Research on the Dimensions and Path Selection of Enterprise Performance Evaluation under Balanced Scorecard

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Abstract. With the continuous deepening of China's economic system development and the theory of corporate strategic management in the new era, companies are paying more and more attention to long-term development and raising the importance attached to employees, shareholders and managers. Therefore, companies need objective performance evaluation indicators. The traditional enterprise performance evaluation system only focuses on financial indicators, lack of attention to non-financial indicators, and the balanced scorecard combines non-financial indicators with traditional financial indicators to evaluate and analyze corporate performance, providing more to corporate managers. Meta-decision decision information. Based on the viewpoint of balanced scorecard, the article comprehensively analyzes the index system of enterprise performance and provides ideas and suggestions for the future research of enterprise performance evaluation indicators.

Introduction

In the context of the development of the new era, the competitive environment of knowledge has made us realize that even the financial system does not have the ability to fully cover all the dynamic characteristics of corporate performance. In fact, since the 1980s and 1990s, many companies realized that there are great limitations in the management of financial indicators alone, so they began to use quality control as the organizational principle and management model of the enterprise. Major companies are competing to pursue national quality awards, such as the Malcolm Baldrige National Quality Award in the United States, the Deming Award in Japan, and the EFOM Award in Europe. The company has followed the example of Motorola and General Electric to adopt the Six Sigma program. However, quality and financial indicators alone are not able to measure firm performance, and some companies that receive the National Quality Award quickly find themselves financially in trouble. Most companies today are simply unable to successfully implement the strategy they envision. For the construction of the control index system for the key links in the implementation of the strategy, most enterprises still use the past financial control index system, which leads to the failure of enterprises to effectively control the direction of strategy implementation and the inability to accurately evaluate the implementation effect of the strategy. How to establish a scientific and effective enterprise performance evaluation system has become an urgent task for business managers.

Dimensions of Enterprise Performance Evaluation under Balanced Scorecard

Financial Dimension

By measuring financial performance, you can know whether the company's strategy has been implemented and implemented. Financial goals are generally related to profitability. All indicators of the Balanced Scorecard are ultimately aimed at improving financial performance. The financial goal is the intersection of all dimensional objectives and measures. The preparation of the Balanced Scorecard is to motivate all business units to achieve their financial goals. Linked to the overall corporate strategy, transforming long-term financial goals into concrete actions that combine the
various indicators of business management with the company's vision and strategy. The goal of the financial dimension tells the manager whether the employee's efforts have produced positive economic benefits.

**Customer Dimensions**

Customers are the main source of profit for the company, and the company must meet the needs of customers to achieve its strategy and goals. When using the customer dimension of the Balanced Scorecard, it is necessary to determine the market share and competitive customers faced by the company, to differentiate the market from the customers, and to measure the performance, and to extend the customer's dimension, occupancy rate, satisfaction, and The five core measures of interest rate and rate of achievement focus on the target market and customers. At the same time, companies also clearly pass on their value proposition to attract and retain target customers to turn missions and strategies into real goals. The customer dimension is to analyze the company through the eyes of the customer, paying attention to market share and customer demand and satisfaction from the aspects of delivery cycle, service, cost and quality.

**Internal Process Dimensions**

Reaching the customer's financial goals and value proposition is the result of the company's hunger. In developing the goals and measures of the internal process dimension, it is necessary to align the activities of the company with the value proposition of the customer, and the activities of the enterprise are presented in the internal processes that constitute its value chain. Therefore, we should first analyze the enterprise value chain and improve the old operational processes. After absorbing the quality, time and cost indicators of the traditional evaluation system, the Balanced Scorecard divides the value chain into innovative processes, customer management processes, operational processes, and legal and environmental processes, and extends the business process to the after-sales service field. Go to the field of innovation to connect profit with customer satisfaction.

**Learning and Growth Dimensions**

The learning and growth dimension focuses on the measurement of employee performance. Its main goal is to provide the infrastructure for the other three dimensions, which is the basis and motivation for balancing the other three dimensions of the scorecard. The learning and growth of an enterprise comes from three aspects: people, systems, and organizational procedures. In order to create the best performance of the company, we must use the learning and growth dimension to develop intangible assets. The learning and growth dimension draws attention to the foundation of the company's future success, involving people, information systems and market innovations. The key to the successful use of BSC is to connect the corporate strategy with this dimension.

**Analysis of the Relationship between the Dimensions of Enterprise Performance Evaluation under the Balanced Scorecard**

The four dimensions of the Balanced Scorecard support each other and are related to each other, linking the structure, strategy, and vision of the enterprise. Based on information, it transforms long-term strategy and customer value creation into specific activities inside and outside the enterprise. It can systematically consider the driving factors of enterprise performance and balance the evaluation of corporate performance in multiple dimensions. The Balanced Scorecard not only pays attention to the performance of a certain dimension, but also listens to different voices in four dimensions. Through the BSC, business managers can know what systems, skills and knowledge employees need, and build appropriate strategies to achieve appropriate operational efficiency and management balance, and ultimately create higher Corporate value. Integrate the Balanced Scorecard into the Strategic Management System to be able to play its role. Have a role.
Balance of Four Aspects

Non-financial and Financial Balance. In a highly competitive market, companies must focus on non-financial and financial information to gain vitality. The Balanced Scorecard requires a comprehensive consideration of corporate assessment indicators and strategic objectives from a non-financial and financial perspective. Financial indicators do not provide strategic advice to improve performance, while non-financial indicators can compensate for shortcomings in financial indicators. While focusing on financial goals, you should also pay attention to the drivers that affect financial performance.

External and Internal Balance. Shareholders and customers are external groups. The Balanced Scorecard uses a new perspective to observe and analyze. It not only evaluates the internals of the enterprise, but also focuses on the external and internal stakeholders of the enterprise, effectively achieving internal and external measurement. Balance; improve the financial indicators by establishing internal and external indicator systems, optimize internal processes, improve employee knowledge and skills, and maintain balanced internal and external development.

Hysteresis and Pre-balance. Performance indicators can be divided into lagging indicators and pre-indicators. The Balanced Scorecard emphasizes the balance of lag and pre-position on two levels: one level emphasizes that companies should not only focus on the outcome after the event, but also on those business activities that may have an impact on the outcome; another level of indicators alert managers to attention. A leading indicator that indicates the potential for business. Through the lagging indicators to evaluate the improvement of corporate performance, through the pre-indicators to find the driving factors for the improvement of lagging indicators.

Short-Term and Long-Term Balance. In addition to focusing on short-term business activities, BSC pays more attention to the long-term planning of the company. It integrates different types of management indicators in the enterprise, so that the company's annual plan and strategic planning are effectively combined. The Balanced Scorecard does not simply replace existing measurement tools, but integrates and balances the gap between future outcomes and today's actions, aligning corporate tactical plans with strategic direction.

Path Selection of Enterprise Performance Evaluation under Balanced Scorecard

Determine Corporate Strategy

The source of the enterprise's goals at all levels must be the strategic goal of the enterprise. Only through the decomposition of the strategic objectives can all departments and employees' efforts be consistent with the enterprise. The strategic goals of the company are constantly adjusted according to the development of the enterprise and the changes in the environment, and have different operational priorities in different development periods.

Business Value Tree Analysis

The business focus is on the key points that must be fulfilled in order to achieve the company's strategic goals, which are the key performance areas of the business. After the strategic objectives are determined, we will evaluate the strategic plans and plans through the analysis of business value trees, and rank them according to their contribution to the creation of enterprise value, respectively establish the value system of the enterprise, and find out the number of enterprises. Limited key strategic value drivers to identify key positions and sectors.

Determination of Departmental Performance Indicators

When developing a department's performance indicators, it is generally considered in two ways: attention to results and attention to process behavior. Because the personnel at different departmental levels have different responsibilities, the results indicators and behavior indicators should also have different weights. Generally speaking, managers at the top of a company have more work decisions and management. They need flexibility and artistry. It is difficult to strictly regulate their behavior in the process of achieving results. Therefore, it is often more Responsibility
for results, performance indicators are also based on KPIs. The impact of the grassroots employees on the results is mainly determined by the behavioral norms expressed in the process of completing the tasks. Therefore, process control is very important for the grassroots employees. When designing performance indicators, the behavioral indicators account for a large weight for the grassroots employees, while the result indicators account for a smaller weight.

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