Chapter 3
The Socio–Technical Balanced Scorecard for Assessing a Public University

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ABSTRACT

The socio-technical theory is concerned with humanistic welfare paradigm. The socio-technical principles aim to improve redundant jobs and thereby benefit human work lives. Hence, jobs are enriched using flexible work methods, empowerment strategies and new technologies. Balanced scorecard is a framework that measures whether the firm is meeting its objectives in terms of vision and strategy. It assesses four perspectives: financial, customer, internal business processes and innovation & learning. Even though the balanced scorecard has proven to be beneficial in the for-profit organizations of the past, most non-profit organizations were unable to utilize the balanced scorecard. The original configuration of balanced scorecard placed financial goals on the top of the hierarchy and since maximizing shareholder wealth is not the main objective for most non-profit organizations, it was not widely applied by these organizations. Since non-profit organizations usually operate to maximize the well-being of the society, socio-technical work design principles may receive a greater acceptance in these organizations than in for-profit organizations. Thus, a socio-technical balanced scorecard for the non-profit organizations will be formulated with an emphasis on employee perspective and a public university wide assessment will be proposed.

INTRODUCTION

Socio-technical theory is half a century old. It was found by a group of researchers, therapists, and consultants at the London Tavistock Clinic to assist soldiers for regaining their mental stability and health after the war. The group at Tavistock Clinic believed that treatment ideas used for healings the soldiers could be applied for enriching jobs. In line with this thinking, the Tavistock institute was developed by this group in 1946. The Tavistock institute wanted to merge disciplines such as psy-
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HISTORICAL OVERVIEW OF THE SOCIO-TECHNICAL THEORY

The socio-technical theory was first applied in organizations in the 1970s. It was believed that socio-technical ideas could facilitate the design of jobs in a way that improve human work lives. So, jobs were enriched using flexible work methods, empowerment strategies and new technologies. Even though many organizations applied the socio-technical theory in the past, people still have jobs that are routine, closely monitored and provide little room for personal development (Checkland & Holwell, 2004; Mumford, 2003, 2006).

In the 1970s, socio-technical theory was widely applied for designing jobs. However, many firms came under pressure during the 1980s to cut costs and during these circumstances socio-technical ideas were seen as expensive and risky to implement. During 1990s socio-technical design principles continued to struggle, as there was little room for investment in the human capital. The focus was mainly on lean production methods and business process reengineering flourished. A widely accepted methodology which gained corporate awareness during the 1990s is the balanced scorecard (Robert S. Kaplan & Norton, 1992). The balanced scorecard provides an assessment on the firm’s financial position, customer satisfaction, internal processes, and research & development. In other words, the balanced scorecard provides the manager with information about problems areas and invokes change to correct inconsistencies in the organization. Although the balanced scorecard has been fruitful for the for-profit organizations, its use in the non-profit sector has been rare. The original configuration of balanced scorecard placed the financial goals on the top of the hierarchy but as the non-profit organizations generally function for the well-being of the society and maximizing shareholder wealth is not the main objective, it was not widely applied by these organizations. Hence, a socio-technical balanced scorecard with an emphasis on employee perspective will be developed and proposed for assessing a public university.
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