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## The Application Strategic Planning and Balance Scorecard Modelling in Enhance of Higher Education

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### Abstract

In the past few years, many models and approaches to quality improvement experienced in commercial organizations, such as total quality management, continuous improvement and EFQM model have been accepted and used by universities and other research and educational institutions and the results also have been used effectively. Strategic Planning and Balanced Scorecard (BSC) model are also among the approaches and models that deals with planning and performance assessment of organizations and corporates with a great broad vision . But some questions are raised here: How these two approaches make enhance the quality of universities and higher education institutions? Is it as much useful for organizations and commercial institutions as it is for higher education institutions and universities? What are the necessary requirements and infrastructures for deployment and implementation of these two approaches in higher education institutions? And whether they really are used in higher education. This is a descriptive research which aims at answering the above questions concerning the application of strategic planning models and balanced scorecard in higher education quality improvement.

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### 1. Introduction

Universities need appropriate tools and models to assess and ensure qualitatively of the plans and related processes and application and effectiveness of graduates in the market in order to perform their great important

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duties. On the other hand, the country's higher education system should attempt to increase the efficiency and optimum use of the assets available in the country and should promise the prosperity and academic and cultural empowerment of the community (Fooladvand and et. al., 2012).

In this regard, higher education centres in the world review their existing situation precisely with a strategic view and by outlining the visions and missions based on the strengths, weaknesses, opportunities and concerns set up their goals in order to deal with their duty-related operational programs more effectively. (Ghorcheian & Salehi, 2005). Strategic planning analyses the basic environmental risk factors and offers the solutions which are more possibly suitable to reach the goals. In fact, strategic planning is the process of setting the organization goals and making decisions about comprehensive operational and administrative plans to fulfil those purposes. Despite the importance of strategic planning, yet its critical impact (vital impact) to reach the Organization's goals are not well understood in many organizations and even in some cases managers consider it as a costly affair. In the opinion of some scientists strategic planning represents executives' creativity power and making the future (Mackeyon, 1996). One of the basic steps in strategic planning is providing information about the internal strengths and weaknesses and external opportunities and threats that university is faced with because every effective strategy make use from benefits of strengths and locations and at the same time reduce the weaknesses and threats to the minimum extent or overcome it. Strategic planning in higher education creates a long-term vision in the director and is helpful in the realization of a desired and idealized future. Without strategic planning and considering the organization's internal and external affairs, the plans are not any more realistic and it would not work practically. (Kafman & Herman, 1996). The organization's internal and external environment assessment is an administrative tool that besides strategic planning is used in policy making and problem solving. This instrument provides a realistic and reliable scale for assessing the organization. The process of evaluating the internal and external environment of the organization is called SWOT analysis because it includes identifying the strengths, weaknesses, opportunities and external threats. The information collected during the assessment process often leads to identify strategic issues. SWOT analysis can be completed with different methods. Management of any organization should determine the best way to organize and evaluate the implementation of the internal and external environment. (Tabybey & Maleky, 2005; Yarmohammadian, 2007, 2009)

One of the methods which can be used to evaluate the strategic planning is balanced scorecard. BSC is not only a comprehensive and integrated performance measurement tool, but also is a management system with the new approach of strategic management that was introduced by Robert Kaplan and David Norton. BSC offers a diverse collection of performance indexes in four groups that include financial performance indicators, customer, internal processes, learning and growth. The increase in the use of this card in various parts of the world has made its strengths and weaknesses clear in practice, and many researches have been carried out in this field. Evidence obtained from these studies verifies the effectiveness of the balanced scorecard in the public and private sectors (Azari & Safari, 2003). Balanced Scorecard is introduced and evolved to implement strategy and achieving successful results and improvements and strategic translates. It has also turned into a powerful management tool and strategic formulation. BSC provides a suitable framework to facilitate the implementation of strategy. This idea is confirmed through a process that transparent the vision at the beginning and connect each individual performance to the strategy at the end and thus, both behaviour and performance of employees are affected by the operational objectives resulted by strategy. Finally, the strategy-oriented organization is formed. Aspects of the balanced scorecard are:

### *1.1. Financial Perspective*

In this aspect, common financial objectives and measures are described. Also, criteria like investment return rate, shareholder value, profitability capability, income growth and unit cost will be determined which are among the delayed measures and indicate the organization strategic success.

### 1.2. Customer Perspective

In this aspect, values announced for customers are targeted. Values of timely delivery, quality, performance, type of communication, etc. are influenced in this section. Customer satisfaction indexes are considered in this way.

### 1.3. Process Perspective

In this way, critical processes which are effective on strategy are identified and appropriate indices taken to measure the processes performance are determined.

### 1.4. Growth and Learning Perspective

In this perspective, intangible assets affecting on strategic success can be diagnosed. Strategic goals of this aspect are selected considering human capitals, staff abilities, knowledge, technology and organizational culture. Among very important points for designing the balanced scorecard is agreement on the same definitions of the elements of this system. This element includes the components and objectives of organization strategy, measures, quantitative targets and strategic actions. (Yarmohammadianand, et.al, 2013).

### 1.5. The Advantages of Using Balance Scorecard

- It provides a framework to describe the organizational strategy through financial, customer, internal processes, and growth and learning aspects.
- System establishment which leads to filling the gap between the goals stated by senior managers and the objectives perceived by the employees.
- It creates a system to measure past performance and conduct future performance
- It is used as a tool to achieve the goals and improve strategic planning (Melat, 2008)

### 1.6. Balanced Scorecard Deficiencies

- Significant tensions and conflict existed among top managers and partly because of inaccurate, subjective and lingual nature of BSC indexes and using inappropriate models for evaluation.
- Balanced Scorecard in definition is a set of quantitative indexes consolidating the performance values at the individual level (i.e., performance indicators) and also for integration of weak indexes.(Yarmohammadian & et all, 2009b, 2007b).
- Integrating the result is done subjectively by the users of BSC.
- Therefore, these defects are in conflict with the particular feature of BSC which (Kaplan & Norton, 2001,1996) had a special emphasis on it .They mentioned that the particular strength of BSC is providing BSC strategic learning capacity and enable them in revising their strategies when required. (Azari & Safari, 2003).

## 2. Conclusion

The foundation of strategic planning is in a way that it begins from determining the organizational mission, they consider visions and goals for the company by doing external and internal analysis (to identify external opportunities and threats and internal strengths and weaknesses), and on this basis, they adopt some strategies. Therefore, they make the chosen strategies in the form of an operational program including objectives, operational projects, performing responsible, tracking and monitoring responsible, start and end times, or the evaluation of measures,

performing method and allocated resources that must be implemented by the company to achieve their goals and missions.

In strategic planning, it is essential and necessary to identify and choose the measures to make the strategies more objective and to evaluate the functioning of organization and programs.

Assessment based on balanced scorecard (BSC) model is a precise choice of a set of quantitative measures which are resulted from the organization's strategy. Measures obtained from this process are tools for the leaders to be used for establishing a relationship between achievements with employees and all partners and also for evaluating the organization functioning.

Balanced assessment helps the organization to conduct the strategies by formulating objectives and selected measures. It also uses measurements with a new language instead of concentrating the financial measures to describe the important elements in achieving the strategy, and besides the financial aspect, three more measures are raised as complementary including: customer aspect, processes aspect, growth and learning aspect.

Balanced scorecard is introduced and developed in order to perform the strategies and reaching practical results and successful achievements and also translate the strategy into action. Today, it is turned into an efficient strategy formulation and management tool. BSC provides an appropriate framework to facilitate strategy implementation. Balanced evaluation model follows the top to bottom logic i.e. it begins from identifying and defining strategic components and desirable achievements and then it moves to appropriate values of the internal processes and creating substructure. The relationship between the establishing performance factors and optimal achievements forms a hypothesis that specify the strategy. In other words, strategic hypothesis requires identification of activities which are the factors of establishing desirable achievements in that regard. Strategic plans formulation, in fact, is a prerequisite for balanced scorecard assessment. It is necessary that the leaders, managers and planners of revolution in the combined approach organizations integrate the strategic planning with the balanced assessment model and gets benefit from its countless results and outcomes, and in the meantime it provides an opportunity for testing and assessing this combined model and help in developing the management knowledge and leadership in the universities.

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