

COMPARISON OF DASHBOARD-BASED AND BALANCED SCORECARD-BASED CORPORATE PERFORMANCE MANAGEMENT SYSTEM

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ABSTRACT

Under current hypercompetitive and technology driven economic environment, more companies are using a corporate performance management (CPM) system to gain more accurate understandings of the company goals and strategies and to craft methods of achieving those goals and strategies. While CPM systems are generally implemented in two approaches: dashboard approach and scorecard approach, very few studies examine the effectiveness of each type of CPM systems implementation. Therefore, the main objective of this study is to assess the effectiveness of a dashboard based and a balanced scorecard based corporate performance management system. The effectiveness is examined through management effectiveness, degree of employee involvement, and usability.

In the research study, a dashboard prototype and a BSC prototype were created for a case company to address research objectives. A balanced scorecard framework and a strategy map were first proposed for the case company to facilitate the prototype construction. SAP Strategic Enterprise Management (SEM) 6.0 and SAP BusinessObjects' Xcelsius 2008 were used to construct and to deploy the proposed BSC based and the dashboard based CPM, respectively. Results were analyzed and conclusions were derived from surveys obtained from both company users and academic users.

Results indicated that a BSC based CPM system provides a higher degree of employee involvement than a dashboard based CPM system while a dashboard based CPM system have better level of usability than a BSC based CPM system to users. The scorecard approach will lead to higher degree of employee involvement in terms of helping users to understand the company's strategies, goals, and objectives, helping users to understand initiatives/actions that the company is taking, and helping users to understand their roles and responsibilities in the company. While the dashboard approach will result in better usability in terms of easy to understand, user-friendly interface and easily to learn to operate. However, a BSC based CPM does not appear to be more effective than a dashboard based CPM.