Performance Appraisal Trade Associations (Goods and Passengers) and Offer Appropriate Solution for Improving their Capabilities

Dr. Iraj Soltani
Assistant professor, member of scientific board in Research and science Isfahan

Zahra Aslani
Post graduate in business management. Islamic Azad University, Mobarekeh Branch, Isfahan, Iran

Abstract

Trade associations of transportation always had been an appropriate option for accepting transportation activities but, there no specified criteria and procedure that these associations do their tenure duties based on it or if there are, they are not toward compiled goals in the vision of 20 years horizon. These associations have been established through the support of road and transportation organization, but so far they have not been able to promote the level of their member's capability. One of the reasons in regression of transportation system in Iran has been poor and unbalanced evaluation has particular importance.

This research aims to evaluate performance of trade association (goods and passengers) and offer appropriate solutions for improving their capabilities (using balanced score card approach) in 2012, in which four trade associations entitled trade association of Esfahan truckers with 170 members over diploma, trade association of companies and establishments of Esfahan's passenger transportation with 48 members and trade association of Esfahan bus drivers with 290 members were selected through cluster method as statistical population and among them 427 individuals were selected as sample based on Morgan table. A questionnaire was used to gather date and its validity was determined by scientific texts and its reliability was 0.979 using cronbach coefficient, data were analyzed through Spss , minitab, kolmogrov, smirnov normality test, t-test Anova – test, Tukey- test, pearson correlation coefficient, Friedman test and linear regression. Results show that performance extent in trade association of Esfahan goods transportation was 48.52%, in trade association of Esfahan passenger transportation was 02.7% in trade association of Esfahan truckers was 67.18% in trade association of Esfahan bus drivers was 57.76% and totally in trade associations of Esfahan transportation was 59.06%.

Keywords: trade associations, performance, performance appraisal, balanced score card.

Introduction

One of ways of organizational success is considering new aspects in management field and also organizational performance removal of barriers and performance improvement require that organizations performance creates a great synergy force, this force can support development
plan and create organizational excellence. Governments and organizations and establishments exert a progressive attempt in this regard. It is not possible to know implementation of compiled policies and cases require serious improvement without studying and awareness of progressing and goals achievement and without identifying challenges face the organization and having feed back. Of course it is not possible to achieve mentioned condition without measurement and appraisal.

**Research Theoretical Frame**

**Performance Appraisal**

Unstable environment, complexity, increasing competition, rapid change, communication development and also wonderful transformation in knowledge management distinguish today's world from world of several past decades (Sheikhzade and Bahramzadeh, 2008). Considering severe competition, speed and volume of information, challenges face today's organizations. It is necessary to have performance appraisal models to determine organizational situation and also to compile strategic planning based on organization's strengths weaknesses. Manifestation of such a need and lack of efficiency and weakness of measurement systems with traditional performance, have caused new models of performance evaluation at organizational levels (Epstien & Menzony, 1998). To day, associations as non-profit organizations like profit organizations face complicated and turbulent environment. Proper guidance of associations through disturbances and toward vision require models of organizational management models (Bagheri and Delpasand, 2008). Non-profit organizations do their duty in the best form, so that to clarify future path of society and future-making is their main characteristics. Thus explanation of vision is a vital affair for such organization (Hooshmand, 2009). Vision in organization is actualized through strategies, and these can be explained by balanced score card (Gascholip and Saltier, 2002).

On the other hand, balanced score card causes focusing performance on organizational goals and is utilized as a tool for actions priority and resource allocation in order to concentrate on strategic fields (Baktaran, 2009). Considering the fact that existence reason of training and non-profit organizations is doing major delegated mission—not financial goals and profit ability—it should be considered at the top of fourfold aspects: balanced score card, strategic map, mission and massive goals of complex, and then massive goals be divided in to minor goals in domains of: the interested, internal processes, growth and financial, in such away that pursuit of these goals in fourfold perspectives direct us toward massive goals and major mission of organization (Shahi and Anvari, 2005).

Appraisal is pre requisite of management. This is a key and core of management factors. Thus, to achieve it, performance appraisal is raised (Rajaeian, 2004). Performance appraisal involves: " process of quantitating efficiency and effectiveness of operations that it is possible to divide it in to 3 main categories based on reviewing literature subject:

1. Strategic goals: include strategic management and strategy revision
2- Communication goals: include control of present situation, show future path provide feedback, and benchmark.

3- Motivational goals: include compilation of reward system and encouragement of improvement and learning (Karimi, 2006).

Organizational performance refers to the way of doing missions, duties, and activities and their results (Ebnrasool and Tarhani, 2008).

Appraisal of organizational performance is one of the strongest management tools than can obtain required information through it (Fazlelahi, 2008).

Different methods have been designed to evaluate and appraise performance and managers can utilize a certain model depending on evaluation goal and type of organization. Or design their own model through combination of several models (Iranzadeh and Barghee, 2009).

Thus, recognition of different models in performance management and proper deployment and identification of these models in organization, are among the very important issues (Istus, 2006).

Models of performance appraisal

- Tuttle and sink model (1989)
- Results and determinants model (1991)
- National Award of productivity and organizational excellence
- Malcom Bald rich and Deming models
- Canada general accounting office model
- Linear model of input, process, output, consequences
- Medory and stipple frame
- Balanced scorecard

Strategy map is derived from general strategies of organization and provides a visual framework for integration of organizational goals in four aspects of balanced scorecard (Kaplan and Norton, 2004).

Self-evaluation process is a systematic method for identifying weakness and improvable points in which annual or short term course is conducted and as a result organization can benchmark and compare its own to the best in world class or national class (Hajian, 2010).

Balanced Score Card

Balanced scorecard is a system for performance management which first shaped daring Kaplan and Norton researches about new methods of performance appraisal in organizations. Balanced scorecard formulate organizational strategy from four key aspects: financial, customers, internal processes, and development and learning. First, strategic issues are determined in strategic facet. Then, we go to process and operation facets to know more carefully the way of attaining expected goals and determine what characteristics should have organizations internal processes in order to meet the interested persons expectations and actualize strategic issues (Kaplan and Norton, Strategy map, 2005). Balanced scorecard is a tool with conceptual framework that convert massive strategic goals to measurable indicators and establishes a balanced distribution among vital fields of organization (Hienz, 2007).
Kaplan and Norton provide balanced scorecard toward strategic management and also to remove weaknesses and ambiguities in previous performance management approaches. In other words, balanced scorecard is a management system not only a measurement system which allows an organization to clarify its mission and strategy and translate daily routine of organization (Kaplan and Norton, 2011). In fact, this method offers a various set of performance indicators in four facets which is used to compare performance of associations, this will increase productivity and employees satisfaction (Nasiree pour and Tayyebee, 2009). Application of balanced scorecard can be considered in two major fields: strategy field and management field. Balanced scorecard focuses on validity assessment of strategy content in strategy field. Balanced scorecard in processes management field is directed to identify and to determine key processes of organization, the important and main goals of balanced scorecard in this field is alignment of key processes to general strategies of organization (Ghandi Arani, 2003). Research has shown that one of the most prominent of balanced scorecard capacity is its attempt to align performance measure and action plan to business unit strategy in all organizational levels (Mender, 2004).

Balanced scorecard aims to provide key factors for successful business and alignment between performance and general strategy of organization. Norton and Kaplan claim that balanced scorecard provides managers with organizational guidance tool for competition (Kaplan and Norton, 1996).

Some researchers view balanced scorecard as a strategic performance management framework which helps organizations in translation of strategic goals to related performance measures (Kaplan and Norton, 2001). In fact, balanced scorecard is a demonstrated framework that describes organizational strategy and makes it operational. This system is consisted of four inter-related components:

1- Strategy map – as a foundation of balanced scorecard describes strategic goals in a cause-and-effect relationship.
2- Measures that are used to trace goals progression.
3- Quantity goals that are determined for measures.
4- Selection and implementation of strategic initiatives for connecting performance to quantity goals and finally actualization of strategic goals (Cree man and makhijan, 2005).

The experience of many successful organization in implementation of balanced scorecard has shown that balanced scorecard helps organizations touse their processes as a strategic weapon and close themselves to the performance of world class (Smith, 2006).

Robert Simons believes that it is possible to add one or more facets to main facets. In some countries like Swedish use balanced scorecard with an added facet called human resource. Also, in some organizations added facet such as work environment or partner are considered; here, financial facet is converted to trade service facet (Simons, 2000).

Research goals

1- To determine performance appraisal indicators of trade associations from the trade service facet
2- To determine performance appraisal indicators of the trade associations from the customer facet
3- To determine performance appraisal indicators from the development and learning facet
4- To determine performance appraisal indicators from the internal processes

Research major question
What factors and key indicators is appropriate for appraising performance of goods and passenger trade associations?

Method
This research is a survey type. In research all trade associations are elements of population and four trade associations in Esfahan are sample volume and are consisted of Esfahan trackers association, Esfahan bus drivers association, Esfahan transport association and passenger associations. Sample has been selected randomly based on Morgan table. A questionnaire was used to gather data, it was designed to appraise performance of transportation trade association in which using balanced scorecard model performance has been appraised in four dimensions:

✓ - trade service: How stockholders are viewed?
✓ - customer: How do customers view us?
✓ - Internal facet of business: in what contexts we should do well?
✓ - learning and innovation: How can we continue improvement and value – creation?

This questionnaire includes 40 items related to 4 facets and members of each association are asked to determine performance of their association in a 5 - points liker scale. Content validity was used to determine its validity. After data gathering, findings were analyzed using SPSS, Minitab, Simonov - kolmogrov normality test, T-test, ANOVA test, tu key test, Pearson correlation coefficient, Friedman test and linear regression.

Research finding
Means comparison of performance dimensions in 4 different associations

Table 1 shows performance of each association in 4 performance dimensions: trade service, customers, development and learning, and internal processes.

<table>
<thead>
<tr>
<th>Associations</th>
<th>Trade service</th>
<th>Customer</th>
<th>Development and learning</th>
<th>Internal processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of trasportation companies</td>
<td>2.224</td>
<td>2.512</td>
<td>2.416</td>
<td>2.551</td>
</tr>
<tr>
<td>Association of passonger companies</td>
<td>3.125</td>
<td>3.131</td>
<td>3.154</td>
<td>3.130</td>
</tr>
<tr>
<td>Trackers associations</td>
<td>3.247</td>
<td>3.387</td>
<td>3.413</td>
<td>3.389</td>
</tr>
<tr>
<td>Bus drivers association</td>
<td>2.88</td>
<td>2.824</td>
<td>2.867</td>
<td>2.981</td>
</tr>
</tbody>
</table>

In terms of descriptive statistics in all associations and totally in Esfahan transport trade association internal processes dimension has the highest mean in terms of performs. In other words all associations have high performance in internal processes dimension, and trade service dimension has the least mean in terms of performance. All associations have low performance in trade service dimension. Generally performance of each association can be shown in FIG. 1.
As figure 1 shows, the highest performance is related to trackers association and the least is related to goods transportation.

Determination of performance of 4 different association using T-test

Table 2: performance of each association using t-test

<table>
<thead>
<tr>
<th>Dimension Associations</th>
<th>Trade service</th>
<th>Customer</th>
<th>Development and learning</th>
<th>Internal processes</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport association</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Passenger association</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Truckers association</td>
<td>Fairly good</td>
<td>Fairly good</td>
<td>Fairly good</td>
<td>Fairly good</td>
<td>Fairly good</td>
</tr>
<tr>
<td>Bus drivers association</td>
<td>Moderate</td>
<td>Fairly low</td>
<td>Fairly low</td>
<td>Moderate</td>
<td>Fairly low</td>
</tr>
</tbody>
</table>

Calculation of person correlation coefficient between performance and its dimension in 4 separate associations in table 3 Pearson correlation coefficient between performance and its dimension in 4 separate associations has been shown. In has been shows that each association which dimension of performance has the highest correlation coefficient.
<table>
<thead>
<tr>
<th>The associations</th>
<th>The highest correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>Performance + trade service dimensions</td>
</tr>
<tr>
<td>Passenger</td>
<td>Performance + customer dimension</td>
</tr>
<tr>
<td>Truckers</td>
<td>Performance + customer dimension</td>
</tr>
<tr>
<td>Bus drivers</td>
<td>Performance + customer and internal processes dimensions</td>
</tr>
</tbody>
</table>

Friedman test to ranking performance dimensions in 4 separate associations
Using obtained results due to freedmen test ranking of performance dimensions was done, Table 4 shows the results.

<table>
<thead>
<tr>
<th>Rank Associations</th>
<th>The highest rank</th>
<th>The lowest rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>Internal processes</td>
<td>Trade service</td>
</tr>
<tr>
<td>Passenger</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trackers</td>
<td>Customer</td>
<td>Trade service</td>
</tr>
<tr>
<td>Bus drivers</td>
<td>Internal processes</td>
<td>Development and learning</td>
</tr>
</tbody>
</table>
Comprehensive pattern of performance appraisal using balanced scorecard approach model
Conclusion

This research aims to measure performance of transportation trade association in 4 separate association in 2012. Balanced scorecard selected to appraise performance of these association and their performance was appraised in four dimensions: trade service, customer, development and learning and internal processes. Results showed that truckers association had the highest performance and transportation had the lowest performance. So, associations of transportation, passenger and bus drivers that had the moderate level of performance should try more to improve the performance of their associations.

Suggestions

1- Toehold meeting in transportation trade association to provide performance feedback of each association.
2- To send a copy of expected project for each association in order to become aware of their weakness and strengths.
3- To form inspection system to supervise performance of associations and with regard to weakness and strengths points in each association, performance improvement be considered.
4- Each association delegates a group responsibility of examining their weaknesses and search for causes of employees dissatisfaction.
5- To hold monthly meeting in trade service dimension to inform and provide consultation to members.
6- Each association delegates a group for removing problems of members and provide plans to promote job, problems and services in trade service dimension.
7- To pay more attention to appearance, decoration of office and arrangement in the customer dimension.
8- Each association investigates complaints on time and can meet job needs and trade need of members.
9- Each association provides IT infrastructure such as internet, required softwares and also needed training for employees in the development and learning dimension.
10- To hold conferences and seminars to roved trade information and to make employees update in development and learning dimension.
11- Each association increases its transaction with related organizations such as Road and police.
12- Appropriate systems such as income and cost control, effectiveness measurement, human resource and finality be implemented.
References

- Shahai B, Anvari AA. The application of balanced scorecard approach in performance evaluation of universities and institutions of higher education. Tehran; Second Annual Conference on Performance Management, 2005. [Persian]
- strategy – focused organization . translated by parviz bakhtyari. Industrial management organization, 2011.[Persian]