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Evaluating the strategic performance of the Enterprise of Hodna Lait in M'sila using the Balanced Scorecard

تقييم الأداء الاستراتيجي لمؤسسة حضنة حليب بالمسيلة باستخدام بطاقة الأداء المتوازن

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Abstract

This study aimed to investigate the use of the Balanced Scorecard as a modern tool to evaluate strategic performance, by applying it to the Enterprise of Hodna Lait in M'sila in the period of (2013-2017). After, analyzing the financial documents and the interviews, the objectives were determined. And each dimension, was given its weight, in addition to extracting multiple appropriate indicators.

The study proposed a model for the BSC for Hodna Lait Enterprise, which revealed a total performance disorder due to troubles in the performance of some prespective, because of the enterprise's interest in the financial side more than other aspects. The study recommended that more importance should be given to non-financial indicators. that would support the financial indicators and to improve total performance.

Keywords : Performance evaluation; Balanced Scorecard perspectives; Hodna Lait Enterprise.

ملخص

هدفت هذه الدراسة إلى محاولة استخدام بطاقة الأداء المتوازن كأداة حديثة لتقييم الأداء الاستراتيجي وفق أبعادها الأربعة، بالتطبيق على مؤسسة حضنة حليب بالمسيلة للفترة الممتدة بين (2013-2017). وبعد تحليل الوثائق المالية والمقابلات التي أجريت مع مسؤولي المؤسسة، تم تحديد الأهداف، إعطاء وزن لكل منظور، واستخراج المؤشرات المناسبة لقياس مدى تحقق الأهداف.

وأسفرت الدراسة عن نموذج مقترح لبطاقة الأداء المتوازن لحضنة حليب، الذي كشف عن اضطراب الأداء الكلي بسبب الاختلالات في أداء بعض المنظورات، لاهتمام المؤسسة بالجانب المالي أكثر من باقي الجوانب، وأوصت الدراسة بضرورة إعطاء أهمية أكبر للمؤشرات غير المالية لدعم المؤشرات المالية وتحسين الأداء الكلي.

الكلمات المفتاحية: تقييم الأداء، منظورات بطاقة الأداء المتوازن، مؤسسة حضنة حليب.

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1. INTRODUCTION

Since the end of the last century, the world has witnessed development in all fields. This development was characterized by dynamism and orientation towards globalization and competition, which created pressures that prompted economic enterprises to adapt the changes in the surrounding environment. The survival of the enterprise in this competitive environment depends on its ability to evaluate effectively its performance, which ensured the improvement of its decisions and the achievement of its goals. Although enterprises have used many performance evaluation systems, this process remains an ongoing challenge for them.

For several decades, the performance's evaluation of the enterprises was limited to the financial aspect, with complete neglect to the non-financial aspects, and this what made financial indicators encounter many criticisms, because they do not really reflect the actual performance, In response to the shortcomings of traditional performance evaluation tools, R. Kaplan & D. Norton proposed in 1992 a new model that addresses previous drawbacks called the Balanced Scorecard (BSC).The latter is considered one of the most modern administrative tools and an overall system for evaluating the performance from a strategic perspective, based on the use of non-financial indicators in addition to financial indicators, through Four dimensions are: the financial dimension, customers, internal processes, learning and growth.

1.1 The statement of the problem

The BSC has seen wide applying in European and American enterprises, but its application still witnesses clear shortcomings in developing countries, especially Algeria. An effective tool enables it to evaluate its comprehensive performance. Therefore, the inquiry of the study is:

How can the performance of Hodna Lait Enterprise in M'sila be evaluated using the Balanced Scorecard?

1.2 Significance of study

- The significance of this study stems from the Algerian economic enterprises' need for effective tools that allows them to evaluate their comprehensive performance;
- The possibility of using the BSC by the directors of the Algerian enterprises as a tool for strategic management that allows the

implementation and controlling of the strategy.

1.3 Objectives of study: this study aims to:

- Attempting to evaluate the broad performance of Hodna Lait enterprise based on the prespective of the BSC;
- Learn how to apply the BSC in Hodna Lait enterprise;
- Draw the attention of Algerian enterprises, to the importance of the BSC, especially the industrial ones as a modern tool that combines financial and non-financial measures, in order to obtain an overall view that reflects to the actual performance of these enterprises;
- Attempting to develop a model for the BSC that includes the appropriate measures that allow the evaluation of the comprehensive performance of Hodna Lait enterprise.

2. ThEARICAL BACKGROUND

2.1 Balanced Sorecard (BSC)

The BSC was first introduced in the early 1990s through the work of **Robert S. Kaplan and David P. Norton** of the Harvard Business School. It defined by the latter two, as "a set of measures that gives top managers a fast but a comprehensive view of the business. The BSC includes financial measures that tell the results of action already taken. and it complements the financial measures with operational measures on customer satisfaction, internal processes, and the organization's innovation and improvement activities-operational measures that are the drivers of future financial performance" (Norton, 1992, p. 71). According to **Butler**, "the BSC allows managers to look at the business from four important perspectives. It provides the answer to four basic questions: How do customers see us? What must we excel at? Can we continue to improve and create value? How do we look to shareholders?" (Alan, 1997, p. 244). **Robinson** also defined it as "the translation of the mission and strategy of the business unit into concrete goals and metrics through the interaction of four axes: financial, customer" (Robinson, 2000, p. 3), while **Divandri and Yousefi** defined it as it is "a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals" (Divandri & Yousefi, 2011, p. 472)

Based on the above, the Balanced Scorecard can be defined as: "a tool for measuring performance and a strategic management system that contains financial and non-financial measures. This tool translates the enterprises' strategy and mission into strategic goals and measures that are classified according to four perspectives, and these measures are linked to each other in the cause and effect relationship, it also enables managers to review past performance, anticipate future performance, and take corrective actions.

The Scorecard is called Balanced because it: (Loning, Malleret, Méric, & Pesqueux, 2003, p. 159)

- Balance between short-term and long-term goals;
- Takes into account financial and non-financial indicators;
- Measures current, future and past performance;
- Focuses on improving processes, not reducing them;
- Measures internal and external performance, through information exchange between the four axes of the card.

2.2 Balanced Sorecard Perspectives

The etymology of the word "perspective" is from the Latin perspectus, "to look through" or "see clearly," which is precisely what we aim to do with a BSC: examine the strategy, making it clearer through the lens of different viewpoints. Any strategy, to be effective, must contain descriptions of financial aspirations, markets served, processes to be conquered, and, of course, the people who will steadily and skillfully guide the company to success. (Niven, 2006, p. 13) The BSC consists of four perspectives:

2.2.1 The Financial Perspective: financial measures are a critical component of the Balanced Scorecard, especially in the for-profit world. The objectives and measures in this perspective tell us whether our strategy execution- which is detailed through objectives and measures chosen in the other perspectives- is leading to improved bottom-line results. (Niven, 2003, p. 19). It includes the main classic financial indicators (return on capital employed, net margin, cash flow) that measure the effects of the actions implemented. The authors suggest adapting financial indicators to the phase of the life cycle of the sector in which the company operates (growth, maintenance, maturity). (Benzerafa, 2007, p. 38)

2.2.2 The Customer Perspective: in a world where products are copied with the advantage of ease, the competitiveness of companies has shifted to the level of their processes and it is therefore necessary to identify and

monitor the efficiency of their key processes. (Zair, 2013, p. 24) The goal is to ensure that value is created in the customer's sense to achieve financial goals. This perspective determines why customers choose our offering and not that of our competitor. The indicators of this perspective are usually oriented towards measuring customer satisfaction and loyalty, measuring customer growth and increasing profitability per customer. Managers often have five generic measures: market share, retention, new customer acquisition, satisfaction, profitability per segment (Sahel, 2015, p. 67)

2.2.3 The Internal Operations Perspective : the internal business processes perspective identifies internal business processes which create value for customers. Performance measures in the internal business perspective should stimulate innovation and long-term value creation, by identifying critical new processes "at which an organization must excel to meet customer and financial objectives" (Kaplan & Norton, 1996, p. 27) . In contrast to traditional measures that emphasise short term value creation, the BSC focuses upon long term value creation through the development of entirely new products and services required to meet the needs of current and future customers. (Blundell, Sayers, & Shanahan, 2003, p. 53)

2.2.4 The Learning and Growth Perspective: in this perspective, managers define the employee capabilities and skills, technology, and corporate climate needed to support a strategy. These objectives enable a company to align its human resources and information technology with the strategic requirements from its critical internal business processes, differentiated value proposition, and customer relationships. (Kaplan & Norton, 2001, p. 94) This perspective seeks to answer the following question: to achieve our vision, how will we sustain our ability to change and improve? Includes employee training and organizational attitudes related to both employee and organizational improvement. (Isoraité, 2008, p. 19) Learning and growth performance measures also divide into generic outcome measures and specific drivers of these generic measures. Generic outcome measures include employee satisfaction, employee retention rates, employee training and skills. (Blundell, Sayers, & Shanahan, 2003, p. 53)

3. ThE PRATICAL PART

3.1 Introducing the field and methodology of the study

3.1.1 Introducing Hodna Lait Enterprise: Hodna Lait is a Limited Liability Company, it was established by four shareholders on 12/15/1998

with a social capital of 60000000 AD, but the actual date of its launch was 05/15/2000. Its social headquarters is located in the industrial area of M'sila At its beginnings, the enterprises' activity was limited to the production of (milk, yoghurt, cow's milk in bags), with a production capacity of 40,000 liters per day, depending on a workforce of 38 permanent workers.

The development of the enterprise since its inception has passed four stages, with its last expansion in 2014, resulting in the expansion of the enterprise to 06 units, with a production capacity of more than 920,000 liters per day. In addition, the value of the investment was increased to 3038126247 DA, and the number of workers increased to 950, and the sales rvenue in this year was 10122567130 AD, which enabled the enterprise to strengthen its production lines with new products.

3.1.2 Methodology and tools of the study: in order to answer the problem, the descriptive methode was used, which depends on the analysis and interpretation of phenomena and the relationship between them. The subject was also supported by a case study with the aim of studying, understanding and analysing the reality of the enterprise under study, and dropping the theoretical results on it, and according to the nature of the data to be collected, the following tools were relied upon:

3.1.2.1 Interview: interviews are one of the ways to collect data, where interviews were conducted with the frameworks of the enterprise under study, these interviews concern the managers of each of the following departments: finance & accounting, research & development, marketing & business, production operations, and human resources, and these interviews aim to identify the objectives related to each of the four perspectives of the BSC and propose appropriate indicators and initiatives for these goals.

3.1.2.2 Analysis of enterprise's documents: the financial documents of Hodna Lait enterprise were collected, tabulation and analysis, and were represented in balances sheets, income statements, inventory variation statements for the years 2013 to 2017, and in order to inform the various aspects of performance of the enterprises' activity, these financial reports were relied upon to calculate appropriate indicators to measure the enterprises' performance in each of BSC perspectives

3.2 Evaluating the performance of Hodna Lait Enterprise according to the perspectives of the BSC

In this regard, appropriate indicators will be identified to assess the performance of Hodna Lait enterprise in each of the perspective of the BSC, which is consistent with the enterprise's objectives.

3.2.1 Evaluating the financial perspective

3.2.1.1 Asset Turnover Ratio: measures the ability of an enterprise to exploit all available assets to increase sales, and it is calculated as follows:

Asset Turnover Ratio = (net sales/ total assets) × 100

Table 1. Evolution of Asset Turnover

Year	2013	2014	2015	2016	2017
Sales	9 063	10 601	10 122	9 896 04	10 015 44
	713 050	177 227	567 130	4 119	7 633
Total Assets	10 036	9 616 966	9 403 319	8 878 01	9 543 121
	832 807	734	515	0 408	033
Rate %	90.30	110.23	107.64	111.46	104.94

Source: Prepared by the researcher, based on the balances sheets and the income statements of the enterprise (2013-2017)

From the table above, the enterprise has a high efficiency in the use of its assets in the year of 2014 to 2017, as the rate of sales generated from each dinar of sales exceeds one (01), which means that the rate of increase in sales is significant compared to the increase in assets used, and the decline in 2013 is due to the fourth expansion of the enterprise, which extended from the beginning of 2012 to the end of 2014.

3.2.1.2 Cost Reduction Indicator: the enterprise reduces its costs, resulting in a rise in its profits, this indicator can be determined by the net profit ratio:

Net Profit= (net profit for the year (n+1) - net profit for the year (n)/ net profit for the year (n)) × 100

Table 2. Evolution of Profit Rate

Year	2013	2014	2015	2016	2017
Net	277 965	201 022	303 944	296 037	298 299
Profit	603	540	156	923	971
Rate %	-19.32	-27.68	51.20	-2.60	0.76

Source: Prepared by the Researcher, based on the income statements of the enterprise (2013-2017)

Net profit for 2012 was 906,517,344 AD

From the table, we note a significant decrease in the net profit rate for 2013 and 2014, as a result of the expansion policy of the enterprise at

this stage (4th expansion), and the accompanying major increase in the investment of the enterprise, the latter reflected positively on the profits of the enterprise in the following year where it achieved a qualitative jump in 2015, and then this rate returns to decline in the last two years.

3.2.1.3 Return on Investment Rate: it reflects the percentage of revenues obtained from each dinar invested in the enterprise, as follows:

Return On Investment Rate = (Net Profit/ Invested Capital) × 100

Table 3. Evolution of Return On Investment Rate

Year	2013	2014	2015	2016	2017
Net Profit	277 965 603	201 022 540	303 944 156	296 037 923	298 299 971
Invested Capital	1 600 000 000	1 800 000 000	1 900 000 000	2 100 000 000	2 100 000 000
Rate %	17.37	11.17	16	14.09	14.20

Source: Prepared by the researcher, based on the balances sheets and the income statements of the enterprise (2013-2017)

The table shows that the rate of return on investment decreased in 2014 compared to the base year (2013), due to lower net profit and increased invested capital as a result of the fourth expansion of the enterprise, returning to an increase from 2015 to 2017.

3.2.1.4 Profit Margin Rate: it refers to the profit that the enterprise makes for each dinar of sales, and is calculated in the following way:

Profit Margin Rate = (Net Profit/Net Sales) × 100

Table 4. The Evolution of the Profit Margin Rate

Year	2013	2014	2015	2016	2017
Net Profit	277 965 603	201 022 540	303 944 156	296 037 923	298 299 971
Sales	9 063 713 050	10 601 177 227	10 122 567 130	9 896 044 119	10 015 447 633
Rate %	3.07	1.90	3	3	2.98

Source: Prepared by the Researcher, based on the income statements of the enterprise (2013-2017)

From the table, it is clear that the Profit margin rate was approximately stable (3%) during the period (2013-2017) except in 2014, where it experienced a decrease, as a result of the decrease in the net profit, resulting

from higher costs of the fourth expansion of the enterprise on the one hand, and increased sales on the other.

3.2.2 Evaluating the Customer Perspective

3.2.2.1 The Evolution of the Turnover Rate: it can be expressed through the annual sales growth rate, which reflects the increase in sales volume and thus the increase in market share, calculated in the following way:

The evolution of the Turnover rate =(sales for the year (n+1) - sales for the year(n)/sales for the year (n))×100

Table 5. The Evolution of the Turnover Rate

Year	2013	2014	2015	2016	2017
sales	9 063 713 050	10 601 177 227	10 122 567 130	9 896 044 119	10 015 447 633
Rate %	2.70	16.96	-4.51	-2.24	1.21

Source: Prepared by the Researcher, based on the income statements of the enterprise (2013-2017)

The enterprise's Turnover for 2012 was 8,825,711,796 AD

We notice that the evolution of the turnover rate is unstable, duo to the strong competition between milk producing enterprises and dairy products, where the enterprise was able to achieve the highest turnover rate in 2014 as a result of the addition of a number of new products that meet the needs of different segments of consumers, which led to a significant increase in sales, and then this rate begins to decline again starting in 2015.

3.2.2.2 Customer Retention Indicator: it can be calculated as follows:

The Evolution of Customers Number = (number of customers of the year (n+1) - number of customers of the year (n)/number of customers of the year (n)) × 100

Table 6. The Evolution of the Number of Customers

Year	2013	2014	2015	2016	2017
Number of Customers	500	528	575	710	830
Rate %	4.16	5.60	8.90	23.48	16.90

Source: prepared by the researcher based on the interview with the Human Resources manager

The Number of Customers of the enterprise for 2012 was 480

The table shows that the rate of customers number has increased from 2013 to 2015. In 2016 and 2017, this rate has increased significantly as a result of the enterprise's continued efforts to meet the desires of new segments of customers to launch products that fit their desires.

3.2.2.3 Publicity Costs: the publicity costs mean all the expenses spent by the enterprise on the promotion of its products, and the evolution of publicity expenses is calculated according to the following relationship:

Evolution of publicity expenses = (publicity expenses for the year (n+1) - publicity expenses for the year (n)/ advertising expenses for the year (n))×100

Table 7. The Evolution of The Publicity Expenses

Year	2013	2014	2015	2016	2017
Publicity Expenses	175 270 866	21 084 025	24 008 986	14 354 085	57 559 632
Rate %	462.32	-87.98	13.87	-40.21	301

Source: Prepared by the researcher, based on the income statements of the enterprise (2013-2017)

Publicity Expenses for 2012 were: 31 168 997 AD

Publicity expenses varied significantly from year to year, reaching the largest percentage in 2013 as a result of the enterprise's large publicity campaigns at this stage with the aim of gaining new customers and introducing the new products it introduced in the market as part of the fourth expansion of the enterprise, in addition to the enterprise's campaign this year to stimulate sales, and then this percentage decreased significantly in the following year as the famous campaign for 2013 achieved the ruler's goals.

3.2.3 Evaluating Internal Operations Perspective

3.2.3.1 Inventory Turnover Ratio: this rate represents the number of times merchandise inventory is converted into sales, and provides an idea of how efficient the enterprise is in managing its inventory and its ability to sell its products. This rate is calculated as follows:

Inventory Turnover = (sales cost/average inventory) × 100

Table 8. Inventory Turnover

Year	2013	2014	2015	2016	2017
Sales Cost	8 046 538 794	9 039 547 559	8 213 075 403	8 118 250 303	8 398 548 237

Average Inventory	184 497 455.5	253 842 767.5	132 493 990.5	77 906 301	80 788 590
Rate (once)	43.61	35.61	61.98	104.20	103.96

Source: Prepared by the researcher, based on the income statements and inventory variation statements of the enterprise (2013-2017)

The table shows a change in inventory turnover because of the changing demand, with the enterprise producing on the demand due to product sensitivity, and then increasing in the last three years, a positive sign of the enterprise's efficiency in managing its inventory and its ability to market its products well.

3.2.3.2 The Evolution of the Production Volume: calculated as follows:

Evolution of Production Volume Rate = (production volume for the year (n+1)-production volume for the year (n)/production volume for the year (n))×100

Table 9. The Evolution of the Production Volume

Year	2013	2014	2015	2016	2017
Production volume (kg/day)	155 289 593	187 197 892	186 008 216	180 288 652	181 483 251
Rate %	-0.48	20.55	-0.63	-3.10	0.66

Source: Prepared by the researchers based on the interview with the production manager

Production Volume for 2012 was: 156 042 085 AD

The production volume increased significantly in 2014 as a result of the exploitation of new units (fourth expansion) and the accompanying increase in the number of workers, which decreased in subsequent years due to the enterprise's production on demand.

3.2.3.3 Employee's Daily Performance Rate: this rate refers to the Employee's Performance, the extent to which he has accomplished his tasks and achieved his objectives on time, and it calculated through the follows:

Employee's Daily Performance Rate = (number of units produced/number of employees) × 100

Table 10. Employee's Daily Performance Rate

Year	2013	2014	2015	2016	2017
Number of Units Produced	276 483	333 294	331 176	320993	323120

Number of Employees	1 011	997	950	973	996
Rate %	273.47	334.29	348.60	329.90	324.41

Source: Prepared by the researcher based on the interview with the production manager and the human resources manager

The table shows the high daily performance rate of the employee from 2013 to 2015, despite the continuous decline in the number of employees during this period, as a result of the enterprise's efforts to train its employees in this period, which has led to a rise in the employee's productivity. However, this rate has decreased in the last two years due to the increase in the number of employees and the decrease in the number of units produced as the enterprise is produced on demand.

3.2.3.4 Value Added Evolution: productivity is a measure of an enterprise's ability to achieve as much output as possible from a particular input amount, calculated in the following relationship:

Value Added Evolution = (value added for the year (n+1)-value added for the year (n)/value added for the year (n))×100

Table 11. Value Added Evolution

Year	**2013**	**2014**	**2015**	**2016**	**2017**
Value Added	1 462 621 633	1 796 538 203	2 103 102 873	2 009 250 339	1 877 100 213
Rate %	-24.47	22.83	17.06	-4.46	-6.58

Source: Prepared by the Researcher, based on the income statments of the enterprise (2013-2017)

Value added for 2012 was 1 936 599 796 AD

The table shows a significant increase in value added in 2014 compared to the base year, because of the increase in production volume, resulting from the fourth expansion, which continued until 2015 but at a lower rate, again declining in 2016 and 2017.

3.2.4 Evaluating Learning and Growth Perspective

3.2.4.1 Framing Rate Indicator: this rate refers to the number of enterprise frames compared to the total number of employees, calculated as follows:

Framing Rate = (number of enterprise frames/total employees) × 100

Table 12. : Employee's Daily Performance Rate

Year	**2013**	**2014**	**2015**	**2016**	**2017**

Number of Frames	323	313	293	303	305
Total Employees	1011	997	950	973	996
Rate %	31.95	31.39	30.84	31.14	30.62

Source: prepared by the researcher based on the interview with the Human Resources manager

From the table it is clear that the framing rate has been generally stable throughout the study period, where this rate ranged from 30% to 31%, which means that the enterprise is working to maintain its frames to take advantage of their accumulated experience over the years, and also notes from the table that the number of frames represents one third of the number of employees, indicating that the enterprise focuses on the higher levels of management in order to ensure the good management of the enterprise.

3.2.4.2 Employment Rate: the increase in employment rates reflects the growth of the enterprise, as calculated as follows:

Employment Rate = (number of employees for the year (n+1) - number of employees for the year (n)/ number of employees for the year (n))×100

Table 13. Employment Rate

Year	**2013**	**2014**	**2015**	**2016**	**2017**
Number of Employees	120	80	130	150	33
Rate %	-33.33	-33.33	62.5	15.38	-78

Source: prepared by the researcher based on the interview with the Human Resources manager

The Number of Employees in 2012 was 180

The table shows a marked decrease in the number of new employees in 2014, due to the fact that the enterprise was satisfied with the fact that it had employed a large number of workers in the previous two years, due to the requirements of the fourth expansion and the accompanying increase in the volume of investments, this number increased in 2015 and 2016 due to the expiry of employment contracts in 2012/2013, and in 2017 the number of new employees was low due to the recruitment of sufficient numbers in the previous two years.

3.2.4.3 Employee Satisfaction Indicator: employee satisfaction can be inferred through the development of user expenses:

Evolution of User Expenses =(user expenses for the year (n+1)-user expenses for the year (n)/user expenses for the year (n))×100

Table 14. Evolution of User Expenses

Year	2013	2014	2015	2016	2017
User Expenses	554 264 423	571 738 334	613 596 832	615 895 745	606 703 345
Rate %	38.87	3.15	7.32	0.37	-1.49

Source: Prepared by the Researcher, based on the income statements of the enterprise (2013-2017)

User expenses for 2012 were: 399 131 578 AD

In 2013, employee expenses increased due to the enterprise's raising of workers' wages and some bonuses, and the increase in the value of expenses continued in the following three years, but at a lower rate as a result of the enterprise reducing the size of the bonuses. In 2017, there was a clear decline in the value of user expenses As a result of the increase in the number of employees on the one hand and lack of the bonuses on the other.

3.2.4.4 Turnover of Employees Ratio: this rate reflects the change in the number of employees in the enterprise over a certain period of time, and this change in number is caused by the exit of employees from the enterprise and the entry of new others, and is calculated in the following relationship:

Turnover of employees ratio=(number of leavers / total employees)×100

Table 15. Turnover of Employees Ratio

Year	2013	2014	2015	2016	2017
Number of Leavers	68	71	106	106	28
Total Employees	1011	997	950	973	996
Rate %	6.73	7.12	11.16	10.89	2.81

Source: prepared by the researcher based on the interview with the Human Resources manager

The turnover rate of employees was relatively stable in 2013 and 2014, which was fairly acceptable, and then increased in 2015 and 2016 as these two years saw the expiry of many executive employment contracts and

compensation for new ones, while in 2017 turnover declined significantly, which is a good indicator of some kind of stability in the work.

3.2.4.5 Training Rates: this indicator reflects the proportion of employees trained compared to the total number of employees, reflects the degree of interest of the enterprise and its work to improve and develop the skills of its employees, and is calculated according to the relationship:

Training Rates = (number of employees trained/total employees) × 100

Table 16. Training Rates

Year	2013	2014	2015	2016	2017
Number of Trained	00	80	30	00	03
Total Employees	1011	997	950	973	996
Rate %	--	8.02	3.15	--	0.30

Source: prepared by the researcher based on the interview with the Human Resources manager

The table shows a high training rate for 2014 compared to the base year, which means that the enterprise realized its need to develop the skills of its employees, this rate decreased in the following year to 3.15% because the enterprise became training its workers internally, and then it was virtually non-existent in the last two years, and it is generally observed that this rate is fluctuating, which means that the training process is not carried out in a planned manner and according to a well-thought-out program.

3.3 The proposed Balanced Scorecard for The Hodna Lait enterprise:

After setting the established objectives by the enterprise, and giving weight to each dimension of the BSC based on its importance, based on interviews with various managers of the departments, the necessary indicators were calculated based on the enterprise's documents, and the final result was calculated according to the following relationship:

Result = (weight × achieved) / target

Finally, a proposed model of BSC of Hodna Lait enterprise was attempted as follows:

Table 17. The proposed model of the Balanced Scorecard of Hodna Lait enterprise

Perspe-ctives	Measures	weight (%)	Objec-tives (%)	Achieved (%)					Result (%)				
				2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Financial perspe-ctive	-Assets Turnover	10	40	90.30	110.23	107.64	111.46	104.94	22.57	27.55	26.91	27.86	26.23
	-Cost Reduction Rate	10	80	-19.32	-27.68	51.20	-2.60	0.76	-2.41	-3.46	6.4	-0.32	0.095
	- Return On Investment Rate	10	50	17.37	11.17	16	14.09	14.20	3.47	2.23	3.2	2.81	2.84
	- Profit Margin Rate	10	90	3.07	1.90	3	3	2.98	0.34	0.21	0.33	0.33	0.59
	Financial Perspective Performance	**40**	/	/	/	/	/	/	**23.97**	**26.53**	**36.84**	**30.68**	**29.75**
Customer Perspe-ctive	-Turnover Rate	10	90	2.70	16.96	-4.51	-2.24	1.21	0.3	1.88	-0.5	-0.24	0.23
	-Customer retention	8	70	4.16	5.60	8.90	23.48	16.90	0.47	0.64	1.01	2.68	1.93
	-Publicity Costs	7	50	462.32	-87.98	13.87	-40.21	301	64.72	-12.31	1.94	-5.62	42.14
	Customer Perspective Performance	**25**	/	/	/	/	/	/	**65.49**	**-9.79**	**2.45**	**-3.18**	**44.34**
Internal Operation perspe-ctive	-Inventory Turnover	5	80	43.61	35.61	61.98	104.20	103.96	2.72	2.22	3.87	6.51	6.49
	-Production Volume	5	70	-0.48	20.55	-0.63	-3.10	0.66	-0.03	1.46	-0.04	-0.22	0.04
	- Employee's Daily Performance	5	85	273.47	334.29	348.60	329.90	324.41	16.08	19.66	20.50	19.40	19.08
	-Value Added	5	70	-24.47	22.83	17.06	-4.46	-6.58	-1.74	1.63	1.21	-0.31	-0.47
	Internal Operational Perspective Performance	**% 20**	/	/	/	/	/	/	**17.03**	**24.97**	**25.54**	**25.38**	**25.14**
Learning and Growth perspe-ctive	-Framing Rate	3	30	31.95	31.39	30.84	31.14	30.62	3.19	3.13	3.08	3.11	3.06
	-Employment Rate	3	20	-33.33	-33.33	62.5	15.38	-78	-4.99	-4.99	9.37	2.30	-11.7
	- Employee Satisfaction	3	80	38.87	3.15	7.32	0.37	-1.49	1.45	0.11	2.74	0.01	0.05
	-Emloyee Turnover	3	30	6.73	7.12	11.16	10.89	2.81	0.67	0.71	1.11	1.08	0.28
	-Training Rate	3	30	--	8.02	3.15	--	0.30	--	0.80	0.31	--	0.03
	Learning and Growth Perspective Performance	**15**	/	/	/	/	/	/	**0.32**	**-0.18**	**16.61**	**6.5**	**-8.28**
total performance		**100**	/	/	/	/	/	/	**106.81**	**41.53**	**68.64**	**59.38**	**90.95**

Source: Prepared by the researcher based on a model Norton & Kaplan

4. CONCLUSION

This study aimed to try to evaluate the performance of the enterprise of Hodna Lait with The Balanced Scorecard, where it was found that although the management of the enterprise recognized the importance of the process of measuring performance, it does not use the BSC, because managers do not know about it and how it is applied, nor do they realize its importance as a tool for the management and implementation of the enterprises' strategy, where the enterprise uses a significant number of BSC indicators, and therefore needs to complete the rest of the indicators and organize them to become an integrated card, and after conducting the virtual study of the application of the BSC for the five years (2013-2017) in the Enterprise of Hodna Lait in M'sila, and by analyzing the final results obtained the following results were reached:

- BSC contributes to the comprehensive performance of Hodna Lait enterprise, relying on non-financial measures as well as financial measures, by evaluating performance in four dimensions: financial dimension, customer, internal processes, learning and growth, by giving weight to each dimension according to its importance in achieving the enterprises' strategy, and linking dimensions to obtain the comprehensive performance of the enterprise;
- Indicators of the financial dimension contribute to determining the financial performance of the enterprise by creating a balance between costs and return on investment, which contributes to the stability of profits and the value of shares;
- Customer dimension indicators contribute to determining performance in this dimension through marketing activities that contribute to customer retention and increase turnover, which positively reflects on increased market share, where the results show that the enterprise's performance fluctuates in this dimension and should improve it;
- The enterprise works to improve the performance of its internal operations as a basis for improving financial performance, as optimal resource utilization leads to increased value added and cost reductions, and in contrast, balancing the worker's daily performance rate with the development of production volume on the one hand, and stock turnover on the other, is necessary in maintaining stable

- performance of this dimension;
- learning and growth dimension Indicators show the level of performance of the human resource in the enterprise, increasing the rates of training, framing and user expenses that will increase the satisfaction of the workers and thus maintain them and ensure their loyalty, as the BSC model shows the weakness and fluctuation of performance of learning and growth dimension in the enterprise under study as a result of its weak interest in non-financial measures;
- After applying the BSC model to the enterprise, the comprehensive performance disorder was evident, as a result of the fluctuation of the performance of some dimensions, due to the lack of coordination between the directorates and departments of the enterprise, the decrease in performance in any dimension inevitably leads to a decrease in comprehensive performance and this confirms the importance of integration and interconnection between dimensions, which is the essence of the work of the BSC, and this integration is embodied in cause-and-effect relationships, which connect the four dimensions where they are built from top to bottom, and their achievement is from bottom to top.

In light of the results of the study, some recommendations have been made that could serve Hodna Lait enterprise:

- Review the enterprise's performance evaluation system, moving from traditional to modern tools, and adopting senior management of the BSC model to fill in underperformance;
- Pay more attention to non-financial measures and link them to financial measures and guide them to achieve the enterprise's strategy, where the proposed BSC model can provide a solution to the problem of poor coordination between its directorates, as it is characterized by its ability to link objectives and indicators on the one hand, and the dimensions of the BSC on the other;
- Establish a performance follow-up and evaluation department in the enterprise, which includes specialized and qualified frameworks that oversee the processes related to the application of BSC, and prepare appropriate indicators that allow performance evaluation, as well as detect and correct deviations in real time;

- The need to develop an information system for the collection of data on indicator calculation, to facilitate the continuous updating of indicators, as well as to store and process data on customers and competitors in order to prepare reports that assist in strategic decision-making.

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