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Propose a methodology to implement balanced scorecard for operational appraisal of industrial groups

Neda Jalaliyoon^{a*}, Nooh Abu Bakar^b, Hamed Taherdoost^c

^a*Department of Management of Technology, Malaysia-Japan International Institute of Technology, Universiti Teknologi Malaysia, Kuala Lumpur 54100, Malaysia*

^b*Department of Management of Technology, Malaysia-Japan International Institute of Technology, Universiti Teknologi Malaysia, Kuala Lumpur 54100, Malaysia*

^c*Department of Computer Engineering, Islamic Azad University, Semnan Branch, Semnan, Iran*

Abstract

The value of operation assessment has been specified for organizations and it plays a vital role in most of the organizations. Complexity and frailty of decision making in business makes Strategic management imperative. On the other hand, key operational factors are fiscal and non-fiscal measurement criteria used to identify goal's quality and reflect an organization strategic action. These factors are used to assess the present condition of the company and define suitable solutions to business methods. This study proposes an appropriate methodology in order to design and implement balanced score card (BSC) for operational appraisal of industrial groups. In order to achieve this goal thirteen required steps is proposed and discussed.

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* Corresponding author. Tel.: +60126830043
E-mail address: neda.jalaliyoon@yahoo.com

1. Introduction

The complexity and subtlety in business decision will cause strategic management as essential tool for organization.

Managers design the strategic management process for facilitating the efficient condition of institution in the competing environment. However, most of them talk about Lack of effectively implementation of their strategies. The perspective which these managers consider for their organization are clear for themselves but knowledge and understanding of their personnel from this perspective is insignificant and their sympathy and assistance to achieve these goals are more insignificant.

Seniors have been consistently searched to find a way to make sure of the execution of their strategies and then have chosen operation evaluation methods as a tool to execute their strategies. Although measuring the operation is one of the most important and principal elements to progress however, existence of a correct and compatible model appropriate to the environment condition is a more significant factor for measuring operation.

On the other hand, in the present competing and complex environment being aware from all aspects of an organization is vital for managers to take a decision. Operation should be measured and termed appropriately and comprehensively. These measures should not only be accordance with the organization commission and perspective but they should also be covering all aspects of an organization operation. So, for achieving this important factor (evaluating the operation), there is a need to design key operational indicators and consequently a proper methodology to set up required indicators. The goal of this study is to propose a proper methodology to design key operational indicators for industrial groups.

2. Operation Evaluation

The rapid growth of international competitions in the past decade as a result of changes in technology and increase in products variability' caused organizations to feel a necessity in continuous improvement of operation more than ever [4].

Nowadays organizations are using operational measurement to assess, control and improve trading process in order to maintain and develop their computational benefits. Among the managers five duties (planning, organizing, staffing, directing, controlling) controlling requires a lot to measure and evaluate the operation more than all. The general evaluation of an organization operation pays attention not only on activities efficiency, but also requires effective control of organization to reach the long term goals and strategies.

Some criteria which are reflecting the organization strategies need to be chosen in order to establish an operation evaluation system. These criteria can be the present and future key success factors which are in turn stemmed from the organization strategies. Operation evaluation helps the management to control the organization's position and condition. In each moment the common feature of all operation evaluation models is effort to relate operation factors with the organization strategies and long term perspectives.

3. The Key Performance Indicator

Key performance indicators are often used for evaluating the present condition of the organization. Key performance indicators (KPI) are defined based on the organization strategies. Indicators are necessary factors of human essence; they demonstrate the basis of trade, knowledge and progress. In organizations, performance criteria's are imperative instruments of management. Performance indicators cater the information and indication that assist organization get novel insights, make possible to learn, assist in making decision and let to act to develop future performance. Nevertheless, in many government, public segment and non-profit organizations, make the serious mistake to trust that every indicator is helpful [21]. Key features to determine indicators

- Primary definition of business matters requirement
- Having operational goals from business necessities
- Quantitative and qualitative measuring criteria of results and comparing them with the whole set of goals studying the differences and regulating stage phases or resources to fulfill short term goal [3, 5, 9, 22, 26].

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