

# UTILIZATION OF THE HR SCORECARD IN POTENTIAL DEVELOPMENT AND LEARNING GROWTH

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## **Abstract:**

*Research background:* The paper addresses the issue of growth potential and learning in service-providing enterprises from the perspective of modern business performance management methods. It highlights their relevance in today's deepening crisis.

*Purpose of the article:* The aim of the article is to analyse the HR Scorecard model and its impact on the efficiency of management processes, with a focus on the fourth perspective of the Balanced Scorecard, incorporating current insights and trends in innovation.

*Methods:* The article examines the strengths and weaknesses in this field by comparing findings and evaluating processes and the quality of strategic management, particularly from the standpoint of learning, growth, and organizational development. It suggests methods and approaches to enhance enterprise and individual performance effectively, grounded in the strategic management system for organizational advancement.

*Findings & Value added:* To enhance work quality, the article incorporates elements of process management and analysis. It emphasizes the application of a potential improvement methodology, which enables the identification of bottlenecks within the learning and growth process and calculates the potential for improvement.

**Keywords:** human resources management; HR scorecard; digitization; efficiency; performance

**JEL Classification:** O12; O15; L25

## **1. Introduction**

In the current business environment of the 21st century, enterprises face the challenge of navigating a multifaceted and constantly evolving landscape. To effectively manage complexities, it is essential to thoroughly understand and effectively apply strategic management frameworks such as the Balanced Scorecard (BSC). The fourth perspective of the BSC, namely learning and growth, deserves special attention (Kaplan and Norton, 1992). Learning and growth are generally considered the cornerstone of the Balanced Scorecard (BSC) framework. It recognizes the importance of human capital, information capital, and

organizational capital, serving as a catalyst for driving change and fostering innovation within the enterprise.

Recently, there has been a notable shift in emphasis towards the service sector, characterized by a high level of knowledge intensity and the requirement for continuous learning and development. Despite the significant importance of the service sector, there is a lack of scientific research regarding the implementation of the fourth perspective of the Balanced Scorecard (BSC) in service sector companies, especially concerning modern management techniques. This study offers an in-depth examination of organizations in the service sector from the perspective of the Balanced Scorecard's learning and growth perspective. The aim of this investigation is to thoroughly explore the utilization of contemporary management techniques and their impact on the market position of the mentioned entities.

This study aims to fill the gap in the existing literature by focusing on two fundamental issues. The initial step involves assessing the fundamental indicators that measure organizational performance and their optimal utilization in strategic management, specifically concerning the capabilities of the entity. The second objective of this study is to present a theoretical framework focused on enhancing the educational and developmental capabilities of individuals. To increase management efficiency and move the economy towards digitization, we propose the implementation of dashboards to monitor the fourth perspective of the Balanced Scorecards. These dashboards would allow for predicting their progress and evaluating their impact on company performance. The success of a business entity is conditioned by the competence and excellence of its management personnel, who are responsible for leading and guiding their subordinates towards achieving desired goals. According to Nikiforova et al. (2018), managers are accountable for using their professional and social competencies to effectively lead individuals to constructive work ethics, which ultimately leads to achieving desired work outcomes.

This study aims to explore the correlation between the learning and growth perspective and contemporary management theories by addressing a series of fundamental research questions. This study evaluates the state and performance of companies in the given sector using contemporary perspectives of the Balanced Scorecard (BSC) and the Human Resources (HR) Scorecard. The goal is to increase the performance and efficiency of these companies. The study further examines issues related to human resources management, business development, continuous management practices, and related phenomena.

The study demonstrates a comprehensive understanding of the learning and growth aspect in the service sector and provides valuable insights that can assist in the development of strategic management and the subsequent improvement of enterprise performance. The presented study shows the results of our research and proposes new methodologies for service-oriented enterprises aimed at improving their operational procedures and increasing their competitive advantage. The service sector, along with the entire industry, will need capable and proactive human resources to overcome the current crisis. These individuals must have the ability to anticipate and effectively solve operational problems within the enterprise. It is essential that the strategic human resources assessment system functions as a coherent system with components and connections not only within the organization but also considering external factors affecting its operation and overall efficiency. It is essential that the system can analyze dynamic conditions and respond accordingly. The onset of the second crisis, specifically economic and humanitarian, was facilitated by the ongoing pandemic and the exacerbation of existing issues. Effective management and resolution of these phenomena require human resources that are well-prepared and sufficiently educated to analyze their causes and propose viable solutions. The aim of this study is to clarify the procedures associated with strengthening

the strategic management framework with a focus on the fourth dimension of learning for the growth and development of the enterprise in industrial companies operating in the service sector.

## **2. Literature review**

The Balanced Scorecard is a managerial tool that can be used to oversee an enterprise and evaluate its strategic objectives (Kumar et al., 2021). Fatkiewa and Krupina (2020) argue that the balanced scorecard approach offers a thorough understanding of all aspects of the enterprise. This methodology allows the organization's leadership to monitor its internal standards, regulations, processes, and strategic goals as a cohesive whole. According to Tawse and Tabesh (2023), this particular management tool has a significant impact on both strategy formation and the implementation of control measures. Asiaei and Bontis (2019) suggest that developing an appropriate conceptual model utilizing a sustainable balanced scorecard can serve as a crucial link between corporate social responsibility and overall business performance. Pierce (2022) states that comprehensive performance measurement, whether financial or temporal, is a monumental task. Consequently, the use of a balanced evaluation table is considered advantageous for aligning metrics and optimizing the potential of obtained data. The balanced scorecard is used as a performance measurement system rather than a management control mechanism, with private sector organizations showing a greater inclination towards using the balanced scorecard compared to their public sector counterparts (Kumar et al., 2021).

The EFQM model is widely recognized and frequently used as a strategic formulation tool (Murthy et al., 2022). Dobrovic et al. (2019) believe that managers use this comprehensive tool to enhance and evaluate business performance. Fonsesca et al. (2021) argue that the EFQM model offers a comprehensive and cohesive framework that can be used to enhance business performance in the context of Industry 4.0. De Menezes et al. (2022) suggest that quality management is conditional upon stakeholder management and that the EFQM model creates both direct and indirect links between sustainability and orientation. According to Liu et al. (2021), EFQM model scores in various industries are uniform, necessitating score adjustments based on industry to ensure model credibility and obtain necessary information. Sony et al. (2020) argue that Six Sigma has recently become a significant quality management methodology for process improvement. The Six Sigma methodology has been widely implemented across various sectors, including healthcare, where it serves as a valuable tool for quality management and ensuring patient safety (Ninerola et al., 2020). Process improvement is the primary objective of using process statistics and data. The term "Lean Six Sigma" is commonly found in the literature as a method of enhancing current performance, competitiveness, quality, and cost-effectiveness of the enterprise, as noted by Tampubolon and Purba (2021). In addition to increasing productivity, it boosts employee morale and improves user or customer satisfaction. Costa et al. (2021) supported this assertion, further arguing that Lean Six Sigma represents an effective approach to eliminating waste and reducing deviations. Implementing Lean Six Sigma tools in organizations is associated with various benefits, including facilitating continuous improvement and identifying root causes of problems (Byrne et al., 2021). Rudanic et al. (2021) assert that business management is a continuous effort prioritizing the cultivation of the enterprise's human resources and achieving its strategic goals. Despite ongoing trends of robotization, automation, and digitalization, human capital remains widely regarded as the main factor contributing to business performance (Andersen, 2021).

Abujraiban and Assaf (2022) verified that strategic human resource planning results in a favorable outcome for the overall performance and efficiency of all employees in an

organization. Therefore, businesses must ensure that their employees are appropriately selected, educated, motivated, trained, and developed to maintain sustained growth and competitiveness in the market (Ahmad and Jalagat, 2022). Currently, there is significant competition among enterprises in acquiring skilled workers. As a result, it is essential for businesses to increase their attractiveness to employees and ensure the retention of talented workers (Stuss, 2020). This notion is also supported by Coculova and Tomcikova (2021), who argue that attracting and retaining qualified individuals is a key aspect of contemporary business management. Gelinás et al. (2022) believe that human resource management encompasses six dimensions: strategic human resource planning, recruitment and placement, employee development and education, human resource performance management, employee remuneration, workplace relationship management, and legal and ethical behavior. Fechter (2023) argues that evaluating the effectiveness and performance of human resources facilitates a specific tool, simultaneously creating a connection between human resources, performance, and strategy throughout the enterprise environment to achieve optimal organizational outcomes (Ermayanti and Ro'ifah 2016). Kowalczyk and Kucharska (2020) argue that a business is primarily composed of human resources, requiring the use of the HR Scorecard tool for effective management of these resources. According to Sadeghi and Biancone (2018), the HR Scorecard is a useful tool for human resource managers in setting goals and strategies for the upcoming period. Achieving goals in the near and distant future is conditional upon utilizing the competencies and capabilities inherent in the organization's human resources (Ismail and Sembiring, 2019).

Nelson and Ellis (2018) noted that the first two decades of the 21st century saw rapid development in digital technologies and digital data. According to Gramss (2020), digitalization holds significant importance for businesses and changes their overall requirements. The advent of digitalization has brought numerous perspectives for both suppliers and consumers by providing a considerable volume of new data that they can utilize (Peukert and Reimers, 2022). The impact of digitalization on business entities can be characterized by the duality of positive and negative outcomes, contingent upon the effectiveness of digitalization implementation (Travkina, 2022). The influence of digitalization extends beyond the business realm, permeating various aspects of the daily lives of most individuals, thereby affecting communication patterns (Wenzel, 2019). Erickson and Rothberg (2019) argue that digitalization has the potential to enhance business efficiency in the foreseeable future.

They attribute this primarily to the amount of big data that enterprises can leverage and adapt to their requirements. Currently, the integration of digitalization in manufacturing enterprises is becoming more frequent due to its potential to expand business perspectives and increase competitiveness, as noted by Fusko et al. (2019). Kirillova and Dorozhkin (2019) documented that digitalization is a global phenomenon adopted across various sectors of the economy. Antonov et al. (2020) argue that the term "effectiveness" is commonly used by various organizations. An enterprise's ability to achieve predetermined goals with minimal expenditure and effort is commonly referred to as efficiency, although this term is often confused with performance. A business requires an effective knowledge management model, particularly concerning technological advancements and potential generational differences in adapting to new digital technologies. Andriani et al. (2022) argue that developing an effective management model is crucial for businesses to ensure longevity and competitiveness in the market environment. Lin and Yi (2021) argue that management efficiency is key for enterprises as it has the potential to enhance the operational efficiency of the entire business. According to Yang et al. (2022), effective human resource management is essential for businesses to achieve long-term success in a competitive enterprise environment. According to Chernoiivanova et al. (2021), achieving efficiency requires a business to allocate resources for innovative

development, thereby unlocking its potential. Lehyani et al. (2023) argue that the activities and processes carried out in an organization significantly impact employee efficiency, either positively or negatively. According to Guliyeva et al. (2020), the use of information technology in companies' human resources departments has the potential to significantly increase their efficiency. Salehi et al. (2022) argue that performance is a key measure of a company's triumph and a determinant of its growth and persistence in a competitive environment. To succeed, businesses must possess dynamic capabilities that match those of their competitors, as noted by Rehman et al. (2020). Chang and Jeong (2021) argue that the activities of managers are crucial for achieving performance and positively influencing business operations, while Zhu et al. (2022) argue that innovative activities have a notable impact on increasing performance. Finally, it is essential for an organization to create a well-defined organizational structure and implement effective knowledge management practices. If these elements are properly established, the enterprise can achieve financial stability and enhance its performance in a competitive enterprise environment (Kavalic et al., 2021).

### **3. Methodology**

The main objective of the research was to analyze the condition of enterprises in the service sector from the perspective of the fourth Balanced Scorecard perspective, that is, learning and growth, with an emphasis on using modern management methods and the success of these enterprises from the market position perspective. Within this goal, we evaluated key performance indicators and their more efficient utilization in strategic management concerning the management of the entire enterprise, particularly from the potential perspective. Based on the findings, we proposed a model for improving potential in the area of learning and growth. In the direction of improving and increasing management efficiency and in the context of transforming the economy towards digitalization, we proposed dashboards for monitoring the fourth BSC perspective with predictions of their development and impact on enterprise performance.

The basic research topic focused on researching the perspective of learning and growth compared to modern management theories. The fundamental research question was to determine the state of the enterprise and the success of enterprises in the analyzed sector concerning contemporary insights in the Balanced Scorecard and HR Scorecard concerning their performance with the goal of increasing the performance and efficiency of enterprises. The established research questions primarily focused on HR management and monitoring business development, ongoing management processes, and related phenomena.

The questions we were interested in included:

Q1: Does increased quality and level of HR also improve management processes in the enterprise?

Q2: How is enterprise performance measured in the analyzed sector, and what methods are used for this?

Q3: What is the potential for improving human resource management in the observed sector?

Q4: How high is employee satisfaction in these enterprises with their management, and how does this relate to learning and growth?

Q5: What barriers and risks are encountered in the area of learning and growth in the service sector? In our research, we also aimed to determine whether employees are regularly trained and at what intervals these educational activities are conducted.

Q6: Are KPI indicators used in the employee evaluation process?

During the research conducted in 2021 and 2022, we contacted 393 different industrial enterprises in the service sector through an electronic questionnaire survey. A total of 92 surveyed enterprises participated in the research. We primarily targeted senior and middle management. Some responses were also received from lower management. The research sample mainly consisted of managers working in this sector. Based on the aforementioned research questions, we formulated the following hypotheses which were the subject of the research work.

**Hypothesis H1:** We hypothesize that the implementation of modern strategic management methods from the perspective of the fourth BSC perspective in the management of industrial enterprises in the service sector will increase the performance of workers operating in this sector.

Within this hypothesis, we examined the impact of modern management methods on their performance, which is very important as in other industrial enterprises. We assumed whether the performance evaluation system corresponds to modern insights and trends used globally and whether it relates to key performance indicators.

To verify the hypothesis, we used a two-sample F-test and t-test. We verified the strength of the relationship using correlation dependence with Pearson's correlation coefficient. The resulting value was  $F_{stat} = 0.5$ . From the analysis, we found that  $F_{stat} < F_{crit}$ , thus accepting the null hypothesis and using the t-test for equality of variance. The test statistic  $t_{Stat}$  was equal to 1.813, meaning it lies in the area of acceptance of the null hypothesis, which is the interval  $(-1.973, 1.973)$ , and at the significance level  $\alpha = 0.05$ , we accept the hypothesis at any significance level greater than 0.072. A very low p-value would indicate that we have a serious reason to reject the null hypothesis, which was not confirmed in this case. The strength of the relationship based on Pearson's correlation coefficient is 0.64, indicating that the strength of the relationship is not negligible. Respondents' opinions confirmed our assumption that there is a correlation and stronger links between modern management methods and performance. The conclusions were used in the proposal section to design a strategic HR Scorecard model. From common practice, it can be traced that companies use these modern management systems very little, as shown by the survey, where only 75% of organizations in the examined sample stated that they also use the Balanced Scorecard method of balanced performance indicators.

**Hypothesis H2:** We hypothesize that modern insights gained by employees during the process of education and increasing their expertise are sufficiently utilized in managing businesses in the area of learning and growth.

This hypothesis verified the assumption that strategic management is not only oriented towards customer-related indicators, but modern management methods, whose knowledge managers and other workers acquired during qualification and professional development, are fully utilized in the management process.

To verify Hypothesis H2, we used statistical methods of the two-sample F-test and t-test. The resulting value was  $F_{stat} = 0.364$ . Since  $F_{stat} < F_{crit}$ , we accept the null hypothesis of equal variances and use the t-test for equality of variances. The test statistic  $t_{Stat} = 0.644$  lies in the area of acceptance of the null hypothesis, which is the interval  $(-1.973, 1.973)$ . At the significance level  $\alpha = 0.05$ , we accept the null hypothesis at any significance level greater than 0.5203. The strength of the relationship determined by correlation is 0.19, indicating a relationship strength that is not so significant and can be considered weak. Respondents' opinions confirmed our assumption that there is a correlation between modern management methods and education, but it does not have such strong links. From common practice, it can be observed that companies are trying to limit training costs or deal with it in other ways. This area has been particularly strongly affected by the ongoing crisis and inflation, forcing

entrepreneurs to save, thereby reducing the links between the examined variables. This is a negative trend as it does not support performance growth but rather has a negative impact.

**Hypothesis H3:** We hypothesize that key performance indicators oriented towards strategic business goals are used in employee performance evaluation.

Within this hypothesis, we examined whether the use of a modern performance evaluation system based on KPI is sufficient to improve business performance.

To verify Hypothesis H3, we also used statistical methods of the two-sample F-test and t-test. We verified the strength of the relationship using correlation dependence with Pearson's correlation coefficient. The significance level was  $\alpha = 0.05$ . The resulting test value was  $F_{stat} = 1.0039$ . Since  $F_{stat} > F_{crit}$ , the null hypothesis of equal variances is rejected. We perform a t-test for unequal variance. The test statistic  $t_{Stat} = 1.1947$  lies in the area of acceptance of the null hypothesis, which is the interval  $(-1.981, 1.981)$ , and at the significance level  $\alpha = 0.05$ , we reject the null hypothesis. The correlation coefficient has a value of 0.47, which is a value indicating a medium relationship strength. Respondents' opinions did not confirm our assumption that there is a correlation between performance and the use of KPIs. The links between these variables are also transitional. This indicates poor use of KPIs that do not correspond to the company's goals. This error is very common in practice.

**Hypothesis H4:** We hypothesize that ineffective work in the area of learning and growth is related to the use of outdated management methods.

This hypothesis examined whether inefficiently expended work is related to management processes and thus reduces business performance. This hypothesis primarily concerned the proposal and calculation of improvement potential in management processes.

To verify Hypothesis H4, we used statistical methods of the two-sample F-test and t-test. For these tests and the Pearson correlation coefficient, we chose them because they provide a three-level evaluation: assessing the normality of the sample, testing the hypothesis, and indicating the strength of the relationship between the sample variables. The resulting test value was  $F_{stat} = 0.101$ . Since  $F_{stat} < F_{crit}$ , we accept the null hypothesis of equal variances. The t-test for equal variances states  $t_{Stat} = -1.3564$ , so at the significance level  $\alpha = 0.05$ , we reject the null hypothesis. The correlation coefficient has a value of -0.15, which is a value indicating a relationship strength that is not very weak. Respondents' opinions did not confirm our assumption that there is a correlation between engagement and business performance. The influence here is very weak with a negative character. The conclusions of the tests can point to a very important factor of poor performance evaluation or the connection of performance with the area of remuneration and motivation. It also shows us deficiencies in performance management and the need to adopt a new modern learning and growth model that corresponds to current modern trends in the development of this science and the analyzed sector.

**Hypothesis H5:** We consider experienced and highly qualified personnel to be the most important factor influencing work efficiency and business performance.

Within this hypothesis, we want to verify the assumption that work efficiency is closely related to the growth of personnel qualifications.

To verify Hypothesis H5, we used statistical methods of the two-sample F-test and t-test. The resulting test value was  $F_{stat} = 2.302$ . Since  $F_{stat} > F_{crit}$ , we reject the null hypothesis of equal variances and perform a t-test for unequal variances. The test statistic  $t_{Stat} = 1.0750$  does not lie in the area of acceptance of the null hypothesis, which is the interval  $(-1.975, 1.975)$ , and at the significance level  $\alpha = 0.05$ , we reject the null hypothesis. The correlation coefficient has a value of -0.091, which is a value indicating no relationship strength or a very low one.

From respondents' opinions and interviews, it can be inferred that the issue of learning and growth and enterprise development in service enterprises is therefore in various areas and of

different characters. The survey shows that the strategic management system from the perspective of the fourth BSC perspective in this sector is also very important and has many reserves. The solution would be a comprehensive approach to managing learning and growth and development from the perspective of the entire enterprise, not just on an operational basis, but also with a clear vision for the future and strategic management focused on the satisfaction of not only customers but also employees and the entire staff comprehensively, as indicated by the perspective of learning and growth and the potentials of the enterprise.

## **4. Results and Discussion**

Learning and growth of enterprise resources can be defined as a method of strategic management and performance management aimed at the success of the enterprise. This means a method that analyzes situations and proposes solutions that guarantee the success of enterprises through the effective use of human resources and their activities. A new perspective on strategic management through the HR Scorecard is given by focusing on the highest goal, which is no longer profit but the development of the enterprise, its growth, and employee satisfaction. Only the development of the enterprise ensures its success and continuous cost reduction. Profit achievement is no longer the primary measure of enterprise success. This shifts its place in the economy and finance, bringing issues related to the fourth perspective of the Balanced Scorecard with elements of modern controlling management with the acceptance of process digitization in this area. HR controlling expands strategic management with a new perspective through the eyes of management towards success. An important element in this process is the people - employees who work in the enterprise. The success of the enterprise also depends on the personnel and their quality.

### **4.1. Results of the survey**

In addressing the issues of the fourth perspective of the BSC in the service sector, we were interested in how individual enterprises view the studied issues and how they deal with them. Within the research, we cross-sectionally processed views on the studied issue. We are aware that management issues are specific to each enterprise and should independently shape its future. However, we sought common features that would support the development of the enterprise and learning, growth, and improvement of its quality. In terms of gender, the views of male managers predominated, with more than 65%. More than 55% of respondents were from top management, and 21.7% of views were from middle and lower management. They were represented from all regions and were of different ages. We tried to adjust the distribution scale by age to the manager's career curve, and from this perspective, we also created an age structure, with a group that is still developing, a group of managers already capable in the second stage of their careers, then a group of experienced managers, and finally a group that was already touching the late stage of the manager's career. Education played an important role in this process. Most respondents had a full university education at level II (65.2%). Various job functions were represented, from owners, top management, middle, and lower-level managers. Regarding the size of enterprises by the number of employees, most had between 10 and 49 employees (76%).

Through the survey, we found that almost 60% of respondents indicated a lack of qualified employees. Opinions on employee recruitment varied over time, but three opinions predominated: once a year (28.3%), once a quarter (23.9%), and mostly permanent employees (21.7%). The most common source of information for recruiting new employees was advertisements (78.6%). Recommendations also carried significant weight (17.1%). In

education, up to 70.7% of respondents stated that they are educated according to current trends. Only 4.3% of enterprises stated that they do not educate themselves. This group might have a problem with enterprise growth and development. The most common form of education was consultation (30%). Coaching and work meetings, mentoring, instructions were also frequently used (15% of the total 30%).

In the next part, we focused on employee performance and satisfaction. Up to 25% of enterprises evaluate employees monthly. A fairly large percentage also evaluated annually and at other intervals (over 22%). According to KPI indicators, 46.7% evaluated, and 53.3% of enterprises did not use them, which is relatively high given the current trends. Regarding the balance of KPIs, it is an unbalanced system where most enterprises preferred economic, organizational, and performance indicators (28.6%). Economic key performance indicators were often reported within other groups. In deeper analysis, we found that specific KPIs (37%) and purely economic ones (15.5%) prevailed in this group. There were also 21.5% performance-oriented KPIs. From this perspective, it is clear that the used indicators have no direct connection with the strategy and vision of the organization since almost no examined company used a comprehensive BSC, with one exception. Career growth is applied in up to 78.3% of facilities, which is a very high percentage, and we evaluate it positively. Up to 91.3% of facilities support motivational systems. Regarding remuneration in institutions, there are various forms, but high wages prevail (36.7%), followed by a combination of salary and career growth (16.7%) and 10% in combination with benefits. The remuneration system consists of 34.3% salary and 24.5% praise and recognition. Self-development is supported by up to 95.7% of respondents. Engagement is relatively high, indicated by 78.3% of respondents. Employee satisfaction on a scale from 1 to 4 was expressed by 39.2% of respondents, which is relatively low. Only 3.3% of respondents were very satisfied. This percentage indicates the need for more effective HR management according to modern insights in this area, which we then addressed in the design section. In personal interviews and examining these dependencies directly in various enterprises, these conclusions were repeatedly confirmed.

#### **4.2. Proposals and recommendations**

Based on our professional experience and studies, we have processed and described the basic processes occurring in the area of strategic management. We proposed a system to increase performance potential concerning strategic goals. In the proposal section, based on conducted research and hypothesis testing as prerequisites for further development in the area of learning, growth, and organizational development, we developed a model for calculating improvement potential and thereby increasing the quality and efficiency of the given facility's work. In connection with process optimization and improvement potential, a process map is also compiled.

#### **4.3. Principles of a process-oriented enterprise**

It is necessary to understand that this is not about routine process improvement but systematic activity based on the ABC/M concept. Most systems in this area focus on improving existing processes. These solutions are more commonly found in industrial practice than in services. The Balanced Scorecard theory recommends that managers construct the entire value chain - from the innovation process, detecting current and future needs, and developing new ways to address these needs through process management to providing existing services with new innovation potential and ending with the offer of services at the level of current trends with a future perspective that adds value to the provided services.

#### **4.4. Proposal of the strategic HR scorecard management system in the fourth perspective of learning and growth**

When modernizing enterprise management, it is also important to use modern management systems based on a balanced indicator system based on long-term key performance indicators. This approach can balance the efficiency of management and the KPI (key performance indicator) monitoring system, not only concerning customers and their operations but also managers and other employees. This provides a better overview of the company's and its workplaces' condition, allowing for a more efficient transition to AI-based management in the future. This trend is already underway and is also related to the process of digitalization and the digital society.

#### **4.5. Discussion of results and contribution to theory and practice**

The knowledge processed in the context of this paper was targeted, analyzed, and further processed to help improve management processes of customer care from a business performance perspective. At the same time, we tried to collect and present information to help improve processes in the theoretical field of HR Scorecard knowledge, especially at the enterprise level in this sector. We aimed for this information to be useful in the process of educating managers but also among the broader professional public and employees working in this sector.

In our research, we also conducted a survey of opinions from various stakeholder groups – managers, professionals, the broader professional public closely related to this issue. The research showed that the strategic management process in the fourth perspective of the BSC in the service sector is at a good level and corresponds to trends in this area, but from the perspective of modern management theories, there are significant reserves in the management system, and there is potential for improvement. Therefore, in this work, we also emphasized the most important potentials for improving the strategic management process in this sector. The biggest gap we found was in the management of their performance. Regarding KPIs for providing customer care, it can be said that it is at a very good level, but concerning performance indicators, there are significant differences, especially in their use. Most of the examined enterprises had an unbalanced system of performance indicators. When viewed from the perspective of the Balanced Scorecard method, we found that almost all key performance indicators are focused on the customer perspective, and financial indicators are also strongly represented. These indicators rarely relate to the process perspective of development and even less to the perspective of growth, learning, and personnel. In the context of these perspectives, we see the quality and efficiency of the examined enterprises. From the perspective of strategic management, we found quite large gaps, confirmed by both practice and previous research. Quality employees with managerial experience and knowledge can play a very important role in the future. The concept of key personality and indicators related to these persons is completely lacking in enterprises.

## **5. Conclusions**

In this paper, we dealt with the issue of the Balanced Scorecard in service enterprises with an emphasis on the application of the HR Scorecard system. The issue of learning, growth, and enterprise development is less developed. Therefore, we tried to bring a new perspective on this area of strategic management and the possibilities of its development with our research work. In this area, we see significant potential for improvement, especially concerning strategic management itself. The increasingly supported digitization of processes based on modern

digital technologies in the context of digital transformation throughout the EU brings a new perspective on this issue. These processes need to be managed and controlled. There are great reserves, but with good management, this can be achieved within a few years. Above all, it presupposes a good vision and strategy, a system of quality balanced performance indicators, and quality teamwork.

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*Utilization of the HR Scorecard in Potential  
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