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Evaluation of strategic performance in oil companies through the integration of Balanced Scorecard and benchmarking technologies

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Abstract

The economic entities confront various pressures and challenges due to the quick changes in the contemporary business environment that requires from these entities to evaluate their performance in a more comprehensive way rather than depending only on the financial perspective, in spite of its importance. The traditional measurements of performance evaluation are no longer considered sufficient to cope with the transformations of contemporary business environment; for this, performance measurements should be emanated from the strategy of economic entity in a way fits the surrounding environment specialty, and hence the fundamentals required to develop and improve performance, and the priorities of achieving these fundamentals should be determined. In according to the results of these measurements, strategic objectives will be achieved, corrective procedures required will be made, and an agreement will be on the most important target benchmarks and standards to compare the results of performance measurement and to be judged to fulfill competitive advantage and the purposes of business owners.

So, what is required of economic entities is to evaluate their strategic performance by using modern techniques such as balanced scorecard with its five perspectives which are (financial, customer, internal business processes, learning & growth and social environment perspective); and financial and non-financial measurements of strategic performance evaluation to create integration in comparing them with the performance of similar entities, product, processes or strategies of a similar entity if there are possible potentials.

Keywords: Strategic performance, Balanced Scorecard, Benchmarking

Introduction

The contemporary business environment faces many variables that have become challenges and pressures on economic units of various types, which requires them to respond to them, perhaps the most prominent of which are globalization, intense competition, The Information Revolution, technological developments, the change of economic systems from centralization to decentralization, the call to join the World Trade Organization and privatization. The modern trend in the evaluation of strategic performance led to the use of modern technologies, including the balanced tag technology (BSC), which enables economic units to evaluate their performance in a holistic view through having five perspectives (financial, customer, internal processes, learning and growth, community environment) instead of limiting the evaluation of performance to the financial perspective despite its importance, where it became known that the traditional indicators that focus on the financial Another technical input is the benchmarking technique, which is done by comparing with similar performance of competing units or products by analysis, with similar processes or with similar strategies. Through the integration of the balanced tag and benchmarking technologies, the advantages of both technologies can be taken advantage of .the application of the balanced tag in the economic units can pave the way for the application of the benchmarking technology in a more efficient and effective manner and thus provide more objective information to the beneficiaries, which leads to continuous improvement in its internal processes and identify shortcomings in the rest of its activities and work to avoid them in the future, as well as contributing to the strengthening of the competitive position of the unit and ensure its survival in the business environment, as well as the possibility of creating new ideas and improvements that may make that unit the biggest competitor.

Literature review

Performance Evaluation-A Conceptual Entry

Performance evaluation is one of the vital pillars of modern management that seeks to achieve its goals of adaptation, growth and survival in a dynamic environment characterized by intense competition between different economic units around limited financial and economic resources and product promotion. The importance of the performance appraisal role has been increasingly emphasized by an interrelated set of general economic, political, administrative, social and environmental factors. The performance evaluation helps to determine the adequacy and effectiveness of oil companies in the exercise of their activity and identify the strengths and weaknesses in all levels of management and executive through planning and monitoring of implementation and then identify the rates of development of the actual performance of economic units in various organizational forms.

1-1 Performance evaluation production

The concept of performance evaluation involves many fundamental concepts related to success and failure, efficiency and effectiveness, planned and actual in quantity and quality. Performance evaluation distinguishes and separates good work from bad work in order to develop and improve the work and is one of the important links in the overall management process to achieve strategic goals. (Al-Husseini, 2000, p:231) the evaluation of the performance of economic units can be classified into operational (operational) performance that can be evaluated by a set of indicators for the performance of individuals and executive management in order to develop and improve their performance, the other category is the evaluation of strategic performance, i.e. the implementation of the management of oil companies of strategic plans, where it uses indicators focused mainly on the pivotal joints of activities that achieve strategic goals. (Some writers divide the performance evaluation into three sections the first is the financial performance evaluation of the business, the second is the evaluation of operational performance and the third is the evaluation of strategic performance, but the usual division is into two operational and strategic parts) but there must be an integration between the operational and strategic indicators to evaluate performance to achieve the overall objectives of the economic unit. (Al-Rubaie, 2003, pp. 18-19).

1-2 Benefits of Performance Evaluation

The essence of the process of evaluating the performance of economic units is to improve and develop their performance for the purpose of achieving their goals efficiently and effectively through the optimal utilization of available economic resources and this can be achieved by achieving the following benefits: - (Ali,2004, pp. 152-153)

1- Diagnosis of the level of implementation of the oil companies of the tasks assigned to perform compared to the tasks included in their plan to know the achieved objectives.
2- Showing the weaknesses and shortcomings in the activity of oil companies and analyzing them for the purpose of knowing their causes with finding appropriate solutions to fill the gaps in the performance of that unit.
3- -3determine the adequacy of the exploitation of available economic resources and in a rational way to achieve a greater return at lower costs and with better quality.
4- -4reaching a comprehensive evaluation of performance at the level of the national economy by referring to the results of the evaluation of the performance of the unit and then evaluating the performance of the sector to reach the comprehensive evaluation of the national economy, i.e. Showing the contribution of the unit to economic and social development.
5- Providing useful information that enables the regulatory bodies to perform their work with high efficiency.
6- -6to draw the attention of the administration to the positions of responsibility in the oil companies and the extent to which they carry out their duties.
7- Continuous performance evaluation helps economic units in detecting imbalances when they begin and leads to taking quick remedial steps in modifying the deviations that occur and directing the work towards its correct course. (al-daheri,1991, p. 429)

1-3 Justifications for using cleaner production

Performance evaluation indicators-:

The process of evaluating the performance of economic units can include a set of indicators that must be available when doing this process and can be explained as follows-:

1- Efficiency: - the inputs used in the production of those outputs for the purpose of determining the degree of productivity and the adequacy of the management of these resources and whether they were obtained in the appropriate quality and quantity at the lowest cost and in the shortest possible time. (engler, 1996, p.387)

2- Effectiveness: - emphasize the achievement of the goals and that the methods followed in achieving them are consistent with the planned goals and the methods planned to implement them and extract deviations and address them .effectiveness is the amount of management achievement of required goals (maskell, 1989, p .48).

3- Economy: - means the extent of the ability of oil companies to obtain the economic resources necessary for production processes, which should be at an appropriate level of quality and at the least appropriate cost.(Muhammad,1992,p.6) the relationship between cost and benefit resulting from it can be measured in aggregate for the economic unit as a whole or in part for each of its joints and can be emphasized in the partial concentration of cost or expenditure in cases where it is not possible to determine the economic return of costs and expenditures. (Al-Rubaie, 2003, p:19)

4- Towards environmentة - contributed by the unit to serve its employees or to serve the community in general. (Rubaie, 2003, pp. 19-20)

1-4 Performance evaluation steps :

Typically, the performance evaluation steps come in a sequential, interrelated and similar manner, whether the oil companies whose performance is productive or service and may be adjusted to suit their specificity and the nature of their activity. These steps will be explained as follows :- (Al-karkhi, 2001, pp. 50-52)

First: preliminary survey: includes the process of collecting and accounting data through the following paragraphs-:

1- Legislation and regulations in force.
2- History of oil companies, their background, goals and activities.
3- The organizational structure of the economic unit, its functions, the procedure for the distribution and division of duties and powers, the number of employees and the responsibility of each of them.
4- Resources available to oil companies and how to invest them.
5- Operating procedures, rules for measuring and evaluating operations.
6- Problems of economic unity.
7- Data on the activities of similar units in the same sector or in the national economy.

Second: examine the legislation, objectives, policies and rules that are obliged to apply them and determine the extent of commitment to implement them.

Third: analyze and study the data and test their validity to calculate the indicators of the performance evaluation process.

1-5 Performance calendar types :

The performance evaluation process shows the extent of the skill of oil companies in converting available resources or inputs into outputs in the quality, quantity and quality required and the extent of the ability of oil companies to develop their adequacy year after year in addition to the degree of success in advancing similar or similar units by overcoming the difficulties encountered and innovating the most productive and advanced methods in their field of work. It represents one of the means of effective management in verifying the extent of the achievement of the planned goals of the unit and the tool to detect deviations and respond to the bodies responsible for them and reveal the percentage of the achieved of the planned, available, standard and other goals and in the light of this can be identified the following types of performance evaluation:- (Al-karkhi, 2001, PP:58-61)

First: evaluation of planned performance: it is intended to evaluate the performance of the unit in the extent of its achievement of the planned goals by comparing the actual indicators with the indicators contained in the plan and the policies developed and according to periodic time periods that were monthly, quarterly and annual and perhaps for medium-term periods (3-5) years.

Second: evaluation of actual performance: it is meant to assess the adequacy of the use of material and human resources to achieve the objectives of oil companies in order to identify the imbalances that have occurred and indicate the degree and level of performance in the employment of these resources in the actual use this requires the analysis of the actual indicators , In addition to comparing them with the results achieved by similar economic units during the financial year concerned with the evaluation of performance and previous years as well.

Third: evaluation of standard (standard)performance : The first type is by comparing the results achieved by the oil companies for their various activities such as production, sales, profits and value added with the standard results that have been developed to be an indicator to judge them if the actual results are satisfactory or not (usually the mentioned standard figures are placed in the light of a set of considerations, including Pay productivity and sales rate.

Fourth: general performance evaluation (comprehensive): this type of performance evaluation requires the inclusion of all aspects of activity in the oil companies and the use of all planned, actual and standard indicators in the measurement and evaluation process and distinguish between the importance of one activity and another by giving weights to the activities of the unit each weight indicates the level of probability seen by the senior management of each type of activity, such as giving the volume of production a higher probability than the rest of the events or may give the profitability of the project this probability or return on investment.

1-5 The importance of evaluating strategic performance :

The importance of evaluating strategic performance in the business environment is highlighted because of the scarcity of economic resources in relation to the growing needs and competition , which leads to the need to achieve maximum returns through the optimal utilization of available resources. the importance of evaluating strategic performance can be highlighted through the following points:- (al-Husseini, 2000, pp. 233-234.)

1- Represents an indicator of the success of oil companies in achieving their goals (adaptation, growth, survival) through the practice of its activity, where success is an indicator that combines both effectiveness and efficiency and therefore it is more comprehensive than either of them and supports the survival of oil companies and their continuation in the work.

2- Shows the extent of the contribution of oil companies in the process of economic and social development by achieving the greatest amount of production and the lowest costs and trying to avoid the causes of waste and loss of time, effort and money, which leads to reduce the prices of products, which benefits the society as a whole.

3- Provides information to the various levels of Management in oil companies for the purposes of planning, control and substantive decision-making as well as the importance of this information to external parties.

1-5 Strategic performance assessment requirements:

Achieving the efficiency of oil companies and increasing their effectiveness is the cornerstone that ensures their continuity and survival in the business environment and the strategy of oil companies is the main means that pave the way for management to achieve this. The strategy enables the decision - maker to achieve efficient and effective communication with the internal and external environment of the economic unit, and coordination and integration between its activities and all administrative levels responsible for it.(Evans, 2005, p:15) for the purpose of assisting oil companies in performing their work at a distinguished level and in achieving their strategic objectives in the required way, the need arises to have a set of requirements for the purpose of evaluating their strategic performance, which can be explained as follows-: (Hilton,et.al, 2001, P:40 – 41)

1. Provide data from the original sources that represent the opinion of the entity that evaluates the performance of oil companies, i.e. managers, in addition to data from other external sources, which are data emanating from the documents available to the relevant authorities or interest such as government control units or the community of researchers to confirm the credibility of the performance indicators of both parties.
2. Identify the Advanced Performance Indicators (prepared before the performance is achieved), which give an early signal to alert the management of oil companies about whether the strategy of oil companies has been successfully applied or not to take the necessary action in a timely manner. these indicators also determine the financial and non-financial operational outputs, bearing in mind that the previous indicators of performance may consider themselves as subsequent indicators of performance in a way that allows to indicate the progress of the level of performance towards achieving

the objectives of oil companies and stimulates the process of evaluating the strategic performance in them.

Balanced Scorecard technology

2-1 The content of traditional financial performance

The content of traditional financial performance evaluation indicators limits the interest of managers in stimulating the performance of economic units within the narrow framework of these indicators and neglects the variables necessary to compete in a business environment witnessing intense global competition such as product quality, timely delivery, after-sales services as these variables have become necessary to compete and cannot be measured by these traditional indicators because these indicators are unable to show the ability of oil companies to survive or continue to practice their activity within that competitive environment. Therefore, there was an urgent need to use non-financial performance indicators as well as financial indicators to explain the performance of economic units in an integrated way.

2-2 The concept of Balanced Scorecard Technology (BSC)

The basic concept of balanced marking technology presented by (l F &&r F.) included the integration and unification of traditional financial indicators with non-financial indicators to provide richer and more appropriate information to its users in response to the growing feeling of lack of conviction of the adequacy of traditional indicators for performance evaluation purposes.

2 (GC Active Management,www.2ge.co.uk,2003,P:1)

Also provided (Kaplan &Norton) a comprehensive definition of the card as the integrated system consists of several branches interact with each other to achieve the goals of performance evaluation where I knew her on IT : (system offers a coherent set of ideas and principles map shows there are economic units in the following translation of a letter by a coherent set of performance indicators that helps to perform business and strategy by thus connecting the strategy that the business and help in creating harmony between the individual performance management oil companies for access to its goals) (Kaplan &Norton,2000,P:19)

2-3 Importance and characteristics of a Balanced Scorecard

Traditional financial accounting measures such as return on investment (R) and earnings per share may give misleading results on the continuous improvement and development activities and creativity required by the competitive environment at present and since traditional performance measures are not able to meet these needs, it is necessary to look for alternative methods to suit these developments.

He pointed (Niven) in an article entitled (development of the balanced tag card step by step) to the existence of a set of features should be provided in the metrics used to evaluate performance ,which was reached from the experience and research that showed the importance of the balanced tag card and these features are: - (Niven, www.bettermanagement.com)

1- There is a link between the metrics and the strategy in the sense that the balanced tag is a tool to transfer the strategy to effect through the use of metrics closely related to the strategy.
2- Achievement measures should be quantitative in order to facilitate the measurement process, which is far from the diligence of the resident and his personal judgment and therefore does not lead to a difference in the measurement result from one person to another.
3- Easy understanding of achievement metrics, which leads to make the measurement process more accurate.

2-3 Objectives of the Balanced Scorecard:-

It describes the future vision of the economic unit in an understandable way and allows employees to observe the impact of their contribution to the success of that unit .this allows managers and employees to focus on important directions and helps to promote investments, initiatives and innovations in order to achieve the strategic goals. (Jalbert&Landry, 2003, P: 40)

The economic units adopt the balanced marking technique to achieve several objectives, including:

1- Planning the performance evaluation process and setting appropriate goals and arranging strategic priorities.
2- Ensure that performance measures support the core values in oil companies and the applications they practice.
3- The establishment of understandable and meaningful performance measures (benchmarking results) used for the purposes of continuous evaluation of the validity of the project during its lifetime.

2-4 Steps for the success of economic units under the application of Balanced Scorecard:

There are nine steps that economic units can take when evaluating their performance according to the balanced tag technology in order to achieve strategic success in their field of activity has been identified by the American Foundation for performance measurement and evaluation and will be given an idea of each of them as follows:-

(U.S. Foundation for Performance Measurement, 2001)

First step: - preliminary survey at the level of oil companies: this survey includes the following:

1. Analyze the internal and external environment of the economic unit and identify its strengths, weaknesses, opportunities and expected threats. The focus of this style of analysis in (SWOT) which represents a brief phrase (Strengths, Weaknesses, Opportunities & Threats)

Second step: - determine the strategies of the economic unit: in this step, the strategies that will be followed by the economic units are diagnosed and then built after taking into account the vision of the future unit and its mission.

Third step: - setting the strategic objectives of the economic unit: it is intended to determine the strategic objectives of the economic unit according to all the perspectives of the balanced tag card.

Four Step: - strategy map: where the strategic objectives are formulated in a strategic map

Five Step: determining performance measures: requires performance measures to help oil companies Judge Performance by answering the following two questions:-

1 - has the work been done as it should In other words, how the business was planned and implemented in terms of both inputs and processes The importance of this question is focused on Total Quality Management .

2. Have you done what is required? In other words, with regard to strategic planning, which includes both outputs and results.

Sixth step : innovation initiatives: where it requires studying the initiatives that occur in oil companies, for example : improving operational processes, training courses, policy analysis, research and development, communication plan and balancing performance under the appropriate selection mechanism, which takes the resources and time required, the potential effects, the goals that should be covered and the necessary strategy, which leads to reaching initiatives in order of priority and provide the necessary funds to implement them.

Seventh step: automation of information systems related to performance evaluation according to the balanced tag technology: it relates to making the appropriate decision regarding the automation of existing systems taking into account the needs of oil companies and the time and cost required to implement it.

Step eight: sequential sequencing of balanced marking technology: refers to the process of improving the balanced marking cards at each level of oil companies in a way that makes those cards line up with the marking card at the top of those levels (general level) through the identification of strategic goals and metrics to suit the departments and groups in the lower levels, which will be used to follow the progress made in their participation in achieving the goals of oil companies as a whole.

The ninth step: the final evaluation stage to make the change when needed: it starts from the strategic orientation and then using the balanced tag card where the strategy, objectives and measures of each of its four perspectives are determined, followed by the preparation of the budget and determine its costs and follow-up of the programs and processes that ultimately reach the required results**.**

2-5 Components of the Balanced Scorecard:

the balanced mark card consists of four integrated perspectives or basic pillars that interact with each other and mutually through the measures and objectives that contribute to the achievement and implementation of the strategy of oil companies in a balanced manner and based on both financial and non-financial indicators to ensure the tracking and evaluation of strategic performance in the right track. (Lipe, 2000, P: 203)

First: the financial perspective the measures of the financial Perspective are important components in the balanced tag card, especially in profit - oriented units because it summarizes the economic results of the implementation of its strategy.this perspective also contributes to focusing on the goals and metrics related to the rest of the perspectives of the balanced tag card and thus leads to improving the financial results that the economic units aspire to. (Hansen, 2003, P: 407-408)

Second: customer perspective the essence of the Economic Units Strategy is in the value provided to the customer, which can be described through the distinctive assortment (quality of products, prices, services and relations with the customer) where the perspective diagnoses how oil companies can be distinguished from their competitors from other units by attracting and retaining customers and strengthening relations with the target of them. (Kaplan Norton, 2001, P: 93)

Third: the perspective of internal operations after the oil companies have a clear and clear picture of their objectives related to the two perspectives (financial and customer), they must determine the ways through which they will produce and achieve the value provided to customers and thus work to achieve the necessary improvements to reach their financial goals

Fourth: the perspective of learning and growth INR and through which it tries to distinguish the best internal processes in order to create value for both customers and owners (Horngren,et.al,2000,P:451)Fifth: the perspective of the community environment : economic units constitute an important part of the society in which they operate, which requires them to contribute to the welfare of that society in order to maintain its continued success, despite the fact that they are not the only responsible for this, but they must make the first of their concerns to follow up their social responsibilities and ensure.

Benchmarking technique

The contemporary technologies that have proven successful in the application of benchmarking technology as a tool to improve performance continuously through continuous comparisons of products or services with the best levels of performance competition, which calls on them to develop the main operational processes in the economic units to give them a competitive advantage facing their main competitors.

3-1 The Concept of Benchmarking :-

The concept of benchmarking is mainly based on comparing the business applications of a particular economic unit with the corresponding standards approved by the leading economic units in the same field of work for the purpose of creating applications that serve as new and improved business standards that lead to obtaining the best product or service as well as the contribution of benchmarking in helping economic units to reach a position that makes them the leaders in their field of work.

Benchmarking is sometimes called comparison against the best global business applications of similar activities or with similar internal activities in the oil companies themselves to serve as a standard business model for economic units to follow in the exercise of their implementation .Where the best applications represent those practices followed by the typical oil companies and when choosing them should consider the following: -

1. The best applications can be identified through follow-up and evaluations or through self-analysis of typical practices in operational units within the economic unit.

2. The best applications are diagnosed by experts and from internal and external sources.

3. These applications can be easily realized.

4. They cause measurable improvements in economic unity.

It is natural that the comparison points change whenever oil companies change their strategic objectives, which requires continuous evaluation, meaning that the process of reference comparison is dynamic and continuous and not just one time. (Shabrawi, 1995, p: 127) in light of the diagnosis of the best applications, the management of oil companies can take the necessary measures for the purpose of improving their operations and developing performance through the benchmarking technique as a bold step in the right direction to evaluate performance and can be defined in the following form: - (is a technique to search for the best competitive applications that guide oil companies to better performance). (Woolfitt, 1996, p: 1)

3-2 Advantages and importance of benchmarking:-

Economic units can benefit from their use of benchmarking technology because they have the following advantages: - (Hussein, 2000, p: 364)

1- the external focus of benchmarking technology creates external competitive performance measures that necessarily increase the adequacy and effectiveness of internal performance measures and make them more competitive.
2- benchmarking creates ambition in the management of oil companies to be distinguished in their performance within the field of business in which they operate and move towards change to everything that is better and New.
3- The management of economic units helps to identify the strengths and weaknesses within them and thus work to strengthen and maintain the strengths and at the same time try to find out the causes of weaknesses to overcome them. Other advantages of the reference comparison are the following: - (APQC Infosearch, www.aqpc.org) prevents stereotyping and repetition of things, they are in a state of constant search for new ideas and modern methods of work, and therefore the skills of unit management will always be renewed, developed and far from obsolescence.
4- Lead to openness to innovative external applications through the search for creative methods to improve the current level of performance.
5- Forcing economic units to test their current practices and thus will often improve their performance first.
6- Making changes in applications actionable through their commitment and support by the management and owners of units.

The researcher believes that it is not possible to achieve success in the application of benchmarking technology unless it is enhanced by achieving cooperation and communication between all members of oil companies regardless of the job they perform or the administrative level in which they are, and unless they have a sufficient degree of understanding and awareness of its purposes and objectives, and this reflects on carrying out their duties and increasing their sense of responsibility.

3-3 Benchmarking steps and application problems:-

Benchmarking involves identifying the best applications in the competitive business environment and comparing them with the performance of oil companies for those applications in order to make the necessary improvements. A model that includes five general steps used when applying the benchmarking process was developed by (l CL) which includes the following: - (Atkinson, et.al., 2011, p: 627-633)

The first step: identifying areas and internal activities within oil companies that require benchmarking (internal study and preliminary analysis of competition).

Step two: obtain long-term commitment by the senior management in the unit and their full support to the team responsible for carrying out the reference comparison.

Step Three: identify the partners in the benchmarking (with whom the comparison is made).

Fourth step: collecting and exchanging information with the entity with which the comparison is made , in case the reference comparison is carried out in a cooperative manner between the two parties (this information may include: information related to products, information related to functions and internal processes, information related to the strategy adopted by other economic units).

Step Five: take the necessary action to achieve a level similar to or superior to the best applications.

3-4 Types of reference comparison:-

The benchmarking includes three basic types selected to suit the needs and requirements of oil companies. These types are:

First: - internal reference comparison: - represents the starting point in the comparison process and must be given importance in oil companies before looking outside. It is intended to benefit from the successful experiences of units or divisions within the oil companies where it is possible to prepare for comparison by starting to learn the unit from its divisions or operational units and what it learns about low cost, speed of delivery, speed of data exchange and to gain more information for the operations of the unit by relying on internal units with outstanding performance and counting them as a comparator for the purpose of improving the performance of other internal units of the same economic unit. (Barwari , 2001, p. 42)

Second: - external reference comparison: - includes external reference comparison with the best competitors and through competitors, i.e. with other leading economic units working in the same field of work of the comparative unit or in another field. One of its advantages is that it achieves openness to the experiences and successes of others, which can be in the form of comparison with units that practice the same activity or sell the same commodity, preferably if an absolute comparison is made in the sense of identifying the best performance in any unit, whether working in the same field or in another field. (Al-Tikriti, 2000, p. 209) this type of comparison includes:

1. competitive benchmarking:-

It is based on the comparison with the best competitors to search for the best performance and can therefore be called the reference comparison in performance where it is used in the field of comparing products, services, technology, people, quality, pricing. (Evans, 2005, p: 448) with the aim of identifying performance gaps between the comparative unit and other competing units.

2. functional benchmarking:- It is based on the comparison of certain functional areas in oil companies with the better units operating in the same field or performing similar activities. It can also be called a similar reference comparison where it involves comparing a particular function (marketing, human resources, personnel training, storage methods) with those of other economic units. (Slack, et.al, 2009, p: 681)

Third: strategic benchmarking: It is a means of identifying what competitors are doing in order to take advantage of what is new in what they are doing while developing and adapting it to suit the conditions and environment of the comparative unit. Relying on this type of benchmarking can shorten the time and costs required to develop new processes and improve the efficiency of existing ones. This type of comparison does not focus on short-term performance improvements, because strategic changes require several years to implement, so departments with a forward-looking outlook tend to be associated with this type of benchmarking, where its usefulness can only be proven over the long term. (Bragg, 2001, p: 552-553)

There are other views that emphasize the existence of another type of comparison, the international reference comparison, where the partners in this type of comparison are from other countries based on the important principle that the best partners may be located anywhere in the world.this type of comparison is adopted in the case of the scarcity of good partners within the country. in addition, the development of communication technology has enabled the success of this type of comparison, although it requires a long time and considerable resources.

Conclusion & Discussion

The problem of the study stems from the fact that the traditional performance evaluation measures limited to financial indicators have become insufficient to face the enormous changes in the contemporary business environment and to express the extent of the ability of oil companies to achieve their goals in light of these changes, as they are no longer able to provide indicators and measures that enable them to evaluate their performance in the short and long term according to their strategic needs and give an integrated picture of the strategic organizational performance of the economic units operating in the Iraqi business environment.

The importance of the study stems from the use of the mark card technology, including financial and non-financial indicators, to provide the possibility of comprehensive expression of the evaluation of the strategic performance of economic units by achieving integration with the benchmarking technology, which seeks to continuously improve the performance of units and increase their competitiveness by preparing them to follow a competitive strategy that ensures their continuity in their activity so that the two technologies complement each other in expressing the general perspective of the current and future performance of that unit.

The objectives of the study were to highlight the importance of evaluating the strategic performance in the economic units and get them out of the circle of limited and ineffective activity to the circle of distinguished and efficient activity able to compete with its alternatives locally and globally. The call for economic units to adapt to the changes of the contemporary business environment by applying the balanced tag technology through its financial and non-financial indicators to measure and evaluate the strategic performance, where it works to guide and follow up the evaluation of the performance of those units as well as trying to achieve integration by comparing them with similar performance or with similar operations or with strategies for similar units.

After addressing the theoretical aspect in the light of the problem and the importance and objectives, it was reached that the process of evaluating the strategic performance in the economic units as a means to indicate the extent of its success and its ability to achieve its goals and to reveal the extent of progress achieved in improving its efficiency and effectiveness through the follow-up identification and implementation of the requirements necessary to achieve this.

The main objective of the application of the balanced mark card is to make the strategy pursued by the oil companies of interest to all employees, which helps to translate it into a set of actions to achieve the strategic goals by measuring the reflection of the strategic impact in evaluating and improving the performance of the unit.

The integration of balanced tag technology and benchmarking in economic units also helps to enhance the role of strategic performance evaluation in them by taking advantage of the advantages of the two technologies and moving away from the narrow scope of internal comparisons and complementing them with external comparisons for the purpose of judging performance results more objectively and clearly.

Competitive Strategies refer to the attempt to show the creative and creative abilities of any economic unit in order to reach a competitive position that enables it to defend it within the sector in which it operates and try to overcome its competitors and reflect this result on increasing the level of efficiency and effectiveness of the performance of these units to reach its strategic goals.

failure to understand the objective of the performance evaluation process properly by the bodies responsible for it, while it is usually emphasized to diagnose weaknesses in performance and identify the bodies responsible for them and hold them accountable when they fail without drawing attention, in addition to diagnosing and strengthening its strengths and supporting the bodies responsible for them and motivating them to improve their distinctive performance, as well as the existence of development plans for products but implemented slowly due to the absence of financial allocations from the two companies field of application.

the absence of a clear competitive strategy in the field of application so that it can derive its strategic objectives, despite the fact that its products face stiff competition from local and international products in the market, which clearly affects the low rates of marketing its products.

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