

Importance of the balanced scorecard in the improvement of university management

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Abstract - The article describes, through a bibliographical review on the subject, the importance of the Integral Scorecard, CMI, in the effectiveness of university management, due to its strategic approach, able to measure the degree of compliance with the objectives of an institution, provided that a group of quantitative and qualitative indicators that express the level and quality of the fulfillment of each objective are correctly identified. The implementation of the Balanced Scorecard also implies the existence of an efficient and effective information and feed system for decision making generated by the systemic and strategic management control system, in which all managers are involved. As a result of the research, it was concluded that a successful implementation can be achieved through a systematic process that can generate consensus and clarity on how to translate an entity's mission and strategy into objectives, operational indicators and proposition of value for all the actors involved in the teaching-learning process.

Key Words: Integral control, strategic planning, university, management

1. INTRODUCTION

When Kaplan and Norton successfully put the Integral Scorecard (BSC), into financial institutions, they decided to go further and proposed the use of this tool to governmental and non-profit organizations. Most of the public institutions that applied the BSC did so by putting the financial perspective as the first or top level of the hierarchy, but began to fall into contradictions, since achieving financial success is not the primary objective, and it is when the authors, proposed to put the clients, at the top of the hierarchical order.

In the book *The Balanced Scorecard: Translating Strategy into Action*, Kaplan and Norton, argue that placing a very broad target on the scorecard of a non-profit entity clearly communicates the long-term mission of the organization [1].

The University as a non-profit organization is a consciously coordinated social system that aims to increasingly serve society on the basis of providing goods or services in order to meet the needs and desires of a group of people who integrate the target market, so it must count among its organizational tools the BSC, because with it will raise the quality of university management, which is its reason for being.

The application of the Balanced Scorecard in a university institution, aimed at improving its university management is paramount because it facilitates the use of indicators that can follow the strategy of the entity; with it one can analyze the environment, and with this develop a model of organizational behavior that shows the interrelationship between the different components of the institution; obliges managers to reach a consensus on the strategies to be implemented and also to have an overview of how they can reach it.

On the other hand, this tool can help them to better understand the entity, as it allows you to compare the plans with the current results and for that reason they can evaluate and adjust the strategy and the plans of action. It also allows the organization to become a knowledge management, in which human resources are the basic factor, in the construction of values and its mobilization for the good development of the organization.

The Balance Scorecard is a valuable tool that helps organizations use the strategies outlined in operational objectives, since they form the guide to the achievement of results and strategically aligned behaviors of the people of the company. The BSC is a step inside a sequence that describes what it consists of and how it generates value.

2. METHODOLOGY

The methodology to follow will be a documentary analysis of a set of operations, where the documentalist performs a process of interpretation and analysis of the written literature on the subject and synthesizes it in an original way.

A process of communication, since it enables and allows the retrieval of information to be transmitted. A process of transformation, in which a primary document submitted to the analysis operations becomes another secondary document of easier access and diffusion. An analytic-synthetic process, because the information is carefully studied, interpreted and synthesized to give rise to a new document that represents it in an abbreviated but accurate way [2].

The purpose of the documentary analysis is the transformation of the original documents into other secondary ones, through their synthesis and become working instruments, which identify the originals and thanks to which it is also possible to be disseminated.

3. UNIVERSITY MANAGEMENT

The earliest conception of university management was limited to the preservation of the spirit and conception to which the institution responded, with few administrative and coordination functions. The same typical structure reflected the existence of two areas that operated with great independence: the academic and administrative secretariats.

The interrelation between institutional, academic and administrative leadership was growing as university life became more complex. Its importance was greater with the specialization of the knowledge, with the diversification of its activities and with the increasing importance assigned to the problems of the acquisition and management of resources. This complexity had its structural expression in the creation of levels with new specific attributions and units in charge of the different functions, adding to the traditional ones linked to the academic and the administrative.

The social importance and multiplicity of models developed in institutions of higher education, as well as the demands of uncertainties of all kinds that must be faced, the links with numerous audiences and the operation in a context of greater competitiveness, have given rise. The emergence of a more dense and differentiated organizational structure, the development of more rigorous internal processes and the professionalization of tasks previously carried out by teachers and researchers, without specific training for them.

The diversity in demand and growing competitiveness, establish the need for each university to develop teaching strategies and research, but also to create strategic plans, flexible and efficient, to measure the quality of its management.

To talk about quality in education is to think of the interaction of multiple variables, of various factors, which cannot be ignored; a quality education that requires a quality management, a management process that integrates all the university activities that satisfy the expectations of the user, whatever that is. An institutional quality policy requires a serious diagnosis of reality, a precise definition of goals and objectives, strategic planning of actions according to own resources and needs, constant monitoring and evaluation of processes, a system of fluent and reliable communication, the use of feedback and the willingness to innovate and improve continuously [3].

The design of Management Control (MC) systems at the moment, is of vital importance in the universities because it contributes to their adaptation to the changes of the environment, according to the demands of the current and future times; when considering trends related to the process approach and the Balanced Scorecard (BSC) as an essential tool Management Control System (MCS).

There is much talk about the need for management indicators in universities, but often the lack of indicators that as a system facilitate the decision making process, this is fundamentally due to the fact that in most cases the studies are carried out from the perspective of one of the processes, activity or one of the functions of the administration, which limits the integrative character that must have the management in the universities.

Because university institutions have a distinctive character, it is necessary to understand it as an organization that has a different logic, than others of an economic or bureaucratic nature, and this makes it seen as a complex organization. The university institutions, are

constantly changing and making innovations, the same in the intellectual, as in the scientific and technological.

The university administration is an area of knowledge of the administration, which is responsible for the management in institutions of university education. Generally, university management is classified into two aspects: administrative and infrastructure services and academic practice.

Strategic management is a way of leading the organization whose ultimate goal is the development of corporate values, managerial capacities, organizational responsibilities and administrative systems that link operational and strategic decisions, at all hierarchical levels, and functional lines of authority [4].

Management is a decision-making process for efficient management of human, economic, technical and material resources, through the definition and implementation of policies, strategies, plans and projects for the production of goods or the provision of services.

The administrative functions that lead the university activities are based on five modalities: planning, organization, integration of personnel, direction and control of the university institution. The university leaders, at any level of the structural hierarchy of the system (Rector, Vice-Rector, Head of Department), are responsible for academic and administrative functions.

The knowledge of these functions, and their integration in the configuration of the university administration is a primordial condition for a correct university administration. It must also be considered that the administrative language of the university must be very similar to that of business, where the supreme value is efficiency, so it can be said that the University is an educational services company, and its effectiveness is measured by the achievement of objectives.

University managers are no longer simple professional technicians; they are professionals who manage a series of concepts that allow them to know how to solve problems and, in turn, to make decisions. The University should strive to meet the demands of its students (clients) so that they can receive a high quality academic product.

To achieve this, training in skills development is necessary to enable the student to perform competitively in the company. The university counts on human and material resources: teachers, books, scientific journals, and laboratories, among others. High productivity and constant updating are expected. But as in any company,

the results must be measured in order to be able to control the quality in the march of the university. For this it is necessary to establish, first and foremost, a plan in which what is sought and what means are required for the achievement of university objectives.

Universities around the world are involved in constant processes of transformation, with the purpose of giving ever greater and better answers to the demands of society, so that the use of these concepts and modern approaches to management become a Need to develop a university management of excellence.

It is very important to implement BSC in universities, through the design of management indicators that facilitate the measurement of results in a systemic and integrated way, which enables the process of effective decision making in the short, medium and long term, and the evaluation of the performance of the processes that are developed in the Institutions of Higher Education.

When talking about performance indicators, it is related to the judgment that is made after the intervention is completed, and the questions that are intended to be answered are: to what extent the objectives were met, what is the level of satisfaction of the quality perceived by the Users, how soon the service arrived. What is sought to evaluate with the criteria of efficiency, effectiveness, economy and quality, is how acceptable has been and is the performance of the university institution. Responding to this helps to improve future actions, improve management, inform different stakeholders and have a basis on which to allocate the budget.

4. RESULT AND DISCUSSION

The characteristics of financial measures are very limited, and provide a good review of what happened in the past, but are not appropriate to measure the true mechanisms that are able to create values in companies today. The Balanced Scorecard, is the complement of these past values, to promote future economic activities.

The BSC allows a company to translate its vision and strategies by providing a new framework, one that tells the story of the company's strategy through objectives and measures as a new language that describes the key elements for strategy compliance. Measuring is critical to meeting the strategy [5]

The BSC respects the financial measures, but completes them with three other perspectives, which are those of the client, the internal processes of the institution and the learning and growth. It also concentrates its effort on

determining which can be the critical factors that contribute to the creation of the future economic value or long term. Among these critical factors are, the customer, organizational learning, internal processes, innovative products, organizational growth.

As it has been said, it is vital within a BSC, its indicators, since they describe the behavior of different variables, either in a direct quantitative way or by the comparison that can be established between several variables. It is much better that these indicators are of numerical nature, as this will allow the establishment of acceptable deviations within the BSC.

When the indicators are already defined, it is necessary to place them in templates that facilitate, to be able to follow up, because in this graphical way it is much easier to visualize the degree of compliance of the same, as well as the acceptable deviations and how their crossing; for this the most common is the use of spreadsheets and statistical tools with computer support.

But the Integral Scorecard also encompasses more perspectives in the company's decision-making, as it breaks with the traditional evaluation tools, which until now were only financial in nature, to determine if the institution is well on its way to compliance or not the proposed objectives and thus facilitates the decision-making process.

Within a BSC, four perspectives can be distinguished: the client's vision, which is no more than the perception of the clients of the company; the financial vision, which is based on the accounting of the entity; the internal vision that analyzes the internal processes of the institution; and finally the vision of development, where it is pointed out that the entity must continue to grow, learning and developing.

It is evident that the actors involved in the elaboration of the BSC must define in advance what their processes and their value chain are in order to find the pertinent information and that this can be translated into valid indicators and that it is interesting to incorporate into the Balanced Scorecard.

It is a revolutionary tool that allows the communication of the strategies of the institution, trying to align all the people in the execution of these, and when it is used it is used as an implementation methodology whose main objective is to help transform it in business results.

The clarity with which university institutions are able to define their strategy will be reversed in a correct design of

the scorecard and its indicators. Most entities have a strategic vision, but few are able to turn them into reality, and for it to be implemented effectively, it must be a commitment of all the members of the organization.

Creating a dashboard as a strategy for the improvement plan, coupled with the previous diagnosis of the causes of the problems, establishes in the universities the guarantee of success because they will not lose focus on the rationalization of their processes and the alignment of the direction, planning, management and control. It gives the universities guidance and a prioritization of their strategies.

5. CONCLUSIONS

The Balanced Scorecard as a tool of the Control Management gives the executives a system vision that contributes to increase: quality, efficiency, and rationality in the management of university processes, and the effectiveness in the decision making according to their strategic projection.

The structured procedure in its different stages allows the conception of the Balanced Scorecard in universities, which contributes to the design of the Management Control System oriented to the integration of processes and facilitates an appropriate decision-making in the field of Higher Education deciphering, constantly, the financial and organizational health of the university.

The new challenges faced by university institutions require the implementation of management approaches with greater breadth and better coherence to design the way forward for universities. Correct planning that is able to define their vision, mission and guidelines are then translated in a specific way through the Balanced Scoreboard (BSC) in concrete and clear objectives that can be monitored to evaluate the achievement and achievement of these goals.

The increasing complexity of university management makes it necessary to better prepare high executives and management of universities. That is why it is increasingly common to find this type of activity in the training programs offered to those who hold university positions

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