

[SV 16] THE APPLICATION OF BALANCED SCORECARD TO EDUCATION: THE CASE STUDY OF A PRIVATE RELIGIOUS SCHOOL IN KEDAH

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ABSTRACT

The aim of this paper is to study the implementation of balanced scorecard in the education system. This paper will be focusing on a religious private school. PPAZ is a private religious school in the region of Jitra. Due to the rising of competition in that area, PPAZ is in need to catch up with the current trend. There are a few factors affecting PPAZ growth, one of it is the school management system, there are no proper performance measurement tools to monitor the school progress making it difficult to achieve its given mission and vision. Therefore, balanced scorecard (BSC) is suggested to tackle this issue to identify the leading and lagging indicators. This paper adopts qualitative research technique using the case study approach. It is found that PPAZ do not have a balanced strategic mapping that shows its causal linkage of the strategies to the institutional objectives. The main outcomes of the school are the parents and board of Musleh education in IKRAM, to obtain satisfaction of both parties, rely heavily on students' performance. At the end of the paper, a strategy map, balanced scorecard and develop a students' performance dashboard.

Keywords: *balanced scorecard, performance measurement, education, religious school, strategic management*

INTRODUCTION

Al-Azhar educational centre or known as PPAZ is a religious school in Jitra which offers both primary (MRAZ) and secondary education (SRAZ). PPAZ was the first religious school in Jitra, Kedah. Since its establishment 26 years ago, there have been competitions arising within the area of Jitra. The school lack of proper strategic management makes it hard to achieve its vision and to gauge its competitive position. The primary objective of this research is to help PPAZ to improve their competitiveness in the Jitra. Balanced scorecard (BSC) is suggested to tackle this problem.

The scorecard provides a better platform to convey the actions and activities to reach the objectives. The operational team would have a clear picture of what to do and how to achieve it. This could be applied in individual departments or the school itself. The study would expose four perspectives of business in education that would promote competitiveness and constant improvement and improvisation.

To increase its competitiveness in the region, PPAZ need to possess quality education, but their current financial position posed problems in funding development programs

such as infrastructure and personnel development to enhance the education quality. Another problem is the curriculum. PPAZ has excellent academic achievement. Standard subjects are borrowed curriculum from public school and Arabic, Islamic Studies, the Qur'an are from PPAZ own curriculum. However, PPAZ does not have a well-rounded, strong integration of both curriculums making some students lacking in certain aspect such as language and discipline.

PROBLEM STATEMENT

In Malaysia, very little research has been reported regarding the application or use of the BSC in the education sector. Although there are no case studies available yet in Malaysia but research papers have been done on this topic. It would be hard to leverage examples and suggestions from previous examples on the usage of BSC in the education field, as there are near to none exact applications of this sort in a religious school. The key findings in the study would serve as a good roadmap for schools in strategic planning. Thus, enriching the literacy of strategic management in schools and can be used as a point of reference for any schools.

Different cultures, curriculums, goals and management of the school are taken into consideration for selection of the performance driver and the structure of the strategy map. It would be a challenge to understand and interpret the performance driver of a religious school, and to systematically plan the subsequent framework and strategy to successfully execute a BSC. The school in question is a religious school, whereby religious perspective must be considered. The school focuses on the interaction of religion and academic development which differs from conventional schools.

Another issue that needs to be addressed here would be the system in place of schools in achieving targets and goals for each fiscal year. Majority of the secondary school education system in place in Malaysia has a clear-cut direction in the aims and activities to strive towards the intended goals. However, in PPAZ, these systems, are not properly structured, which lead to the case whereby most targets and visions were not achieved.

LITERATURE REVIEW

Balanced Scorecard (BSC)

In 1992, Kaplan and Norton introduced the concept of Balanced Scorecard (BSC). "Scorecard" refers to computed performance measures and "balanced" concept emphasis on creating a balance between objectives (short and long term), performance perspectives (internal and external), indicators (leading and lagging indicators) and measures (financial and non-financial measures). The objective of BSC was to curb the insufficiencies of the traditional financial-based performance measurement tools. By focusing on three additional performance metrics (customers, internal process, learning and growth), it will provide an all rounded performance outlook. Unlike the traditional control system where it follows a pre-established plan, the BSC is a tool for communicating, informing, learning system. It provides an outline to convey the mission and strategy and uses measurement to inform employees the drivers of the desired outcomes (Kaplan & P., 1992).

Non-financial driven perspectives

It was mentioned that BSC perspectives will be altered in different organizations, for example, in a non-profit organization, the BSC will be structured so that the organization's mission is at the top perspective, followed by internal process, learning and growth, then topping it up with the financial perspective (Kaplan & Norton, 2001b). For an example, the FBI strategy map where the main drive and objective of the FBI is not towards a financial perspective. This indicates the mission of the FBI should be the main perspective, the stewardship of finance, which indicates the management of finances for the FBI, is located at the bottom of the FBI strategy map. This clearly shows that financial goals are not the main aim of the FBI (Pearson, 2013).

Strategy map and BSC

Strategy map shows the causal linkages among BSC objectives and measures. Strategy maps and BSC are used to communicate the desired outcomes, enabling innovation of new and different ways to accomplish the targeted performance at the middle and lower levels of the organization.

Usage of BSC

BSC usage is primarily used in the aspect of the strategic management tool, whereby it is used to plan the long-term deliverables and the achievement of a firm. Monitoring financial performance, customer requirements and deliverables, internal performances and operational performances are the key features of BSC, which allows a company to realign its objectives with all this information (Ehmad & Amir, 2015)

BSC is used to improve a company's management, enabling it to highlight major internal and external factors impacting the company. With the metrics of BSC, it allows small companies to cope with external changes, such as market environment and competitors; it also provides a platform for companies to deal with internal changes, such as employee performance and key deliverables of the company (Giannopoulos, Holt, Khansalar, & Cleanthous, 2013).

Application of BSC in the education field

Many higher education institutions or HEIs have been adapting the BSC concept into their system. The benefits of applying the BSC are future planning priority determination and needs evaluation, presenting a holistic structure for total quality development, forming a culture of Academic (Fafmi & Saudah, 2015)

BSC is viewed as a performance management utility which could be adapted to improve the efficiency of education establishments. Often, stakeholders of the organization, such as employees such as a barrier which gates the path of success, this could easily be resolved by proper adaptation of said organization's strategy into BSC (Sudirman, 2012).

METHODOLOGY

In this report, qualitative approach was chosen to explore the school system. The data are derived from observations and document analysis of primary and secondary data. Case study will be used as an approach to study design and data analysis. First, an understanding of the school's goals, vision and mission is needed. To further

understand about the school's structure, an interview was conducted with the school's auditor. Followed by studies on successful application in the educational field of overseas schools, extraction of relevant information and data analysis of the current system and strategies, the key performance indicators and metrics. Then, the formulation of strategy map and BSC followed by the observation on the applicability of the Balanced Scorecard framework in the school itself. Finally, the development students' performance dashboard.

FINDINGS

Weaknesses in PPAZ

PPAZ does not have a clear direction. They have mission and vision, but they do not have an overall strategic plan on how to achieve it. Since it is a private Islamic school, the management system in place is not properly structured unlike most of the school education system which has a clear direction of aims and activities to achieve the intended goals. It was found that although the students possessed good track record in academic but they are lacking discipline and leadership. Existing monitoring system made it hard to keep track of the school's performance in achieving the strategy

PPAZ philosophy and strategies

The school emphasizes on the following strategies

- **Effective educational management**
Educational management is the responsibility of the teachers, administrative staff members and top management. Top management provides the school with sufficient capital or funds to enable the management plans to flow, which in turn provides teachers the competency to the academic staff and encourage the ongoing development of the teachers. Therefore, to have an effective educational management, these drivers have to be strong, strong financial standing and highly competent teachers and admin staff members.
- **Quality learning system**
Quality learning system encapsulates the tutelage system itself, which is driven by the teachers and the curriculum. Teacher development is important because it has a direct effect on the tutelage system to be competent in the field. PPAZ is a private Islamic school that combines the generic curriculum with their own curriculum. It is imperative for the school, to develop a strong and effective curriculum structure as it is one of the drivers for academic excellence.
- **Highly motivated students**
Motivated students have higher drives to excel. To have a student culture where they are highly motivated, the school has to be able to provide an encouraging learning environment with sufficient facilities which will aid students' welfare and development. Highly motivated students will elicit a positive response on the student development.
- **Comfortable learning environment**
The school must have enough funds to provide, a conducive learning environment well equipped with facilities to facilitate learning and teaching activities. A comfortable learning environment supported by competent admin staff members

who are able to register problems arises in the school compound and taking appropriate measures to follow up complains or directing them to the person of interest.

- Committed Student, Parents, and Teachers Association (PIBG)
 Having a body of committed parents is important for the development of a school. The involvement of parents in PIBG is important as they are the stakeholders of a school, they voice out their concern on the students’ welfare or development and participate in the school’s activities such as fundraising. Parents’ satisfactions derived from the development of their children. When their children are performing well in school, it will encourage the parents to join PIBG events or school activities more frequent such as award ceremony or annual PIBG meeting.

The strategy map & Balanced Scorecard

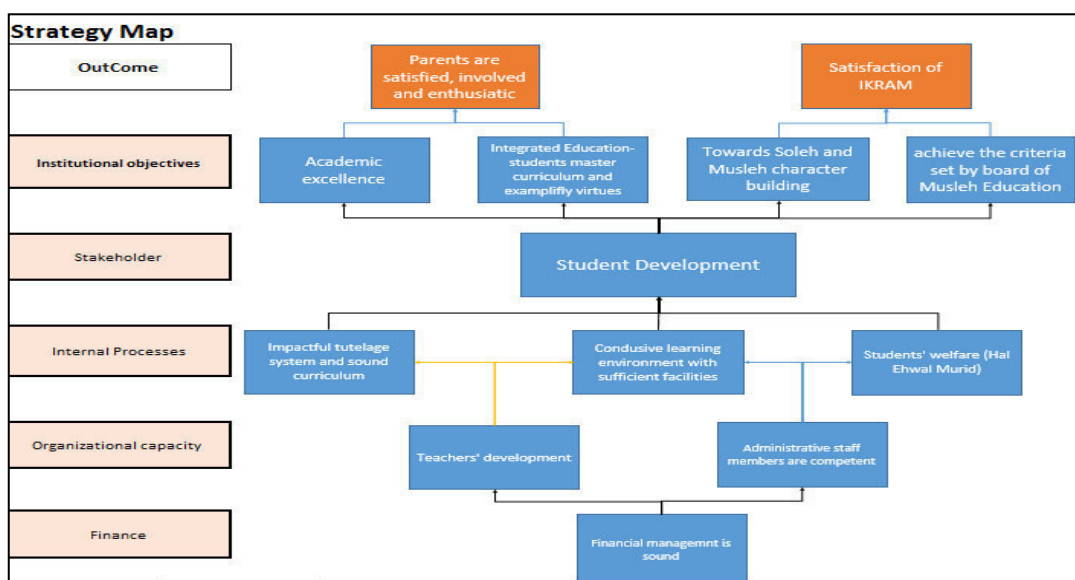


Figure 7
Strategy map for PPAZ

A strategy map is developed based on the school philosophies, strategies and strategy indicators. Figure 1 shows the strategy map devised for the school. There are 4 drivers to drive the institutional objectives of the school or PPAZ philosophies to achieve the outcomes, which are parents and board of IKRAM satisfaction. The enablers are finance, organizational capacity, internal processes and stakeholders.

Table 1

The Balanced scorecard for PPAZ

| | Objectives | Measures | Targets |
|-------------------------------------|---|---|--|
| Internal processes | To ensure the curriculum is sound | The progress of the syllabus covered | able to cover at least 15% of syllabus every month |
| | To ensure the quality learning and teaching system | Students' understandings | Overall students' monthly assessment achieves more than 75% |
| | To ensure the learning environment is conducive and well-equipped with facilities | Participation of the students in academic and non-academic activities | Participation in academic and non-academic activities at least 70% |
| Stakeholder (Students' development) | To ensure zero disciplinary breaching | Number of referrals per month | 0% |
| | To monitor understanding level of students | Average test scores for all subjects | above 80% |
| | To facilitate in the development of various domains of minds and personality | Extra-curriculum achievement and involvement in competitions | 80% overall participation in weekly extra curriculum activity The number of competitions joined in a month more than 10 |
| Organizational capacity | To ensure the development of teachers | Classroom audit twice a year | At least 80% passing rate overall |
| | | The number of designated training sessions attended per year | Attend at least 90% of training sessions |
| | To ensure the competency of staff | The number of designated training session attended per year | attend at least 90% of training sessions |
| Finance | To ensure financial is sound | Student enrolment | An increase from the previous year |
| | | Revenues | An increase from the previous year |

Balanced scorecard perspectives

The balanced scorecard designed for PPAZ as shown in Table 1 encompasses of the following perspectives.

Finance

Finance is the main enabler to recruit school personnel and to provide a learning environment that encourages the learning and teaching system. Those are important for a school to function. PPAZ is a private Islamic school, its funding comes from the tuition fees from student enrolment and also donations from the public. Finance drives the organizational capacity and internal processes to reach parents' satisfaction who emphasizes on the performance of the students.

Organizational capacity

The people who are involved in organizational capacity are the Board members, academic and non-academic staff members who are the teachers and the admin must possess the appropriate skills, training, knowledge and desire to fulfil their duties. The teachers have to be enthusiastic, knowledgeable of their subject area, and able to impart those knowledges effectively to students while enjoying it. The administrators must be competent, able to cooperate with the teachers and be on the watch in continuous improvement in school's operation.

Internal processes

Internal processes are how the school runs its daily activities. Here highlights the curriculum structure, learning environment and the management of the students' welfare. An effective learning and teaching system requires a good curriculum structure with a conducive learning environment. The curriculum structure must be developed in accordance to the syllabus and the goals of the school, which emphasizes on students' excellence. The physical setting of the learning environment must be well-equipped with enough facilities and infrastructures to promote and accommodate learning and teaching activities. Student's welfare is the wellbeing of the student in the school and dormitories. These promote students' developments.

Stakeholders

The direct stakeholders of the school are the students. The school is responsible for the students' performance. The product of a school is the students, what the school instills in the learning and teaching system will be translated to the students, the performance of the school depends on the students' performance. The satisfaction level of the parents depends on the school children's performance. Parents would engage the school in students' development. The board of Musleh of IKRAM governs all the Islamic schools in Malaysia. Therefore, it is important to achieve the criteria set by the board and go beyond it to be at the top.

Strategy

For PPAZ, the competency and development of personnel depend on the financial management. Sound financial management will enable the school to acquire competent personnel and develop them into professionals that cannot be replaced which will be an asset to the school. Students' development reflects the performance of the school, and when the school is doing well in this aspect, the parents and board of Musleh of IKRAM will be satisfied. Satisfactions from these two parties will increase the image of the school and enrollment of students and this will bring more revenue to the school. More revenue will enable the school to fund for quality education development.

Students' development dashboard



Figure 8
Students' development dashboard for PPAZ

The students' development dashboard for PPAZ as in Figure 2 is based on the focus of PPAZ on student development. The monthly performance monitoring will be constructed on the following four aspects;

Academic

Academic table in Table 2 shows the overall monthly performance of students. Since its establishment, PPAZ has been excelling in this aspect, showing a good track record which is why this is less emphasized by the school and holds lesser weightage than the extracurricular activities and school achievement aspect. The school hopes in polishing their students more in their soft skills.

Table 2
Academic

| Academic | |
|------------------------|---------------------|
| Subject | Monthly average (%) |
| English | 70 |
| Mathematics | 80 |
| Science | 90 |
| Islamic studies | 95 |
| Bahasa Malaysia | 80 |
| Total | 415 |
| Average | 83 |
| Weightage | 0.2 |
| Total weightage | 0.166 |

Discipline factor

For an Islamic school, discipline is the fundamental aspect of the student. This will enable the school to have an overview of the disciplinary cases that happens within that month and plan accordingly to reduce it. Under discipline factor table in Table 3, the disciplinary referrals are divided into three cases; minor, medium and major. Minor

cases such as inability of students to follow the standard personal cleanliness guidelines set by the school, medium cases such as the incomplete schoolwork and major cases such as truant.

Table 3
Discipline factor

| Discipline Factor | | | |
|--------------------------------------|---|------------|-------------------|
| 100 | ← Points as worst case scenario based on the severity for each offences grouped as (Minor:1, Medium:3, Major:6) | | |
| Types of offense | Number of offences/ mont | Multiplier | Discipline Points |
| Minor | 5 | 1 | 5 |
| Medium | 3 | 3 | 9 |
| Major | 0 | 6 | 0 |
| Total | | | 14 |
| Percentage/Worst Case | | | 0.14 |
| Distance away from Worst Case | | | 0.86 |
| Weightage | | | 0.2 |
| Total weightage | | | 0.172 |

Extracurricular activities

This aspect allows the school to monitor the soft skills development, such as leadership among students. It is proven that being actively involved in extracurricular activities allow students to build valuable soft skills. The overall attendance of extracurricular activities shown in Table 4 will show which club or society that have problems in reaching the students.

Table 4
Extracurricular activities

| Extra-curricular activities | |
|-----------------------------|----------------------|
| Societies/ Clubs | Monthly attendance % |
| Archery | 90 |
| Debate | 80 |
| Nasyid | 70 |
| Pandu Puteri | 100 |
| PBSM | 90 |
| Swimming | 100 |
| Koperasi | 85 |
| Silat | 78 |
| Track and field | 56 |
| Chess | 90 |
| Total | 839 |
| Average | 83.9 |
| Weightage | 0.3 |
| Total weightage | 0.2517 |

School achievement

Just like the extracurricular activities, school achievement aspect is used to monitor the involvement of students in non-academic activities. Monthly school achievement contributed by the students in multi levels can be monitored as shown as in Table 5. It is divided into school, state, regional, national, international level. The level of achievement is not important which is why there is no multiplier assigned to each like the discipline factor because, what is important here is the involvement of students, equal contributions regardless of level are more attainable.

Table 5
School's achievements

| School's achievement | |
|------------------------|---------------------------|
| Level | Number of students patici |
| school | 150 |
| state | 40 |
| regional | 20 |
| national | 1 |
| international | 1 |
| Total | 212 |
| Average | 42.4 |
| Weightage | 0.3 |
| Total weightage | 0.1272 |

CONCLUSION

In conclusion, BSC is an efficient tool to evaluate performance as it provides a holistic view of the strategies. This simple tool enables a clear communication of intended outcomes between the top management to the school personnel. One of the downside of the project would be the implementation process. Due to the lack of knowledge in the current school staff, there are hindrances on executing BSC effectively. Lack of exposure to BSC leads to incomplete KPI data collected, which will reduce the efficiency of BSC, or worse, generating misleading data on the measurement indicators. Due to the school's existing system, multiple goals, targets, missions and objectives prove to be somewhat s duplicate, there might be overlap between indicators.

To curb these problems, it is suggested that the school management provides training for all the staff on BSC. Trainings, operating instructions and standard operating procedures could be developed to ensure that the information and data collection activities required for BSC could be executed successfully. Strong communication between management and execution staff would be vital to allow management to quickly obtain feedbacks from the related parties and to develop a mitigation plan quickly.

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