

APPLICATION OF BALANCE SCORE CARD AT LONDON SOUTH BANK UNIVERSITY, UNITED KINGDOM

Sunny O Temile

The University of Salford, United Kingdom

suntemile@hotmail.co.uk

Abstract

In this study, our aim is to practically apply the balanced scorecard technique to facilitate or use as a strategic performance metrics for South Bank village library, which is currently being managed by group of volunteers called South Bank village community library. In our study we examine by using an observation research method in order to know how the South Bank volunteer group can adopt and implement the BSC to achieve its mission and objectives for the local community library. The paper examines the four key perspectives of the BSC and KPI which the council can use to monitor the overall performance of the volunteers group. It can be concluded that the use of Balance Scorecard may effectively enhance the overall performance and success of the library

Keyword: Balance Scorecard, Key Performance Indicator, Strategic Performance Metrics, Observational Research, Community Library

INTRODUCTION

In the world economy today there have been increased challenges of how organisations can implement performance management scheme. Be it profit or non-profit making organisation, charity or governmental establishment. In other to cope with the current global financial melt-down and to provide quality service to the community, public sectors or local authorities has initiate a new initiatives to assist libraries provides a well-built case for the value they pass on through the services and programs; they then developed a metrics that are directly joined to strategic objective. To maintained and ensure high quality performance, which could serve as a gate way to success, local council like South Bank council has recently rose up to the

challenges of implementing the balanced scorecard (BSC) procedure, in order to actualise its mission and dream for the community.

The balanced scorecard which was originally designed and developed in 1992 by Harvard business Professors Robert Kaplan and David Norton, was meant for private businesses. Today, the BSC is regarded as one of the most influential business ideas and is increasingly been adopted by non-profit making organisations and governmental bodies, including the libraries. In the UK, Barking and Dagenham council was the first public sector to adopt the balanced scorecard (BSC) in November 2000, and it has witness huge. In order for local authorities to improve and maintain quality service to its community, and as an innovative measures to manage the organisation, various councils in the UK has started to adopt the BSC as a performance management support to help translate the council's mission and vision by putting its priorities in to action through improved services for local citizens.

For innovative purpose, cost effective and sustainability libraries in Britain such as South Bank library are focus on how to build a strong and sustainable library that is vital to restoring confidence, which support cohesion that can contribute to the economic and social prosperity of South Bank community. This study will focus on possible ways through which South Bank village community library can utilized the "Balanced scorecard" fundamental principle to achieves and translate its strategic objectives in to a system of performance indicators measurement.

Given the current challenges facing local authorities today, with regard to financial constraint there is need to trim down spending. South Bank council as a way of keeping up with those challenges it faces and at the same time provides efficient and developed sustainable library service to its community, has put up strategic plan of transferring the management of South Bank village library to a new group called South Bank village community library, which take place from 1st of April 2012. However, the library is still under the direct supervision of South Bank council, its strategic plan will help to save the council a fortune of approximately £40,000.00, yearly.

Balance Scorecard Definition

The concept of the balanced scorecard is quite straightforward. It was designed by Kaplan and Norton to identify the four basic perspectives and to cover the major strategic areas an organisation focus upon. The initiative was to apply the model as a guide for defining measures and objectives, it basically express those key elements of what is actually going on in a business and the information that management need to know on a day to day basis. The BSC which is widely adopted today by different establishment is to assist organisation or libraries put

in place detailed performance measurement that serves as a guide for implementing and actualising their desire result. The balanced scorecard is describe as management strategic planning system or framework, which is widely used by various organisations, be it financial or non-financial so that it can align the organisations activities to its mission and objectives. The balanced scorecard is a management tool as well as measurement that allow businesses or organisations to plainly integrate its goals, by translating its mission and vision into strategic.

However, the balanced scorecard helps to provide a comprehensible picture by prescribing meticulous measures, which organisation like South Bank village library can appraise their performance and strategically achieved its goals both in the short-run and long-run. They need to focus on the four key interconnecting perspectives ideas designed by Kaplan and Norton (1992).

In order to accomplish its mission, given the current challenges and threat of closure as a result of the ongoing cuts across Britain public services, which have put council across the country under financial pressure. South Bank village community library need to ask themselves the subsequent questions; Financial perspective, Customer perspective, Internal business processes, Learning and growth. The above questions can assist South Bank village community library (BVCL) to successfully implement the fundamental principles of the BSC, by translating the library strategic objectives into a good system of performance measurement or metrics (Ceynowa, 2000).

The scorecard suggest that business managers, be it charitable or profit making organisations need a balance of representation which will include both financial and operational metrics or measurements that will act as a driver of the present and future financial benchmark. The following is an illustration of the full description of BSC showing the four perspectives generally applied:

- (1) Finance: To succeed in terms of finance, how should we appear to our shareholders?
- (2) Customer: To actualize our dream, how do we or intend to appear to our customers?
- (3) Internal processes: In order to please our shareholders and users, which area of business must we excel at?
- (4) Learning and the future: How can we actualize our dream, can we sustain our ability to modify and improve?

BSC can also particularly be applied to libraries, as it clearly interlink the strategies of the core activities of the library into a controlled framework. The South Bank village community library which can apply the four key fundamentals strategic procedures can help in actualisation of its mission and vision for the library, if appropriately implemented and translated.

Financial Perspective

The recent financial turbulence has forced various organisations to critically examine their financial capability; be it governmental organisation, corporate organisation, non-profit making establishment. Although financial measures alone cannot guarantee absolute success. In relations to provision of library service in the UK, there has been enormous pressure for British public service finances, which is making the councils across the country to reduce their financial commitments.

The financial aspect of a library could be, how the library would generate funds or resources in order to maintain strong and sustainable libraries that are fundamental to rebuilding, supportive and contributing to the economic and social lives of the communities. For example, in order to maintain the existence of South Bank village library, given the current financial constraint South Bank council has transferred the management of the library to a group of volunteers. This has saved them an estimated amount of approximately forty thousand pounds (£40,000.00).

Customer Perspective

The role of customer perspective has been placed on top priorities under the libraries balanced scorecard, current management philosophies have indicated the increased importance of customer focus by ensuring high customer satisfaction in any organisation. Public libraries which are more central to the needs and lives of the local communities should be resourceful and demonstrate ideal services and facilities for development for the social lives of the people. The adoption of the balanced scorecard by the South Bank village community library will enable them to focus on how to satisfy the library users or customers, through effective communication, high-quality user awareness and providing appropriate information resources.

Internal Processes

This aspect focuses on the internal perspective of a business or library. Managers need to always keep an eye on how well their business is going, they have to embark on operations that can add or create value to the overall growth of the organisation. The library internal perspective will assist the library to measure how best it can deliver improved and quality relationships with deep social value towards the community it serves.

Learning and Growth Perspective

For any organisation to grow it has to be dynamic, this measurement or perspective incorporates training of employees and empowering them with adequate knowledge that will

enable them cope with challenges of future changes and improvement (Poll, 2001). An efficient library will provide service that will give its community information and boldness to apply and re-apply for training and employment programmes, in order to align with the new challenges and environmental changes. The learning and growth is a very important aspect and the BCS concepts is quite new, it was developed from already existing theories such as the SWOT analysis.

Advantages of Balanced Scorecard

Below are some of the advantages of applying the BCS in an organisation:

1. The involvement of leadership serves as key for connecting the library balanced scorecard to its strategy.
2. The balanced scorecard serves as a measure of need and enable organisation to be focused on its strategic objectives.
3. The BSC serves as a frame-work that help organisation to implement and achieves its objectives. It assist organisation, like libraries to translate their strategies and mission into a set of performance measurement.
4. The scorecard help establishment to strike a balance between financial and non-financial measures or metrics.
5. The four key perspectives of the BCS will enable an organisation to focus on implementation on those strategic areas that will lead to actualisation of its objectives and improvement.
6. The balanced scorecard is not only a controlling measures, it also serves as an effective way of learning, communicating and informative.

Disadvantages of Balanced scorecard

In spite of the numerous advantages for using the BCS, there are also disadvantages for applying the BCS in an organisation. Below are some of the disadvantages:

1. When implementation balanced scorecard in an organisation, employees could prove difficult or put fort some resistance, particularly when they are not well educated.
2. The process of launching the balanced scorecard in an organisation needs high commitment from top management to bottom staff.
3. The BCS technique is not an easy fix; it requires a huge amount of commitment and concentration. It has to be think- through and properly developed.
4. Cost –effect; the BCS is very expensive to sustain.
5. A lot of organisation applied measures that are not relevant to their establishment; this makes the balanced scorecard less relevant.

DISCUSSION

The quest for better public services and continuous improvement, has see a lot of local authorities across United Kingdom starting to adopt the balanced scorecard as a way of achieving efficiencies in some key areas; by translating these measures into strategic performance management. The adoption of the BCS will enable the South Bank volunteer group to be able to translate the library mission statement in to realistic performance management that will benefit the local community they serve. However, financial measurement has been the major mechanism put in to use, which does not demonstrate the actual or true picture of the business. With the application of the balanced scorecard, both the financial and non-financial metrics are now used to achieve the mission and objectives of the libraries.

The recent adoption of the BCS by Barking and Dagenham council, followed by other local authorities in the UK has shown that the BCS can be used by the public sector as a tool for translating libraries strategy in to achievement. In fact, the BCS will give the South Bank volunteer group a strong focus on performance management and good financial forecast, which could result in them achieving excellent result in meeting South Bank council efficiency targets. However, for the group to achieve its mission and objectives for the South Bank village community library, they will have to work together as a term.

In order for South Bank volunteer group to remained competitive and stay as a going concern and to also remain focus on the South Bank council long term vision of providing excellent service to its community; the BCS will help to translate this into reality. We will be applying the balanced scorecard techniques developed by Kaplan and Norton to pursue the South Bank volunteer group mission and objectives for the community library, by examining the four key perspectives; Finance, customer, internal process and learning and growth perspectives.

Finance Perspective

This perspective helps to examine the main financial aspect of South Bank village community library where development or growth can be accomplish monetarily. Given the current financial pressure on council's budget, which is also affecting libraries across the UK? There is greater need for South Bank volunteer group to significantly diversify and look for other source through which they can generate revenue. Although, the main objectives of public sector are not to maximise profit or deliver return to its shareholders, rather is to deliver services to its local community or stakeholders. The BSC will enable South Bank volunteer group to focus on those key area or aspect, were resources are cost-effectively allocated. Financial measures alone

cannot be used to achieve the library target, the table below show how South Bank volunteer group can support and achieve its library financial objectives.

Table 1: Finance Perspective

Goals or Objectives	Measurements	Specific Targets
To make sure the library resource are allotted in a cost-efficient manner.	Acquisition of expenses as % of personnel cost.	Increase
To maximise utilisation of asset.	Make use of the library facilities, services, space and resources more effectively and efficiently.	To be increase
To increase funds from other sources other than the council	Funds or income from alternative source, in other for the library to financially sustained itself.	To be increase

Customer or User Perspective

The BSC under the customer or user perspective assist the local library to identify the level of customer satisfaction and it highlight the library service responsibility. This perspective is placed on top under the library BSC, it ensure users satisfaction is highly focus upon. The table beneath indicates how South Bank village community library can purse and achieve its customer objectives

Table 2: Customer Perspective

Goals or Objectives	Measurements	Specific Targets
Is to support learning, training and research wants of users or customers	User satisfaction surveys; suggestion box remark and other contribution from different users group.	To be improve
To increase communication and cooperation between staff and users	Numbers of suggestions and remarks received	Maintain
To improve library input to the local community	Library staff understanding of strategic goal to the local community they serve	Increase or maintain

Internal Processes

The library internal perspective examined key aspects of the business where there can be improved efficiency and complete utilisation of the library assets. In order for the library to align its scorecard to their objectives and to actualise their overall mission, there should be

continuous improvements in their services and facilities. Beneath is a table indicating how South Bank volunteer group can pursue its internal business processes:

Table 3: Internal processes

Goals or Objectives	Measurements	Specific Targets
To attain continuous advancement of resources, facilities and services	% of response time to users. Average number of staff time spent on processing library resources.	To be reduce
To monitor cost-effective plan and implement information proficiency programs	% numbers of formal skills training receive per library staff Average number of attendance by staff	Increase
To make improvement of new products and service enhancement	Total number of latest products and services launched	Increase

Learning and Growth

This perspective enables the library to focus on how they can continuously make improvement, creates value and make innovation to meet its target, both internally and externally. The internal perspective enable library to cope with current challenges they might face and ability to adapt, change and improve according to (Poll, 2001). The table beneath show how South Bank volunteer group can pursue its learning and growth internally and externally.

Table 4: Learning and Growth

Goals or Objectives	Measurements	Specific Targets
To hire, support and developed quality library personnel.	% of library budget invested on personnel improvement. Total number of multi- skilled personnel. Personnel satisfaction index in personnel view investigation.	To be enhance
To make available skills information training for staff and users.	Quality of support to developed community users. Number of improved employability skill to unemployed young people in the community.	To be increase
To make available information for library resource and facilities for personnel enhancement and users attainment.	% of library budget as against South Bank council budget.	Increase or retain

Benefit of Balanced Scorecard to South Bank Library Volunteers Group

The following benefit will enable the group to achieve their strategic objectives for the South Bank library.

1. Superior strategic plan: The BSC will serve as a powerful frame-work for the group towards achieving their desire objectives.
2. Superior information management: It will enable South Bank volunteers to apply the BSC techniques to design important performance indicator so as to achieve their strategic goals.
3. Advanced performance report: The application of the BSC methods tends to produce improved report, than establishment without such practice.
4. Enhanced strategic alignment: It will give the group better plan that aligns with the library strategic objectives.
5. Better strategic communication implementation: This strategy will enable the group to communicate easily internally and externally.

Key Performance Indicator (KPI) Which South Bank Council Could Apply

Given the proposed scorecard for South Bank village community library, it will be significant to mention the KPI which the South Bank council can use to monitor the volunteers group. The following are some of the possible KPI:

1. Efficiency perception: To which extent can the South Bank library provides cost-effective services.
2. Improvement: Potential of which South Bank library can innovate and improves its services.
3. User focus: To which extent are the library services put into used?
4. Resources perception: The resources and information the library has to provide its core service to its users.
5. Total number of item loaned by users on a daily basis.
6. Users' satisfaction.
7. Project financing as a % of library budget.
8. Expenses on information resource, such as e-books and journals.
9. Staff innovation as a percentage of total staffs.
10. Number of repeat visit as a percentage of total visitations.

CONCLUSION

For innovative purpose, cost effective and sustainability libraries in Britain such as South Bank library are focus on how to build a strong and sustainable library that is vital to restoring confidence, which support cohesion that can contribute to the economic and social prosperity of

South Bank community. This study was focused on possible ways through which South Bank village community library can utilize the “Balanced scorecard” fundamental principle to achieve and translate its strategic objectives into a system of performance indicators measurement.

The balanced scorecard is pretty straightforward and is a powerful tool if perfectly implemented. For as long as the key perspectives of the BSC are accurately applied to any organisation; be it profit making or non-profit making as the case of South Bank village community library it will surely enhance the overall performance and success of the library.

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