

Accountability Scorecard as an Instrument for Estimating Relations Between Companies and Related Interest Groups

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The Accountability Scorecard (ASC) treats the following as interest groups:

- Customers: They are persons who buy goods or services from the company and pay for them. They also include potential buyers.
- Employees: They work for the company and receive wages, salary and other benefits. This group doesn't include members of board of directors and directorate.
- Suppliers: They provide the company with goods and services for payments, and the company produces other goods and services based from what this group provides.
- Management: The group of managers is responsible for the company's performance and other operations.
- Others: This group includes other persons and organizations, such as governmental bodies, creditors, civic organizations, etc.

The ASC tends to reflect relations between these groups and the company. These relations are usually two-way ones. For example, shareholders contribute money to the company and receive dividends from it.

Company Suppliers Customers
Others Employees Management

Establishment of an ASC comprises the following steps:



- Step 3: Important contributions and obligations are determined and classified according to an order of importance.

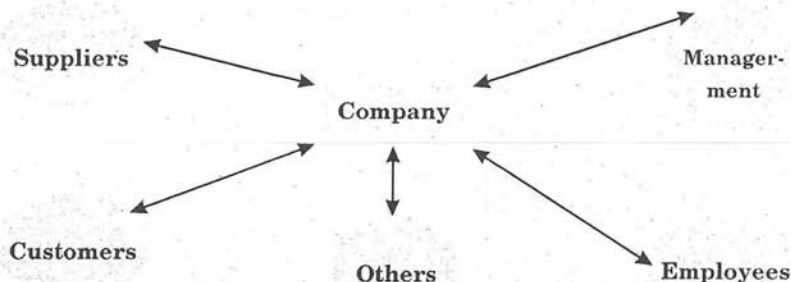
- Step 4: Criteria for important contributions and obligations are determined. The important aspect here is to determine ways of estimating contributions and obligations to the satisfaction of each group, therefore, it's necessary to check awareness of the group about benefits it receives. For example, what is customer's sat-

isfaction of the company performance. It hasn't been a perfect system or a model that is applied broadly. From this idea, however, many methods and instruments for estimating the business performance have come into existence and become more perfect over time. It could be applied to local companies in the following aspects.

- External supervision by shareholders: The company management should make report on satisfied contributions and obligations every fiscal year. The report will explain what added value is realized, what benefits are given to shareholders, what improvements in management are done, and so on. Regular reports on company policies and operations could be presented to shareholders in order to assist their decision making process and make them content with the company performance and their relations with it.

- To achieve this target, it's necessary to disseminate knowledge of the ASC because it hasn't been included in any university curricula. This knowledge must be available for students in both accounting and business administration in order to make them the first to apply this method after they graduate. This effort also helps them become aware of their contributions and obligations while studying at school and at work afterward. ■

Figure 1: Relations between the companies and interest groups



- Step 1: Interest groups are determined and divided into groups.

- Step 2: Contributions from and obligations towards each group are determined. Contributions include money or cooperation given to the company, reliability, improvements in working process, etc. Obligations include payment, agreement, commitment, recognition, etc.

isfaction? What is the most important to them: product quality, customer service, or after-sales services?

- Step 5: Criteria and the balance between contributions and obligations are determined. All imbalance factors must be dealt with properly.

Up to now, the ASC is only an idea, or an approach to the estima-