

Research on the Application of the Balance Score Card in the Performance Management of Kunming Municipal Government

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Keywords: Balance score card, Performance management, Kunming municipal government

Abstract: As a newly-developed management concept and system, the Balanced Score Card(BSC) focuses on four dimensions: finance, customer, business process, learning and growth, which has strong operability for non-profit organizations. This paper explores the functioning of BSC in the performance management of the Kunming municipal government. Kunming is one of the major cities in south-west China. After implementing the performance management system, the Kunming municipal government has achieved outstanding results over the years. However, at this stage, problems of low citizen participation, the unreasonable and inefficient implementation and civil servants' inadequate understanding of performance management still exist.

1. Introduction

Nowadays, non-profit organizations generally have met difficulties of weak driving force and lower level of management. Different from companies whose main economic purpose is to generate profits, the fundamental goal of non-profit units is to provide services and goods beneficial to the public. The source of their motivation is social responsibility, especially for the government. Sometimes the lack of reasonable evaluation indicators and supervision systems may lead to a decrease in the motivation. Besides, the funding conditions of non-profit units are always not good enough to attract high-quality managers or build a high-quality management team, resulting in a lower management level.

2. Research Background and Research Significance

The Balanced Score Card model seems to point a way for non-profit units like governments. Robert · S · Kaplan and David · P · Norton proposed and actively advocated the Balanced Score Card in the Harvard Business in 1992, the purpose of which is to create a strategy oriented performance management system to ensure that the company's strategies are efficiently executed. BSC focuses on the finance dimension, the customer dimension, the business processes dimension, and the learning and growth dimension, turning the qualitative strategic goals into measurable and quantitative values. Thus, to boost the development, it is necessary to explore the feasibility, methodology and effect of applying the BSC to the performance management in non-profit units like governments. ^[1]

3. The Application of Balanced Score Card to the Performance Management of Kunming Government

3.1 Overview of Kunming City

Kunming is the capital of Yunnan Province, one of the central cities in south-western China. Kunming has jurisdiction of 7 districts, 3 counties, 1 county-level city and 3 autonomous counties, and has a permanent resident population of 6.95 million's, a GDP of 647.588 billion yuan. The general public budget revenue of Kunming municipal government in 2019 was 63.03 billion yuan, up 5.8% year on year. Kunming municipal government spent 82.086 billion yuan in its general public budget in 2019.

3.2 The History and Achievements of Performance Management in Kunming

In 2009, Kunming municipal government issued the “Trial Measures for the Performance Assessment of Civil Servants in Kunming Municipal Organs (draft)” which made detailed explanation of the principle of scoring, rewards and punishments measures. In 2010, Kunming municipal government issued the “Implementation Measures of the Administrative Performance Management System of Kunming Municipal Administrative Organs” to start the performance management and evaluation procedures for the municipal government. In 2013, Kunming municipal government through the “Interim Measures for Kunming Budget Performance Management (draft)” began to fully implementing the budget performance management.

After years of construction, Kunming municipal government's performance management has made remarkable achievements ^[2].

First, the administration of the city has been streamlined. The number of items requiring administrative approval has been reduced from 506 in 2009 to 96 in 2018, making Kunming the city with the least items requiring administrative approval among provincial capitals in China. The successful handling rate of matters requested is 100%. Second, information periodicals have been publicized include Kunming Municipal People's Government Gazette, the Newsletter of General Office of Kunming Municipal People's Government, Important Information of Government Affairs and so on. The publicity of government affairs is improving every year. In 2020, more than 200 issues of the publication have been completed throughout the year. Kunming had won titles and reputation of “National Health City”, “National Garden City”, “National Advanced Safe City” etc., the government had great improvement in service quality, and public satisfaction was improved obviously.

3.3 Problems Existing in the Performance Management of Kunming Municipal Government

The effects of performance management has gradually become weak in recent years, and the problems mainly exist in the following three aspects.

3.3.1 Low Participation of Citizens

As the provider of public services, the ideal evaluation for performance of the government should be conducted by both internal and external parts. The public outside should be an important part of providing feedback while currently a series of processes such as the formulation of goals and tasks, the supervision of daily, quarterly and annual work are all completed unilaterally within the government.

3.3.2 Unreasonable and Inefficient Implementation of Performance Management

The obvious regularity, unprofessional and unscientific nature of Kunming government performance evaluation makes it difficult to produce valuable effects. The annual evaluation is organized at a fixed date at the end of each year, when government leaders go to listen to work reports and check work records in districts. A fixed procedure inspection is carried out at a fixed time, which inevitably makes the departments easily to do advance preparation and it cannot reflect the real daily performance. Formalism is more than pragmatism.

3.3.3 Inadequate Understanding of Performance Management

The defects in the practical application of performance management of civil servants are obvious. Many managers do not understand and do not pay attention to performance management. They are perfunctory in completing tasks and the formalism is common. Moreover, many departments lack objectives, they blindly imitate other departments to implement performance management instead of making adjustments based on their specific conditions.

4. Establishment of Balanced Scorecard System in the Performance

4.1 Design of the Index System of BSC Model for Kunming Municipal Government

Firstly, for the government, the dimension of customers should be transformed into the public. Whether the government can find and solve the public's needs in time is an aspect should be mainly assessed. Secondly, the BSC system in the government should focus more on how to use limited funds to create as much value as possible for citizens and how to supervise the use of funds to prevent corruption. Thirdly, interrelated and mutually supportive goals in different departments should be set up to enhance the flow of information among departments. Fourthly, as for the growth and learning, the government should continuously improve the management innovation ability.

4.2 Steps of the Application of BSC in Kunming Municipal Government

4.2.1 Determine Government Strategic Objectives

Strategic goals include short-term strategic goals and long-term strategic goals, the latter is formulated and implemented by provincial capitals. Kunming municipal government should clearly formulate targets according to local conditions.

4.2.2 Designate Designers to Build the BSC System

Professional personnel or units should be the designers of the BSC system, who not only need to be familiar with the BSC theory, but also need certain management power. The government can also entrust universities, intermediary agencies and other think tanks to participate in the design.

4.2.3 Comprehensively Publicize the BSC Management System

The application of the BSC system may break the original work mode and harm the interests of many people. BSC needs a long process from being understood, known, recognized and finally accepted. Therefore, a lot of training and publicity are necessary.

4.2.4 Build Causal Logic Chain

Split the strategies step by step to various levels of government departments, and then subdivide strategies into smaller units until the unit become a task can be undertaken by a single servant. Link

these micro unit tasks to individual performance evaluations and salaries, so as to successfully build the causal chain between macro strategic objectives and micro individual actions.

4.2.5 Utilization of Key Performance Indicators (KPIs)

The individual performance should be connected with the process of organizational strategy. Key Performance Indicators (KPIs) quantify performance and measure the key factors critical to success. Implemented KPIs can be cascaded to achieve strategic goals through causal chain. Every time a task is being achieved, the result should be assisted in the implementation of a larger task. And achievement of the larger task will also help in the completion of a higher goal, until finally the strategic target is achieved.

5. Conclusion

By introducing the BSC, measures including designing specific quantitative indicators and establishing the performance causal chain will make Kunming municipal government's performance management system more efficient.

References

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