

A STUDY ON CONSCIOUSNESS OF EMPLOYEES ON BALANCED SCORECARD IN IT COMPANIES IN BENGALURU CITY

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ABSTRACT

Balanced scorecard transforms mission and objective of companies in to inclusive measures for assessing performance which gives structure for effective management and measurement system. The results reveal that the employees are agreed with balanced scorecard is a good method for assessing performance, balanced scorecard is an effective planning tool, balanced scorecard helps in taking appropriate decision, balanced scorecard is useful to enhance competencies of employees, balanced scorecard assists employee to set their job priorities, balanced scorecard makes employees to realize their responsibilities and balanced scorecard give accurate feed back on performance of employees. There exits significant difference in consciousness of employees on balanced scorecard in IT companies and their features. Consciousness of employees on balanced scorecard is significantly, positively and moderately related with their performance in IT companies. Therefore, balanced scorecard should be highly flexible and it must be very easily understandable by employees. Besides, balanced scorecard should not give any threatening to employees.

KEY WORDS: *Balance Scorecard, Consciousness, Employees, Performance*

1. INTRODUCTION

Performance measurement is highly important for all kind of companies and measures are used by them to ensure their continuous development (Kennerly and Neely, 2003). Performance measurement is a system that is used to measure performance of companies and attain excellence and competitive advantage in a dynamic business environment (Striteska

and Spickova, 2012). In an ideal world, performance measurement includes information that is utilized to assess performance of organization and individual employees in the companies. Balanced scorecard is comparatively new method for assessing performance of companies introduced by Kaplan and Norton (1992) and it is vastly adopted by all companies (Nelly, 2007). Balanced scorecard is also used for revisiting strategies, programmes and various operations of companies in the most efficient ways (Muhenje et al 2013).

Further, balanced scorecard transforms mission and objective of companies in to inclusive measures for assessing performance which gives structure for effective management and measurement system (Fayyazi et al 2014). Balanced scorecard evaluates performance of companies in customer, financial, learning and growth and internal business standpoints (Najjari et al 2015) and it makes employees to realize their work responsibilities, performance and shared values (Sime and Koh, 2001) in Information and Technology (IT) companies also. Thus, performance of employees is highly important for existence and sustainable development of IT companies and most of them are using balanced scorecard for measurement of performance of employees. With this background, it is imperative to study consciousness of employees on balanced scorecard in IT companies.

2. REVIEW OF LITERAURE

Ismail (2009) found that balanced scorecard had improved performance of employees significantly and it provided chances to them to improve their skills and competencies in order to attain higher degree of performance and their objectives.

Ong et al (2010) concluded that balanced scorecard had increased performance of employees and result oriented and managers understood role of balanced scorecard clearly and they highly involved in adoption of balanced scorecard.

Farooq and Hussain (2011) revealed that balanced scorecard was improving performance of employees in manufacturing companies and it was helpful to make changes in strategies and operations of them in order to enhance productivity of employees.

Ayoub et al (2012) indicated that middle level managers opined that balanced scorecard had positive impact on performance of employees and they did not understand mechanism of balanced scorecard and it was somewhat flexible in application.

Asa et al (2013) showed that balanced scorecard was significantly influenced performance of employees and it encouraged them to attain their job goals in short and long terms.

Singh and Sohani (2014) found that balanced scorecard modified strategies of organization and increased communication, motivation and performance of employees considerably.

Umasankar and Shani (2015) concluded that balanced scorecard improved performance of employees in terms of financial and non financial measures and it provided opportunity for them to enhance their capabilities.

Mulyana et al (2016) revealed that balanced scorecard was used to assess performance of employees and it improved competencies and productivity of employees.

Subaidi and Mauludin (2017) indicated that performance of employees was evaluated by using balanced scorecard and feed of back of it increased performance, knowledge and motivation of employees.

Dobrovic et al (2018) showed that balanced scorecard increased performance of employees in terms of productively, non financial aspects, profits to enterprises and group involvement in attaining of objectives of personal and enterprises.

Utomo et al (2019) found that balanced scorecard was used to improve strategies of organization and it increased learning, motivation and performance of employees significantly.

3. OBJECTIVE OF THE STUDY

- i) To study consciousness of employees on balanced scorecard in IT companies.
- ii) To inspect difference in consciousness of employees on balanced scorecard in IT companies and their features.
- iii) To examine relation among consciousness of employees on balanced scorecard and their performance in IT companies.

4. METHODOLOGY

Bengaluru city is preferred for the existing study. Convenience sampling method is used for selection of employees from IT companies. Questionnaire is used to collect data from 250 employees of IT companies. Features of employees in IT companies are examined through percentage and Consciousness of employees on balanced scorecard in IT companies is studied through mean and standard deviation. Difference in consciousness of employees on balanced scorecard in IT companies and their features are inspected by applying ANOVA and t-tests. Relation among consciousness of employees on balanced scorecard and their performance in IT companies is examined by carrying out simple correlation analysis.

5. RESULTS

5.1. FEATURES OF EMPLOYEES IN IT COMPANIES

The features of employees in IT companies are given in Table-1. Major part of employees is female (53.20 per cent) and most of employees is in age of 26 – 30 years (30.00 per cent). Larger number of employees is B.E. graduates (36.00 per cent) and majority of employees is software programmers (30.40 per cent) and maximum number of employee bear 5 – 8 years of working experience (35.60 per cent).

Table-1.
Features of Employees in IT Companies

Features	Number	%
Gender		
Male	117	46.80
Female	133	53.20
Age		
21 – 25 years	47	18.80
26 – 30 years	75	30.00
31 – 35 years	72	28.80
36 – 40 years	56	22.40
Education		
B.E.	90	36.00
M.E.	37	14.80
B.Tech.	42	16.80
M.C.A.	81	32.40
Designation		
Software Developer	64	25.60
Software Designer	58	23.20
Software Programmer	79	30.40
Software Tester	49	18.40
Working Experience		
1– 4 years	77	30.80
5 – 8 years	89	35.60
9 – 12 years	52	20.80
13 – 16 years	32	12.80

5.2. CONSCIOUSNESS OF EMPLOYEES ON BALANCED SCORECARD IN IT COMPANIES

The consciousness of employees on balanced scorecard in IT companies is given in Table-2.

Table-2
 . Consciousness of Employees on Balanced Scorecard in IT Companies

Consciousness on Balanced Scorecard	Mean	Standard Deviation
Balanced scorecard is a good method for assessing performance	3.92	0.77
Balanced scorecard is an effective planning tool	3.86	0.85
Balanced scorecard is highly flexible	3.37	1.01
Balanced scorecard helps in taking appropriate decision	3.84	0.88
Balanced scorecard is very easily understandable	3.35	1.04
Balanced scorecard is useful to enhance competencies of employees	3.90	0.80
Balanced scorecard is not threatening to employees	3.32	1.07
Balanced scorecard assists employee to set their job priorities	3.82	0.93
Balanced scorecard makes employees to realize their responsibilities	3.88	0.83
Balanced scorecard give accurate feed back on performance of employees	3.80	0.97

The employees are agreed with balanced scorecard is a good method for assessing performance, balanced scorecard is an effective planning tool, balanced scorecard helps in taking appropriate decision, balanced scorecard is useful to enhance competencies of employees, balanced scorecard assists employee to set their job priorities, balanced scorecard makes employees to realize their responsibilities and balanced scorecard give accurate feed back on performance of employees, while, they are unsure with balanced scorecard is highly flexible, balanced scorecard is very easily understandable and balanced scorecard is not threatening to employees.

5.3. CONSCIOUSNESS OF EMPLOYEES ON BALANCED SCORECARD IN IT COMPANIES AND FEATURES OF EMPLOYEES

The relationship between consciousness of employees on balanced scorecard in IT companies and features of employees is following as.

5.3.1. Consciousness on Balanced Scorecard and Gender

The relationship between gender of employees and consciousness on balanced scorecard is given in Table-3.

Table-3.
 Consciousness on Balanced Scorecard and Gender

Gender	N	Mean	Standard Deviation	t-Value	Significance
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Male	117	36.39	5.11	4.663**	.000
Female	133	39.62	4.67		

** Significant in 1% level

Mean value of consciousness on balanced scorecard for male and female employees are 36.39 and 39.62 sequentially. This explicates that consciousness of female employees on balanced scorecard is better than male.

The t-value is 4.663 and it discloses that significant difference exists between consciousness on balanced scorecard and gender of employees.

5.3.2. Consciousness on Balanced Scorecard and Age

The relationship between age of employees and consciousness on balanced scorecard is given in Table-4.

Table-4.
Consciousness on Balanced Scorecard and Age

Age	N	Mean	Standard Deviation	F-Value	Significance
21 – 25 years	47	36.25	5.92	5.337**	.000
26 – 30 years	75	38.19	5.78		
31 – 35 years	72	39.51	5.39		
36 – 40 years	56	36.54	5.84		

** Significant in 1% level

Mean value of consciousness on balanced scorecard for employees in age of 21 – 25 years, 26 – 30 years, 31 – 35 years and 36 – 40 years are 36.25, 38.19, 39.51 and 36.54 sequentially. This explicates that consciousness of employees in age of 31 – 35 years on balanced scorecard is better than others.

The F-value is 5.337 and it discloses that significant difference exists between consciousness on balanced scorecard and age of employees.

5.3.3. Consciousness on Balanced Scorecard and Education

The relationship between education of employees and consciousness on balanced scorecard is given in Table-5.

Table-5
. Consciousness on Balanced Scorecard and Education

Education	N	Mean	Standard Deviation	F-Value	Significance
B.E.	90	36.45	5.49	6.875**	.000
M.E.	37	37.02	5.79		
B.Tech.	42	39.82	4.78		
M.C.A.	81	35.63	5.48		

** Significant in 1% level

Mean value of consciousness on balanced scorecard for employees possess B.E., M.E., B.Tech., and M.C.A. are 36.45, 37.02, 39.82 and 35.63 sequentially. This explicates that consciousness of employees possess B.Tech. on balanced scorecard is better than others.

The F-value is 6.875 and it discloses that significant difference exists between consciousness on balanced scorecard and education of employees.

5.3.4. Consciousness on Balanced Scorecard and Designation

The relationship between designation of employees and consciousness on balanced scorecard is given in Table-6.

Table-6.
Consciousness on Balanced Scorecard and Designation

Designation	N	Mean	Standard Deviation	F-Value	Significance
Software Developer	64	36.59	5.87	5.594**	.000
Software Designer	58	36.79	5.12		
Software Programmer	79	39.98	4.61		
Software Tester	49	37.18	5.75		

** Significant in 1% level

Mean value of consciousness on balanced scorecard for employees in designation of software developer, software designer, software programmer and software tester are 36.59, 36.79, 39.98 and 37.18 sequentially. This explicates that consciousness of employees in designation software programmer on balanced scorecard is better than others.

The F-value is 5.594 and it discloses that significant difference exists between consciousness on balanced scorecard and monthly income of employees.

5.3.5. Consciousness on Balanced Scorecard and Working Experience

The relationship between working experience of employees and consciousness on balanced scorecard is given in Table-7.

Table-7.
Consciousness on Balanced Scorecard and Working Experience

Working Experience	N	Mean	Standard Deviation	F-Value	Significance
1– 4 years	77	37.96	5.76	5.186**	.000
5 – 8 years	89	36.17	5.59		
9 – 12 years	52	38.44	4.81		
13 – 16 years	32	39.13	4.74		

** Significant in 1% level

Mean value of consciousness on balanced scorecard for employees bear 1– 4 years, 5 – 8 years, 9 – 12 years and 13 – 16 years of working experience are 37.96, 36.17, 38.44 and 39.13 sequentially. This explicates that consciousness of employees bear 13 – 16 years of working experience on balanced scorecard is better than others.

The F-value is 5.186 and it discloses that significant difference exists between consciousness on balanced scorecard and monthly income of employees.

5.4. RELATION AMONG CONSCIOUSNESS OF EMPLOYEES ON BALANCED SCORECARD AND THEIR PERFORMANCE IN IT COMPANIES

The correlation analysis is carried out to examine relation among consciousness of employees on balanced scorecard and their performance in IT companies and the result is shown in Table 8.

Table-8.

Consciousness of Employees on Balanced Scorecard and their Performance in IT Companies

Particulars	Correlation Coefficient
Consciousness of Employees on Balanced Scorecard and Their Performance in IT Companies	0.57**

** Significance in 1% level

The value of correlation coefficient among consciousness of employees on balanced scorecard and their performance in IT companies is 0.57 and it illustrates that both are moderately and positively related with each other.

6. CONCLUSION

The findings of this study elucidate that the employees are agreed with balanced scorecard is a good method for assessing performance, balanced scorecard is an effective planning tool, balanced scorecard helps in taking appropriate decision, balanced scorecard is useful to enhance competencies of employees, balanced scorecard assists employee to set their job priorities, balanced scorecard makes employees to realize their responsibilities and balanced scorecard give accurate feed back on performance of employees. There exits significant difference in consciousness of employees on balanced scorecard in IT companies and their features. Consciousness of employees on balanced scorecard is significantly, positively and moderately related with their performance in IT companies. Therefore, balanced scorecard should be highly flexible and it must be very easily understandable by employees. Besides, balanced scorecard should not give any threatening to employees.

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