

## Balanced scorecard as a management method and its integration with the quality management system

Creating effective enterprise management systems is one of the most important problems of modern managers. Any model of the company's management includes stages like planning and analysis, for example, the PDCA cycle of Shewhart-Deming. As we know, the process of planning precedes the implementation of all other administrative functions as it is intended to formulate goals and objectives of the enterprise, ways and means and methods of achieving them. That is one of the main aspects of the management system, the proposed standard GOST ISO 9001-2011 [1]. In order to achieve the previously planned objectives director and managers must constantly monitor and measure processes and products through the key performance indicators, consistent with the balanced scorecard (BSC).

Currently, many companies use the balanced scorecard for performance assessment. BSC was described at the beginning of the 1990s by American scientists R. Kaplan and P. Norton [2]. According to them, BSC provides managers a tool to achieve the desired results in a complex competitive environment.

In essence, the BSC is a method of implementing the strategy of the organization. It can become the basis for a balanced structuring of management subsystems and reorientation of their strategy [3].

An example of the integration BSC with management system is furniture factory «XXX». It is difficult to determine the «boundaries» of a control subsystem. This can be done only on the basis of a very simplified model. Enterprise management system is based on the PDCA cycle. Fig. 2 presents a simple chain of furniture factory's management. BSC ranks «control» as a motivating and controlling system, but indicators for monitoring are formed on the stage of «planning.» QMS at the enterprise is realized on the stages of «planning» and «realization».

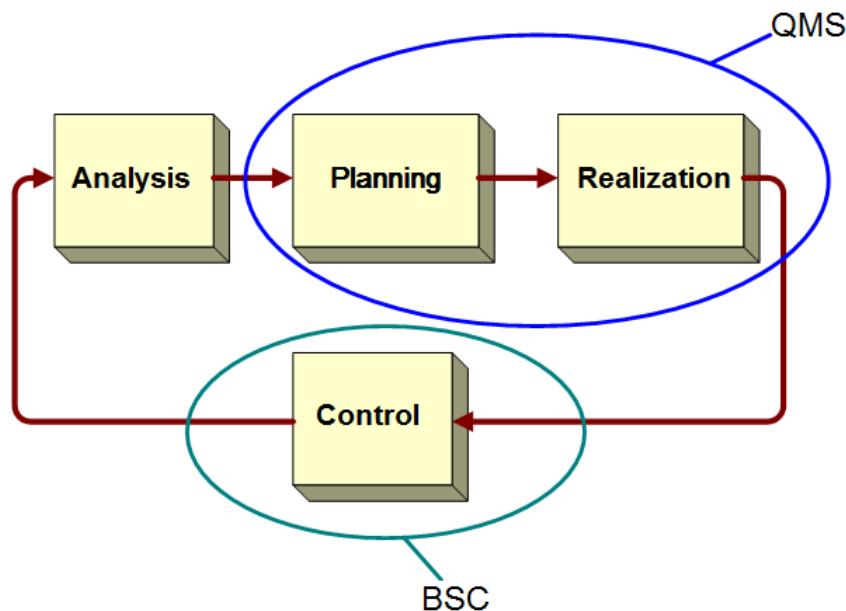


Fig. 2 Chain of management

Table 1 shows the interaction of some control subsystems of furniture factory with BSC and QMS (based on standard GOST ISO 9001-2011) [1] [4].

## QMS BSC

Management subsystem	QMS		BSC	
	p.	Note	+/-	Note
Personnel management: <ul style="list-style-type: none"> <li>• motivation</li> <li>• internal training</li> <li>• examinations</li> </ul>	6.2.1, 6.2.2	Present fully, described the general requirements	+	BSC allows using staff performance increase motivation, create transparent requirements
Operative controlling: <ul style="list-style-type: none"> <li>• internal audits</li> <li>• corporate Time Management</li> <li>• expertise</li> </ul>	5.6, 8.2.2, 8.2.3, 8.4	Described internal audits, monitoring and measurement	+	BSC provides a measure of the work units, identify bottlenecks
Document management: <ul style="list-style-type: none"> <li>• flow of documents</li> <li>• organization network</li> </ul> resource information exchange	4.2.3, 5.5.3	Contains full documentation requirements	+	Document control is carried out through certain indicators
Business Process Management: <ul style="list-style-type: none"> <li>• strategic planning</li> <li>• rationalization proposals</li> <li>• process approach</li> </ul>	5.4	Planning based on goals	+	Transformation of strategic objectives into specific indicators for each business process

In general terms, all management subsystem interacts with the BSC through the following channels:

- each of the subsystems contributes to the implementation of the strategy;
- each of the subsystems of management must be adapted (aligned) by introducing a strategy;
- each of the subsystems of management can be a source of information for the BSC (including other subsystems).

Based on the foregoing, the balanced scorecard can be easily integrated into the enterprise management system, it complements the QMS (GOST ISO 9001-2011), as can be seen from the table. Integrating BSC with management system of enterprise, managers are able to facilitate communication between departments at all organizational levels, converting the huge flow of data in the intelligible information, and provides an understanding of the BSC strategic objectives of all the participants of the production process and helps to prevent critical situations. From the above it can be concluded that the Balanced Scorecard is a tool for measuring the effectiveness of the enterprise, based on a strategy that reflects the most important aspects of business.

### References

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