rate No of Applications to the programs received % of students admitted Market share Geographic draw area from where students admitted
	Develop high quality students	Quality of teaching and advising Department GPA(Grade point average)
	Graduate high quality students	Starting salaries when they are placed Quality and no. of on-campus recruiters Internship programs received in a academic year
	Student satisfaction	Ability to get access to “needed” courses Ease in getting “good” job Student evaluations of faculty/ courses Graduate exit surveys No of placements
	Encouraging cultural and sports and social activity	No of events achieved Degree of students satisfaction
Community – employers, alumni, parents	Business community (employer) Alumni meets	Employer survey rating graduates’ effectiveness No. of faculty involved in community/business Service No.of alumni meetsconducted Vs attended alumni’s.
Faculty	Faculty satisfaction	Encouragement given faculty to engage in development activities Effectiveness of orientation and inculcation process for new faculty Scope for work life balance Availability of well-defined personnel policies and procedures available to faculty Office space and computer availability and internet facility
Institution	Service to the Institution	Adequacy of participation in campus-wide activities Quality of relationships with other elements on campus
General	Academic excellence	Quality of students admitted Quality of faculty and eligibility Accreditation status by recognized assessment authorities.
	Quality research contributions	No. of faculty publications/ citations in ISI Journals No. of faculty publications/ citations in other International research journals No. of faculty publications/ citations in national research journals No. of faculty members’ presentations and speaks in International conferences No. of faculty members’ presentations and speaks in national conferences

Internal process

The internal process perspective describes the critical internal processes that drive the stakeholder satisfaction and the college's financial outcomes. The institution must first ensure that it meets the current and future needs of customers. The customer perspective thus requires an appropriate method of measuring customer satisfaction and dealing with customer complaints. It requires consideration of customer demand in both the external and internal processes, such that new operational processes can be developed to satisfy all customers. Within the educational sphere, this implies an emphasis on administrative efficiency, the promotion of educational quality, process management, e-processes, real-time assessments, and reductions in service time to increase efficiency and achieve customer satisfaction. Furthermore, for good quality control during the process, checkpoint is required to set in the service process to make effective quality control. Although the establishment of the system is based on a standardized operation, the maintenance of the system on education and training. Moreover, the system must also be

characterized by internal innovation. The internal-process perspective must be a new internal process that can meet customer demands, not just improve and centralize current activities

To achieve the theme of "Excellence in providing educational services with high quality", as seen in table (3) educational institutions must start adopting education programs at all levels, whether undergraduate or post graduate studies from the Indian and international institutions with the activation of the role of the center of quality assurance in academic measures. To satisfy the needs of the customers the internal process must design that it will ensure Teaching and learning excellence, designing of an appropriate curriculum, quality and exposure of faculty in recent trends, efficiency and effectiveness in providing services.

Table 3 Overview of the internal process perspective's goals and measurements

Strategic theme	Goal	Measurement
Teaching/ learning excellence	Teaching excellence	Student satisfaction Employer satisfaction Teaching awards Course evaluations Peer and outside reviews
	Excellence in developing learning and learning skills	Grade point standards Pass rates on professional exams Opportunities for writing and oral presentations Assessments by course No. of students going to graduate/professional schools Advancement of alumni in profession Degree of deployment of technology in learning experience
Curriculum/ program excellence and innovation	Curriculum excellence and innovation	No. of new courses developed Degree of innovation Degree to which curriculum is up-to-date with educational, business, and commercial trends Program internationalization Periodic review of each program on a rolling schedule
	Introduction of new programs/ innovations	Concept to implementation time Timeliness of delivery of new products
Quality and exposure of faculty	Quality faculty	Faculty credentials Faculty appraisals Endowed chairs Faculty development plans
	Exposure of faculty and classroom material/ experiences	Contacts with business and industry Utilization rate of multimedia in classroom
Efficiency and effectiveness of service	Production efficiency	% of students completing undergraduate program in time % of students completing graduate program in time Teaching costs/student Administrative costs/student % of budget dedicated directly to learning
	Student services effectiveness	Type and no. of services provided Time required to register Availability of internships and projects. Accessibility of information to the students

Learning and growth perspective:

The learning and growth perspective identifies the sets of skills and processes that drive the college to continuously improve its critical internal processes. The learning and growth areas that feed into internal processes subsequently drive stakeholder satisfaction and ultimately financial outcomes. The learning and growth perspective is the basis of BSC (Kaplan and Norton, 1996a). It can become the motivating force for the previous three perspectives in achieving excellent performance. The function of this perspective is to construct a complete set of core techniques and abilities to promote the previous three perspectives. With the rapid developments in information technology, competition in the education market has become increasingly intense. Individual staff members can improve with organizational growth through organization and staff learning, and they can share knowledge to achieve the purpose of knowledge management.

Table 4 is an overview of this perspective's goals and measurements.

Type	Goal	Measurement
Teaching/learning excellence and innovation	Faculty development	Expenditure for research, travel, library, computer hardware/software Teaching assessments
	Technology leadership (use, development, application)	Student and faculty satisfaction Degree to which technology is used in specific courses Expenditures on hardware/software
Mission-driven processes and reward system	Teaching/learning innovations	Development of assessment device/ technique for each Innovation. Giving rewards incase of awarding Ph.D's and qualitative research publications.
	Establish broad-based and continuous strategic planning process	Evaluation of strategic planning
Quality of facilities	Adequate physical facilities	Adequacy of classroom and equipment facilities for providing globally relevant management education

The above clearly explains that to improve quality in higher education proper strategy should be formed and these strategic objectives transform as measurable units. \

6. COCLUSION: This paper reveals that as the higher education standards in India are not up to the mark according to the recent reports issued by Higher education authorities there is a need to develop a strategy for effective improvement of standards. In this connection effective implementation of balanced scorecard will act as a proper measurement tool to assess the performance of the organization. All the perspectives used in this method will provide objectives and measurement of those with respect to allocation of resources, infrastructural facilities, quality in teaching; Research and innovation etc. This method will translate a business unit's mission and strategy into tangible objectives and measures. Application of this assessment tool will act as a road map for continuous improvement of an organization.

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