

# Feasibility Analysis of the Application of Balanced Scorecard in Performance Management of Private Colleges and Universities

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**Abstract:** As an important part of higher education in my country, private colleges and universities have faced many external environmental pressures and internal management problems in the development process in recent years. It is urgent to improve the performance management system of private colleges and universities. By using the performance management method of the balanced scorecard, the performance evaluation of private colleges and universities can be linked with the college strategy, and the purpose of strategic development and long-term competitive advantage can be gradually realized. This paper analyzes the existing problems in the management of private colleges and universities by expanding the relevant concepts of the balanced scorecard, an effective tool in enterprise performance management, and makes a feasibility analysis of the application of the balanced scorecard in the performance management of private colleges and universities. Suggestions are put forward to improve the performance management of private colleges and universities by using the balanced scorecard.

**Keywords:** Private colleges and universities; Performance management; Balanced scorecard

## 1. Introduction

The "Private Education Promotion Law of the People's Republic of China" stipulates that "private education is a public welfare undertaking and an integral part of socialist education." As an important part of China's higher education, private colleges and universities jointly undertake the important task of cultivating socialist builders and successors. In recent years, the rapid development of private colleges and universities has solved the problems of insufficient resource supply and regional imbalance in my country's higher education, and combined education with the economy, which has stimulated local economic development, increased employment rates, and promoted social progress. But at the same time, private colleges and universities are also faced with external environmental pressure and internal management problems in the process of development. Under such circumstances, it is urgent to improve the performance management system of private colleges and universities. By using the performance management method of the balanced scorecard, the performance evaluation of private colleges and universities can be linked with the college strategy, and the purpose of strategic development and long-term competitive advantage can be gradually realized.

## 2. Overview of the balanced scorecard

### 2.1. Performance overview

According to the Oxford Modern Advanced English-Chinese Dictionary, performance refers to "execution, fulfillment, performance, achievement". Since the 1970s, management researchers have begun to pay attention to the connotation and application of performance to companies. According to different research contents and management methods, the research of enterprise performance is generally carried out from three aspects: individual performance, process performance and team leader performance.

## **2.2. Overview of the balanced scorecard**

The balanced score card is a performance management method proposed by a team of professors at Harvard Business School in 1992. It mainly examines strategic goals through four dimensions: finance, internal operations, customers, and learning and growth. , which breaks through the disadvantage of financial data as the only tool for measuring company performance in the original traditional management model, and makes up for the problems of uneven, incomplete, incomplete, and unspecific performance evaluation of the company before. The reason why it is called "balanced scorecard" or "comprehensive performance evaluation system" is that it balances the measurement of long-term and short-term goals, financial and non-financial measurement, external and internal measurement, tactical and strategic measurement, etc. In all aspects, it can provide information for enterprises from multiple angles and comprehensively reflect the performance of enterprises.

**Financial dimension:** Financial indicators are the traditional indicators most companies use for performance evaluation, which can reflect whether the company's strategy and its implementation are contributing to the improvement of the final results. In the balanced scorecard, the goal of financial indicators is to look at the company's growth profit margin and risk strategy from the perspective of shareholders, so that business managers can see whether their efforts have a positive effect on the company's economic returns.

**Customer dimension:** Enterprises should be oriented to target customers and target markets to meet customer needs to the greatest extent. The indicators of customer perspective reflect the value proposition of customers. Several aspects of cost focus on market share and customer demand and satisfaction.

**Internal business process dimension:** is the priority strategy for various business processes to meet the needs of customers and shareholders. Report on the internal efficiency of the business, focusing on process decisions and actions that lead to better overall business performance, especially business processes that have a significant impact on customer satisfaction.

**Learning and Growth Dimension:** By prioritizing the creation of an atmosphere that supports company change, innovation and growth, directing attention to the foundations of the future success of the business, involving aspects such as employee issues, intellectual assets, market innovation and skills development to secure future businesses increase in value.

## **3. Existing problems in the management system of private colleges and universities**

Compared with private universities in Europe and the United States, private colleges and universities in China have a shorter development time, less perfect management systems, and lower levels of internal management. At the same time, they have to face the pressure of external threats and political and economic environment interference brought by other public colleges and universities, and faculty members are not highly motivated to work. , lack of effective performance management theories and tools. Therefore, it is very necessary to use scientific performance management evaluation methods and means to manage private colleges and universities.

### **3.1. Insufficient innovation in grass-roots teaching organizations**

The grass-roots teaching organizations in private colleges and universities in our country are basically set up in the form of traditional teaching and research offices, research institutes, departments and subject organizations. However, with the development and progress of modern high-tech achievements, these grass-roots teaching organizations cannot keep pace with the times, have the constraints of bureaucratic organizations, and lack innovation in scientific research, teaching and social services. Moreover, such a bureaucratic organization overemphasizes the role of individual teachers in the management process, while ignoring team building and innovation consciousness, so there are certain obstacles in the realization and development of the strategic goals of private colleges and universities.

### **3.2. The performance management system is not perfect**

The management quality of some private colleges and universities cannot keep up with the development speed of public colleges and universities, and they did not establish a complete performance management system at the beginning of the establishment of the school. Even some private colleges and universities did not make adequate preparations in terms of salary management, internal process

management, and employee incentive systems. . Most private colleges and universities confuse the concepts of performance appraisal and performance management, and simply believe that performance management is equivalent to evaluating and scoring all aspects of faculty. Because most private colleges and universities are self-financing management models, performance management only pays attention to financial indicators, which is easy to run counter to the strategic goals of colleges and universities.

### ***3.3. Unbalanced quality of teaching staff***

Nowadays, many private colleges and universities vigorously introduce young teachers every year, most of them are fresh graduates who have just left colleges and universities. The teaching team is basically composed of masters and lacks core talents such as doctors. The core management of secondary colleges is also composed of retired teachers from other public colleges and universities. in charge. Managers hold a conservative view of new performance management tools, resulting in unresponsive and incomprehensible attitudes and emotions. At the same time, the unbalanced quality of the teaching staff will bring some difficulties in the management of the teaching staff, for example, young teachers do not understand the decision-making of the core management; old teachers do not understand new information technology and other tools; There are certain deviations in the management strategies of new teachers. These are the problems encountered in the management of private colleges and universities.

## **4. Feasibility analysis of the application of the balanced scorecard in the performance management of private colleges and universities**

The problems encountered in the management of domestic private colleges and universities are actually similar to the problems faced by ordinary enterprises in the management process. Therefore, we can apply the balanced scorecard, a common tool of ordinary enterprise performance management, to the management of private colleges and universities. come in operation. First of all, in terms of customers, the customers of private colleges and universities are mainly students, and secondly, they include students' parents, faculty members, etc., to satisfy students' thirst for knowledge and improve students' employability and personal quality and self-cultivation; financially, private colleges and ordinary enterprises. In terms of financial system, they are responsible for their own profits and losses; in terms of learning and growth, the faculty and staff of private colleges and universities are also like ordinary enterprises. They need to provide a learning environment that allows employees to grow and innovate continuously. The personal quality of faculty and staff is improving, and enterprises can develop. Only private colleges and universities can maintain a long-term competitive advantage. In terms of internal business processes, private colleges and universities will continue to develop and innovate in the areas of enrollment, student training, student management, and employment issues after graduation.

### ***4.1. Financial aspects***

Financial expenditure is the main source of funding to support the normal operation of private colleges and universities. By analyzing the achievement of financial indicators in colleges and universities, it is possible to effectively obtain the level of colleges and universities in terms of scientific research capacity, infrastructure construction capacity, faculty strength, and management efficiency. To clarify the main evaluation indicators of the financial dimension of colleges and universities, currently three aspects are usually used: source of funds, expenditure of funds, and asset efficiency. Although financial indicators are not as important as customers, internal processes, and learning and growth indicators for private colleges and universities, private colleges and universities are basically self-financing and rely mainly on tuition income to maintain school operations. Therefore, an effective evaluation of the financial dimension is also essential. Taking the author's school as an example, the school can set its financial strategic goals as: improving financial operation efficiency, increasing revenue and reducing expenditure; the corresponding performance evaluation indicators are: asset management ratio, capital operation efficiency, income source composition, and expenditure ratio. In the balanced scorecard model of private colleges and universities, in terms of capital investment, it should reflect the effect of its use of funds, and its operational goals are to increase the amount of funds used to serve students, improve the quality of running schools, and increase profits. These can be reflected in the corresponding evaluation indicators.

#### **4.2. Customer aspects**

The task of colleges and universities is to cultivate and export talents for the society, and customers play a pivotal role in their development. Faculty, students, parents, government, social units, etc. are all important sources of clients for private colleges and universities. From the perspective of customers, the school can clarify that the specific strategic goal is to establish a long-term and stable partnership with customers, and the performance evaluation indicators can be selected: customer satisfaction, customer acquisition rate, customer identity, and customer service quality level. The customer dimension of private colleges and universities can be viewed from the following perspectives: satisfaction of students' parents, social satisfaction, employer satisfaction, and students' satisfaction with all aspects of the school. For internal customers, especially students, because they are special, they should not only focus on how to attract more customers and how to obtain higher profits from customers, but also focus on the indicators that enable students to develop, such as pass rate, excellent rate, employment rate Wait. In addition, we should pay attention to the satisfaction of the teaching staff, how to provide convenience and sufficient teaching and management resources to the teaching staff, and how to improve their teaching and management ability.

#### **4.3. Internal operation process aspects**

Considering the internal operation process of private colleges and universities, the main influencing factors are management system, teaching quality, logistics services, teaching facilities and so on. For private colleges and universities, teaching work is always the central work of colleges and universities, and teaching quality is always the lifeline of teaching work. Private colleges and universities should focus on comprehensively cultivating students' independent thinking ability, analysis and judgment ability, ability to collect and process intelligence information and innovation ability, and at the same time, they should also devote themselves to cultivating college students into practical talents needed by society. The industry-university alliance is an important advantage of cultivating students in the development of private colleges and universities. It raises funds from enterprises, supplies talents for enterprises, runs the majors needed by enterprises, cultivates talents urgently needed by enterprises, studies practical problems of enterprises, and serves the development of enterprises. In the establishment of majors, it is necessary to set up special majors, and to achieve "deep specialization". In the professional setting, it is necessary to develop its own characteristics and quality to meet the needs of students for occupations and the needs of enterprises for talents. In terms of teaching infrastructure, schools are required to provide students with spacious classrooms, well-stocked libraries, well-equipped laboratories, multimedia classrooms and modern fitness venues. In terms of logistics services, schools are required to continuously improve the living environment of teachers and students, provide diversified and humanized logistics services as much as possible, and strengthen the function of environmental education. Provide first-class service to teachers and students.

#### **4.4. Learning and growth aspects**

Because the quality of higher education services provided by colleges and universities for college students mainly depends on the level of teachers and the ability of managers. Therefore, the construction of the indicators of learning and growth dimension should consider such aspects as teachers' professional growth ability, talent training and introduction mechanism. At this stage, the evaluation indicators of the dimension of learning and growth mainly include two aspects: (1) Carry out surveys on the satisfaction of faculty and staff with universities, including the annual flow of faculty resources, the utilization of faculty resources, and the satisfaction survey of faculty and staff in various aspects; (2) In view of the ability and development of the teaching staff, the proportion of young and middle-aged teachers in the teaching staff, the status of teachers' awards and evaluations, the allocation ratio of teachers' professional titles, the teaching level and scientific research level of teachers, etc., and teachers' participation in advanced studies and training every year, including Training time, training number, training content, training scale and training assessment results. It is necessary to create opportunities and conditions for full-time teachers to continue learning and improve, and at the same time, teachers should be encouraged to actively participate in academic research and social practice. Regular and targeted training should also be carried out for administrative personnel, and they should go deep into other high-level private colleges and public colleges to learn to improve their management level, so as to further ensure the improvement of the quality of student training and further improve the school's overall competitiveness.

## **5. Suggestions on using the balanced scorecard to improve the performance management of private colleges and universities**

### ***5.1. Improve the information system of teacher performance***

In terms of building an information platform, schools can break down the barriers of college information platforms and realize information sharing by establishing a sound information management system, so as to optimize the performance management process, improve service levels and management efficiency, and provide technology for the implementation of the balanced scorecard. Support, to a great extent, to meet and facilitate the work, life and study of staff and students. On the other hand, schools can also introduce talents with modern information technology to contribute to the implementation of performance management.

### ***5.2. Designing the operational evaluation and feedback mechanism of the balanced scorecard***

After private colleges and universities have compiled a performance appraisal plan based on the balanced scorecard, the top-level strategic design is carried out to determine the school's overall development strategy, annual work summary, work arrangement for the current year, etc. The performance appraisal organization is guaranteed. At the same time, through institutional arrangements, regular performance meetings and performance guidance work. Private colleges and universities set scores for various indicators and calculate the evaluation scores of each level. Through the evaluation and feedback mechanism, the behavior of faculty and staff is continuously adjusted to achieve the unified development of personal goals and school goals.

### ***5.3. Establish an index control system***

In order to find problems in time and solve them effectively, private colleges and universities need a district-level balanced scorecard index control system to set management goals for various indicators. Private colleges and universities need to extract various evaluation indicators of the Balanced Scorecard. At the financial level, set tuition income, total cost, plan completion rate, and formulate annual overall goals and monthly goals; at the customer level, set student satisfaction and suggestion adoption ratio, formulate overall goals and monthly goals; at the internal management process level, set element configuration cycle and quality; at the level of learning and growth, set indicators such as training coverage, employee satisfaction, employee turnover, and innovation award rates.

## **6. Conclusion**

To sum up, it is necessary and feasible to apply the Balanced Scorecard to the performance evaluation of private colleges and universities. It decomposes the mission and strategy of private universities into specific evaluation indicators and action plans, which are reflected in four aspects: finance, customers, internal business processes, and learning and growth. In specific applications, it is first necessary to clarify the mission of the organization and establish its own strategic plan. Secondly, effective internal communication is also very important, and the school's middle and senior management and staff must be involved. After fully understanding the organization's vision, strategy and goals, develop a balanced scorecard based on your own situation to identify key success factors and key performance indicators and their causal relationships. The organization is then evaluated for performance and the reasons for the discrepancies are identified by comparison with predetermined goals. Finally, there is feedback and improvement, which enhances the applicability of the Balanced Scorecard through continuous revision. When completing the above process, the core is to grasp the ideological connotation of the Balanced Scorecard. Only in this way can the balanced scorecard really play a role in the performance evaluation of private colleges and universities.

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