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**PERFORMANCE MANAGEMENT OF
AYEYARWADDY FOOD INDUSTRIES COMPANY
LIMITED**

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(EMBF-5TH BATCH)**

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**PERFORMANCE MANAGEMENT OF
AYEYARWADDY FOOD INDUSTRIES COMPANY
LIMITED**

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ABSTRACT

This study is an attempt to evaluate the performance of Ayawaddy Food Industries Company Limited. The objective of the study is to identify the performance management and to analyze its financial and non-financial performance. The Scope of the study, the main focus is on developing performance measures using the Balance Scorecard Framework for Ayeyarwaddy Food Industries Company Ltd., The Methodologies used in this study are descriptive research method was applied to explore performance management. The primary data were distributed to respondents included by interviewing with upper level Management and sample questionnaires were targeted on 25 employee and 25 customers. The Secondary data will be collected from the facts and figure from historical records, audit report and .The collection period was from September to November in 2019. It was found there are not much competitors in instant noodles market industry of Myanmar. However, there are two major found why AFI has value to do performance management analysis are, firstly the key for performance management used the theory is Balance Score Card to decide their resource utilization in price sensitive competitive market and secondly is AFI being changed from private to public entity will be benefitted through proper understanding of current financial situation. Finally, the paper undoubtedly be helped not only to the company but also for readers in making progress of operational performance.

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LIST OF ABBREVIATIONS

BSC	-	Balanced Scorecard
AFI	-	Ayeyarwaddy Food Industries Company Limited
PMS	-	Performance Measurement Systems

CHAPTER I

INTRODUCTION

With today's hectic lifestyles, time-saving products are increasingly in demand. Perhaps one of the significant examples is instant foods. Since 1990, there is growth rate in consumer spending at Instant Food such as instant noodles market in Myanmar. The consumer spent at instant foods grew at an annually proportion of food expenditures. The reasons for this are speed, convenience and price of instant foods. Now, people want quick and convenient meals because they do not want to spend a lot of time preparing meals, traveling to pick up meals or waiting for meals at the restaurants. That result, consumers rely on instant food. Knowing this, instant food manufacturers and providers are coming up with new ways to market their products that save time for consumers. The significant example is booming of the instant noodle market. According to Japanese poll in the year 2000, instant noodles were the most important Japanese invention of the century. As of 2008, approximately 94 billion servings of instant noodles were eaten worldwide every year. China consumes 45 billion packages of instant noodles per year- 48% of the world consumption- Indonesia 14 billion; Japan 5.1 billion; per capital. South Korea consumes the greatest amount (69 million) per year. The theory was that the increase in sales of instant noodles, which are usually cheap, occurred because people could afford it.

Myanmar, with its attractive population of 6 Million, is neighboring Thailand and has shared a lot of chapters in both nations' history books and was most attractive market for the businesses for expanding due to population and location (near). Just like any other market, instant noodle culture in Myanmar has grown together with the changing of hectic lifestyles. The growth in nuclear families, particularly in urban Myanmar, exposure to global media and Western cuisine and an increasing number of women joining the workforce have had an impact on eating out trends. This has led us in a new market of eating "Instant Noodle". The name itself says the meaning of "can be prepared very quickly". On the other hand, the rural markets offer new and greater opportunities to manufacturers of instant noodles in Myanmar with the increase in purchasing power and demand for a wide variety of products by the rural consumers. To tap the vast and expanding market, companies are developing effective marketing and strategies based on their study and understanding of rural consumer behavior. There are certainly significant differences in the buying behavior of the rural

consumers from the stand point of product development, pricing policies, distribution and after sales services, which create difference in requirements for marketing strategies in rural Myanmar. According to MMRD Consumers' Report 2010, the total market size of Instant Noodle in Myanmar in 2009 is estimated to be about 22 Million packs and is estimated to grow 10% more than 2008.

Despite such attractions for manufacturers, instant noodle market is led by two major brands: Yum Yum and MAMA, both brands originated from Thailand. Yum Yum instant noodles have been in the market 7 years earlier than MAMA brand and therefore leading the market. However, MAMA owned the largest market share in its mother country Thailand. Product of Thai President Foods, a public company that manufacture and/or distribute mainly instant noodle products and biscuit products from Thailand, known to be the Thailand's queen of instant noodles, and one of the big companies in South East Asia region. The Company was rewarded by the Ministry of Industry for "Mama" instant noodles as "Premium Products of Thailand in 2015" to recognize their innovation, creativity, sustainability, and the pride of Thailand (Thai President Foods Public Company Annual Report 2015). As part of the group's growth strategy, a specific area (Myanmar) with specific product line (instant noodle) was chosen where the company's one of the investment businesses, Thai-Myanmar success venture Co., Ltd., joint ventured with the company, named Ayeyarwaddy Food Industries Co., Ltd., with the manufacturing and distribution license under the Republic of the Union of Myanmar since 2002. This study will take the role as major financial analysis report of AFI Co., Ltd., which will soon be changed from private entity into a public listed company.

1.1 Rationale of the Study

Performance Measurement Systems (PMS) plays a key role for business organizations. PMS aims to implement a strategy for organization. The Modern Performance Measurement Systems study shall evaluate the effectiveness of the Balance Score Card as a tool of an industry.

Traditional performance measures have been one-dimensional with a focus on financial measures that largely indicate past performance. BSC is multi-dimensional as it incorporates both financial and non-financial measures enabling its results have both reporting and predictive value. The singular success of BSC is its ability to align current action to strategic outcomes through a blend of leading and lagging measures.

The chosen operating activities and strategic outcomes are dependent on an organization's mission, vision and stage of organization development (Professor Robert Kaplan and David Norton).

Ma Ma has been exporting their existing products to Myanmar, even before their investment made with AFI, for local manufacturing in accord with local consumers' taste. However, the reasons of choosing their investment decision on manufacturing within the country includes but not limited to: the percentage of population in Myanmar rural areas which lead to price sensitive market, the taste of consumers, the intense of rivalry (competitive advantage depends on consumers' satisfaction), availability of agriculture raw materials within the country and financial benefits.

This study effect to determine the use and effectiveness of financial planning management for the transaction of private sector to public sector of Ma Ma Instance noodle Factory, The study found that the current performance measurement tool was comprehensive and effective in measuring performance. Financial analysis can be applied in a wide variety of situational analysis to assist business managers and to announce to public and the shareholder. It also involved applying a system of internal control system through the preparation of financial statements to announce to public. This report will present, how one of the biggest public listed company in Thailand consumer market, Thai President Foods Public Company, when expand its businesses in other area, has made them face different challenges as well as how they overcome those challenges with certain strategic moves and changes. The company' financial and operation performance are solvency, profitability, activity and debt. Financial statement area is a good way to assess the success or failure of Instant noodle market strategies operation of MAMA instant noodle in Myanmar.

So the choice of steady aims to analyze Performance Management of Ayeyarwaddy Food Industries Co., Ltd, the management can keep track of the utilization of the company's overall resources.

1.2 Objectives of the Study

Developed from the mentioned rational of the study, there are two major objectives of the study as follows:

- (1) To identify the Performance Management of Ayawaddy Food Industries Company limited.
- (2) To analyze the Performance Management of Ayawaddy Food Industries Company limited.

1.3 Scope and Method of the study

The Scope of the study, the main focus its on developing the financial and non-financial performance measures using the Balance Scorecard Framework for Ayeyarwaddy Food Industries Company Ltd.

The Methodologies used in this study are descriptive research method was applied to explore performance management. The primary data was distributed to respondents include by interviewing with upper level Management and sample questionnaires were targeted on 25 employee and 25 customers. The Secondary data collected from the facts and figure from historical records and website of Ayeyarwaddy Food Industries Company Limited. The Financial statements 2016 to 2019 (4 years) were properly dawn up in according to The Myanmar Companies Act and Myanmar Financial Reporting Standards. The collection period was from September to November in 2019.

1.4 Organization of the Study

The study is arranged and organized into five chapters.

In chapter one, it begins Introduction, Rational of study, Objectives of the study, Scope and Methods of the study. Chapter two covers theoretical background of the effectiveness of the performance measurement tool. Chapter three is Organization Background. Chapter four include the Analysis on the effects of Performance Management. Chapter five is the conclusion chapter includes Finding, Suggestion, Needs for further research.

CHAPTER II

THEORETICAL BACKGROUND OF PERFORMANCE MANAGEMENT

This chapter presents theoretical background of performance measurement in Factory Industries. Therefore, this chapter includes nature and characteristics of factory, benefit of factory industries, meaning and important of performance measurement in Factory industry. The specific areas covered here are theoretical background of Balance Scorecard as a tool for performance measurement of AFL. This chapter elaborates the concept of balance score and (BSC) by reviewing various literal works from the authors of BSC i.e. Kaplan and Norton. This chapter includes definition, importance and measurement of performance management. The specific areas covered are the balance scorecard as a tool for measuring performance practices of AFL. The intention of this thesis is to supplement the extensive research that has been conducted on the BSC. The underlying assumption and model for the thesis is that the use of BSC affects business performance.

Most organizations have an action plan, which describes how they are going to be successful in the future. Performance Management issues have interested researchers over the years, and they are consequently widely First, we examine the definition of a strategy and then discuss the implementation of a Performance. Thereafter, management systems are presented and Chenhall's (2005) framework for management systems is described. Particular interest is shown to a balanced scorecard, which is depicted as a measurement system and as a performance management system. The study continues investigating the effect of a balanced scorecard on management participation, and in particular, to features that budget participation has and to discourses impeding and promoting participation.

2.1 Definition of Performance Management.

Performance management is an ongoing process of communication between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization. The communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and reviewing results.

Performance management is a corporate management tool that helps managers monitor and evaluate employees' work. Performance management's goal is to create an environment where people can perform to the best of their abilities to produce the highest-quality work most efficiently and effectively. A formal performance-management program helps managers and employees see eye-to-eye about expectations, goals, and career progress, including how individuals' work aligns with the company's overall vision. Performance-management programs use traditional tools such as creating and measuring goals, objectives and milestones. They also aim to define what effective performance looks like and develop processes to measure performance. However, instead of using the traditional paradigm of year-end reviews, performance management turns every interaction with an employee into an occasion to learn.

- Performance management tools help people to perform to the best of their abilities to produce the highest-quality work most efficiently and effectively.
- The precept of performance management is to view individuals in the context of the broader workplace system.
- Performance management focuses on accountability, transparency, and fosters a clear understanding of expectations.

2.2 The Concept of the Performance Management

The Balanced Score-Card was developed in the USA in the beginning of the 1990s by Kaplan and Norton (1992). Kaplan & Norton (1992) criticized the existing methods for assessing business performance for being too narrow and looking back instead of looking forward. Most commonly, the balanced scorecard work is carried out from the four viewpoints suggested initially Kaplan & Norton (1992), financial viewpoint, customer viewpoint, viewpoint of the internal processes and viewpoint of learning and growth. Other possible viewpoints that are used in the literature are linked to, among others, human resources, the environment, sub-contractors and social impacts. The viewpoints utilized here are the four suggested initially by Kaplan and Norton. After selecting the viewpoints, it is necessary to contemplate what are the most common goals associated with these viewpoints.

The aim is to find concrete ways to fulfill these goals. And these concrete ways are then transformed into numerical measures. One potential problem is that this

process leads to a huge number of measures. Another potential problem with this is that the measures remain loose and their relationships with each other are not understood (Malmi et al., 2005). A balanced scorecard typically includes from eight to 26 measures, and it is important to keep the viewpoints balanced, so that there are approximately the same numbers of measures for each viewpoint. Some of the measures should look back and some forward into the future. It is also important to find a balance to the financial and non-financial measures (Malmi et al., 2005). It is also important to note that it is not enough to create the measures. It is also necessary to collect the data, and update the data and the measures. The measures are useless in the long run if they are not used in evaluating the business actions and, when necessary, in correcting the procedures according to the measures.

2.3 Perspectives of the Performance Management

The Balance Score Card is comprised of four dimensions namely; Customer perspective, internal business process perspective, Innovation and learning perspective and financial perspective. The first three dimensions, enable the tool provide leading measures of performance while the last dimension provides a lagging measure of performance. This Customer perspective captures the ability of the organization to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction. To this effect, many organizations today have a mission, focused on the customer and measuring how an organization is performing from its customers perspective has become a priority for top management (Kaplan & Norton, 1992).

The BSC demands that managers translate their general mission statement on customer service into specific measures that also reflect the factors that really matter to customers. In a public organization model, the principal driver of performance is different from in the strictly commercial environment; namely, customer and stakeholder interests take prominence over financial results. In general, many public organizations have a different, perhaps greater, stewardship responsibility and focus than private sector entities.

This is according to the Procurement Executives Association, 1998. The business processes perspective is primarily an analysis of the organization internal processes. Internal business processes are the mechanisms through which

organizational performance expectations are achieved. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers expectations.

This perspective focuses on the internal business results that lead to financial success and satisfied customers. Therefore, managers need to focus on those critical internal operations that enable them to satisfy customer needs (Kaplan & Norton, 1992). Organizations should decide at what processes and competencies they must excel and specify measures for each. Key internal processes are monitored to ensure that outcomes will be satisfactory. The measures should also link top management's judgment about key internal processes and competencies to the action taken by individuals that affect overall corporate objectives.

Customer and internal business process measures identify the parameters that the organization considers most important for competitive success. Financial performance measures indicate whether the organization's strategy, implementation and execution are contributing to bottom-line improvement. It shows the results of the strategic choices made in the other perspectives. By making fundamental improvements in their operations, the financial numbers will take care of themselves, according to Kaplan & Norton (1992). In the public arena, the "financial" perspective differs from that of the traditional private sector. Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations, operating in a purely commercial environment PEA (1998). Financial considerations for public organizations should be measured by how effectively and efficiently they meet the needs of their constituencies. Therefore, for the government the financial perspective emphasizes cost-efficiency, i.e. the ability to deliver maximum value to the customer.

2.4 Performance as Measurement System

At first, Robert Kaplan and David Norton (1992) developed a balanced scorecard as a measurement system for top management, to provide a comprehensive understanding of business. Accordingly, a balanced scorecard is advantageous to business as it is able to cut down measures and thus, help an organization to concentrate on critical measures. Another advantage comes from controlling a sub optimization problem as all four aspects are seen at the same time and it can be seen whether an improvement in one area weakens the other area. A balanced scorecard couple's financial measures, which describe the results of actions, and operational

measures including customer satisfaction, internal processes, and innovation and learning that drive the future performance. A feature that distinguishes a balanced scorecard from other performance measurement systems is four perspectives mentioned above, and they answer following, vital questions for business:

1. How do customers see us? Customer perspective
2. What must we excel at? Internal processes perspective
3. Can we continue to improve and create value? Innovation and learning perspective
4. How do we look to shareholders? Financial perspective

Next, a light is shed on four perspectives that a balanced scorecard is based on.

Customer Perspective

Customer satisfaction usually results from time, quality, performance and service and/or cost related to a product or service, and therefore organizations should take into account these features when developing customer perspective measures. Kaplan and Norton (1992) suggested that an organization can measure time as a lead time: time required meeting customer's needs, and quality can be measured on the basis of on-time deliveries or defected products returned. In addition, performance and service should be measured based on how they create value to customers. However, there might be difficulties when defining for instance on-time deliveries as customers can define on-time delivery differently than the organization. Therefore, an organization should pay attention that measures are based on customers' expectations, not on an organization's expectations.

Internal Processes Perspective

According to Kaplan and Norton (1992), a successful customer perspective measures derive from excellent internal processes, and without excellent processes, decisions, and actions an organization is unable to reach goals set for customer satisfaction. In order to recognize which processes are the most important for an organization, core competencies and critical technologies should be defined and then the most suitable measures for critical processes should be specified. Kaplan and Norton (1992) mention productivity, employee skills and quality as some of the critical internal processes used in organizations.

Innovation and Learning Perspective

As customer and internal processes perspectives focus on existing business and products and services, Kaplan and Norton (1992) argued that innovation and learning perspective is looking forward to new business opportunities and changing challenges. Innovation and learning perspective is linked to the future of the organization: how the organization is going to improve, innovate and learn to be successful in the global environment? Innovation and learning takes place mostly in new product development and in the improvement of operational processes according to Kaplan and Norton (1992).

Financial Perspective

Financial perspective can include common measures such as profitability, growth and shareholder value. Kaplan and Norton (1992) pointed out that financial measures indicate whether an improvement in other areas or for example the implementation of a strategy increase profit. If improvements in other perspectives fail to affect positively profit, either competitive strategy or key success factors defined above are not correct. If improvements in measures fail to generate profit, a cause-and-effect principle does not hold. In such situation Kaplan and Norton (1992) advised to reexamine a strategy or an implementation plan.

To summarize, a balanced scorecard developed by Kaplan and Norton (1992) includes three additional perspectives besides financial perspective. Customer satisfaction, excellent internal processes, and innovation and learning aid top management to understand comprehensively an organization. In addition, top management is able to measure future performance with operational measures. Furthermore, a balanced scorecard enables an organization to align measurement with a strategy as measures are based on an organization's strategy and vision.

Figure 2.1 Performance as measurement system



Sources: Robert S. Kaplan David. P, Norton (1992)

Most organizations' operational and management control systems are built around financial measures and targets, which bear little relation to an organization's progress in achieving long-term strategic objectives. Thus, most organizations place emphasis on short-term financial measures, and leave a gap between the development of a strategy and its implementation. A balanced scorecard allows management to rely not only on short-term financial measures as sole indicators of organization's performance, but also three different, operational measurement set. Balanced scorecard introduces four management perspectives that contribute to linking long-term strategic objectives to with short-term action. (Kaplan and Norton, 1996b)

Keeping aforementioned statement in mind, Kaplan and Norton (1996b) argued that a balanced scorecard can be used as a strategic management system, and it has ability to link short-term goals to long-term objectives that Atkinson (2006)

required from. The use of a balanced scorecard has evolved, and organizations are utilizing a balanced scorecard in various ways. The longer organizations are using a balanced scorecard, the more probable it is that a balanced scorecard is used in facilitating the implementation process of a strategy. However, Kaplan and Norton (2001b) admitted that not all balanced scorecards in use are strategic management systems, and a balanced scorecard could be used as a stakeholder scorecard or as a key performance indicator scorecard. These scorecards are missing a critical cause-and-effect relationship between measures, and they are not intended to support strategy implementation. Next, a light is shed on how a balanced scorecard can be used as a strategic management system to receive an accurate impression that assists in reflecting the essence of a balanced scorecard.

According to Kaplan and Norton (2001b), a balanced scorecard describes how value-creating strategies can link intangible and tangible assets. In addition, it can also depict how intangible assets are mobilized and combined with tangible assets to create customer-value propositions and thus, better financial outcomes. A balanced scorecard has four perspectives, into which the strategic objectives can be divided:

Financial perspective measures performance from shareholders' point of view. Financial perspective evaluates an organization's strategy for growth, profitability and risk. Customer perspective evaluates a strategy for value creation and differentiation from customers' point of view.

Internal business processes' perspective measures the strategic priorities of business processes, which aim to create a customer and shareholder satisfaction. Learning and growth perspective concentrates on creating a climate supporting organizational change, innovation and growth. Organizations that pursue using a balanced scorecard as a strategic management system have to first develop a strategy map. A strategy map enables organizations to align their balanced scorecard with a strategy as it specifies critical elements and their linkages to an organization's strategy, and therefore clarifies an assumed causality between linkages in a strategy. According to Kaplan and Norton (2001b), critical elements include targets for growth and profitability in order to increase shareholder value through market share as well as acquisition and retention of profitable customers. They also include value propositions to gain higher margin, and innovation and excellence that deliver value propositions, promote operational improvements and meet expectations and regulatory requirement. In addition, investments made in people and systems are

concerned as one of the critical elements as they generate and sustain growth. Kaplan and Norton (2001b, 90) describe in detail the development of a strategy map: “Organizations build strategy maps from the top down, starting with the destination and then charting the routes that lead there. Corporate executives first review their mission statement, why their company exists, and core values, what their company believes in. From that information they develop their strategic vision, what their company wants to become. This vision creates a clear picture of the company’s overall goal, which could be to become a top-quartile performer. The strategy identifies the path intended to reach that destination.”

Every profit-seeking organization pays attention to financial measures i.e. to financial perspective, which aims at increasing shareholder value. Shareholder value can be increased with both revenue growth and productivity strategy, which both have two elements that Kaplan and Norton (2001b) pointed out: revenue growth can be achieved through extension of business to new markets, products and customers or through increasing sales to existing customers with both cross-selling of multiple products and services, and offering complete solutions. Productivity can be enhanced with a cost structure improvements and higher asset utilization. A customer value proposition offers a way to differentiate an organization from competitors and to attract and retain targeted customers. Organizations can choose from three different value propositions the most suitable for them, which also provides competitive advantage for an organization.

1. Operational excellence can be used as a customer value proposition, if an organization is able to distinguish itself from competitors with operational issues. For example, other organizations use an organization for benchmarking quality, price or on-time delivery.
2. An organization’s value proposition can be customer intimacy, if an organization focuses on customer relationships. Customer intimacy requires that an organization devotes itself to superior service and fulfillment of individual customer needs i.e. finding the most complete and suitable solutions for individual customers.
3. A product leadership strategy requires that an organization pursues functionality, features and performance of their products and services (Kaplan and Norton, 2001b).

The implementation of improvements in internal processes is essential, if an organization wants to differentiate itself from competitors with a customer value proposition. First, an organization should promote innovation to develop new products and services, but also penetrate to new markets and customer segments in order to establish a long-term revenue growth. Second, customer value can be increased by expanding and deepening relationships with existing customers to generate a medium-term revenue growth. Third, a short-term revenue growth can be achieved by improving operational efficiency such as asset utilization, resource-capacity management and supply-chain management, which all aim to cost savings. Last, internal process of becoming a good corporate citizen enables the establishment of effective relationships with external stakeholders.

Kaplan and Norton (2001b) pointed out that a strategy is based on assumptions about employee capabilities and skills, technology and corporate climate, which are needed to implement an intended strategy. The fourth perspective of a balance scorecard, learning and growth, ensures that an organization has resources required in use so it is able to align human resources and information technology with strategic requirements, which result from defining a customer value proposition, critical internal processes and customer relationships. After all perspectives are defined, an organization has a strategy map, which provides linkages between perspectives so that cause-and effect relationships are on sight.

2.5 Aligning of Performance Management

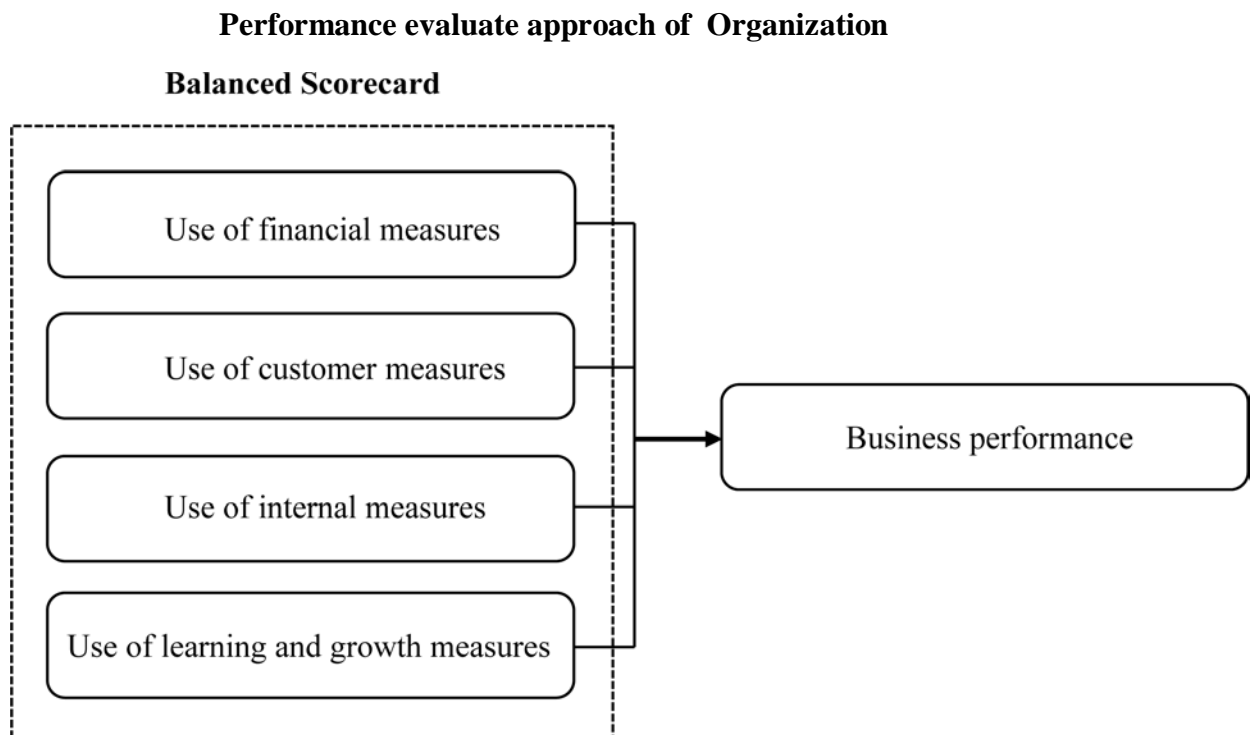
After the strategic perspectives of a balanced scorecard are illustrated and examined, it can be said that a balanced scorecard can be used as a strategic management system. However, not all balanced scorecards are used with the view of facilitating strategy implementation. Strategic perspectives form a basis to create a strategy map for an organization, and consequently a strategy map provides a framework for strategy implementation. For an implementation phase Kaplan and Norton (2001c) have distinguished five indicators, or principles, how an organization can align a balanced scorecard and a strategy. Kaplan and Norton (2001c) call an ideal organization as a strategy-focused organization, which means an organization complies with all principles. Principles are listed below, and additionally figure 3 illustrates more in detail how principles can be realized in practice.

1. Translating the strategy to operational terms

2. Aligning organization to create synergies
3. Making the strategy to everyone's everyday job
4. Making the strategy a continual process
5. Mobilizing leadership for change

Moreover, Kaplan and Norton (2001b) stated that a customer perspective defines also the targets of a pursued customer strategy, which can be market share of targeted customers segments, acquisition and retention of customers or customer profitability.

Figure 2.2 Conceptual Framework of the Study



Source: The principles of a strategy-focused organization (Kaplan and Norton 2001a,)

CHAPTER III

ORGANIZATION BACKGROUND

3.1 History of Ayawaddy Food Industries Company

Product of Thai President Foods, a public company that manufacture and/or distribute mainly instant noodle products and biscuit products from Thailand, known to be the Thailand's queen of instant noodles, and one of the big companies in South East Asia region. The Company was rewarded by the Ministry of Industry for "Mama" instant noodles as "Premium Products of Thailand in 2015" to recognize their innovation, creativity, sustainability, and the pride of Thailand (Thai President Foods Public Company Annual Report, 2015).

Thai President Foods is a public company who manufacture and/or distribute mainly instant noodle products from Thailand, known to be the Thailand's queen of instant noodles, and one of the big companies in South East Asia region. They have wide variety of products range that will satisfy their consumers by paying attention to the needs of market. Moreover, the company known to be one of largest public company in Thailand which apply various types of corporate level strategy for various market segment. The Company was rewarded by the Ministry of Industry for "Mama" instant noodles as "Premium Products of Thailand in 2015" to recognize their innovation, creativity, sustainability, and the pride of Thailand. (Thai President Foods Public Company Annual Report 2015). There are three types of corporate level strategy known as Growth, Stability and Renewal. No one of them is better than another. In fact, management should determine appropriate corporate strategy in given environmental situation to achieve organizational goals. Growth level strategy, on the other hand, have different types: Vertical and/or Horizontal integration, Related and/or Unrelated diversification. Stephen P.R, Mary (2005)

Thai President Foods Public Company is a company who adopted growth level strategy as much as possible. They produce wide range of products in instant noodle category under Ma Ma Brand over 40 years and biscuit products under Bissin and Homey brand each of which offers variety of products. The products can be differing according to the consumers' behavior of the region they are operating. The given figure shows the areas where they do domestic manufacturing as well as exporting. The company has also produced instant noodle to supply some of the

leading firms in Europe and United States and Australia with estimated daily capacity of six million packages.

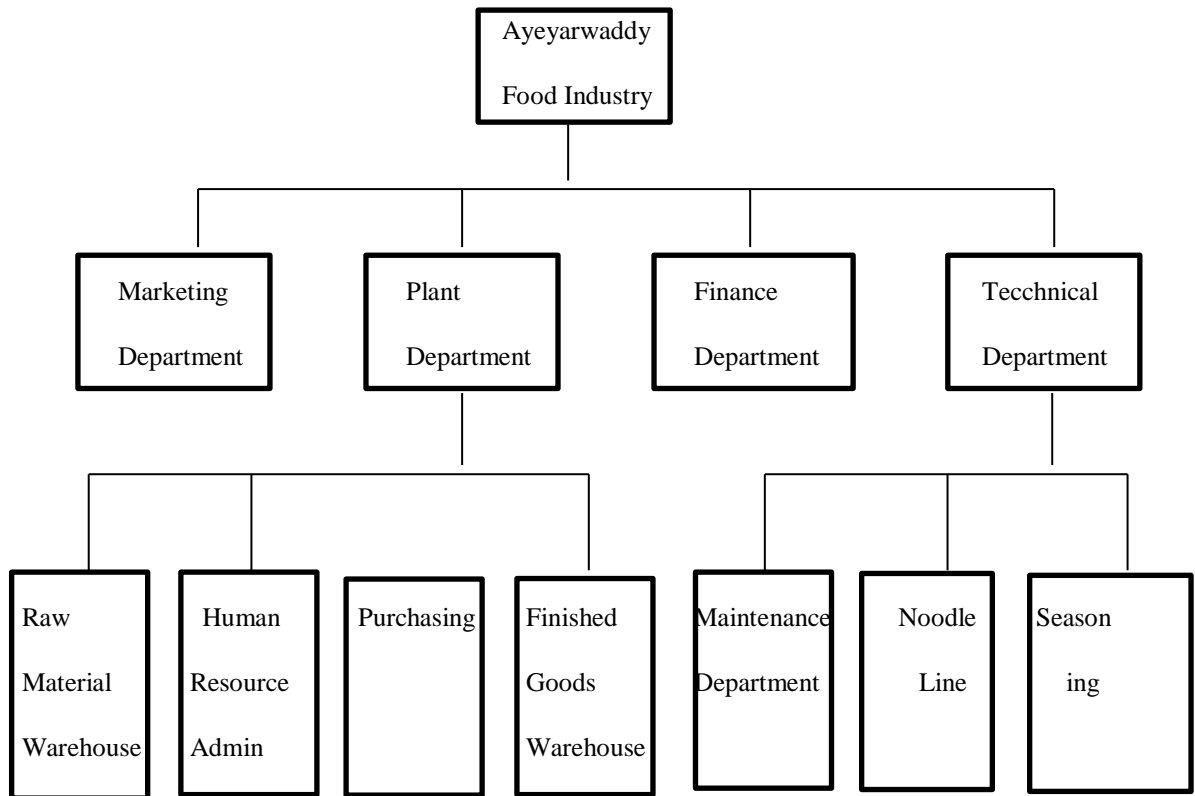
The company has made a lot of growth corporate level strategy in their 40 years of operations by investing in other group of business for raw materials and packaging in order to enhance their primary business lines. By doing so, the company can acquire control over prices and quality in the major operating areas. The following figure shows the companies under Thai President Foods Public Company Limited.

3.2 Profile of Ayeyarwaddy Food Industries Co., Ltd.

Thai President Foods Public Company agreed to Ayeyarwaddy Food Industries Co. Ltd was founded in 2002 under the Myanmar Citizen's Investment Law and started operation on July 2004 jointly with Thai-Myanmar success Co., Ltd., Ayeyarwaddy Food Industries Co., Ltd., which in turn is the joint venture of Thai President Food PLC as major shareholder since 2008. Ayeyarwaddy Food Industries has manufacturing plant in Hlaing Thar Yar industrial Estates in Yangon and has diversified into multifaceted products with over 10 variants with the help of Thailand President Foods PLC's technical team for product innovation and quality control taking responsible for technical depart in following departmental structure: Ayeyarwaddy Food Industries Co., Ltd., Profile (2010)

3.3 Departmental Structure of Ayeyarwaddy Food Industries Co., Ltd.

Figure 3.1 Departmental Structure of Ayeyarwaddy Food Industries Co., Ltd.



Source: AFI web page (2017)

3.4 Vision and Mission are as follows:

Vision - To create food innovation to serve every segment and to share every household worldwide.

Mission

1. To bring our customers the highest benefits of best quality, great taste, good nutritional value, convenient, safe with reasonable price.
2. To create food innovation through research together with the effective managements.
3. To increase highly efficient production through advanced technologies and to educate the staffs for better knowledge, skill and professionalism. To turn the company into the learning organization for all.
4. To search incessantly for new business opportunities.

5. To seriously implement the corporate social responsibility by serving societies, communities and taking good care of the natural resources and environment.

Their marketing mission is "To Penetrate deeply into Myanmar noodle market and become a market leader."

- i. Rivalry among competing firms
- ii. Threats of New Entrants
- iii. Threats of Substitutes
- iv. Bargaining Power of Suppliers
- v. Bargaining Power of Customers

The greater the impact on competitive forces, the more "unattractive" the market is seen to be. (i.e. Rivalry among competitions is severe, bargaining power of suppliers or customers is high, new entrants can enter with relative ease.)

(i) Rivalry among competing firms

"Competitive forces in an industry, if kept relatively free of government interference or other special circumstances, will inevitably create a situation where three companies dominate any given market is called the rule of three." Stephen P.R, Mary (2005). The rule of three said that each industry has three full-line generalists that dominate most of industry market share and some of others said to be super niche players specialising specific market and finally there are ditch dwellers who are neither highly efficient generalists nor niche players who always stuck in the middle.

Ma Ma Thailand in the market as mentioned in section 1, has been queen of instant noodle Thailand since long time back and they are still maintaining the market leader position with almost 50% of the share for many years. However, it is quite different in Myanmar market as the market leader Yum Yum is about 8 years earlier than Ma Ma in introducing to Myanmar. Currently, the company employs over 300 employees both in Production and Sales & Marketing, and has two manufacturing plants in Pyin Ma Bin and Hlaing Thar Yar Industrial Estates in Yangon. In 1996, no one in the country is familiar with the term "instant noodles" and Yum Yum seems to have first mover advantage when Yum Yum become Myanmar people term of referring to any instant noodles at that time. U Kaung Naing Soe (2011). Apart from Yum Yum, in 1999, Myanmar Mamee Double Decker Ltd was set up in April 1999 as a 100% foreign investment company, hiring the land from Myanmar Economic

Holding Ltd in Pyin Ma Bin Industrial Estate and producing Mamee brand instant noodles. Myanmar Mamee is the second oldest player but the lowest market share holder in Myanmar.

This industry even though there are only a few competitors, the rivalry is really high because of the market leader. Yum Yum not only got the first mover advantage but also practice extreme low-cost leadership strategy where it can use its first mover advantage to acquire economies of scales. Even though the Thai President Foods PLC major strategy is innovation and differentiation, they meet a lot of challenges in the beginning to fight the powerful competitor of low-cost leadership in price sensitive market Myanmar.

Therefore, the beginning of market entry, MaMa's primary objective was to gain market share rather than high financial achievement. According to MMRD research 2010, after 84 months of establishment, MaMa instant noodles gained market share 32% from the total market of approx., 20M USD in value from key competitors in the market.

(ii) Threats of new Entrants

As being said in rivalry, despite of few numbers of competition, the intensity is high and according to MMRD 2010 research, major consumers are low incomers so pricing become common in this industry. There would be as many barriers as below for a new entrant: Despite these barriers at hand, Ma Ma however, decided to enter with substantial marketing resources, quality products and technical support from Mother Company itself. The company has enjoyed strong success since the beginning of operations due to their strong effective marketing management and their taste profile which are typical of Myanmar plate and enjoyment of the customers

(iii) Threats of substitutes

No direct substitution to instant noodles but Myanmar culture of prefer eating home-cooked meal or traditional foods such as Mont-Hinn-Khar can be said as substitution although it is not much of threat to compare the speed and convenience factor of instant noodle.

(iv) Bargaining Power of Suppliers

Thai President Foods PLC's Backward and Forward vertical integration strategies has made very few or no bargaining power of suppliers for them in their market. However, in Myanmar market, one of the major inputs, high quality flour production has only two suppliers which make them high in bargaining power. On the other hand, trust based culture in Myanmar business environment make suppliers and producers to assist each other with reasonable prices, improved quality, new products development, etc., and therefore somehow reduce some level of bargaining power. For cup noodles, Thai President Foods PLC itself is supplying for packaging.

(v) Bargaining Power of Customers

It is said to quite high because the cost of switching product is low and the industry is price sensitive with intense competition.

3.5 Market Leader of Instant Noodle

Myanmar, with attractive population of 6 Million, is neighboring Thailand and has shared a lot of chapters in both nations' history books and was most attractive market for the company for expanding due to population and location (near). Just like any other market, instant noodle culture in Myanmar has grown together with the changing of hectic lifestyles. The reasons of instant noodle culture mainly in rural or semi-rural population surviving in changing hectic life styles include: the speed, convenience, not being perishable and price of instant noodles. However, growing of nuclear families in Myanmar especially urban areas, global media exposure and more women joining the workforce have had an impact on eating trends even for a country like Myanmar where there were a lot of original and culture recipes with the passion to cook and eat at home.

Ma Ma have been exporting their existing products to Myanmar even before their investment made with Ayeyarwaddy Foods Industries Co., Ltd., for local manufacturing in accord with local consumers' taste. However, the reasons of choosing their investment decision on manufacturing within the country includes but not limited to: the percentage of population in Myanmar rural areas which lead to price sensitive market, the taste of consumers, the intense of rivalry (competitive advantage depends on consumers' satisfaction), availability of agriculture raw

materials within the country and financial benefits. Detailed will be discussed in following section of environmental analysis.

3.6 Target Segments and Objectives

According to the demographic data, the target age group should be either 25 to 34 or 35 to 49. However, Ayeyarwaddy Food Industries's (AFI) final target is: "Age between 14 to 24" the third category. The reason behind choosing this target market is to avoid the weakness of late comer. Yum Yum was said to be the first mover in instant noodle market so 25 to 49 can be said as Yum Yum generation. So, Ayeyawaddy Food Industries decided to build MAMA generation by targeting 14 to 24. Their major objective that time is "to create Ma Ma generation in Myanmar!". In term of promotion, they try to target female market which believed as buyers of the households, channel to reach the target market. The product development team started working to satisfy the young people taste buds while marketing trying hard to promote household wives to buy the products. In promoting their competitive advantage, in other words, their key success factor, they promote the slogan called: "Just wait 3 minutes!" One sentence which mentioned not only the convenience of instant noodles but also their competitive advantage of product quality, noodle softness.

CHAPTER IV
ANALYSIS ON THE EFFECTS OF BUSINESS PERFORMANCE ON THE
AYAWADDY FOOD INDUSTRIES CO., LTD

The aim of this chapter is to examine the effectiveness of performance management with balance scorecard on business performance of Ayawaddy Food Industries Company Limited (Ma Ma Instant noodle) through quantitative data that are collected through survey questionnaires. The data collection for this study is conducted in November, 2019, from managerial level employees who are working in Ma Ma instant noodle factory. Simple random sampling method was applied in the study. There were 25 employees and 25 customers who completed the survey questionnaires. The analysis is divided into two parts. The first part is the analysis of the four perspective of the performance management with balanced scorecard namely financial perspective, customer perspective, internal perceptive and learning and growth perspective. The second part illustrate the effectiveness of performance management with balance scorecard on business performance of Ma Ma instant noodle factor.

4.1 Research Design

To analyze the effect of performance management with balance scorecard on business performance, the required data were obtained by using survey sampling. Out of 99 managerial level employee including line manager, accountant, and supervisors, 50 employees were taken as the sample unit of the study. After identifying the sampling frame and sample size, selecting the required sample are drawn by using the simple random sampling (SRS) method. As the part of survey instrument, the structure questionnaire is used to examine the research objectives. The questionnaire in this paper consists of three main section: the first section is concerned with demographic factors of employee and the second section is related to the four dimension of balance scorecard namely financial measure, customer measure, internal measure and learning and growth of Ayawaddy Food Industries Company Limited (Ma Ma instant noodle). And the last section is to examine the outcome variable, business performance in AFI All questions in second section and last section are measured by 5-point Likert scales ranging from strongly disagree to strongly agree in 1 to 5 scores. After developing the structured questionnaires, 50 questionnaires were

distributed to sampled managerial level employee and customers. After conducting the survey, the obtained data are processed and analyzed using the SPSS Software version 25 to conduct descriptive analysis such as mean and inferential analysis such as correlation analysis, regression analysis to determine the research objective.

4.2 Demographic Characteristics of Respondents

This section presents the demographic characteristic of employee. The employees were asked to describe their demographic information, including gender, age, education, designation, working department, and experience in that organization.

Gender of Respondents

Table (4.1) describes the number of employee relating to gender that participated in the survey. Gender is categorized by male and female.

Table (4.1) Gender of Respondents

Gender	No. of Respondents	Percentage (%)
Male	28	56.0
Female	22	44.0
Total	50	100.0

Source: Survey Data (2019)

According to Table (4.1), 28 employees were male, accounting for 56.0% of the total employees and 22 employees were female, accounting for 44% of the total employees.

Age of Respondents

Table (4.2) is a description of the number of employee that are classified according to their ages. There are three groups. The first one is the group of employee that are under 30 years. The second group of employee that are between 31 to 45 years. The last one includes the people that are over 45 years.

Table (4.2) Age of Respondents

Age (in Years)	No. of Respondents	Percentage (%)
Under 30	10	20.0
Between 31 to 45	24	48.0
Over 45	16	32.0
Total	50	100.0

Source: Survey Data (2019)

According to Table (4.2), the largest group is the one that includes the employee who are age between 31 to 45, found that 24 of employee, accounting for 48%. The second largest group is the employee who are over age 45 years, found that 16 of respondents, accounting for 32%, and the remaining and smallest group is the respondents who are under 30 years, found that 10 of respondents, accounting for 20.

Position of Respondents

Employee's level of position is classified into five groups such as manager, assistant manager, supervisor and senior accountant.

Table (4.3) Position of Respondents

Positon	No. of Respondents	Percentage (%)
Manager	7	14.0
Assistant Manager	15	30.0
Supervisor	22	44.0
Senior Accountant	6	12.0
Total	50	100.0

Source: Survey Data (2019)

According to Table (4.3) organizational position illustrates the four main department Production, QC, Finance and Logistic 7 respondents (14%). Second line assistant 15 respondents (30%) are follow to Manager. Every Noodle line has

Supervisor 24 Hrs duties of 22 respondents (44%). Responds of 6 (12%) Senior Account reported to Account Manager.

Education of Respondents

Education of respondents are classified into two categories namely Bachelor and Master Degree. The number of respondents by education level is present the following Table (4.4).

Table (4.4) Education of Respondents

Highest Level	No. of Respondents	Percentage (%)
Bachelor	42	84
Master	8	16
Total	50	100.0

Source: Survey Data (2019)

As the results of Table (4.4) According to Factory Industries most of the staff have Bachelor degree respondents 42(84%) and rest are upper level management responds 8(16%).

Working Experience of Respondents

Experience of respondents are classified into four group. They are under 1 year, from 1 to 4 years, from 5 to 8 years, and above 8 years. The survey results for the years of employee's experience are shown in Table (4.5).

Table (4.5) Experience of Respondents

Experience(in Years)	No. of Respondents	Percentage (%)
Under 1	-	-
From 1 to 4	11	22.0
From 5 to 8	24	48.0
More than 8	15	30.0
Total	50	100.0

Source: Survey Data (2019)

According to Table (4.5) Satisfied for Team work build in internal department , most of the staff follow accountability that is why 24 responds (48%) were work 5 to

8 years and 8 years above 15 responds (30%) and some of the staff are working experiences 1 to 5 years responds 11(22%).

Working Department of Respondents

Regarding the employee are asked about their working department; the result is shown in following Table (4.6).

Table (4.6) Working Department Respondents

Department	No. of Respondents	Percentage (%)
Production	14	28.0
Quality Control	3	6.0
Finance	4	8.0
Logistic	5	10.0
HR and Admin	9	18.0
Purchasing	7	14.0
Maintenance	6	12.0
Warehouse	2	4.0
Total	50	100.0

Source: Survey Data (2019)

According to Table (4.6) Production department is the main department 14 responds(28%) and QC Dept. has professional controller 3 responds (6%).Finance department 4 responds (8%) and Logistic Dept. purchased the whole factory accessories of 5 responds (10%).

4.3 Analysis of Performance Management

This section aims to present the analyses of performance management with balance scorecard on four main perspectives (financial perspective, customer perceptive, internal perspective and learning and growth perceptive) based on employee’s agreement level who are working in AFI. The questionnaires for the study are designed according to five-point Likert scale from scale of one to five, where one represents “strongly disagree” and five represents “strongly agree”. The mean values were calculated based on sample 50 managerial level employees. This section for descriptive analysis is the mean characteristics for each of the variables. The

descriptive results for each measured variables in this study are presented in the following. The interpretation of Likert-scale questions is based on the formulation below:

$$\begin{aligned} \text{The width of each level} &= (\text{Highest score} - \text{lowest score}) \div \text{Number of level} \\ &= (5 - 1) \div 5 = 0.8 \end{aligned}$$

The average of 1.00 – 1.79 means a very low level of agreement. The average of 1.80 – 2.59 means a low level of agreement and 2.60 – 3.39 means moderate level of agreement. The average of 3.40 – 4.19 means a high agreement level and the average of 4.20 – 5.00 means a very high level of agreement. (Guyen, n.d.)

4.3.1 Financial Perceptive on Financial and Non-Financial

There are five statements used to identify the level of respondent agreement towards the financial perceptive. The mean and standard deviation value of all scales under financial perceptive are shown in Table (4.7).

Table (4.7) Descriptive Measure for Non Financial Perceptive

No.	Statement	Mean	Std. Dev
1	Utilizing modest amounts of leverage reduces overall financial risk and the potential volatility in our long-term cash flow and stock price.	4.08	.821
2	Financial analysis can be applied in a wide variety of situation to announce to public for shareholder. It also involved applying a system of internal control system through the preparation of financial statements to announce to public. (Audit report)	4.02	.787
3	Ayeyarwaddy Food Industries being changed from private to public entity will be benefitted through proper understanding of current financial situation. (Share Issue for Public)	4.10	.640
4	This is the relationship between cost control, raw material , finish goods of the operation process.	3.98	.735
5	Financial resources are applied efficiently and effectively to support the program purpose and objectives.	3.92	.796
Overall Average Value		4.02	

Source: Survey Results 2019, SPSS Output

According to the results in Table (4.7), how does the business look to shareholders, Financial control is important, reduce overall cost financial risk of mean 4.08 and Std.Dev is 0.825, Audit report mean 4.02 and Std.Dev is 0.787. Share Issue for Public report mean 4.10 and Std.Dev is 0.640. This is the relationship between cost control, raw material, finish goods of the operation process. mean 4.98 and Std.Dev is 0.735. are applied efficiently and effectively mean 3.92 and St.,Dev is 0.796.

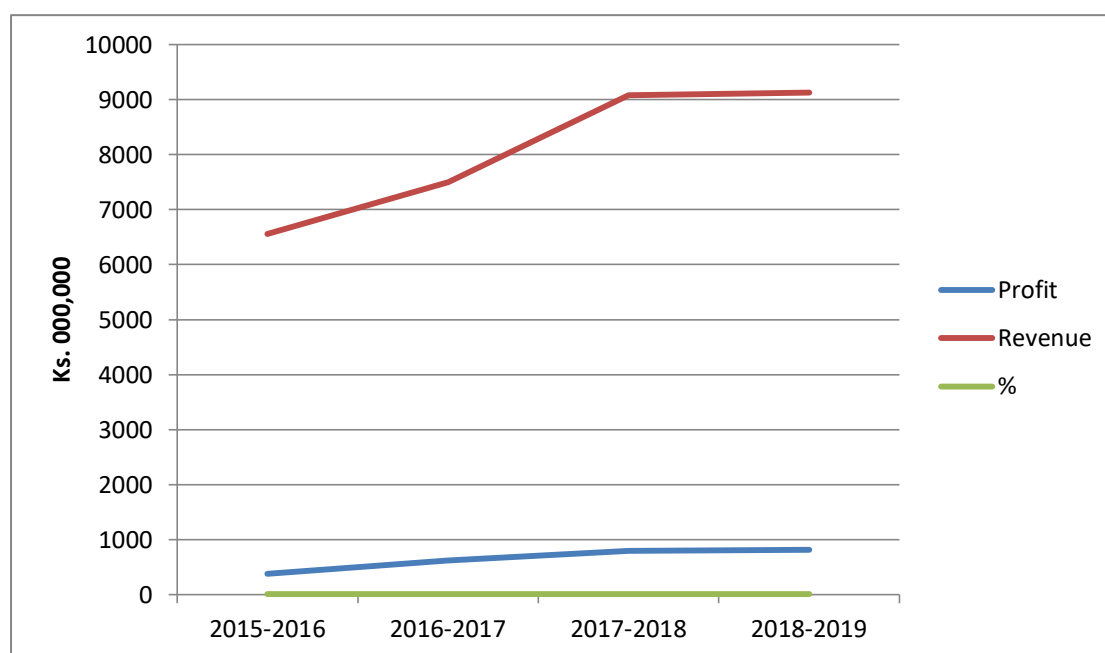
Profit Margin

Table (4.8) Profit Margin for Financial Perceptive

No	Year	Net Profit(ks 000,000)	Revenue(Ks'000,000)	Profit Margin%
1	2015-2016	380	6,558	5.8
2	2016-2017	620	7,500	8.2
3	2017-2018	800	9076	8.8
4	2018-2019	817	9,127	8.9

Source: Audit Report

Figure (4.1) Profit Margin of AFI



Source: AFI Co., Ltd. (2019)

According to the results in Table (4.8) and Figure (4.1), Profit Margin % was not more than 10% within 4 years .2016 was 5.8%,2017 was 8.2%,2018 8.8% and 2019 March audit report was 8.9% . It show that AFI control manage to distribution cost and row material cost .Net Profit Margin show net profit on sales percentage was average over 7.9% within 4 years.

Return on Equity

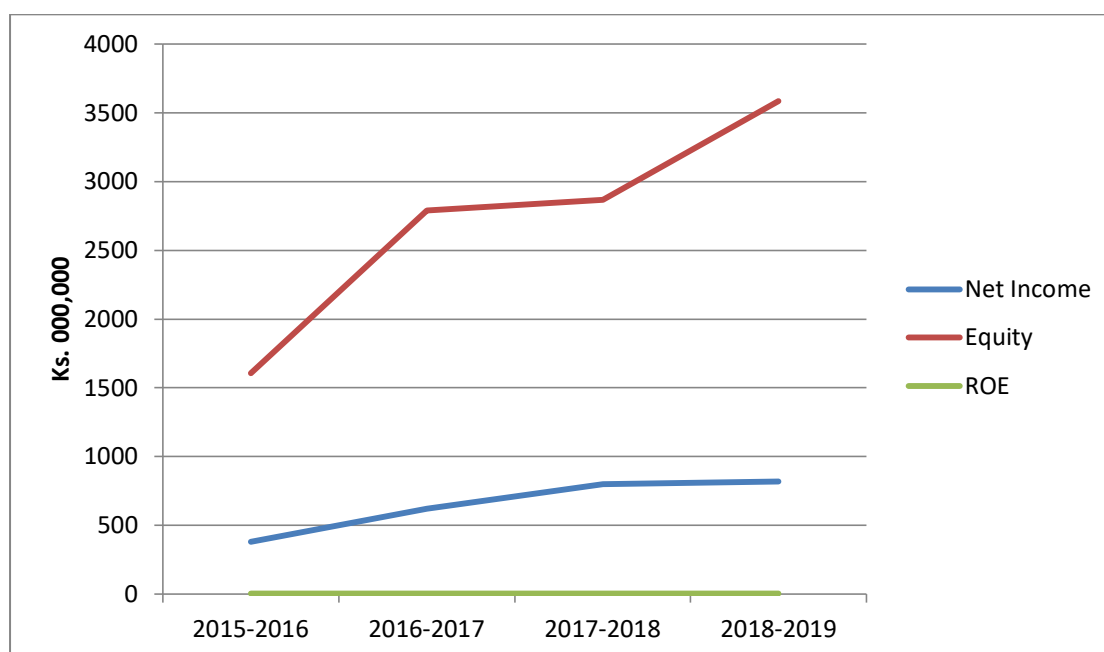
Return on equity (ROE) is a ratio that provides investors with perception into how efficiently a company specifically its management for shareholders have contributed. It measure the profitability of organization with regards to Stockholder's equity. The ROE for the four years period from 2015-2016 to 2018-2019 are shown in the following table (4.9).

Table (4.9) Return on Equity of AFI Co.,Ltd.

No.	Year	Net Income (ks 000,000)	Total Equity(Ks'000,000)	ROE
1	2015-2016	380	1,607	4.2%
2	2016-2017	620	2,790	4.5%
3	2017-2018	800	2869	3.5%
4	2018-2019	817	3,586	4.4%

Source: Audit Report

Figure (4.2) Return on Equity of AFI Co.,Ltd



Source: AFI Co., Ltd. (2019)

As Table (4.9) and Figure (4.2), the ROE starting 2015-2016 to 2018-2019 show stable and not too much different . 2016 -2017 was highest return (4.5%) because shareholders are more investment in this year. Lowest in 2017-2018 ROE was (3.5%) because company created new noodle line infrastructure.

4.3.2 Customer Perceptive or Customer Measure

There are five statements used to identify the level of respondent agreement towards the customer perceptive. The mean and standard deviation value of all scales under customer perceptive are shown in Table (4.10).

Table (4.10) Descriptive Measure for Customer Perceptive

No.	Statement	Mean	Std. Dev
1	These are the processes that focus more on creating new products, processes and services which ultimately help the company to infiltrate new markets and customer segments.(New Product)	3.84	.731
2	Retaining customers by offering them excellent services and being responsive to their requests. (Customer partnership)	4.22	.702
3	Just In case process system from suppliers satisfied support for raw material in time, prepare for warehouse space arrangement. (prefers supplier)	4.10	.640
4	Satisfied for Team work build in internal department (Staff)	4.02	.787
5	To maximize the customer's benefit through quality ,safety and nutritious at reasonable price on Ma Ma Instant Noodle.	4.06	.580
Overall Average Value		4.04	

Source: Survey Results 2019, SPSS Output

According to the results in Table (4.10), Customer efficiency measures of mean 3.84 and Std. Dev is 0.731. Customer partnership mean is 4.22 and Std.Dev is 0.702. prefers supplier mean is 4.10 and Std Dev is 0.640. Internal customer staff

mean is 4.02 and Std. Dev is 0.787. quality, safety and nutritious at reasonable price mean is 4.06 and Std .Dev is 0.580.

4.3.3 Internal Business Process (or) Internal Business Perceptive

There are five statements used to identify the level of respondent agreement towards the internal business process. The mean and standard deviation value of all scales under interval business process are shown in Table (4.11).

Table (4.11) Descriptive Measure for Internal Business Process

No.	Statement	Mean	Std. Dev
1	The techniques that are used in Organization for performance,	4.12	.588
2	Coaching ,Training and Development Process are a part of your organization performance management system.	4.08	.523
3	Both effectiveness and efficiency must be pursued to achieve best in your Factory.	4.04	.747
4	3 time a day rotting Production time is standard with Industries according to labor law. (working time schedule)	3.92	.717
5	According to ISO , continuous monitoring to all department by internal audit observation.	3.92	.688
Overall Average Value		4.01	

Source: Survey Results 2019, SPSS Output

According to the results in Table (4.11), one of the efficiency measurement techniques of mean is 4.12 and Std.Dev is 0.588. Coaching, Training and Development Process mean is 4.08 and Std.Dev is 0.523 effectiveness and efficiency mean is 4.04 and Std.Dev is 0.747. continuous monitoring to all department by internal audit observation mean is 3.92 and Std.Dev is 0.688.

4.3.4 Learning and Growth Perceptive

There are five statements used to measure the level of respondent agreement towards the learning and growth perceptive. The mean and standard deviation value of all scales under learning and growth are shown in Table (4.12).

Table (4.12) Descriptive Measure for Learning and Growth

No.	Statement	Mean	Std. Dev
1	Using Reward system, team work ,leadership strategy, training process are effected in your organization	4.08	.523
2	Stable in employee turnover with regard to attrition the post appraisal phase.	4.22	.702
3	Leading to be learning organization for everyone by develop HR capabilities.	4.22	.702
4	Upgrade the level of ISO,	4.02	.787
5	The Operation are implement by the organization continue to make sense with respect to the problems or condition. (Quick respond solution)	4.04	.747
Overall Average Value		4.11	

Source: Survey Results 2019, SPSS Output

According to the results in Table (4.12), Business continue to improve and create value of Reward system, team work ,leadership strategy, training process of mean is 4.08 and Std. Dev is 0.523. Employee turnover mean is 4.22 and Std. Dev is 0.702. HR capabilities mean is 4.22 and Std. Dev is 0.702. Upgrade the level of ISO, mean is 4.02 and Std. Dev is 0.787. Quick respond solution mean is 4.04 and Std. Dev is 0.747.

4.4 Performance Measured

This section aims to show the examines of performance management with balance scorecard on business performance in Ma Ma instant noodle factory. The questionnaires for the study are designed according to five-point Likert scale from scale of one to five, where one represents “strongly disagree” and five represents

“strongly agree”. The mean values were calculated based on sample 50 managerial level employees. This section for descriptive analysis is the mean characteristics for each of the statement. The descriptive results for each measured variables in this study are presented in the following.

There are five statements used to identify the level of respondent agreement towards the business performance of Ma Ma Instant noodle factory. Table (4.13) are the results of mean and standard deviation value of all statement under business performance.

Table (4.13) Descriptive Measure for Business Performance

No.	Statement	Mean	Std. Dev
1	Reach and Development which lead to Food product innovation and efficient management.	3.94	.676
2	Always searching opportunity and channels for marketing in order to maintain continuous growth in the company’s business around the world;	4.06	.732
3	To Build trust among stakeholders with emphasis on social responsibility as well as protections of natural resource and environment using good governance for sustainable development	4.10	.640
4	Created unique 8 products which can even export to international markets for some Local people living in other countries.(product focus)	4.02	.787
5	One Flavor of soup, one type of Sichek and one traditional noodle version of instant noodle (coconut noodles) were developed to get more share in existing market. (market leader)	4.06	.580
Overall Average Value		4.03	

Source: Survey Results 2019, SPSS Output

According to the results in Table (4.13), Reach and Development mean is 3.94 and Std.dev is 0.676 opportunity and channels for marketing in order to maintain continuous growth in the company’s business around the world; mean is 34.06 and

Std.dev is 0.732. environment using good governance for sustainable development mean is 4.10 and Std.dev is 0.640. product focus mean is 4.02 and Std.dev is 0.787. developed to get more share in existing market. focus mean is 4.06 and Std.dev is 0.580.

4.5 Relationship between Balance Scorecard Perceptive and Business Performance

In studying relationship between balance scorecard perceptive and business performance, correlation coefficient is computed and tested the significance of the relationship before determining the effect of performance management with balance scorecard on business performance of Ma Ma Instant noodle factory by regression analysis. Correlation is a measure the strength and direction of the relationship between two variables. Correlations of all variables used in this study are shown in following Table (4.14).

Table (4.14) Correlation Coefficient between Studied Variables

Perspective of Balance Scorecard		Business Performance
Financial	Pearson	.593**
	Correlation	.000
	Sig. (2-tailed)	
Customer	Pearson	.883**
	Correlation	.000
	Sig. (2-tailed)	
Internal Business Process	Pearson	.819**
	Correlation	.000
	Sig. (2-tailed)	
Learning and Growth	Pearson	.870**
	Correlation	.000
	Sig. (2-tailed)	

Source: Survey Results, 2019 (SPSS Output)

** Correlation is significant at the 0.01 level (2-tailed).

According to the Table (4.14), the correlation coefficient between financial perspective and business performance is 0.593 at significant 1% level. This shows that there is positively and moderately relationship between financial perspective and business performance. The correlation coefficient between customer perspective and business performance is 0.883 at significant 1% level. This shows that there is directly and strongly relationship between customer perspective and business performance. Moreover, the correlation coefficient between internal business process perspective and business performance is .819 at significant 1% level. This shows that there is positively and strongly correlated between internal business process perspective and business performance. The correlation coefficient between learning and growth perspective and business performance is 0.870 at significant 1% level. This shows that there is positively and strongly relationship between learning and growth perspective and business performance.

4.6 Effectiveness of Business Performance on Performance Management

If the value of the correlation coefficient is significant, the next step is to determine the effect of performance management with balance scorecard on business performance by using regression equation. In this section, the outcomes of analyzing for the objectives two are presented. This section includes the discussion of outcomes, including regression equations as well as estimates of variation of outcomes, and a full reporting of the linear regression outcomes from the statistical analysis.

This was analyzed using multiple linear-regression, which determines the variation of the dependent variable based on the independent variable. For this model, the dependent variable is business performance and the independent variable is four dimension of balance scores card. The results are described in Table (4.15).

Table (4.15) Regression Result of Business Performance

Credit Risk Management Practices	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.181	.255		.712	.480
Financial Measure	-.074	.078	-.091	-.944	.350
Customer Measure	.760	.226	.753	3.371	.002
Internal Business Process	.436	.087	.397	5.037	.000
Learning and Growth	.076	.193	.074	.394	.695
N = 50 Adj R² = .860 F = 77.935** (p-value = 0.000)					

Source: Survey Results, 2019 (SPSS Output)

For this purpose, the multiple regression analysis is conducted and the results are reported in Table (4.15). The result show that the all coefficients in the model namely financial measure, customer measure, internal business process and learning and growth are significant at 1% level, which is indicated by the value of F-statistic with 77.935. Since the value of adjusted coefficient of multiple determination is .860, it revealed that 86% of the variation of change in business performance is explained by four perspective of balance scorecard.

Among four independent variables in the model, only two variables, customer perceptive and internal business process are statistically significant at 1% level on business performance. The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increases by 1 unit while other things remain unchanged. That is, if the customer perceptive is increase one unit, the business performance of the AFI will increase .760 scores other variable remains unchanged. If the internal business process is increase one unit, the business performance of the AFI will increase .436 scores other variable remains unchanged

Among two statistically significant independent variables, the standardized coefficient for customer perceptive is greater than internal business process

comparing the value of .753 and .937. Therefore, among the four perceptives or measures in performance management with balance scorecard, customer perceptives is key determinant of the effectiveness of business performance of Ayawaddy Food Industries Company Ltd.

CHAPTER V

CONCLUSION

The chapter presents the conclusion of the study. The analysis used primary data was collected questionnaires' and interview with 100 staff in AIF company of management level. The chapter includes three main section, finding and discussion and suggestion and need for further study.

5.1 Finding

The major objectives of the study to determine the perspective of performance management with balance scorecard in AFI and to analyze the effectiveness of performance management with balance scorecard on business performance of AFI. This study will help determine the use and effectiveness of financial planning management for the transaction of private sector to public sector AFI.

Key success factors for AFI include understanding the market and consumer behavior and above all cooperation between joint venture company. Following recommendations are made for further success: In fact, there are not much competitors in instant noodles market industry of Myanmar. However, the market leader do have large amount of market share. In order to catch up with the market leader, AFI should have more effective distribution system. The rural markets offer new and greater opportunities to manufacturers of instant noodles in Myanmar. Moreover, marketing should be using the upcoming digital channels effectively by social media advertisement or SMS blasts or making digital nutritious projects as a channel to communicate with rural area people closely. This kind of project can also full one of the missions of AFI: Building trust among stakeholders with emphasis on social responsibility as well as protections of natural resource and environment using good governance for sustainable development. Technical team supported by profession technical has given all ears to local marketing team comments to adapt the local consumers' tastes.

First, the key findings of this study in light of questions are presented, and then the limitations of this study are discussed. The method of this study can be categorized into qualitative management accounting research, which pursues finding explanations for case observations through interpretation. In particular, the study is a theory refinement study (Keating, 1995) that brings a theoretical starting point under

the loop of empirical examination and critical evaluation. The empirical findings are based on ten interviews made in one case company and the status of respondents varied from top to operative level managers.

According to collected sample data statistic ,this steady found that mean score over all, Financial Perceptive is 4.02, Customer Perceptive over all mean is 4.04, Internal Business Process Overall mean is 4.01, Learning and Growth over all mean is 4.11 were satisfied analysis data received .

There are two major found why AFI has value to do performance management analysis: 1) the key for performance management used the theory is Balance Score Card to decide their resource utilization in price sensitive competitive market; 2) AFI being changed from private to public entity will be benefitted through proper understanding of current financial situation.

Financial point of view Manager Responsibility by the preparing of financial statement that give a true and fair view in accordance with previous of Myanmar Company Act and Myanmar Financial Reporting standards. Believe that the audit evidence have obtain and appropriate to provide a basis for Audit Report.

In Conclusion the study found that the current performance measurement tool was comprehensive and effective in measuring performance. Performance Analysis can be applied in a wide variety of situational analysis to assist business managers and to announce to public and the shareholder. The result of overall analysis give great extent for the effect of Performance by BSC.

5.2 Suggestion

According to the research finding, AFI should continuous to maintain the practice on all manufacturing process and need to expand factories in other Myanmar region. It can be given training for new employee and pay roll system according to Labor Law. It should be maintaining the quality control for noodle expire and smell and smart packing more modernize. I notice about some staff of working experience are than 10 years, should be change to hire effect and efficiency upper management level.

Recording to financial reporting system, in my opinion the accounting and other record required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act. The other suggestion is the management

should always look on financial recording system and prepare to complete all registers as international accounting standard.

In conclusion, according to the Four Perspectives of Balance Score cards data analysis, AFI company has highest performance in Customer Perspective and Learning and Growth are strongly effect performance.

5.3 Need for Further Studies

The study has explored the effect of BSC performance analysis of AFI, however, there comprised of various other sector of Factory which differ in way of performance management and have different setting all together. This warrant the need for another study which would ensure generalization of the study finding for other industries in Myanmar.

Moreover, recommending for another study be done to investigate and quotation to more sample size of detail department of other factories. This kind of study will also conduct to evaluate of effects of BSC.

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