



# The Influence of a Strategy Implemented Using the Balanced Scorecard Method on the Effective Integration of Change within the Teaching Process at an Institution of Collegiate Business Education

Agnieszka Chęś, Adrianna Lewandowska

Wyższa Szkoła Bankowa we Wrocławiu (Poland)

Wyższa Szkoła Bankowa w Poznaniu (Poland)

[a.ches@teb-akademia.pl](mailto:a.ches@teb-akademia.pl)

[al@bd7.pl](mailto:al@bd7.pl)

## Abstract

*Implementation of serious change in the didactic process is a considerable challenge. In some circumstances it can even become a necessity, as it does at many Polish universities, due to changes made to the higher education law in 2011. Universities are obliged to transition from the model of teaching based on the amount of contact hours to an educational model, which goal is to achieve set learning outcomes. For a well managed university this necessity could become an opportunity. The implemented changes should cover the teaching methods and the use of modern didactic tools, assessment and even the student's methods of study. These changes lead to a partial standardization, which in turn could increase quality. A subsequent effect could be the increased satisfaction of students and the improvement of the competitive situation, which is of utmost importance to a private university operating in a market shrinking due to demographic changes.*

*Our goal is to show how such a change can be introduced within the Balanced Scorecard (BSC) strategy. The examples illustrating the described solutions are taken from the experience of a Polish business university – The Poznan School of Banking.*

*Thanks to the utilization of the BSC, the change of the educational model to one aimed at achieving learning outcomes is realized in a complex manner. This is made possible by looking at the task from multiple perspectives: client's, organization's growth, processes and financial. For each of them, goals are defined, as well as actions needed to reach these goals. This process takes place with the participation of academic staff, and with use of various participation methods, which has considerable meaning due to the social aspects of the implementation of change. Another key issue here is that the implanted change is tied and in line with the mission and vision of the university. Thanks to the holistic perspective on this challenging task taken under BSC, it is possible to take into consideration the interests of the multiple stakeholders, various pitfalls and risks can be spotted, we can plan structural and organizational solutions at different organizational levels that will enable success. As a result, it turns out that the new educational model requires among others: new processes in the field of HR, new positions with responsibilities for new functions and tasks which emerge in the didactic process (for example, assessment of learning outcomes), as well as control of costs of didactics functioning under that new model.*

*The biggest advantage of the BSC is the introduction of metrics to task. The proper selection of metrics allows university authorities to evaluate how effectively is the change implemented, and to what degree does it help in reaching the strategic goals and the realization of the mission.*

## 1. Introduction

Introducing reforms to the teaching process, and notably to university instruction, is an ambitious agenda. Yet, in certain cases, it may be necessary or enforced by external factors, as is the case of many Polish higher education institutions facing the need to comply with the August 2011 amendments to the Act on Higher Education. The new law obliges HEIs to shift away from a model



based on the number of contact hours toward an educational model oriented on learning outcomes aligned with the European Qualifications Framework.

The paper aims to demonstrate how changes to university instruction can be introduced within the framework of a Balanced Scorecard (BSC) methodology and to illustrate the benefits that this method can bring to an organization. Examples used are derived from the experience of a Polish privately-held institution of higher business education – Wyższa Szkoła Bankowa w Poznaniu (Poznan School of Banking – WSB).

## **2. BSC – a strategic approach to change as a success factor**

Before any changes were initiated within the teaching processes, the School's managers reviewed a number of concepts capable of increasing the likelihood of effective change implementation and chose the Balanced Scorecard (BSC). The BSC method originated in Robert Kaplan's and David Norton's research on performance measurement in organizations. In their findings, they clearly delineated the extent to which organizations achieved their strategic objectives, whether interpreted as long-term financial results or as intangible assets that can make the whole difference between success and failure in the market [2]. Since then, the concept has evolved toward increasingly common use in strategic management. The potential of the BSC methodology goes much beyond effective performance measurement and is currently employed primarily in strategy implementation to translate general corporate visions into measurable organizational objectives and to build internal relations conducive to increased involvement of all of the company's constituencies.

In managing a HEI, an ability to verify intellectual capital growth and define relevant measures is critical. Teaching process management is becoming an intrinsically strategic competence. Hence, management tools such as the BSC, validated by many professionally managed business enterprises, are increasingly often found in non-profit organizations, where they are used with a view to maximizing the effects of organizational effort toward strategy implementation. There are very few HEIs that admit to using the BSC in a management context; besides North American universities such as the University of California, University of Calgary or Florida State University, these also include some European, i.e. Scandinavian schools: Helsinki University of Technology and Reykjavik University [3]. At these HEIs, the BSC methodology is actually applied throughout the organization in running it on an everyday basis, rather than merely utilized to "format" the business.

## **3. Aspects and risks involved in change to the teaching process**

When altering one's approach to the teaching process, one enjoys a unique opportunity to reflect on its specific stages and re-design it around the organization's important goals: emphasis on quality in teaching, aligning the learning outcomes with the requirements of the job market, optimizing the teaching cost-to-quality relation. The approach is clearly pertinent to the WSB School's mission: "Partners in your career development". Its business environment – the higher education market shrinking during a demographic low, and the intensifying competition from other HEIs – compels the WSB to make strategic choices, and follow them up with concerted actions aimed to improving its competitive position. In these circumstances, systemic change should be seen not so much as a challenge, but as an opportunity.

When the WSB project took off, what their managers first looked at was the front-end of the teaching process: 1) study curricula and the corresponding learning outcomes, 2) the teaching content and materials, 3) the teaching staff with their diverse domain knowledge and teaching skills – the actual educational service provider. Second, those in charge of teaching considered the process itself and its specific elements: 1) the teachers' work and professional conduct, 2) organizational support for teaching and learning, 3) students' attitudes and existing competences, and 4) ongoing evaluation of the teaching process. Third, but not least, the School examined the final product of the process: the graduate.

Teamwork on the strategy under BSC, involving executives, teachers and students, made it possible to identify initiatives ensuring that the School effectively embraces instruction centered on learning outcomes. Changes are supposed to affect a variety of aspects across the four functional perspectives encompassed by the BSC methodology.



1	Customer (student - the external, teacher - the internal customer)	1. use of diverse and attractive teaching aids and methodologies 2. assessment of students' initial competences and potentials, delivery of supplementary courses
2	Finances	3. optimize the cost of teaching through increased use of online education 4. optimize expenditure on instruction through teaching process improvement and emphasis on LO
3	Internal business processes	5. design a collaborative process for the development and update of LO involving representatives of the business community 6. design a collaborative process for the preparation of teaching content and materials 7. design HR processes for academic teachers, including recruitment, staff assessment and motivational system
4	Organizational learning and development	8. set up an evaluation scheme for quality screening and improvement within the teaching process

TABLE 1. Examples of actions scheduled within the BSC strategy aimed at introducing change to the teaching process

The activities were arranged into a three-year strategic project, which was given a schedule and set up with a budget and a project team composed of progressive academics led by the dean. Since the academic teachers' resistance to changes was one of the principal risks diagnosed at the strategy formulation phase, the position of the change agent was envisaged as a remedy and charged with responsibility for conflict mitigation and change management during project implementation. Consequently, this preventive step was assigned a high priority under the strategy. Another risk, posing a similar threat to the success of the project, relates to an increase in the cost of teaching attributable to new staffing and management cost items, such as the job of instructional designers, a training program, a learning outcomes assessment system, etc. It was assumed that, while additional spending may be incurred over the three project years, at the end of the period the total cost is not to exceed the original level or is to be reduced through ongoing optimization.

#### 4. The strategy under BSC – a change implementation tool

Within the European strand in BSC methodology [1], the formula for defining activities focused on specific objectives is as follows: goal, action(s), and measure. At regular intervals, reviews are to be held to capture advances in strategy implementation and, if necessary, make modifications. Measures are determined for specific actions and tasks, or even, under some strategies, for strategic themes and projects. The use of performance measures for the master goal as well as for partial goals set in specific areas was perceived by the WSB School's management as a key strength of the methodology. Truly relevant performance measures allow the organization to see how effectively change is implemented and to what extent its implementation contributes to the performance of the organizational mission and to the achievement of its strategic objectives. Some of the measures adopted by the WSB are shown in Table 2.



	Performance measure	Status
1	Course evaluation by students	Primary performance measure for the project
2	Teaching staff's dedication to work	Secondary performance measure
3	Brand attributes survey – friendliness, practical focus	Secondary performance measure
4	Assessment of course-specific learning outcomes	Performance measure - Internal Processes
5	Indicator for School recommendations by students	Performance measure - Customer
6	Cost of instruction per student	Performance measure - Finances
7	Student retention indicator	Performance measure - Internal Processes

TABLE 2. Sample performance measures used within the WSB School's strategic project

A variety of challenges are involved in the use of performance metrics by a HEI that never before used any consistent measures. One of these is the lack of historical measures, which makes it difficult to establish initial and target values. The School will therefore need to not only acquire the requisite know-how or develop suitable tools, but also to learn to analyze indicators and data sets and to infer from these. Unless the organization makes such an effort, measuring may become a practice that serves no other end than measuring itself. With time, thinking in terms of goal performance can become part of the organizational culture and hence encourage the introduction of management by objectives. At the WSB, some of the indicators have actually been incorporated in the teaching quality management system.

Initiatives undertaken within the strategic project led to gradually embedding changes in the organization in a way that enables the WSB to, on the one hand, transform its teaching processes toward effectively attaining the intended learning outcomes, and on the other, to gain a competitive edge and increase student satisfaction levels. Changes made at the early project stages include: the introduction of flexible exam dates; the appointment of advisory groups for learning outcomes and curriculum development, involving business community representatives; the inauguration of an academic staff training scheme; provision of supplementary classes for less proficient students; and, last but not least, teamwork on teaching content and material enhanced with interactive activities, e.g. business games.

The change agent, whose supervisory role vis-à-vis the change implementation process was inscribed in the strategy proved vital to the project. In programming the pace and sequence of actions, as well as in communicating subsequent implementations within the strategic project, psychological and social considerations were given due attention.

## 5. Summary

Strategies that are never put into practice have commonly been an issue for business companies as well as for the higher education sector. HEIs striving to strengthen their competitive position have to be more consistent than before in pursuing their strategic plans. The European model of the BSC, founded on a combination of goals relevant to all of a company's stakeholders, increases the transparency of corporate priorities and requires the performance measurement to be applied to all critical goals, thus helping achieve organizational strategic trajectory.

BSC is a useful support tool for organizational change in HEIs seeking to increase their chances of success in the toughening competitive struggle by streamlining their teaching process. In practice, this corresponds to deriving strategic goals from their missions and visions, including visions of the teaching process in particular. What the BSC methodology prescribes is, as a next step, to set target values, draw up implementation plans, and link these plans to a budget, a reward system and a performance reporting scheme – across all strategic perspectives throughout the organization, possibly in each structural unit or even at the employee level.

The idea of learning outcomes as such stimulates thinking in terms of objectives, facilitating the school's subsequent transformation – imposing a more businesswise approach which, in the long run, will be incorporated in its management processes and reflected in its organizational culture. Leaders





and drivers of change are equipped with cascaded goals from the overarching higher-level strategy and full of constructive ideas on how to achieve them, while their concentration on goal attainment will be assisted by BSC measures – a kind of a project barometer.

The Poznan WSB was among the first Polish HEIs to follow the BSC concept in learning outcomes management. The School's authorities are convinced that, as long as they can properly control the progress of the BSC-driven implementation, the methodology can help effectively eliminate barriers to transformation and lead to School's improved overall performance. When efficiently handled, the process can translate into a more efficient teaching process in general – which will ultimately contribute to boosting the School's competitiveness.

### Literature

- [1]. Friedag H., Schmidt W., Lewandowska A., Likierski M. (2003). *My Balanced Scorecard. Moja Strategiczna Karta Wyników*. Warszawa: C.H. Beck.
- [2]. Kaplan R.S., Norton D.P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Boston: Harvard Business School Press.
- [3]. Lewandowska A., Zygarłowski P. (2013). *Wdrażanie strategii uczelni sieciowej z wykorzystaniem Strategicznej Karty Wyników (BSC)*. In: *Współczesne koncepcje zarządzania w szkolnictwie wyższym*, Bielsko-Biała: WSEH.