Balanced Scorecard: An instrument of change for Facilities Services

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BALANCED SCORECARD: AN INSTRUMENT OF CHANGE
FOR FACILITIES SERVICES

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Business Administration

by
Beverly Sue Delker Gentry
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ABSTRACT

To survive in today’s environment, organizations must be flexible, service-oriented, and cost-effective. Some organizations may believe they embody these factors, but have not truly measured their performance, much less compared their performance to applicable industries. So, the reality is, though they may think they are prepared to survive the present and future environment, they are not.

Public institutions, specifically higher education institutions in this instance, are not exempt from this reality. For example, the cost of higher education, as well as other public institutions, has been under scrutiny by the public, lawmakers, and the press. It is clear that institutions of higher education must not only account to the public for the funding they use, but use the funding and learning environment to better themselves and to improve continuously.

Balanced Scorecard implementation is a successful and systemic approach to enrich the performance of an organization. It incorporates the strategy of gaining knowledge about the organization to enhance performance, and improve effectiveness and efficiency. It helps the organization manage its strategy over the long-term. It is an instrument of change.
Balanced Scorecard can help an organization review and improve its financial, customer service, internal processes, and human capital aspects in order to better optimize end results (e.g., financial stewardship, customer satisfaction, effective and efficient processes and employee engagement). Balanced Scorecard is a tool that organizations can use to increase their capacity for change and become a learning organization.

Though Balanced Scorecard (BSC) can be applied to any type of organization, California State University, San Bernardino’s (CSUSB) Facilities Services chose to use BSC as an instrument of change for its organization. In order for a change instrument to have results, the organization must have top leadership highly supportive of the instrument and change. CSUSB Facilities Services has such leadership. Additionally, the department is fortunate to be a part of a national Facilities Management organization (APPA: The Association of Higher Education Facilities Officers) that strongly encourages a culture of organizational change and various tools to use for change (APPA’s Strategic Assessment Model), or use in partnership with an existing improvement framework.

This project examines the use of Balanced Scorecard for Facilities Services at California State University,
San Bernardino. This project addresses three main aspects: 1) examination and explanation of the Balanced Scorecard and how it can be used, 2) findings from the application of Balanced Scorecard at Facilities Services (at California State University, San Bernardino), and 3) recommendations based on the application of the Balanced Scorecard improvement framework at Facilities Services (at California State University, San Bernardino). The recommendations discussed in this project primarily highlight the need for a broader measurement portfolio as well as increasing communication about the Balanced Scorecard program throughout the department. This project also recommends the positive benefits that occur by incorporating BSC into the very culture of the organization.

An organization cannot manage what it does not know - therefore, in order to improve, the organization must formulate and measure objectives. Employees of an organization often take an effort to improve what they know is being measured, dependent upon how it is presented to them by leadership. Last, but not least, a change framework such as the Balanced Scorecard needs to be a part of an organization's culture in order to truly be effective.
ACKNOWLEDGMENTS

I would like to recognize the assistance of the graduate advisory committee: Dr. Sue Greenfeld (Committee Chair), David DeMauro (Second Reader), and Dr. Pat McInturff (Management Department Chair). I would like give special acknowledgement to Dr. Greenfeld for her support, help, and guidance throughout my master's program. She has been an invaluable teacher and coach. Additionally, I would like to thank CSUSB's Facilities Services Director, Tony Simpson, and David DeMauro, Vice President for Administration and Finance, for their leadership, openness, and support for this project as well as my educational experience during my work at CSUSB. It would not have been possible without all of you!
DEDICATION

I would like to dedicate this to my loving husband, Rick, whose tireless support has made the completion of my Master’s program a true partnership. Words cannot express my gratitude for his patience and encouragement. He was willing to take on a double portion of “chores” while I was either at class or had my nose in a book or on a computer screen, and he put up with my absence while I was in “school mode.” I also dedicate this project to my parents, Clarence and Ruth Delker, whose continuous encouragement of my studies made college and graduate education a reality rather than a dream. Lastly, I thank my God whose blessings have made it all possible in the first place.
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CHAPTER ONE
INTRODUCTION

Introduction

Organizational performance is always measured in the minds of stakeholders. The mental measurement may be informal or formal by customers, employees or other stakeholders. For example, students have opinions about the teaching effectiveness of their teachers and faculty have perceptions about the instructional effectiveness of their peers. Every person’s work and every organization’s output is measured somehow, someway, by someone. The biggest problem for many people and organizations is that they do not know or understand how their performance is measured, and because they do not understand how they are measured, they do not understand the outcome of their work, how to improve, or how to stay competitive in the future.

Entrepreneurs are known for their usually high rate of business failure. But start-up businesses are not the only ones failing. Some very mature and well-established businesses have failed throughout history. Why? Many of them simply did not measure the market, or measure upcoming market changes. Though this may not seem like
such a big deal at first, it led to their demise. Measurement is vital to an organization’s well being.

The Balanced Scorecard, used as a strategic management system, will accomplish the following critical management processes:

1. Clarify and translate vision and strategy
2. Communicate and link strategic objectives and measures
3. Plan, set targets, and align strategic initiatives
4. Enhance strategic feedback and learning (Kaplan and Norton, 1996).

An organization must first clearly articulate its mission, vision, and objectives. It must realize the interrelationships between core processes. The Balanced Scorecard framework helps the organization to “balance” its goals and measures by reviewing four key areas: 1) financial performance, 2) customer knowledge, 3) internal business processes, and 4) learning and growth. More specifically the organization considers: 1) How do we look to resource providers? 2) How do customers see us? 3) Are we productive and effective? and 4) Can we sustain excellence over time (Givens, 2000)?
It is the author’s opinion that Balanced Scorecard measurement accomplishes many of the same concepts achieved in benchmarking:

- Understanding the important elements that will ensure success for an organization.
- Understanding the critical process of an organization.
- Setting goals and adopting new knowledge to improve performance (Qayoumi, 2000).

Purpose of the Project

The purpose of this project is to develop Balanced Scorecard recommendations based on analysis that was conducted for Facilities Services at California State University, San Bernardino (CSUSB). Facilities Services wants to understand how its stakeholders view their work and also how and where to improve. The Balanced Scorecard quality improvement framework simply describes how the department will move from its mission to its vision using goals and objectives. Additionally, measurements are sought to assess the success of the objectives or strategies used.

It will be important, also, for Facilities Services to have a better understanding of its core processes and
how the processes related to outcomes (i.e., measurements). Benefits the organization hopes to achieve (as adapted from *Benchmarking and Organizational Change*) are:

- Improving the financial and non-financial performance of the organization.
- Identifying meaningful goals and striving to achieve them.
- Reducing organizational inertia and fostering a culture of continuous improvement.
- Becoming more customer focused and seeking ways to meet or exceed customer requirements.
- Attaining and sustaining a position of leadership in the industry.
- Seeking systemic approaches to capitalize on strengths and minimize or eliminate vulnerabilities.
- Enhancing organizational agility and improving the likelihood of achieving "stretch" goals.
- Disseminating best practices across the organization and encouraging cross-pollination of new approaches.
• Elevating the organization from a surviving mode to a thriving mode.
• Creating and sustaining a learning organization.

According to Adgar Schein (1985) in *Organizational Culture and Leadership: A Dynamic View*, cultural change can occur only when a leader recognizes that the old organizational culture is detrimental and has the foresight to formulate and implement a new culture.

**Context of the Problem**

The context of the problem is to address the development of recommendations for the department as well as each area that reports to the department head (i.e., Building Maintenance, Custodial Services, etc.). Facilities Services desires a way to discover the demands of its stakeholders and find out if the department is meeting those demands. It hopes to create a culture of continuous improvement.

**Significance of the Project**

According to the author’s review of literature regarding the Balanced Scorecard, most applications have been to private industry. Yet, recently, public institutions are now investigating the use of this quality improvement tool. Some find its application difficult in
a bureaucratic and non-profit oriented institution. This study will show how the Balanced Scorecard can successfully be used at a public education institution to affect improvement.

Definition of Terms

The following terms are defined as they apply to the project.

- **APPA** - Association of Physical Plant Administrators, now more commonly known as The Association of Higher Education Facilities Officers. This organization unites higher education facilities leaders throughout the nation as well as internationally and provides training for the many aspects within facilities occupations.

- **Backlog Index** - is defined by APPA as an indicator of productivity and resource allocation. It shows how well the organization is keeping up with the workload. Backlog may be influenced by several variables, some of which may be outside the control of the organization. Nevertheless, it signals a need for attention with respect to potential process improvement.
and can have a correlation to other performance indicators. Backlog index is defined as the number of staff-hours required for completing open work orders or transactions normalized by the total number of staff-hours available to work on the backlog on an annual basis. It is generally represented as a percent of total payroll hours for the year. (APPA - Information Resources - Research - SAM - Internal Perspective - Backlog, 2003.)


- CSU - An abbreviation for the California State University system.

- CSUSB - An abbreviation for the California Statue University campus located at San Bernardino.

- CRV - Current Replacement Value (CRV) is defined by APPA as the total amount of expenditure in current dollars required to replace the
institution's educational and general facilities to its optimal condition (excluding auxiliary facilities). It should include the full replacement cost for all buildings, grounds, utility systems, and generating plants. Furthermore, it would meet the current acceptable standards of construction and comply with regulatory requirements. It is recommended that the organization quantify the average total project cost per square foot and then multiply that by the gross square footage of (educational and general) buildings considered a part of the current replacement value. The cost to replace grounds, utilities and generating plant should also be included to the extent they support general educational facilities, yet exclude auxiliary operations. Insurance replacement values or book values should not be used (APPA. Information Resources. Research: SAM - Financial Perspective. Current Replacement Value, 2003).

Deferred Maintenance Deficiencies - is defined by APPA as the total dollar amount of existing major maintenance repairs and replacements,
identified by a comprehensive facilities condition audit of buildings, grounds, fixed equipment, and infrastructure needs. It does not include projected maintenance and replacements or other types of work, such as program improvements or new construction; these items are viewed as separate capital needs (APPA. Information Resources. Research: SAM - Financial Perspective. Facility Condition Index, 2003).

Energy Usage - is defined by APPA as a performance indicator that is expressed as a ratio of British Thermal Units (BTU) per Gross Square Foot (GSF) of the facility. The purpose of selecting this indicator is that it represents a universal energy consumption metric that is commonly considered a worldwide standard. This energy usage metric can be tracked over a given period of time to measure changes and variances of energy usage. Major factors that effect BTU per GSF are outside ambient temperature, building load changes, and equipment efficiencies. Energy Usage is defined as the amount of energy it takes for heating,
cooling, lighting, and equipment operation per
gross square foot. This indicator is
traditionally represented as total energy
consumed annually or monthly. All fuels and
electricity are converted to their respective
heat, or BTU content, for the purpose of
totaling all energy consumed (APPA. Information
Resources. Research: SAM - Internal

- Facility Operating Index - a.k.a. Facility
Operating Gross Square Foot (GSF) Index is
described by APPA as an indicator representing
the level of funding provided for the
stewardship responsibility of the institution’s
educational and general (E&G) capital assets.
The indicator is expressed as a ratio of annual
facility maintenance operating expenditures to
the institution’s gross square feet (GSF).

Annual Facility Maintenance Operating
Expenditures includes all expenditures to
provide service and routine maintenance related
to facilities and grounds used for E&G purposes.
It also includes expenditures for major
maintenance funded by the Annual Facilities
Maintenance Operating Budget. This category does not include expenditures for major maintenance and/or capital renewal funded by other institutional accounts, nor does it include expenditures for utilities and institutional support services such as mail, telecommunications, public safety, security, motor pool, parking, environmental health and safety, central receiving, etc. Gross Square Footage (GSF) is the cumulative total of the institution's (E&G) space on all floors of the building. Traditionally computed as the length multiplied by the width using the outside façade of the exterior walls excluding the auxiliary enterprise square footage areas (APPA.


Facility Operating GIE' Index - is described by APPA as an indicator that represents the level of funding provided for the stewardship responsibility of the institution's educational and general (E&G) capital assets. The indicator is expressed as a ratio of annual facility
maintenance operating expenditure to the institution's gross institutional expenditures. This category does not include expenditures for major maintenance and/or capital renewal funded by other institutional accounts, nor does it include expenditures for utilities and institutional support services such as mail, telecommunications, public safety, security, motor pool, parking, environmental health and safety, central receiving, etc. Gross Institutional Expenditures (GIE) is defined as the institution's total expenditures for educational and general purposes and excludes expenditures for all auxiliary functions (APPA. Information Resources. Research: SAM – Financial Perspective. Facility Operating GIE Index, 2003).

- FCI - The Facilities Condition Index (FCI) is defined by APPA as a comparative indicator of the relative condition of facilities. The FCI is expressed as a ratio of the cost of remedying maintenance deficiencies to the current replacement value. The FCI provides the facilities professional a method of measurement
to determine the relative condition index of a single building, group of buildings, or the total facility (physical plant). This calculation also provides the facility professional a corresponding rule of thumb for the annual reinvestment rate (i.e., funding percentage) to prevent further accumulation of deferred maintenance deficiencies (APPA. Information Resources. Research: SAM - Financial Perspective. Facility Condition Index, 2003).

- GIE Index - See "Facility Operating GIE Index."
- Process Improvement - CSU's Process Improvement Methodology (PIM, formerly called Process Mapping) that identifies limitations in operations and devises more streamlined, customer-focused processes.
- QI - An abbreviation for CSU’s Quality Improvement (QI) programs.
- SAM - An acronym for the Strategic Assessment Model (SAM) designed by APPA for use by facilities management organizations. This model incorporates concepts from Balanced Scorecard and Malcolm Baldrige criteria. The model
provides example measures for BSC and Baldrige categories.

Organization of the Project

This project is divided into five chapters. Chapter One provides an introduction to the Balanced Scorecard framework and how it is used, purpose of the project, significance of the project, and definitions of terms. Chapter Two consists of background information, who uses the Balanced Scorecard and known benefits and limitations. Chapter Three documents the application of the Balanced Scorecard to CSUSB Facilities Services, measurements, results or findings, strengths and shortcomings. Chapter Four presents the analysis of the project findings and discussion of areas of strengths and weaknesses. Chapter Five presents the conclusions and recommendations of the author drawn from the development of the project and its success or failure for CSUSB Facilities Services. Project references follow Chapter Five. The Appendices for the project consists of: Appendix A CSUSB ADMINISTRATION AND FINANCE STRATEGIC PLAN FOR 2000 - 2005; Appendix B CSUSB FACILITIES SERVICES STRATEGIC PLAN FY 2000-2001; Appendix C CSUSB DIVISION OF ADMINISTRATION AND FINANCE 2002 EMPLOYEE CLIMATE SURVEY; Appendix D CSUSB FACILITIES
SERVICES BALANCED SCORECARD MEASUREMENTS FY 2000-2001; and Appendix E LIST OF CAMPUS FACILITIES DEPARTMENTS USING BALANCED SCORECARD PLANS.
CHAPTER TWO
BACKGROUND

Introduction
Chapter Two consists of a discussion of the background, specifically, explaining what “Balanced Scorecard” (BSC) is, how it is used (or who uses it), as well as the benefits and limitations of the Balanced Scorecard, and why it was selected as an analytical tool for this particular project.

What is the Balanced Scorecard?

The Balanced Scorecard is a management system designed by Robert S. Kaplan and David P. Norton (1996) as described in their book, The Balanced Scorecard. The Balanced Scorecard is used to guide current as well as target future performance by looking at measures in four categories: 1) financial performance, 2) customer knowledge, 3) internal business processes, and 4) learning and growth. More specifically the organization considers:

1) How do we look to resource providers? 2) How do customers see us? 3) Are we productive and effective? and 4) Can we sustain excellence over time (Givens, 2000)?
The organization obtains "balance" or a type of equilibrium by maintaining momentum in the four categories (a.k.a. "perspectives") at the same time. There is an understanding that the organization cannot survive without addressing issues in all four categories. For example, it would be shortsighted to appeal constantly to the customer without considering the impact of such initiatives to the company's expected profit and cash flow, internal processes needed to support the initiative, and the human capital and ability to perform the tasks to complete the initiatives. The purpose of the Balanced Scorecard is to align individual, organizational, and cross-departmental goals with the company's mission and vision. (See Figure 1.)
How do we look to resource providers?

How do customers see us?

Are we productive and effective?

How do our employees feel?

Figure 1. Components of the Balanced Scorecard.


Who Uses the Balanced Scorecard?

The Balanced Scorecard was originally designed for private industry. Norton and Kaplan (1996) specifically write about the positive experiences of five companies that used Balanced Scorecard to successfully manage change: Rockwater, Metro Bank, Pioneer Petroleum, National Insurance, and Kenyon Stores. Additionally, early adopters such as Mobil, CIGNA, Brown & Root, and Chemical Bank used the Balanced Scorecard to drive decentralization, transformation, a profitable merger, and resource
allocation, respectively (Kerr, 2002). Mobil leaped from last to first in profitability within its industry from 1993 to 1995, a rank it maintained for the next four years (Berkman, 2002). CIGNA turned around their stock price from $59 per share in 1993 to $205 per share in 1997. Brown & Root turned around a company from a loss to number one in growth and profitability. Chemical Bank increased profits 20 times from 1993 to 1998 (Kerr, 2002).

Public institutions are also looking at the Balanced Scorecard as a way to measure and drive performance. In fact, Texas State Auditor’s Office used the Balanced Scorecard to reduce costs and increase timeliness of reporting (Kerr, 2002). (See Figure 2.)
Several campuses within the California State University (CSU) system are incorporating a form of the Balanced Scorecard into their strategic planning. Those campuses are the Chancellor's Office, CSU Chico, CSU Fullerton, CSU Long Beach, CSU Northridge, Cal Poly Pomona, CSU San Bernardino, CSU San Jose, Cal Poly San
Luis Obispo, CSU San Marcos, and CSU Stanislaus. Most, if not all, of the above named campuses have chosen to use the Balanced Scorecard in a division or area of the campus, not necessarily campus-wide. Most have selected a division or departments in which to pilot their Balanced Scorecard programs.

Benefits of the Balanced Scorecard

Balanced scorecard provides many benefits to an organization. For example, it creates accountability for the goals and objectives in an organization. It connects strategy to performance. It provides a way of identifying whether or not progress is being made and gives the organization opportunity to adjust as necessary. It helps people in the organization understand cause-and-effect relationships of the things they do.

The overall concept of four categories of goals is relatively easy for employees and management in an organization to understand. It helps everyone understand the mission, vision and strategy of the organization. It clarifies objectives, helps employees see the long-term effects of actions, and helps them to understand their contributions.
Balanced Scorecard, especially as used in the public setting, is still a relatively new concept, hence judgment on its success or failure may be a bit premature. Its simplicity or complexity depends on the people and the organization using it. Its simplicity is derived from the idea that there are only four basic areas needing to be addressed. As an organization continues to use it, the organization may add more complex measures and more specific or redefined objectives and goals. Hence, a Balanced Scorecard may become more complex as it matures with the organization, but this complexity is very dependent on the organization’s use of BSC.

Though other frameworks may cover more areas, those areas can inevitably be a part of a BSC. For instance, if an organization wants to track multiple areas (such as found in the Malcolm Baldrige measurement categories - see Table 1 for an example), the organization could do so with BSC.
Table 1. Malcolm Baldrige Framework

<table>
<thead>
<tr>
<th>Scoring Guidelines</th>
<th>Points</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leadership</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>1.1 Organizational Leadership</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>1.2 Public Responsibility and Citizenship</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2. Strategic Planning</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>2.1 Strategy Development</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2.2 Strategy Deployment</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>3. Customer and Market Focus</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>3.1 Customer and Market Knowledge</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>3.2 Customer Relations and Satisfaction</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>4. Information and Analysis</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>4.1 Measurement of Organizational Performance</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>4.2 Analysis of Organizational Performance</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>5. Human Resource Focus</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>5.1 Work Systems</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>5.2 Employee Education, Training, and Development</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>5.3 Employee Well-Being and Satisfaction</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>6. Process Management</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>6.1 Product and Service Processes</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>6.2 Business Processes</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>6.3 Supplier Processes</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>7. Business Results</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>7.1 Customer-Focused Results</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>7.2 Financial and Market Results</td>
<td>125</td>
<td></td>
</tr>
<tr>
<td>7.3 Human Resources Results</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>7.4 Organizational Effectiveness Results</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

Total Points 1000


APPA's Strategic Assessment model is an example of doing just that. In APPA's publication, The Strategic Assessment Model, second edition (2001), SAM combines the
elements of the Balanced Scorecard and Malcolm Baldrige program. To do so, SAM has three components: the four perspectives of the Balanced Scorecard, quantitative performance indicators, and qualitative criteria for determining the levels of performance of an organization in each of the Scorecard perspectives. SAM incorporates the Malcolm Baldrige scoring guideline categories of 1) Leadership and 2) Strategic Planning more subtly in that it is expected that leadership will act as the foundation of the SAM and strategic planning more like a top guiding force, between which the Balanced Scorecard perspectives act as a support structure between the two. (See Figure 3, the author's visual aid for this "building" type of model.)
Figure 3. A Visual Aid to Describe the Association of Higher Education Facilities Officers (APPA) Strategic Assessment Model (SAM).

Idea credited to Larry Givens.

Additionally, the SAM BSC perspectives incorporate definitions from the Baldrige model:

- Financial Perspective
  - Measurement of Organizational Performance - Baldrige category 4.1
  - Analysis of Organizational Performance - Baldrige category 4.2
  - Financial and Market Results - Baldrige category 7.2
o Customer Perspective
  o Customer and Market Knowledge - Baldrige category 3.1
  o Customer Relationships and Satisfaction - Baldrige category 3.2
  o Customer-Focused Results - Baldrige category 7.1

o Internal Process Perspective
  o Product and Service Processes - Baldrige category 6.1
  o Business Processes - Baldrige category 6.2
  o Supplier Processes - Baldrige category 6.3
  o Human Resource Results - Baldrige category 7.4

o Innovation and Learning Perspective
  o Work Systems - Baldrige category 5.1
  o Employee Education, Training, and Development - Baldrige category 5.2
  o Employee Well-Being and Satisfaction - Baldrige category 5.3
  o Human Resource Results - Baldrige category 7.3 (APPA, 2001)

Hence, APPA’s SAM shows that Balanced Scorecard is robust enough to include other frameworks.
Kaplan and Norton (1996) explain how an organization’s BSC is dependent upon and interlinked with leadership and strategic planning. Additionally, it can incorporate multiple areas of other frameworks, yet remain simple enough for organizational stakeholders to understand. It addresses key areas of the organization and includes key stakeholders in a rational and logical manner.

**Limitations of the Balanced Scorecard**

Some administrators argue that the concept is too simplistic and does not specifically address other important areas such as leadership and strategic planning in a business or university setting. Other frameworks may better cover multiple areas, such as the Malcolm Baldrige National Quality Award criteria that uses a much broader spectrum of seven categories for the private sector: 1) leadership, 2) strategic planning, 3) customer and market focus; 4) measurement, analysis, and knowledge management, 5) human resource focus, 6) process management, and 7) business results (Baldrige National Quality Program. Criteria for Performance Excellence: Business Criteria for Performance Excellence, 2003). Education Criteria for Performance Excellence include: 1) leadership, 2)
strategic planning, 3) student, stakeholder, and market focus, 4) measurement, analysis, and knowledge management, 5) faculty and staff focus, 6) process management, and 7) organizational performance results (Baldrige National Quality Program. Criteria for Performance Excellence: Education Criteria for Performance Excellence, 2003).

Other public institution executive managers argue that the Balanced Scorecard, done correctly, is extremely intense and overwhelming, especially for a public institution. They indicate that the idea of tracking measures, lead indicators, and lag indicators is too complex.

Graham Kenny (2003) argues that the Balanced Scorecard does not work. He thinks the four categories are strange, that innovation and learning should be folded into internal business processes and that stakeholders, besides the customer, are left out. He goes on to say that “the framework is totally arbitrary” and that “crucial measures are almost inevitably overlooked.” Organizations claiming to have a Balanced Scorecard do not have it in the format the originators intended, hence they are not truly Balanced Scorecards. Kenny states that the best way to measure performance is to categorize measures by key stakeholder (e.g., customers, employees, suppliers, and shareholders) and link measurements to corporate
direction. He indicates organizations would be better suited to develop a scorecard that is focused rather than "balanced."

Summary

The Balanced Scorecard is not a magic wand. It is simply a management tool that can be used to better communicate its vision, goals, strategies, and measurements of how the organization is doing to all levels of the organization. The BSC has many benefits as well as being flexible enough to be incorporated with other change management frameworks. Additionally, there exists much information, especially related to BSC that Facilities Services can apply directly to its organization.

Limitations were also discussed in this chapter. Some of these are arguments that BSC is either too simplistic or too complex. Additionally, one author in particular notes that it may leave out some important stakeholders. Even so, CSUSB Facilities Services took on the task of creating a departmental BSC that communicates its materialization of the divisional Strategic Plan and Balanced Scorecard concepts.
CHAPTER THREE
APPLICATION

Introduction

Chapter Three documents application of the Balanced Scorecard concept to campuses in the CSU system, CSUSB, and specifically Facilities Services at CSUSB. This chapter will provide background, measurement examples, findings, as well as strengths and shortcomings of BSC.

Background

The California State University (CSU) system is comprised of 23 campuses throughout the state, 407,000 students, and 44,000 faculty and staff (California State University, 2003). CSU, San Bernardino is a medium-size CSU campus located in southern California with 15,797 ethnically diverse students, approximately 900 full-time and part-time faculty, and approximately 800 full-time and part-time staff (California State University, San Bernardino, Statistical Factbook, Spring, 2003. Office of Institutional Research, 2003).

CSUSB has divided its operations into five divisions--Academic Affairs, Administration and Finance, Information Resources and Technology, Student Affairs, and University Advancement--each led by a vice president and given
relatively decentralized control of budgets and other operations. The division of Administration and Finance oversees departments such as Capital Planning, Design, and Construction; Facilities Services; Financial Operations; Foundation; Human Resources; Parking Services and Public Safety. In turn, Facilities Services breaks its operations into the following areas: Administration, Building Maintenance, Custodial Services, Environmental Health and Safety, Grounds and Automotive Services, and Heating and Air Conditioning.

It is also important to mention the importance of executive leadership in support of initiating a Balanced Scorecard program. Though change can occur from an organization’s grass roots level, it is more effective and more rapid if it is supported from the top of the organization down. Furthermore, support does not merely mean agreement with the instrument or methodology, but incorporating the concepts into the heart of everything the organization does and management asks for, from strategy to budget to training and so on, the concepts must be stated in everything that is done.

California State University, San Bernardino’s (CSUSB) division of Administration and Finance decided to adopt a type of “mini BSC,” meaning it would use a simplified
Balanced Scorecard as its strategic planning format and continuous quality improvement effort. A division Strategic Plan Steering Committee was created and assigned the task of developing the strategic plan in a BSC format. Since the BSC format was chosen for its clarity and simplicity, the committee also chose to limit the division strategic plan to one page. (See Appendix A.) The committee felt more than one page would be difficult for all division employees to read and remember.

The categories, referred to as perspectives, were labeled: financial perspective, customer perspective, internal processes perspective and the innovation and learning perspective. The committee then established one goal for each perspective. Under the goal, objectives or strategies were listed. Measurements were decidedly not yet included until department scorecards were developed. The committee and vice president wanted to present the scorecard to the division managers prior to determining measurements.

After the divisional scorecard was introduced, each department in the division was asked to create a departmental Balanced Scorecard Strategic Plan, listing the department's mission and vision, as well as goals and
objectives in each of the four perspectives. (See Appendix B.)

CSUSB Facilities Services was able to take some measurement examples from the Association of Higher Education Facilities Officers' (APPA) recent Strategic Assessment Model (SAM) survey. Who is APPA? Founded in 1914, APPA: The Association of Higher Education Facilities Officers is an international association dedicated to maintaining, protecting, and promoting the quality of educational facilities. APPA serves and assists facilities officers and physical plant administrators in colleges, universities, and other educational institutions throughout the United States, Canada, Mexico, and other countries worldwide. The organization promotes excellence in the administration, care, operations, planning, and construction of educational facilities. APPA serves the entire education community by conducting research and educational programs, producing publications, developing guidelines, and serving as a central information source for its members. The nearly 4,500 individuals who comprise APPA are facilities professionals from both public and private, two-year and four-year, colleges and universities. APPA members also include specialized institutions, such as medical and law schools, seminaries,

APPA organizes educational institutes, facilities leadership seminars, and publishes books on a variety of aspects related to facilities management.

APPA’s Strategic Assessment Model (SAM) is a tool that can be used to achieve organizational excellence through continuous improvement. SAM enables the facilities professional to assess an organization's financial performance, the effectiveness of its primary processes, the readiness of its employees to embrace the challenges of the future, and its ability to delight its customers. The facilities professional can utilize the model for self-improvement, peer comparison, or benchmarking (APPA. Research. APPA's Strategic Assessment Model (SAM) Survey. Retrieved May 25, 2003, from APPA Web site: http://www.appa.org/research/).

APPA’s SAM bases its structure on both the Balanced Scorecard and Malcolm Baldrige criteria.

Can a CSU division or department successfully apply the Balanced Scorecard to its operations? Yes.
example, the CSU, Long Beach, College of Business Administration used the Balanced Scorecard to measure and improve its processes and outcomes. The college was so successful that it received a California Prospector Award at the 8th Annual California Awards for Performance Excellence ceremony in April 2002.

Measurement

Measurement then became the next challenge for departments within CSUSB’s division of Administration and Finance. Departments were encouraged to use easily obtainable or existing measures as applicable. For example, Facilities Services had been participating in CSU system-wide measurement efforts in terms of customer satisfaction and benchmarking. Additionally, the Facilities Services directors from the various campuses had agreed to participate in Facility Needs Index reporting with APPA (The Association of Higher Education Facilities Officers).

CSUSB’s Facilities Services BSC goals and objectives were formed as follows:

- Financial Perspective - Provide efficient, cost effective facilities services and maintain
campus facilities to maximize the life cycles of our physical assets.

Objectives:
- Establish a high level of accountability.
- Align department priorities with campus requirements.
- Benchmark performance.
- Reduce deferred maintenance backlog.

• Customer Perspective - Deliver quality services that satisfy customer requirements.

Objectives:
- Establish a proactive customer service program.
- Develop partnerships with customer for mutual success.
- Implement effective customer service feedback and measurement system.
- Develop a system for tracking and resolving complaints when they occur.

• Internal Processes Perspective - Design and implement more effective and efficient processes.

Objectives:
- Simplify and streamline processes.
- Improve the delivery of services.
- Integrate technology to improve services.
- Adopt best practices to improve services.

• Innovation and Learning Perspective - Foster a learning environment where employees are encouraged to develop their skills to meet the demand of the future.

Objectives:
- Provide appropriate training for our employees.
- Formalize program for career development.
- Prepare and encourage employees to implement new technologies.
- Define and reinforce values that promote teamwork, learning, and high performance.

(See also Appendix B.)

Facilities Services decided to obtain baseline measurements prior in order to guide the establishment of target measurements. After reviewing the baseline measurements and comparing to other national or state data, if available, target measures were set by the director. (See Appendix C.) Baseline measurements and target scores for 2000/2001 were:
Financial Perspective: Facility Condition Index. The Facility Condition Index (FCI), as defined by APPA's Strategic Assessment Model, is the total dollar amount of deferred maintenance deficiencies divided by the current replacement value of the building(s). For this formula, the lower the resulting ratio, the better. CSUSB reported its FCI for 1999 as 8.20%. According to APPA's Strategic Assessment Model (SAM) 1999 Final Report, California's average (of participating higher education institutions of varying size) was 10.61% and the national average (of participating higher education institutions of varying size) was 9.96%. Considering state and national averages, the director set the target as 9% for 2001/2002.

Customer Perspective: It was decided that two measures would be used for this area - CSU Customer Satisfaction Survey scores as well as biennial Administration and Finance Department Visit scores. The CSU Customer Satisfaction Survey is an instrument designed under the guidance of the CSU Quality Improvement (QI) staff based at the Chancellor's Office. The
survey is designed as a team effort between function group members, QI staff, and an Institutional Research representative from one of the CSU campuses. The 2001 customer satisfaction survey was distributed by each participating campus' Institutional Research (IR) office in a paper format. Information was then collected from students, faculty, and staff by the IR office and forwarded to the CSU QI office for compilation and analysis. Reports were later published and forwarded to each participating campus' function group representative. ("Function group" describes an area that volunteered to participate in the system-wide effort, such as Facilities, Financial Aid, or Student Accounts.) Reports were also published to the CSU QI web site.

CSUSB’s Facilities Services CSU Customer Satisfaction score for 2001 was an average of 3.73 of 5 possible, creating an indexed score of 74.6%. For comparison, the CSU’s 2001 Facilities Services average was 70% and its same 1999 average was 63%. CSUSB’s 1999 Facilities Services average was 67%. Considering the
comparative averages, the director used the 1999 CSU average as the target of 63% for 2001/2002. Additionally, the campus’ division of Administration and Finance, performed a type of interpersonal survey with all campus departments outside of its division. During this verbal survey, the interviewer wrote down comments and notes about the satisfaction of those being interviewed. A score was then tallied for each department by the division office. The Facilities Services Department Visit score was 70% (i.e., good comments divided by total comments = .70). For comparison, the division’s average score for 2000 was 66.27% and Facilities Services departmental average score for 1998 was 61.88%. Considering the comparative averages, the director set the target as 70% for 2001/2002.

- Internal Processes Perspective: Facilities decided to measure the average cycle time of a work order as well as use APPA’s Backlog index. The average cycle time of a work order, from open (i.e., point of request) to close, was 20 days for fiscal year 2000/2001. APPA’s Backlog
index is measured by taking the total number of backlog hours (i.e., hours estimated to do open work orders) and dividing it by the product of the total full-time employees available to do work orders and 2080 annual hours of available work time. For this reason, the lower the ratio, the better. According to APPA’s Strategic Assessment Model (SAM) 1999 Final Report, California’s average ratio (of participating higher education institutions of varying size) was 19.23% and the national average (of participating higher education institutions of varying size) was 13.07%. CSUSB’s resulting ratio was 19.23%. Considering the state and national average ratios, CSUSB’s Facilities director selected 17% as the target.

Innovation and Learning Perspective: Facilities first sought to understand the employee work climate. (An employee climate survey is different than a customer satisfaction survey in that it is asking about specific areas of engagement, importance, and satisfaction from the employee perspective, versus a customer perspective.) For this reason, CSUSB Facilities
Services implemented its own, independent, (and exhaustive) employee climate survey. (Similar to the division employee climate survey conducted in 2002. See Appendix D.) The goal of the survey was to discover any gaps between satisfaction and importance amongst the employees in a variety of categories. The eight-page survey was duplicated and distributed to all full-time, part-time, and hourly employees in the department. Attached to the survey was a memo from the director noting the purpose and a confidential envelope in which employees could return the survey. The survey asked the importance and satisfaction/agreement of 82 statements in nine areas, with a scale of 5 (very important) to 1 (not at all important) and 5 (strongly agree) to 1 (strongly disagree), with 0 representing no basis for judgment. The survey also included 11 areas for hand-written suggestions. Though the survey was very successful with nearly a 43% return rate, there were some areas for possible improvement for the next survey: fewer statements/questions and the inclusion of demographics [such as, departmental
area (Custodial, Building Maintenance, etc.)]. In retrospect, the survey length prompted loss of interest in the employees completing it. Additionally, because Facilities Services did not ask respondents what specific area they were from, it was difficult to identify if there were problems in specific areas that may be overlooked when aggregating all the data. The aggregated average score for the department was 3.3 out of 5 possible translating to a ratio of 66%. Based on the improvement the department hoped to make in the employee climate, the director set the target score as 70% (hoping to inch up the next year’s average score to 3.5).

Additionally, for the understanding of the reader, the author has delineated the cause and effect relationships between the department’s measures. (See Figure 4.)
Figure 4. California State University, San Bernardino (CSUSB) Facilities Services Cause-and-Effect Relationships Map, April 2003.

Findings/Results

As a result of the 2000-2001 findings, Facilities Services initiated several programs to address improvement in order to meet its next year’s target scores.

In response to findings in the Financial Perspective, the department realized it needed to more consistently update its facilities condition information. It decided to do so first by assigning building maintenance employees to specific buildings. For example, “Joe” would be
responsible for walking through and work requests for the Administration, Chaparral Hall and Sierra Hall buildings.

More recently, building walk-throughs were initiated on an annual basis. A group of Facilities managers agree to walk through each building, on an agreed upon date and time, noting maintenance issues and other problems that may be occurring. Additionally, building occupants are notified in advance and invited to join the walk-through group or forward information about items needing repair or attention to the group. Work orders are created to correct any unscheduled maintenance issues.

In response to the Customer perspective findings, the department decided to focus on areas where satisfaction was indicated as being much lower than importance, creating large "gaps." (See Figures 5 and 6 for sample CSU survey data.) Areas where gaps were largest (such as "Heat, Ventilation, and Air Conditioning" and "Restrooms") were given higher priority. It was also noted in the Faculty/Staff data that the respondents wanted "more communication regarding the status of [a] service request" and more "opportunity for providing feedback when work is performed."
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<td>6</td>
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</tbody>
</table>

Figure 6. CSU Customer Satisfaction Survey, Spring 2001, Statistical Summary Report (page 2), Facilities/Physical Plant for Faculty/Staff, prepared for California State University, San Bernardino.

California State University - Customer Satisfaction Survey, Spring 2001 - Statistical Summary Reports [Data file]. San Jose, CA: Institutional Research
Office, San Jose State University for the California State University Quality Improvement Programs.

For the Internal Processes Perspective, the Student Key Renewal process was mapped. In interviews with various "heavy" users (i.e., department administrative staff that process many key requests), they mentioned complaints from the students for having to walk across campus to the Facilities Management building in order to renew their key(s) at the end of each quarter. A team was put together to map the steps of the current process and come up with a revised process (using Process Improvement Methodology techniques) that would be more convenient for the customer. The team was composed of task performers and task owners, which included staff from the front office and lock shop. The team mapped the current process and then invited a customer and technical staff to join the team in order to create a "Should-Be" Process Map. It was decided automation would be key—as it could provide the avoidance of a trip to the Facilities Management building that students found inconvenient—and a process map was designed to show how automation would be used in combination with data input from departments and facilities staff. The Should-Be Process Map was provided
to the FS technical staff for programming. A web page interface was designed and the new process is being piloted with several departments on campus with hopes of offering it campuswide by Summer 2003.

For the Innovation and Learning Perspective (sometimes nicknamed the “Employee Perspective”), Facilities decided to first use information from the Employee Climate Survey to see where the department stood in terms of employee satisfaction and engagement and to bring to the surface areas that should take priority for management to address. Areas identified by the department as needing more attention were: teamwork, job satisfaction in the area of recognition, and leadership. All three areas management wanted to work on seemed to stem from the need for more communication. For this reason, a quarterly FS newsletter, News & Views, was initiated for the purpose of distributing information about all Facilities areas to all Facilities staff. In addition, the newsletter is used to provide recognition for groups and individuals who have accomplished exceptional or noteworthy work. The newsletter is printed and distributed quarterly to each staff person, and offered online for the campus to browse through.
For the same innovation and learning perspective, a Facilities Services Recognition committee was created to propose an FS Recognition program to the director. Though details of the program are being ironed out, the program may begin in 2003/2004.

Strengths

Having just a mission and vision is not enough for an organization. Goals and objectives (or strategic initiatives) are how the organization starts putting its vision into place. But, measuring tells the organization how it is doing. Balanced Scorecard incorporates all of those necessities.

An organization just having a mission, a vision, and some goals and objectives would be like a captain of a boat, mapping his/her course, leaving the dock, setting the rudder in the direction he/she wishes to go, tying the helm down and expecting to arrive on time at the exact destination after a month. Obviously, the captain is not taking into account unexpected changes in the weather, undercurrents that will push the boat off course, or other environmental factors that may impact the path of the boat. Measures help an organization make sure it is on the course it wishes to be on. They assist in identifying
changes or adjustments that must be made due to the external environment, or the sometimes ever-changing internal environment.

By developing the Balanced Scorecard action plan and measures, the Facilities department can see where there are gaps - areas where actual performance does not meet targeted performance - and use gap analysis to decide how to prioritize what objectives to work on next in order to better align future performance with targeted performance. An example of Facilities Services doing just that was in reviewing the customer satisfaction survey data. For instance, some customer wants were different than expected and adjustments had to be made. The Balanced Scorecard Customer perspective brought this to the attention of Facilities and helped the department to use the information to incorporate change.

Additionally, it became clear that leadership plays an important role in selecting and communicating measures. In the prior example of the boat, the captain sets the course and provides a method for the organization to adjust as needed. This also applies to any organization. A leader can provide methods for change, or take the boat off course. Facilities Services and the division of Administration and Finance are both fortunate to have
leaders that are supportive of change and who provide
direction to the organization when it is apparent that
change is needed.

Shortcomings
Measurement and change take time. Sometimes coming
up with survey instruments, or other measurements, draw on
more time than expected. This time factor sometimes drags
the Balanced Scorecard effort into a stand still.

Additionally, Facilities Services struggles to
communicate the measures throughout the organization,
especially in an understandable and meaningful way to all
of its employees. It seems that only the supervisors have
a distinct awareness of the program, but even their
understanding is limited.

The Balanced Scorecard itself does not necessarily
"change" things. It creates awareness of reality. In
order for an organization to really change, it has to
change its culture. That sort of change is slow and it is
hard to maintain the stamina to move the culture into a
new direction over a long period of time.

Summary
Chapter Three documented application of the Balanced
Scorecard concept to campuses in the CSU system, CSUSB,
and specifically Facilities Services at CSUSB. Specifically, this chapter provided background, measurement examples, findings, as well as strengths and shortcomings.

Though finding, documenting, trending, and comparing measurements is time consuming, it is time well spent. (A problem defined is a problem half solved.) It is a long-term investment that may have some short-term results, but most results will be mixed into the very path the organization takes. It is sometimes difficult to know the savings or other results (e.g., customer satisfaction) that may have occurred over a long period of time.

In that same thought, it is wise to consider the cost/benefit analysis of some measurements. If the measurement itself does not yield information useful in directing the organization, it is probably not worth measuring. On the other hand, some may be tempted to use old or easy measurements that really yield useless information make them feel like they have measured something. Measurements must be worthwhile, and if they are not helpful over time, measure something else that is more beneficial.

The Balanced Scorecard is a guide against mis-measurement. It is a help to the organization that wants
to know where change may be most needed. It is a helm that the captain and crew can use to stay on course towards the destination.
CHAPTER FOUR

FINDINGS

Introduction

Included in Chapter Four are the findings from Facilities Services Balanced Scorecard measurements, and discussion of those findings.

Presentation of the Findings

The comparison of overall results for 2000/2001 to 2001/2002 found some interesting products. (See Figure 7.) First, it was discovered that a few measures were not using the same methodology over time, therefore, not allowing for the comparison of "apples to apples."

Consequently, it was necessary to "scrub" the data (i.e., check the input and output information to make sure the resulting data were using consistent sources because different inputs can create outputs that are not comparable). When inconsistencies were found, the measures had to be recalculated for 2000/2001 and 2001/2002 so that more accurate comparisons could be made. (See Figure 8.) Additionally, data extraction records were developed to avoid this problem in the future.

Facilities Services improved in all of the four perspectives, illustrating that tracking measures for the
department’s Balanced Scorecard ultimately benefited and enhanced the department.

<table>
<thead>
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<td><strong>Financial</strong></td>
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<td><strong>Innovation &amp; Learning</strong></td>
<td>Employee Climate Survey</td>
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<td>70.00%</td>
<td>70.00%</td>
<td>68.09%</td>
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Figure 7. Draft Data Results for CSUSB Facilities Services Balanced Scorecard Measurements, April 2003. (Dashed circles indicate data that changed after data was recalculated.)
Figure 8. Recalculated Data Results for CSUSB Facilities Services Balanced Scorecard Measurements, April 2003.

Discussion of the Findings

Most importantly, after reviewing the recalculated data results, it was rewarding to discover that Facilities Services improved in each of the original (2000/2001) measurement categories.

In the Financial perspective, APPA's Facility Condition Index was used. The lower the index, the less repairs needed to update the condition of the facilities to prime conditions. It is important to note that this is one area where the 2000/2001 indexed result changed after the data was recalculated by closely comparing the results to the data definition provided by APPA. CSUSB's index decreased over the measurement period. Because Facilities
Services is attempting to present each measurement in a percentage-type score, where a higher score indicates improvement in the measurement, the ratio is subtracted from 100% in order to present a percentage score (89.56% for 2000/2001 and 90.03% for 2001/2002) in the departmental Balanced Scorecard tracking document.

For the Customer perspective, two sets of survey data were used - CSU Customer Services Survey data and divisional department visit data. For both data sets, the higher the score, the better CSUSB Facilities Services is meeting the needs of its customers. Consistent measurements were relatively easy to obtain from the CSU Customer Satisfaction results. Whereas, the divisional Department Visit scores may not be as easily translated from 2000 to 2002. In 2000 the department used a formula of positive comments divided by the total number of comments. In 2002, the division added a Likert scale measurement of overall satisfaction for each department. These scores were then aggregated to provide the score for 2002. In this way, 2000 and 2002 are not comparing same scores and to say that the department actually improved by comparing these scores might be an inaccurate comparison.

In the Internal Processes perspective, cycle time and backlog increased. The difference between cycle time and
backlog is that cycle time compares and looks at the history of closed work orders, where backlog looks at the history of open work orders. Cycle time and backlog both decreased during the measurement period. The backlog index had to be recalculated to better align with APPA’s data definition. After this was done, the difference between the two backlog measurements was not as great as before the scrubbing of the data formulas.

CSUSB’s Facilities used Employee Climate Survey results for its Innovation and Learning perspective. In first review of the data, the overall average score of the data actually decreased from 2000/2001 to 2001/2002. In further research of the survey data, it was discovered there were questions in the Performance Management and Compensation section of the survey where agreement with the statement could be considered negative. In subtracting the data for these questions (8.11 – 8.17 of the survey recreated in Appendix D), the overall scoring increased from the first measurement year to the second.

Did tracking any of the BSC measurements positively impact any of the areas? The author would argue, “Yes.” An example would be the special recognition Heating and Air Conditioning (HAC) received at the CSU QI Symposium in November of 2002. HAC’s team won an award for “Special
Recognition for Most Valuable Team of the Year" for the CSU system for maintaining customer satisfaction levels while reducing energy usage on campus.

The state, and the campus, had started experiencing an energy crises. As a result of the campus being on a reduced cost but interruptible electrical rate, the campus was forced to drastically reduce electrical usage during periods of time during 2000/2001 school year, and did so, in part, by reducing the heating or air conditioning use on campus. This made for some very uncomfortable and unhappy university customers, and the results showed by a decrease in HAC satisfaction for the 2001 CSU Customer Satisfaction Survey. Though feeling a bit/beat up, the HAC staff decided to put their best feet forward to increase customer satisfaction for the sake of the departments BSC measurement tracking while reducing electrical usage during the next year and it worked! By using some automation and a lot of e-mail communication to the campus, during the next round of electrical interruptions, which were worse than the year before, HAC actually increased its 2002 CSU Customer Satisfaction results. It is likely that if the department would not have measured, and satisfaction had not been a goal in the department’s BSC, there may not have been the effort to
increase satisfaction since pleasing the customer while reducing service seemed impossible. But, it did work. Awareness of the department’s BSC goals and measurements was a key element this successful story.

The success of Facilities Services, as well as any organizational Balanced Scorecard measurement, depends on several factors. Some of these factors include (adapted from Qayoumi, 2000):

- Strong (and visible) support of the project by management
- A systematic plan
- Adequate resources
- Linkage to overall organizational strategies
- Use of best employees
- Close attention to organizational culture
- Appropriate performance measures
- Focus on process improvements
- Reward for strategic team members
- Celebration of successes.

Qayoumi (2000) states, “Regardless of what an organization’s leaders say, an organization’s employees soon figure out how to behave to be successful within their particular environment. This is because every
organization operates under tacit rules and expectations, namely organizational culture, that in most cases are more powerful than the formal mode of control.” In other words, for change to effectively take place at Facilities Services, the Mission, Vision, Goals, Objectives and Measures must become a part of the department’s culture. This culture change takes years and is difficult to document. Yet, the Balanced Scorecard project cannot be done by management and supervisors alone. It must have the understanding and acceptance of the employees, and an impact on the employees, and therefore become a part of the culture.

Summary

Facilities Services discovered several interesting findings as the department measurements were analyzed. First, it was important to check data sources and recalculate measures in order to make sure data results were comparable. Second, the process of analyzing the measurements can result in some important discoveries about areas that may need to be changed in order to better align their processes with the strategic plan of the department. Specifically, the BSC Financial, Customer, Internal Processes, and Innovation and Learning
perspectives showed concrete measurable improvement over a one academic year period for Facilities Services. However, without this data the department would not have realized some of the changes customers were desiring, would not have processed mapped one of its areas' (i.e., student key renewal), may not have worked on HAC communications to the campus regarding energy usage, and would not have had as strong a motivation to respond to results from the Employee Climate Surveys, to name a few important results. Third, awareness of measurement results can provide the area with the incentive to make changes (for example, HAC). Lastly, many factors--including clear and noticeable support of the effort by management--remain essential for the success of the Balanced Scorecard implementation.
CHAPTER FIVE
CONCLUSIONS AND RECOMMENDATIONS

Introduction
Chapter Five presents conclusions gleaned as a result of completing the project, as well as recommendations extracted from the project. Lastly, the Chapter concludes with a summary.

Conclusions
The conclusions extracted from the project follows.
1. Facilities Services is privileged to have executive leadership that is supportive of continuous quality improvement. Without this leadership, divisional and departmental Balanced Scorecards would not have been accomplished.
2. Cal State, San Bernardino's Facilities Services is fortunate to be a part of a national Facilities Management organization (APPA) that encourages a culture of organizational change. APPA has published several books and articles on continuous improvement in Facilities and organizes measurement tracking at a national (and to some degree international) level. APPA
is a great source of information and insight for Facilities Services.

3. One must document and understand how measurements are obtained, otherwise variations could occur, rendering comparisons useless as shown by the comparison of the "unscrubbed" and "scrubbed" FS BSC measurement reports. The organization must be comparing apples to apples for the comparison to be truthful, accurate and meaningful.

4. Measurement sends a signal to the organization about what is important to the leadership of the organization. If an organization measures the customer service it provides, the employees are likely to provide better customer service simply because they realize that it is important to the organization, and the results of their actions are being measured.

5. Leadership had an impact on performance. When the director and supervisors communicated the department's goals (i.e., increased customer satisfaction, keeping tabs on the condition of the facilities, closing completed work orders), employees did respond. This was demonstrated by
the increased customer satisfaction scores, work order and backlog index scores and through detailed employee climate survey reports. Though leadership communicated the goals, the employees were the operational force behind achieving the goals.

6. It is beneficial for employees to understand the relationship of their actions and activities to the department’s stakeholders, the department and ultimately the organization. Too often, especially in a bureaucratic environment, employees relate outcomes to management rather than their own actions and reactions. Supporting data for this, in particular, can be found in the detailed employee climate survey reports. Additionally, the author found that in talking to some of the Facilities employees, they lacked a full understanding of relationships between their actions and measurement results.

7. CSUSB FS has a strong quality improvement tools through APPA. By using some of the measurements already provided for APPA’s SAM survey, the organization saves time and has a better
understanding of the data. Other Facilities Management departments in the CSU may want to also use APPA SAM measures in order to share measures and possible best practices. (See Appendix D.)

8. Facilities Services still needs to incorporate Balanced Scorecard into the culture of the organization. This was evident as the author met with supervisors and departmental representatives in order to further detail their specific area Balanced Scorecards. Continuous quality improvement is still seen by some as an "extra" job rather than a part of how the employee's perform their job every day.

Recommendations

First, it is recommended that CSUSB's Facilities Services Director add some measures to the department's BSC measurement portfolio to broaden areas of the department's self assessment. (See Figure 9.)
Figure 9. Proposed CSUSB Facilities Services Balanced Scorecard Measurements, April 2003. Includes newly proposed measurements in italics. Where possible, the illustration includes preliminary data for 2002/2003.

For example, in the Financial perspective, a Current Replacement Value (CRV) Index can be added to track the "level of funding provided for the stewardship responsibility of the institution's educational and general capital assets" by comparing the FS operating expenditures to the CRV (APPA, Information Resources: SAM - Financial Perspective. Current Replacement Value, 2003). This is important because as the CRV of the institution's physical assets increases, so must the FS
operating budget in order to accommodate the needs and expenses associated with maintaining those physical assets.

In the same perspective, it is recommended to add a Facility Operating Index (Cost per GSF). It is important for the FS director to know this cost and understand that a lower Facility Operating Index is not always better because it could mean that the university is growing, yet the FS department may not be supplied with necessary additional funding. It is important to track, 1) because it is a common expectation that Facilities manager will know the cost per GSF of his/her campus, and 2) to observe if there is a relationship between this index and customer satisfaction. (Sometimes, as cost per GSF decreases, so does customer satisfaction.)

Lastly for the Financial perspective, it is recommended that the director measure the Facility Operating Gross Institutional Expenditures (GIE) Index. This index helps the Facilities manager investigate whether the level of Facilities expenditures is staying proportional to the university's expenditures. If not, it may be time for the facilities manager to seek additional funding.
Another recommendation is to add an Energy Usage measurement (reported as BTUs/GSF) to the Facilities BSC Internal Processes perspective. Though some may feel Facilities cannot control the amount of the campus' energy usage, it is important to track this measure because Facilities ultimately does play an important guiding hand in the campus' usage. Facilities is often expected to alert the campus if energy usage is increasing, especially during tight budget times and/or times of energy crisis. Though energy conservation must be a campus-wide commitment, the campus looks to the Facilities manager to guide the effort.

In the Innovation and Learning perspective, the department may want to add some sort of training measure to indicate how the department is preparing its employees for the future of the department as well as the university.

Last, but not least, the department should identify which measures are leading indicators (performance drivers) and which measures are lagging indicators (outcomes) (Kaplan and Norton, 1996). Lead indicators help the department know if it is on track with its goals while there is still time to adjust if the measure is not doing as well as expected. Lag indicators simply share
past information with the department on how the department did in meeting its goal and objectives. Additionally, especially with leading indicators, the department may want to measure some indicators more frequently than once a year.

Further recommendations resulting from the project include:

1. As mentioned earlier, especially with leading indicators, the department may want to measure some indicators more frequently than once a year. It is important to assess these particular measurements more often to see where the organization is going, before it ends up somewhere it does not want to be. Examples of measurements the department may want to assess more frequently are Customer Satisfaction (by using an ongoing point-of-service type survey), Work Order Cycle Time (assess monthly), Energy Usage (assess quarterly), and training (assess quarterly).

2. Communicate the measures to all FS staff, and provide updates on a more frequent basis. They need to be communicated simply and easily, from the top down. For example, the director could
distribute a Balanced Scorecard Report (similar to Figure 9) quarterly to all staff, with a cover memo explaining what the measurements mean and how the department is doing. Supervisors could use the report to generate discussion and understanding about the Balanced Scorecard program on a quarterly basis during staff meetings. A positive example of awareness would be the experience HAC staff had - by being aware of their Customer perspective measures, they were able to draft and implement a plan for improvement that had very positive results.

3. Continue development of Balanced Scorecard at the area levels (Administration, Building Maintenance, Custodial Services, Environmental Health and Safety, Grounds and Automotive Services, and Heating and Air Conditioning) of Facilities Services. Area measures should fold into higher-level departmental measures, just as annual employee evaluation goals fold into department measures. This cascading effect is demonstrated by reviewing the similarities between the division (Appendix A) and the departmental (Appendix B) scorecard examples.
4. Employee reviews should be done in a Balanced Scorecard format – especially the goals for the next review period. By incorporating the four perspectives of the department’s BSC, the individual employees will gain an understanding of how they each contribute to the Facilities Services Balanced Scorecard Strategic Plan. An example of an Innovation and Learning individual employee goal may be: foster a learning environment where employees are encouraged to develop their skills to meet the demands of the future; show evidence of coaching employees to improve their knowledge and services (such as encouraging employees to attend appropriate training sessions, computer skills updates, etc.).

5. Measures need to be established at the divisional level so departmental measures fold into the divisional measures. An example of possible Divisional measures for the Customer perspective may include overall scores for customer satisfaction from the CSU Customer Satisfaction Surveys, and/or division Department Visit results. These division level measures
act as a guide for the departments within the division, as well as a discussion prompt to measurement assessment in each of the departments.

6. Develop a divisional and departmental strategy team (composed of some non-management staff) that will work to provide and review measurements at the Balanced Scorecard level. This will encourage synergy by having ideas and involvement from the multiple departments in the division. This divisional Continuous Quality Improvement (CQI) team could provide suggested plans of action to the vice president and appropriate management as well as help communicate the Balanced Scorecard information throughout the various levels of the organization.

7. Incorporate Balanced Scorecard into the culture of the organization. It must be the backbone for individual performance evaluations; employee, manager and department goals; funding requests; celebrations; etc. Individual goals must align with department goals; department goals must align with division goals; division
goals must align with the organization’s goals in order for change to be effective and act as a driving force behind the achievement of the organization’s strategy. For the Balanced Scorecard to truly be successful, continuous quality improvement must be a powerful force in the culture of the organization.

Summary

In order to thrive, organizations must constantly adapt to their environment. CSUSB Facilities Services is striving to become a more adaptable and effective enterprise. To do this, Facilities must first understand where it is now, in comparison to where it thinks it needs and wants to be in the future. By establishing goals and objectives in each of the four perspectives of the Balanced Scorecard, and related measures, Facilities now has an idea of where it stands in comparison to where it wants to be.

It is by using the Balanced Scorecard that CSUSB’s Facilities Services has been able to communicate a clearer stakeholder focus, especially in the areas of the customer, the employee, and the organization as a whole. Improvements in each measure did not happen by mere
coincidence. That sort of improvement happens by leadership and the communication of goals as well as the results of the organization’s efforts.

By assisting Facilities Services in establishing and updating its measurements, the author has become better acquainted with the measurements as well as an understanding of the Balanced Scorecard and its impact on a facilities organization. The author also has a new appreciation for the work APPA has already done in this area, as exhibited in its Strategic Assessment Model. Facilities management definitely has a strong resource in terms of change management.

Balanced Scorecard can help set the pace of change in an organization. As Qayoumi states in his book *Benchmarking and Organizational Change* (2000), “the organization determines the rate of change by deciding how quickly the enterprise should move from the present to the future.” Change is introduced as discoveries are made about the organization’s present state and future trends. But these discoveries are best unearthed when the organization actually digs for them, actually measures, collects data, and tries to find out about itself.

Balanced Scorecard implementation is a successful and systemic approach to enrich an organization. It
incorporates the strategy of gaining knowledge about the organization to enhance performance, and improve effectiveness and efficiency. It helps the organization manage its strategy over the long-term. It clarifies and translates the vision of the organization; it communicates the objectives and measures of the organization; it aligns strategic initiatives, and enhances strategic feedback and learning (Kaplan and Norton, 1996). Balanced Scorecard is an instrument of change because it prepares the organization to sustain excellence over time.
APPENDIX A:

CSUSB ADMINISTRATION AND FINANCE STRATEGIC PLAN FOR 2000 - 2005
CSUSB ADMINISTRATION AND FINANCE
STRATEGIC PLAN FOR 2000 - 2005

Mission
To provide quality and effective fiscal, physical, and support services and to ensure a safe and congenial environment for the University community. Services shall be designed and delivered in an innovative and efficient manner to support and enhance the University’s academic, cultural, and civic programs directed towards students, members of the regional community, faculty and staff.

Vision
Within an environment of rapid change, resource constraints, and ever increasing demands, our focus is to provide innovative and efficient support and quality service to meet the needs of the University community.

Goals and Objectives
(In Balanced Scorecard Format)

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<thead>
<tr>
<th>FINANCIAL PERSPECTIVE</th>
<th>CUSTOMER PERSPECTIVE</th>
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<tbody>
<tr>
<td>How do we look to resource providers? Objectives address fiduciary responsibility and cost effectiveness in CSUSB operations.</td>
<td>How do our customers see us? Objectives address performance from the perspective of the requirements and expectations of CSUSB customers and stakeholders.</td>
</tr>
<tr>
<td><strong>Goal: Maintain the fiscal integrity of the university.</strong></td>
<td><strong>Goal: Provide timely and quality service which addresses customer demands.</strong></td>
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<tr>
<td>• Maintain financial controls to build public trust of campus resources stewardship.</td>
<td>• Design intuitive processes and flexible tools to meet customer service needs.</td>
</tr>
<tr>
<td>• Seek effective use of state funds.</td>
<td>• Provide a welcoming and safe intellectual, social, and physical environment that engages the customer in the life of the University.</td>
</tr>
<tr>
<td>• Provide effective use of fiscal reporting.</td>
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<tr>
<th>INTERNAL PROCESS PERSPECTIVE</th>
<th>INNOVATION AND LEARNING</th>
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<tbody>
<tr>
<td>Are we productive and effective? At what must we excel? Objectives address the need for quality, efficiency, effectiveness and accountability in how we operate.</td>
<td>How do our employees feel? Can we improve and create value? Objectives address the need to create a climate that ensures our continued success over time.</td>
</tr>
<tr>
<td><strong>Goal: Design more effective and efficient internal processes within legal mandates.</strong></td>
<td><strong>Goal: Become a learning community that excels in creating, applying, and exchanging knowledge.</strong></td>
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<tr>
<td>• Simplify procedures and streamline workflows for students, faculty and administrative employees.</td>
<td>• Provide customer service training for University staff.</td>
</tr>
<tr>
<td>• Reduce cycle time and improve the performance of essential support services to students, faculty and staff.</td>
<td>• Seek advances in technology to increase productivity.</td>
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<td>• Implement best practices to improve productivity.</td>
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<td></td>
<td>• Provide career development opportunities.</td>
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APPENDIX B:
CSUSB FACILITIES SERVICES
STRATEGIC PLAN FY 2000-2001
CSUSB FACILITIES SERVICES
STRATEGIC PLAN FY 2000-2001

Mission
To provide a quality and safe environment for our customers and employees and demonstrate stewardship of the physical assets of the campus.

Vision
To meet the increasing demands of a rapidly changing environment and provide services in a proactive, responsive, cost effective and service-oriented manner that parallels and supports the University's strategic plan.

Our employees are the backbone of our mission. We will strive to ensure that our employees receive appropriate training so that they are prepared for the demands of the future. Their ability to meet these demands enhances their reputations as well as the departments. We will encourage career and personal growth. Involvement, training, teamwork, trust and respect are essential to our success.

We will continually strive to improve our services, customer satisfaction, value and safety within the boundaries of our resources.

Goals and Strategies
(In Balanced Scorecard Format)

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<tr>
<th>FINANCIAL PERSPECTIVE</th>
<th>How do we look to resource providers? Objectives address fiduciary responsibility and cost effectiveness in CSUSB operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: Provide efficient, cost effective Physical Plant services and maintain campus facilities to maximize the life cycles of our physical assets.</td>
<td>• Establish a high level of accountability. • Align department priorities with campus requirements. • Benchmark performance. • Reduce deferred maintenance backlog.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CUSTOMER PERSPECTIVE</th>
<th>How do our customers see us? Objectives address performance from the perspective of the requirements and expectations of CSUSB customers and stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: Deliver quality services that satisfy customer requirements.</td>
<td>• Establish a proactive customer service program. • Develop partnerships with customers for mutual success. • Implement effective customer service feedback and measurement system. • Develop a system for tracking and resolving complaints when they occur.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTERNAL PROCESS PERSPECTIVE</th>
<th>Are we productive and effective? At what must we excel? Objectives address the need for quality, efficiency, effectiveness and accountability in how we operate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: Design and implement more effective and efficient processes.</td>
<td>• Simplify and streamline processes. • Improve the delivery of services. • Integrate technology to improve services. • Adopt best practices to improve services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INNOVATION AND LEARNING</th>
<th>How do our employees feel? Can we improve and create value? Objectives address the need to create a climate that ensures our continued success over time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: Foster a learning environment where employees are encouraged to develop their skills to meet the demand of the future.</td>
<td>• Provide appropriate training for our employees. • Formalize program for career development. • Prepare and encourage employees to implement new technologies.</td>
</tr>
</tbody>
</table>
APPENDIX C:

CSUSB FACILITIES SERVICES
BALANCED SCORECARD
MEASUREMENTS FY 2000-2001
## CSUSB FACILITIES SERVICES BALANCED SCORECARD MEASUREMENTS FY 2000-2001

<table>
<thead>
<tr>
<th>BSC Perspectives</th>
<th>Goal</th>
<th>Objective(s)</th>
<th>Measures</th>
<th>Score</th>
<th>Target</th>
</tr>
</thead>
</table>
| Innovation and Learning | Foster a learning environment where employees are encouraged to develop their skills to meet the demand of the future. | • Provide appropriate training for our employees.  
• Formalize program for career development.  
• Prepare and encourage employees to implement new technologies.  
• Define and reinforce values that promote teamwork, learning, and high performance. | Employee morale / organizational climate survey. | Ratio = 3.52/5 = 0.704  
3.52 total average satisfaction/agreement (on a scale of 1 to 5, where 5 is the high) | .80 ratio |
| Customer | Deliver quality services that satisfy customer requirements. | • Establish a proactive customer service program.  
• Develop partnerships with customer for mutual success.  
• Implement effective customer service feedback and measurement. | • CSU Customer Satisfaction Survey 1999  
• Dept. Visits 2000  
• (TMA Surveys 00-01) | Ratio = 3.30/4 = 0.825  
(Total 1999 Avg: 3.30 on a scale of 1 to 4, where 4 is the high)  
• Avg. = 70% (good / total comments) = .70  
• Pending | .70 ratio |
## CSUSB FACILITIES SERVICES BALANCED SCORECARD
### MEASUREMENTS FY 2000-2001

| Internal Processes | Design and implement more effective and efficient processes. | • Simplify and streamline processes.  
• Improve the delivery of services.  
• Integrate technology to improve services.  
• Adopt best practices to improve services. | • Cycle time of a WO.  
• Average age of open work orders.  
• Backlog - estimate time to do work | • Avg. cycle time = 20 days  
• Average age of an open WO = 20 days (9/13/01)  
• Backlog = (215) work orders; (2752.7) hrs = est. time to complete | 20 days |
| Financial | Provide efficient, cost effective facilities services and maintain campus facilities to maximize the life cycles of our physical assets. | • Establish a high level of accountabili ty.  
• Align department priorities with campus requirements.  
• Benchmark performance.  
• Reduce deferred maintenance backlog. | Facility Condition Needs Index (from the 01/2001 Facility Condition Analysis) | (Index = .31)  
Ratio = 1 - .31 = .69 | .70 ratio |
APPENDIX D:
CSUSB DIVISION OF ADMINISTRATION AND FINANCE
2002 EMPLOYEE CLIMATE SURVEY
CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO  
DIVISION OF ADMINISTRATION & FINANCE  

Organizational Climate Survey  
Spring 2002

The following survey will allow CSUSB's Division of Administration & Finance to analyze how they are meeting the needs of their employees. Answers will be kept confidential.

Demographic Information

A. Please select the area to which you report:
- [ ] Accounting Office
- [ ] Accounting - A/P
- [ ] Accounting - B/R
- [ ] Accounting - Bursar (SH)
- [ ] Accounting - Bursar (UH)
- [ ] Accounting - General
- [ ] Accounting - Payroll
- [ ] Accounting - Student Accounts
- [ ] Administration & Finance
- [ ] Capital Planning, Design and Construction (CPDC)
- [ ] Facilities Services - Administration
- [ ] Facilities Services - Building Maintenance
- [ ] Facilities Services - Custodial Services
- [ ] Facilities Services - Environmental Health & Safety
- [ ] Facilities Services - Grounds & Automotive
- [ ] Facilities Services - Heating & Air Conditioning
- [ ] Financial Operations - Administration
- [ ] Financial Operations - Budget
- [ ] Foundation - Bookstore
- [ ] Foundation - Business Services
- [ ] Foundation - Cash Operations
- [ ] Foundation - Catering Services
- [ ] Foundation - Grants & Contracts
- [ ] Human Resources
- [ ] Parking Services
- [ ] Parking Services - Event Scheduling
- [ ] Public Safety
- [ ] Support Services - Duplicating
- [ ] Support Services - Procurement
- [ ] Support Services - Property
- [ ] Support Services - Receiving & Mail Services

B. Position type:
- [ ] MPP (Administrator/Manager)
- [ ] Staff
- [ ] Student Assistant

C. Number of years on this campus:
- [ ] less than 1 year
- [ ] 1 - 2 years
- [ ] 3 - 4 years
- [ ] 5 - 6 years
- [ ] 7 - 8 years
- [ ] 9 - 10 years
- [ ] more than 10 years

D. Gender:
- [ ] Female
- [ ] Male

E. What is your ethnic identity:
- [ ] American Indian/Alaskan native
- [ ] Asian
- [ ] Black/African American
- [ ] Filipino
- [ ] Mexican American/Hispanic/Latino
- [ ] Pacific Islander
- [ ] White
- [ ] Other
On the left, please rate how important you feel each area is to you. On the right, please rate your satisfaction or agreement with the statements below. Complete your ratings by circling the appropriate number.

1.0 Customer Service

(Customer Service is meeting the needs, standards, and expectations of the persons who benefit from your work. Co-workers who depend on your work to perform their jobs are also considered customers.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Satisfaction/Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important - Important</td>
<td>Strongly Agree - Strongly Disagree - Don't Know</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
</tbody>
</table>

1.1 We routinely gather input from our customers about the quality of our work and how satisfied they are with our services in my immediate work unit.

1.2 We routinely talk about the quality of our work and the needs of our customers in my immediate work unit.

1.3 When customers are not satisfied with our services, we promptly correct the situation in my immediate work unit.

1.4 I believe that the quality of my work is important to the overall success of my department.

1.5 We are routinely encouraged to suggest ways to improve customer service in my immediate work unit.

1.6 I feel my fellow co-workers care about our unit's customer service.

1.7 I believe our customers are satisfied with our unit's service.

1.8 What do you perceive to be the biggest obstacle to improving customer service in your immediate work unit?

1.9 What suggestions do you have to overcome that obstacle?
## 2.0 Job Satisfaction

(Job satisfaction is how you feel about your job and immediate work unit. It includes morale, diversity, and atmosphere.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Not At All Important</th>
<th>Satisfaction/Agreement</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Strongly Agree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

### 2.17 What can be done to improve job satisfaction in your work unit?
### 3.0 Communication

(Communication refers to how information flows in your department and your work unit.)

<table>
<thead>
<tr>
<th>Importance</th>
<th></th>
<th>Satisfaction/Agreement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very Important</td>
<td>Not At All Important</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.1 Information necessary for me to do my job flows freely, honestly and respectfully within my immediate work unit.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.2 Formal discussions with co-workers in my immediate work unit provide me with information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.3 Informal, personal contacts, friends, other co-workers, etc., provide me with information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.4 My supervisor is easy to approach or speak to and provides me with information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.5 Group meetings provide me with useful information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.6 Paper memos and newsletters provide me with useful information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.7 Electronic mail (e-mail), voice mail, the web, or other technology provide me with useful information to do my job.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.8 I usually understand why most things are done in a certain way in my immediate work unit.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.9 Generally speaking, I am satisfied with communication in my immediate work unit.</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>3.10 I feel like I am &quot;in the know.&quot;</td>
<td>5 4 3 2 1 0</td>
<td></td>
</tr>
</tbody>
</table>

#### 3.11 What can be done to improve communication in your work unit?
### 4.0 Training

(Training is the work-related educational experiences offered by the University to its employees to increase their knowledge and skills.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Satisfaction/Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>Not At All Important</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>4.1 I am satisfied with the opportunity I have to increase my job-related skills and knowledge.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>4.2 I have received enough training to know how to perform my job well.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>4.3 My job makes good use of my skills and abilities.</td>
</tr>
</tbody>
</table>

#### 4.4 What can be done to improve training in your work unit?

### 5.0 Leadership

(Leadership is helping employees understand why it is important for their organization to provide services to the campus. Determining how things are done now and focusing on what needs improvement are important guidelines that will assist in the department's direction in the future.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Satisfaction/Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>Not At All Important</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.1 Leaders in my immediate work unit have explained clearly the scope of my department's involvement and importance to the campus.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.2 Leaders in my immediate work unit find new ideas, take risks, and do things in new ways.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.3 Leaders in my immediate work unit talk about how future changes will affect how we will do our work.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.4 Leaders in my immediate work unit are responsive.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.5 Leaders in my immediate work area allow employees to work independently.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.6 Leaders in my immediate work unit encourage employees to make recommendations.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.7 I am satisfied with how decisions are made and how the work is done in my immediate work unit.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>5.8 Leaders in my immediate work unit encourage employees to make management recommendations for the leader's approval.</td>
</tr>
</tbody>
</table>
5.9 My supervisor coaches me on how to solve my work problems. 5 4 3 2 1
5.10 Employees in my immediate work unit who take risks and look for new and better ways of doing things are respected and rewarded. 5 4 3 2 1
5.11 I am satisfied with the leadership in my immediate work unit. 5 4 3 2 1
5.12 There are opportunities for employees with leadership abilities to be mentored. 5 4 3 2 1

5.13 What can be done to improve leadership in your immediate work group?

### 6.0 Decision Making

**(Decision making is how we select a solution to a problem.)**

<table>
<thead>
<tr>
<th>Importance</th>
<th>Satisfaction/Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 4 3 2 1</td>
<td>5 4 3 2 1 0</td>
</tr>
</tbody>
</table>

#### 6.1 We make what I consider ethical decisions in my immediate work unit.

- **A.** By employees with freedom and imagination within reasonable boundaries.
- **B.** By employees with review and approval by the manager or supervisor.
- **C.** By discussing with everyone and arriving at a solution that everyone supports.
- **D.** By the manager or supervisor after consulting a few employees.
- **E.** By the manager or supervisor mostly without consulting employees.

#### 6.3 What can be done to improve how decisions are made in your work unit?
7.0 Teamwork

(Teamwork is people working together to solve problems, improve work processes or do some other specific task.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Not At All</th>
<th>Strongly Agree</th>
<th>Strongly Disagree</th>
<th>Don't</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>-</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>7.1 I am proud of my team’s achievements.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7.2 Everyone in my immediate work unit contributes to a team effort in getting our work done.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7.3 When people in my immediate work unit have problems working with each other, we develop ways to solve problems.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7.4 The people in my immediate work unit share their knowledge with each other; we develop ways to solve problems.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7.5 When working on a team, the team members accept differences of opinions and still commit themselves to work together.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

7.6 What can be done to improve how actions are taken on your team?

8.0 Performance Management and Compensation

(Performance management is continuous communication between a supervisor and employee about the most important parts of the employees’ job, developing performance standards, feedback about performance and plans to improve.)

<table>
<thead>
<tr>
<th>Importance</th>
<th>Not At All</th>
<th>Strongly Agree</th>
<th>Strongly Disagree</th>
<th>Don’t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>-</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>8.1 I am satisfied with how performance standards are communicated and executed in my immediate work unit.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8.2 My supervisor tells me what he or she expects me to do.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8.3 I have clear goals defined for my job.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8.4 My supervisor has a clear understanding of my abilities and skills.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8.5 My supervisor has a clear understanding of what I accomplish in my job.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8.6 I receive written performance evaluations once a year or more often.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

8.7 What can be done to improve performance standards in your immediate work group?

<table>
<thead>
<tr>
<th>Importance</th>
<th>Not At All</th>
<th>Strongly Agree</th>
<th>Strongly Disagree</th>
<th>Don’t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>-</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>8.8 I understand what determines my PSI (Performance Salary Increase) or PBSI (Performance-Based Salary Increase).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>
I understand how promotions and reclassifications occur.

I am satisfied with the system of giving PSIs or PBSIs in my department.

The way I do my work / my overall job performance (accurately, with quality, on-time, dependably, etc.) determines my merit increase and/or incentive award.

The length of time I have worked in the department determines my merit increase and/or incentive award.

How well customers like the work I perform determines my merit increase and/or incentive award.

My process improvement accomplishments (cutting costs, etc.) determines my merit increase and/or incentive award.

My relationship with long-term members of the department determines my merit increase and/or incentive award.

How well I accomplish agreed upon goals determines my merit increase and/or incentive award.

My dependable attendance at work determines my merit increase and/or incentive award.

What can be done to improve the PSI or PBSI process in your work unit?

<table>
<thead>
<tr>
<th>Importance</th>
<th>9.0 Vision and Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important</td>
<td>Not At All Important</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>9.1 My department has a vision/mission statement.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>9.2 I understand my department’s vision/mission statements.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>9.3 My work priorities are based on my department’s vision/mission statements.</td>
</tr>
<tr>
<td>5 4 3 2 1</td>
<td>9.4 I understand how my department contributes to the campus as a whole.</td>
</tr>
</tbody>
</table>

What can be done to improve vision/mission processes in your immediate work group?

Please add any additional comments:
APPENDIX E:

LIST OF CAMPUS FACILITIES
DEPARTMENTS USING BALANCED
SCORECARD PLANS
## CSU Facilities Balanced Scorecard Measures

April 22, 2003

### Financial Perspectives

<table>
<thead>
<tr>
<th>Measure</th>
<th>Campus</th>
<th>Type</th>
<th>Collected</th>
<th>Div BSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of effort spent on programmed maintenance vs total maintenance</td>
<td>Northridge</td>
<td>Annually</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>% completed projects / work orders delivered within budget</td>
<td>Pomona</td>
<td>Lag</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>% completed projects / work orders delivered on schedule</td>
<td>Pomona</td>
<td>Lag</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Utilization Rate</td>
<td>Pomona</td>
<td>Lag</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Facility Condition Index (as defined by APPA)</td>
<td>San Bernardino</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Customer Perspectives

<table>
<thead>
<tr>
<th>Measure</th>
<th>Campus</th>
<th>Type</th>
<th>Collected</th>
<th>Div BSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction Survey Score</td>
<td>Northridge, Pomona, San Bernardino</td>
<td>Lag</td>
<td>Annually</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of utility interruptions per year</td>
<td>Northridge</td>
<td></td>
<td>Annually</td>
<td></td>
</tr>
<tr>
<td>Response time to unsafe conditions</td>
<td>Northridge</td>
<td></td>
<td>Quarterly</td>
<td></td>
</tr>
<tr>
<td>A&amp;P Division Dept. Visits</td>
<td>San Bernardino</td>
<td></td>
<td>Biennially</td>
<td></td>
</tr>
</tbody>
</table>

### Internal Business Processes (aka: Operational Effectiveness, Internal Processes)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Campus</th>
<th>Type</th>
<th>Collected</th>
<th>Div BSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted Documented Processes Produced</td>
<td>Pomona</td>
<td>Lead</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>% Documented Processes Improved</td>
<td>Pomona</td>
<td>Lead</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td># of hours per week spent on tasks not part of job / # of people</td>
<td>Stanislaus</td>
<td>Weekly</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Project Management Report Card</td>
<td>Stanislaus</td>
<td>Quarterly</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Average WO Cycle Time - in days (as defined by APPA)</td>
<td>San Bernardino</td>
<td></td>
<td>Annually</td>
<td></td>
</tr>
<tr>
<td>Backlog Index (as defined by APPA)</td>
<td>San Bernardino</td>
<td></td>
<td>Annually</td>
<td></td>
</tr>
</tbody>
</table>

### Learning & Growth (aka: Employee, Innovation & Learning)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Campus</th>
<th>Type</th>
<th>Collected</th>
<th>Div BSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of employees with training/development plans in place</td>
<td>Pomona</td>
<td>Lead</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Employee Satisfaction Survey Score</td>
<td>Pomona</td>
<td>Lead</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Employee Climate Survey</td>
<td>San Bernardino</td>
<td></td>
<td>Annually</td>
<td></td>
</tr>
</tbody>
</table>
REFERENCES


Berkman, E., (2002, May 15). How to Use the Balanced Scorecard; You can't tell when you're winning if you don't keep score. The Balanced Scorecard helps track your hits and misses. CIO, 15, 93-100.

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