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**THE PRACTICES AND CHALLENGES OF BALANCED
SCORECARD IMPLEMENTATION AT THE
ETHIOPIAN MANAGEMENT INSTITUTE**

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**The Practices and Challenges of Balanced
Scorecard Implementation at the Ethiopian
Management Institute**

By

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CERTIFICATE OF ORIGINALITY

This is to certify that the project titled” The Practices and Challenges of Balanced Scorecard Implementation at the Ethiopia Management Institute “is an original work of the student and is being submitted in partial fulfillment for the award of Master’s Degree in Business Administration of Indra Gandhi National Open University. This research report has not been submitted earlier either to this University or to any other University/institution for the fulfillment of the requirement of a course of study.

Signature of Supervisor.....

Signature of Student

Place

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List of Acronyms

BSC	Balanced Scorecard
CSRP	Civil Service Reform Program
EMI	Ethiopian Management Institute
FCSO	Federal Civil Service Organizations
FDRE	Federal Democratic Republic of Ethiopia
MoCB	Ministry of Capacity Building
MoCS	Ministry of Civil Service
SDIP	Service Delivery Improvement Policy

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The Practices and Challenges of Balanced Scorecard Implementation at the Ethiopian Management Institute

Menwuyelet Fentie

ABSTRACT

The purpose of this study was to assess the gap on the implementation of Balanced Scorecard (BSC) and recommend appropriate management development tools that fit with the newly redesigned processes so as to make the change effective and sustainable. The research was conducted at the Ethiopian Management Institute (EMI) which started the implementation of newly designed processes. The methodology employed for undertaking this research includes questionnaire, interviews, literature review and internets. The methodology used helps to acquire sufficient data and the contribution of the research was to reveal strengths and obstacles of BSC implementation indicate the required attitudinal change and suggest the role and commitment of leaders. Analysis of the collected data revealed that there was awareness on BSC but making it practical requires more than having a general awareness in their working environment. During the transformation process EMI encountered challenges and also obtained improvements in the area of leadership, human resource, process and working environment aspects. With regard to assessing the BSC implementation, the capacity of leaders (process owners) and performers in few areas of the parameters was found to be satisfactory. In majority of the areas, observable gaps were clearly seen which required additional organizational development efforts. Further, from the transformational perspective, ultimate change result is expected in the mind set-up of leaders and employees that must show an excellent strategy, communication and performance changes in EMI which is not yet observed so far. That is the point where everybody can say that the transformation process is effective and sustainable. In order to develop/implement BSC system, EMI should undertake measures like assessing existing BSC system, creating awareness on the needs to change/adjust strategies, communication process and performance measurement systems, identifying and correcting newly developed BSC, conducting continuous assessment on the status of their implementation and developing integration mechanism of BSC with other organizational management systems.

KEY WORDS: BSC, process owners, transformation process, performance measurement system, communication process, continuous assessment, organizational management system

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CHAPTER ONE

INTRODUCTION

This chapter deals with the background of the study, definition of terms, statement of the problem, objectives of the study, significance of the study, scope of the study, limitations of the study, and organization of the study. The details are presented as follows.

1.1. Background of the Study

The wind of change is blowing from all sides affecting all parts of our life. Organizations in all sectors and spheres of life, whether they are public, private, or nongovernment organizations, are affected by the fast and dynamic changes. They are looking for any best mechanisms which will take them to a competitive edge. The Ethiopian public service organizations are not exceptional from this reality. As a result public service organizations are looking for appropriate tools and techniques which are appropriate to their specific situation. One of the change tools which are implemented by many civil service organizations is the Balanced Scorecard (BSC).

BSC is a strategic planning and management system which is used extensively in business and industry, government, and not-for-profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance.

BSC is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback about the internal business processes and external outcomes in order to continuously improve strategic performance and results.

In the year 2001, Federal democratic Republic of Ethiopia (FDRE) designed new policy documents, the Civil Service Reform Program (CSRPF) to reform the Ethiopian Civil Service in order to improve the effectiveness and efficiency of the civil service. The policies are directly

applicable to the federal ministries, commissions, public authorities/enterprises and municipal administration as well as other agencies.

The aim of CSRP was to build a fair, transparent, efficient, effective, and ethical civil service mainly by creating enabling legislation, developing operating systems, and training staff in five key sub-programs: (i) Expenditure Control and management, (ii) Human Resource Management, (iii) Service Delivery, (iv) Top Management Systems, and (v) Ethics. Following the civil service reform program, the launch of a special program of Performance and Service delivery Improvement Policy (PSIP), along with other reform programs areas, have promoted Business Process Reengineering (BPR) as a key management initiative. Its dramatic improvements in organizational performance make BPR the most appropriate and best preference among many other types of changes that could be used for organizational change. Therefore, the organizational change initiative through BPR is part of the national civil service reform program (CSRP), which is again one among the various reform programs.

The Ministry of Capacity Building took the initiative that emanated from its mandate and organized groups of consultants and experts from Ethiopian Management Institute, Ethiopian Civil Service College (now University) and other public sectors who act as a change agent for a complete transformation process by applying Business Process Reengineering as a change management tool. Many of the public institutions have implemented BPR. This is a new phenomenon in the country whereby the change in organizations is expected to be radical and dramatic. In turn, the new environment requires basic shifts in managerial style and attitude.

Establishing an integrated performance management system is one of the requirements of BPR for which balanced scorecard (BSC) is found to be the right fit for the kind of change that is being practiced in the country. BSC, as a change tool was implemented in public service institutions under the control and supervision of the Ministry of Civil Service formerly known as the Ministry of Capacity Building.

This change process requires an all rounded change within and outside the institutions which demand new management style and techniques, new way of working and collaboration, planning and implementation mechanisms. New interventions in management and modern styles of delivery shall be adapted by the people and around the institutions.

This paper focuses on assessing the practices of BSC, challenges which inhibit the proper implementation of the system and recommends possible solutions.

1.2 Definition of Terms

There are some terms used in the study and the operational definitions for communication and understanding are presented as follows:

Balanced Scorecard (BSC): The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

Business Process Reengineering (BPR): Is a systematic, disciplined improvement approach that critically examines, rethinks, and redesigns mission delivery processes in order to achieve dramatic improvements in performance in areas important to customers and stakeholders.

Customers: Direct beneficiaries of our services or products

Customer Value Proposition: What an organization must deliver (attributes, relationship, image) to develop, retain, and deepen its relationship with stakeholders

Input: Resource consumed in business activities and processes, such as money, labor, time, equipment, etc.

Logic Model: A basic description of a business process in terms of inputs, activities (processes), outputs, and outcomes (or results).

Mission: What we are about; our purpose.

Organization Core Values: Our guiding principles; what we believe in...the ideals, principles, and philosophy at the center of the organization

Outcome: Results that are desired by producing outputs; accomplishments.

Output: What is produced by a business process; immediate deliverables in terms of products and services.

Performance Measure (Lagging): An indicator of past performance that show how successful we were in achieving our outcomes

Performance Measure (Leading): An indicator of performance that is a precursor of future success; a performance driver

Perspectives: Different views of our organization; performance dimensions

Process: A chain of activities that transforms inputs into outputs and thereby adds value.

Stakeholders: The universe of people with an interest in our success, including vendors, suppliers, regulators, owners, citizens, other organizations, etc.

Strategic Initiative: Action programs designed to achieve our strategic performance goals

Strategic Objective: Strategy component; continuous improvement activity that must be done

Strategy: How we intend to accomplish our vision; an approach, or “game plan”. The definition of the organization’s business

Strategy Map: Cause-effect relationships among the objectives that make up a strategy

Strategic Result: Desired outcome for the main focus areas of the business.

Strategic Theme: Main focus areas of the business; the organization’s “Pillars of Excellence”, used to focus staff effort on accomplishing the vision.

Target: Desired level of performance for a performance measure

Vision: What we want to accomplish in the future; our “picture of the future”

source:<http://www.balancedscorecard.org/Resources/AbouttheBalancedScorecard>

1.3 Statement of the Problem

The reform process of the Ethiopian public and civil service organizations was started after the report produced by the task force which assessed the practice of civil service organizations in the country. Some of the results of the study shows that the Ethiopian civil service is characterized by hierarchically based organizational structures which lead to long and time consuming service delivery and obsolete management structure; absence of a formally constituted complaints handling mechanism; rare consultation of the service users about their needs; and lack of coordination and cooperation among various departments in an organization; (MoCB, 2002). These and other problems limited the role of the civil service to promote social and economic development of the country.

Specific to public service delivery some of the problems as cited by Getie, et al., are

- Lack of proper understanding towards public service and need of the public;
- Lack of accountability;

- Presence of hierarchal organizational structure and obsolete management practice;
- Services are in ward oriented rather than oriented addressing the needs of the public;
- Focusing on routine activities rather than output/outcome; absence of complaint handling mechanisms;
- Lack of resources;
- Inconsistence of rules and guidelines;
- Absence of consultation with the public.

With a strong belief that an efficient and effective service delivery; and ethical, fair, dynamic and productive civil servants in the civil service play a significant role to successfully implement different policies and strategies, an attempt to improve service delivery became a key issue in the comprehensive civil service reform program. To this end, the Ethiopian Government issued the Service Delivery Improvement policy. In the process of improving service delivery in public and civil service organizations the major change tool used was Business Process Reengineering. After implementing BPR most organizations used BSC as the other tool to implement their strategies.

Balanced Scorecard focuses on how to successfully execute business strategy on providing a guide to developing an execution of business strategy. It puts in place a new management system for companies to re-focus on the long term for customers, employees, new product development, and systems, rather than concentrating just on short-term profit. It bridges the gap between strategic goals and performance monitoring, and has been implemented by several organizations.

In general BSC:

- Shows how the Balanced Scorecard works as a measurement and management system for channeling the potential, skills, and knowledge of people towards realizable long-term goals.
- Emphasizes financial results and the human issues that drive them, by integrating a customer perspective, an internal perspective, and a learning and growth perspective.
- Examines the importance of employee learning and growth, internal business processes, and customer knowledge, rather than just short-term financial gain.

- Considers how the scorecard facilitates management processes such as individual and team goal setting, compensation, resource allocation, budgeting and planning, and strategic feedback and learning.
- Analyzes how the scorecard has innovated some of the concepts of previous management models.

Some public institutions have tried to implement BSC. To realize and make sustainable the benefit from this change management tool, it is believed that a basic measure should be taken at every level within an organization.

The implementation of BSC was not an easy job; there were many challenges which hindered its implementation. Some of the problems challenges are:-

- Lack of commitment at the top management level;
- Lack of skill in setting strategic theme at organization level and cascading objectives to core and support process, and individual level;
- Problems in setting measurements and targets;
- Fear of performance related pay;
- Poor/Non-existence of linkage between budget and strategy;
- Non-availability of sufficient and reliable data for measurements;
- Resistance to change, fear, lack of optimism and skepticism about BSC results,

The nature and extent of BSC implementation at EMI was generally described as:

- Bad experience of change tools such as “down– sizing” in BPR implementation,
- Inadequate training,
- Lack of sufficient data for measuring performance,
- Difficulties of cascading objectives to individual performers,
- Confusion on BSC results,
- Lack of commitment of Executives, process owners and performers,
- Ineffective coordination of implementation activities,
- Insufficient capabilities and skills of those involved, and
- Failure to involve all those who will be affected by the change.
- Introducing the Balanced Scorecard only for compensation

Research Questions

Accordingly, the research presumably answers the following basic questions:

1. What are the major achievements and challenges of BSC implementation?
2. What are the major gaps that need to be minimized?
3. Does the BSC implementation get the proper commitment from the leadership?
4. What is the attitude of performers and customers towards BSC implementation?
5. What measures have to be taken to make the BSC a success?

1.4. Objectives of the Study

The research has the following general and specific objectives:

1.4.1 General objective

The objective of the research is to assess the overall trend of BSC implementation at the Ethiopian Management Institute and identify the major challenges encountered by leaders, experts and employees in the process and propose possible solutions.

1.4.2 Specific Objectives

The research tried to achieve the following specific objectives:

1. Identify the Ethiopian Management Institute's achievements and challenges in BSC implementation.
2. Identify gaps found during the implementation process that need to be minimized.
3. Scrutinize the perception and attitudes of performers, leaders and customers towards BSC implementation.
4. Indicate the importance of leadership commitment during the preparation and implementation stages.
5. Suggest appropriate mechanisms of implementing and developing BSC to achieve success.

1.5. Significance of the Study

It is hoped that the lessons to be drawn from the BSC implementation practices would help to take practical solutions to the existing problems and gaps in a sustainable manner for the full scale implementation of BSC. Therefore, the researcher strongly believes that the result of the research gives the following benefits, among others:

1. It provides valuable information to the Institute about how it has been working towards creating awareness and shaping the attitudes of its employees;
2. It gives executives and process owners clear insight into the reality of BSC implementation in the EMI context for future planning;
3. It serves as a lesson for EMI, and helps as a benchmark for others that are practicing or want to practice in the future; and
4. It can serve as a spring board for those people who want to conduct further study in the area.

1.6. Scope of the Study

In its desire to bring about national transformation in the shortest possible time, the Ethiopian Government is working hard to realize its vision of making the country as one of the middle-income countries by 2025. To this end, it has put in a place an aggressive and a comprehensive civil service reform across the country. As a result, almost all public organizations have been under reform since 2002. BSC is chosen as the main reform tool next to business process reengineering. Establishing an integrated performance management system is one of the requirements of BPR for which BSC is found to be the right fit for the kind of change that is being practiced in the country. Due to this the focus of the study was on implementation of BSC as a means of strategy management system, communication tool and performance measurement system.

Amongst the institutions which had implemented BSC, this study focused on the Ethiopian Management Institute. The criterion for the selection of this organization is an exposure of many years for various reforms, the extent of exposure/implementation of BSC, accessibility of

information, proximity and familiarity of the organization to the researcher. The subjects who participated in the study were Executives, process owners, consultants, experts, and employees.

1.7. Limitations of the Study

The study has faced few of its own limitations. Among the major ones are poor cooperation from respondents, and unwillingness to fill and return questionnaires on time. The other limitation was willingness of respondents to discuss openly about the strengths and weaknesses of Balanced Scorecard implementation while an interview was conducted.

1.8. Organization of the Study

The research paper has five chapters. The first chapter includes introduction; background of the study, definition of key terms, statement of the problem, objectives of the study, significant of the study, scope of the study, limitations of the study, and organization of the study. The second chapter deals with literature review. The third chapter dwells up on research design and methodology. The fourth chapter contains data analysis and interpretations of the study and the last chapter has summary of findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITRATURES

The purpose of this chapter was to present some concepts and importance of BSC in the performance of organizations. It contains BSC basics, building and implementing a BSC, performance measures, BSC in Africa, BSC in Ethiopia, challenges and successes of implementing BSC. The details are as follows.

2.1 Balanced Scorecard Basics

The BSC is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. While the phrase balanced scorecard was coined in the early 1990s, the roots of the this type of approach are deep, and include the pioneering work of General Electric on performance measurement reporting in the 1950's and the work of French process engineers (who created the *Tableau de Board* – literally, a "dashboard" of performance measures) in the early part of the 20th century.

The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. The “new” balanced scorecard transforms an organization's strategic plan from an attractive but passive document into the "marching orders" for the organization on a daily basis. It provides a framework that not only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies.

This new approach to strategic management was first detailed in a series of articles and books by Drs. Kaplan and Norton. Recognizing some of the weaknesses and vagueness of previous management approaches, the balanced scorecard approach provides a clear prescription as to

what companies should measure in order to 'balance' the financial perspective. The balanced scorecard is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise.

Kaplan and Norton (cited in the Balanced Scorecard Institute, 2009) describe the innovation of the balanced scorecard as follows:

"The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation."

Perspectives

The balanced scorecard suggests that we view the organization from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives:

The Learning & Growth Perspective

This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement. In a knowledge-worker organization, people -- the only repository of knowledge -- are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode. Metrics can be put into place to guide managers in focusing training funds where they can help the most. In any case, learning and growth constitute the essential foundation for success of any knowledge-worker organization.

Kaplan and Norton emphasize that 'learning' is more than 'training'; it also includes things like mentors and tutors within the organization, as well as that ease of communication among

workers that allows them to readily get help on a problem when it is needed. It also includes technological tools; what the Baldrige criteria call "high performance work systems."

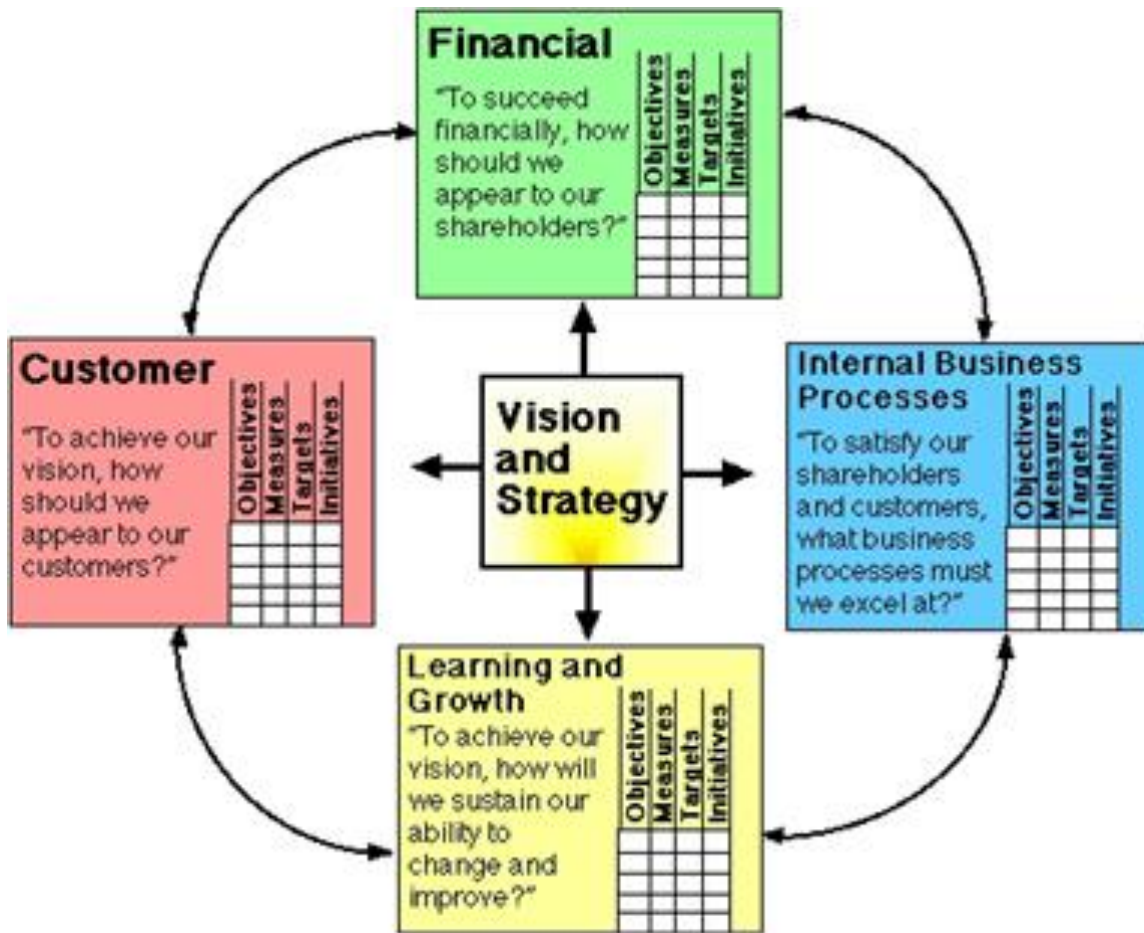


Figure 1: The Balanced Scorecard Framework (Kaplan & Norton, 1996).

The Business Process Perspective

This perspective refers to internal business processes. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately; with our unique missions these are not something that can be developed by outside consultants.

The Customer Perspective

Recent management philosophy has shown an increasing realization of the importance of

customer focus and customer satisfaction in any business. These are leading indicators: if customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline, even though the current financial picture may look good.

In developing metrics for satisfaction, customers should be analyzed in terms of kinds of customers and the kinds of processes for which we are providing a product or service to those customer groups.

The Financial Perspective

Kaplan and Norton do not disregard the traditional need for financial data. Timely and accurate funding data will always be a priority, and managers will do whatever necessary to provide it. In fact, often there is more than enough handling and processing of financial data. With the implementation of a corporate database, it is hoped that more of the processing can be centralized and automated. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regard to other perspectives. There is perhaps a need to include additional financial-related data, such as risk assessment and cost-benefit data, in this category.

2.2 Building & Implementing a Balanced Scorecard

The Balanced Scorecard Institute has suggested a nine-step approach to build BSC in organizations as demonstrated in their famous circular figure below (see Fig. 2). The Institute's award-winning framework, *Nine Steps to Success*, is a disciplined, practical approach to developing a strategic planning and management system based on the balanced scorecard. Training is an integral part of the framework, as is coaching, change management, and problem solving. Emphasis is placed on "teaching clients to fish, not handing them a fish", so the scorecard system can be sustained.

A key benefit of using a disciplined framework is that it gives organizations a way to 'connect the dots' between the various components of strategic planning and management, meaning that there will be a visible connection between the projects and programs that people are working on, the measurements being used to track success, the strategic objectives the organization is trying to accomplish and the mission, vision and strategy of the organization.

Step One: Assessment

Step One of the scorecard building process starts with an assessment of the organization's Mission and Vision, challenges (pains), enablers, and values. Step One also includes preparing a change management plan for the organization, and conducting a focused communications workshop to identify key messages, media outlets, timing, and messengers.

Step Two: Strategy

In Step Two, elements of the organization's strategy, including Strategic Results, Strategic Themes, and Perspectives, are developed by workshop participants to focus attention on customer needs and the organization's value proposition.

Step Three: Objectives

In Step Three, the strategic elements developed in Steps One and Two are decomposed into Strategic Objectives, which are the basic building blocks of strategy and define the organization's strategic intent. Objectives are first initiated and categorized on the Strategic Theme level, categorized by Perspective, linked in cause-effect linkages (Strategy Maps) for each Strategic Theme, and then later merged together to produce one set of Strategic Objectives for the entire organization.

Step Four: Strategy Map

In Step Four, the cause and effect linkages between the enterprise-wide Strategic Objectives are formalized in an enterprise-wide Strategy Map. The previously constructed theme Strategy Maps are merged into an overall enterprise-wide Strategy Map that shows how the organization creates value for its customers and stakeholders.

Step Five: Performance Measures

In Step Five, Performance Measures are developed for each of the enterprise-wide Strategic Objectives. Leading and lagging measures are identified, expected targets and thresholds are established, and baseline and benchmarking data is developed.



Figure 2: The Balanced Scorecard Framework (balanced Scorecard Institute, 1998)

Step Six: Initiatives

In Step Six, Strategic Initiatives are developed that support the Strategic Objectives. To build accountability throughout the organization, ownership of Performance Measures and Strategic Initiatives is assigned to the appropriate staff and documented in data definition tables.

Step Seven: Performance Analysis

In Step Seven, the implementation process begins by applying performance measurement

software to get the right performance information to the right people at the right time. Automation adds structure and discipline to implementing the Balanced Scorecard system, helps transform disparate corporate data into information and knowledge, and helps communicate performance information. In short, automation helps people make better decisions because it offers quick access to actual performance data.

Step Eight: Alignment

In Step Eight, the enterprise-level scorecard is ‘cascaded’ down into business and support unit scorecards, meaning the organizational level scorecard (the first Tier) is translated into business unit or support unit scorecards (the second Tier) and then later to team and individual scorecards (the third Tier). Cascading translates high-level strategy into lower-level objectives, measures, and operational details. Cascading is the key to organization alignment around strategy. Team and individual scorecards link day-to-day work with department goals and corporate vision. Cascading is the key to organization alignment around strategy. Performance measures are developed for all objectives at all organization levels. As the scorecard management system is cascaded down through the organization, objectives become more operational and tactical, as do the performance measures. Accountability follows the objectives and measures, as ownership is defined at each level. An emphasis on results and the strategies needed to produce results is communicated throughout the organization.

Step Nine: Evaluation

In Step Nine, an Evaluation of the completed scorecard is done. During this evaluation, the organization tries to answer questions such as, ‘Are our strategies working?’, ‘Are we measuring the right things?’, ‘Has our environment changed?’ and ‘Are we budgeting our money strategically?’

The nine- steps of the BSC reflected on the Balanced Scorecards Institute shows a visible connection between the projects and programs that people are working on, the managements being used to track success, the strategic objectives the organization is trying to accomplish and the mission , vision and strategy of the organization.

2.3 Performance Measures

“what gets measured gets done,” “ if you don’t measure results, you can’t tell success from failure and thus you can’t claim or reward success or avoid unintentionally rewarding failure,” “ if you can’t recognize success, you can’t learn from it; if you can’t recognize failure, you can’t correct it,” “if you can’t measure it, you can neither manage it nor improve it," but what eludes many of us is the easy path to identifying truly strategic measurements without falling back on things that are easier to measure such as input, project or operational process measurements.

Performance Measures are developed for each of the Strategic Objectives. Leading and lagging measures are identified, expected targets and thresholds are established, and baseline and benchmarking data is developed. The focus on Strategic Objectives, which should articulate exactly what the organization is trying to accomplish, is the key to identifying truly strategic measurements.

Strategic performance measures monitor the implementation and effectiveness of an organization's strategies, determine the gap between actual and targeted performance and determine organization effectiveness and operational efficiency.

Thus BSC has brought a revolution into performance measurement as it provides the following benefits:

1. It helps to clarify and gain consensus about strategy;
2. It improves communication of the organization’s vision and strategy;
3. It links strategic objectives to long-term targets and annual budgets;
4. It increases focuses on organizational strategy and results;
5. It improves organizational performance by measuring what matters;
6. It aligns organization strategy with the work people do on a day-to-day basis; align departmental and personal goals to the strategy.
7. It focuses on the drivers of future performance;
8. It encourages organization perform periodic and systematic strategic reviews;
9. It helps to prioritize projects/initiatives; and

10. And it helps organizations to obtain feedback to learn about and improve strategy (Kaplan & Norton, 2001:1996).

It is possible to say that BSC enables managers to craft organizational strategies in line with their vision, define strategic objectives in line with organizational mission and vision, develop strategic plan by integrating various issues and to make fundamental changes in them. If used correctly, BSC not only creates results but also creates a long term balance in the organization.

Besides to these understanding and using the primary Implementation Success Factors enables to achieve results and sustained organizational growth.

The Primary Implementation Success Factors as stated by Institute of Balanced Scorecards (2001) are:

- Obtaining executive sponsorship and commitment
- Involving a broad base of leaders, managers and employees in scorecard development
- Agreeing on terminology
- Choosing the right BSC Program Champion
- Beginning interactive (two-way) communication first
- Working through mission, vision, strategic results, and strategy mapping first to avoid rushing to judgment on measures or software
- Viewing the scorecard as a long-term journey rather than a short-term project
- Planning for and managing change
- Applying a disciplined implementation framework
- Getting outside help if needed

2.4 Review of Some Literature on BSC in Africa

Balanced Scorecard is used at different levels and approaches in Africa. According to James Kamwachale Khomba (2011), the BSC model that was developed by Kaplan and Norton (1992) in the USA was conceptualized based on the maxim of “maximisation of shareholders’ wealth” which is in line with the social framework of the Western society. All the other perspectives: learning and growth, internal business processes, and customer perspectives are geared towards achieving this ultimate objective of maximizing shareholders’ wealth. On the contrary, the

African framework is socialist, community-based and humanist in nature. The Africa's corporate governance embraces all stakeholders and that it is premised on the Ubuntu (humanness principles, which are essentially socialist and humanist in nature) philosophy which is omnipresent throughout the African continent.

The study findings have revealed the socio-cultural disparities between the Western and African frameworks. The findings confirm that an African framework is different from the Western capitalist framework in that its socio-cultural setting is inclusive and stakeholder-centered unlike the exclusive and shareholder-centered of the Western society. Thus, research findings indicate that the current conceptualization of balanced scorecard model is not fully relevant to an organisation operating in an African environment. The Norton and Kaplan balanced scorecard model is not ideal for an organisation that is operating in Africa. Further, the findings suggest that there is a need to redesign the current balanced scorecard model to reflect realities of the African socio-cultural framework that is inclusive and stakeholder-centered. The new Africanised balanced scorecard model would represent a more holistic and balanced approach where all stakeholders are embraced unlike the current balanced scorecard model that just focuses on maximisation of shareholders' wealth. Other critical stakeholders such as suppliers, government, debt financiers, competitors, the community and the natural environment are completely ignored or given less emphasis in the current balanced scorecard model. It is envisaged that perspectives of the new Africanised balanced scorecard model would be inclusive and stakeholder-centered rather than the current exclusive shareholder-centered Balanced Scorecard model of Kaplan and Norton (Khomba, 2011).

According to The South Africa's Economic Transformation: A Strategy for Broad-Based Black Economic Empowerment; BSC is emphasized as the best tool to measure progress made in achieving economic empowerments by enterprises and sectors. The use of a common scorecard by different stakeholders provides a basic framework against which to benchmark the best practice process in different enterprises and sectors. Experiences of BSC application have been varied, with some organizations registering success stories whilst others registered failures. The reasons for success and failure stories may be found in the conceptualization of the tool and the socio-cultural frameworks governing the users of the BSC model

(www.academicjournals.org/AJBM). According to this article, the scorecard measures three core elements of Black Economic Empowerment: Direct empowerment through ownership and control of enterprises and assets, human resource development and employment equity and indirect empowerment through preferential procurement and enterprise development. Besides BSC is mentioned as a tool which allows governments, states, and other public agencies to align their own procurement practices and individuals strategies, facilitates the process of setting measure targets, can be a good code of conduct of good practice, allow measures to be flexible (Krüger, 2011)

The BSC Institute of South Africa described BSC as a tool of market strategy crafting, execution and strategic alignment solutions. Although a number of challenges can be expected in different specific contexts of African nations and organizations in using BSC, the continental challenge of BSC implementation is revealed by some literatures to be challenge of contextualizing BSC model in to the African context. BSC model is promised on the exclusive “maximization of shareholders’ wealth” idea, which does not confirm with the ideologies of other societies, including most in Africa, for example. African society is promised on a humanist, community-based and socialist framework (Mangaliso, 2001; Mbigi & Maree, 2005).

Further, Van Hock with his three partners have forwarded four correlated principal components that could constitute an African innovation perspective of the BSC model, namely: (1) Africanization values for general issues surrounding African socio-cultural frameworks, (2) learning values realized when employees gain indigenous culture and knowledge, (3) customer values focused on Africanizing customer care and satisfaction, and (4) innovation values, clarifying values gained from skilled and motivated employees. All these four components have suggested that they add value to improve productivity and corporate performance (Van Hock et al.: 1998).

The study concludes that all four values are positively correlated with one another and could add value to corporate performance. The empirical evidence in this study suggests that the new conceptual framework of an innovation perspective would be an ideal tool to ensure better performance measurement for organizations in Africa (Khomba; 2011).

2.5 BSC in Ethiopian Organizations

In the context of Ethiopia, the Government introduced BSC as a tool to be used for performance management in 2009 (Ministry of Capacity Building, 2010). This tool is used to strengthen the management of performance in the civil service. It enables the strategy of an Institution to surge down through the different layers of governance (Ibid).

The MoCB, now MoCS, is tasked with leading the implementation of this tool (Ministry of Capacity Building, 2010).

Three reasons are cited as reasons to implement BSC in Ethiopian Federal civil service organizations, namely:

- To have better performance evaluation system in civil service organizations
- To put in practice the Federal Civil Servants' proclamation no. 515/99 (proclamation for administration of Ethiopian Federal Civil Service employees)
- To focus on strategies and link the day to day activities to strategies with well-balanced and multi perspective performance evaluation system

A ministry or agency provides a highest expression of tangible and identifiable results that the government expects, below the Ministry or Agency level, the results are further cascaded down to process teams and individual members of staff. BSC set targets for output and interventions for which measures or indicators are set (Ibid).

The material by the Ministry of Capacity Building (2010) stated the introduction and implementation of BSC in the Ethiopian civil service follows the following stages (as cited by Habtamu and Zemenu):

Training: The first agenda was to train BSC trainers, to equip them with skills that they would pass on to the different institutions (Ibid). A group of trainers were sent to the BSC institute in the USA for a three days training. Further 10 days training was given through the Ministry of Health, where a number of BSC experts from the country were trained, and given certification (Ibid). The training was conducted by a group of experts from the BSC institute in the USA.

The total number of experts in the country increased, and these were used to roll out training into the different institutions at the federal and regional levels (Ibid).

Developing Institutional, Process teams and Individual scorecards: With the guidance of experts, each institution is required to develop a Scorecard for the organization, each process team and each individual should equally have scorecards. The scorecards measure performance based on the four perspectives of Growth, Business, Customer and financial values (Ibid). A BSC manual has been developed by the BSC experts led by the MoCB. This manual stipulates the process needed to fully implement and use the BSC tool. The manual has been distributed to institutions for use as a guideline. This manual is used as framework BSC training and education and for the implementation of the BSC in the Ethiopian Civil Service.

Challenges of Balanced Scorecard in Ethiopia

According to the independent assessment report of MoCB, 2010 there has been significant capacity challenges related to BSC. These difficulties were identified by the people implementing BSC, they all point to the fact that there is lack of clear guidance in the BSC implementation (Ministry of Capacity Building, 2010). Table 2.1 below shows some of identified challenges

No.	Challenges to BSC Implementation
i.	Low understanding of BSC by staff
ii.	Confusion between BSC and Results
iii.	Data collection, and measuring performance
iv.	Difficulty in validating performance
v.	Shortage of Trained manpower
vi.	Difficulty of cascading to individuals

Source: MoCB, 2010: 147

Aforementioned challenges are related to core of BSC development and management. If such challenges continue to prevail in the organizations, it inhabits effectiveness of the BSC to bring the changes desired to be achieved in the overall civil service of the country. Thus, the research tried to assess status of Ethiopian Management Institute in resolving the problems prevailed in the initial implementation of the BSC.

2.6 Challenges of Implementing BSC

While the balanced scorecard is used by many organizations successfully, BSC faces many challenges in some organizations. The following section describes common pitfalls and challenges for successful implementation and use of balanced scorecard (as cited by Habtamu and Zemenu):

Kaplan and Norton on the basis of empirical evidence from organizations adapted and implemented BSC has identified three classes of problems in BSC implementation that inhibit the creation of strategic focused organization: transitional issues, design issues and process issues (Kaplan and Norton: 2001). The following lines discuss these issues.

- **Transitional issues** are associated with major organizational changes such as changes in the executive leadership circle of the organization and organization mergers while the BSC implementation is in process. That is, such changes may result to lose focus on the scorecard and result to experience failures.
- **Design failures** –occur when companies actually build poor balanced Scorecards. For instance
 - Use few measures and fail to obtain a balance between the outcomes they are trying to achieve and the performance drivers of those outcomes.
 - Use too many measures and never identify the critical few.
 - Lack of the correct ‘drivers’ of the desired organizational performance
 - Failures to align the units’ strategies and scorecards with overall strategy.
 - In general, not designing scorecards to tell the story of overall strategy
- **Process failures**, the authors argue that the most common of implementation failures are poor organizational process. Here are the list of typical process failures in Scorecard projects:

- Lack of senior management commitment
- Too few individuals involved
- Keeping the scorecard at the top
- Too long development process: the balanced Scorecard as a onetime measurement project
- Treating the Balanced Scorecard as a system project
- Hiring inexperienced consultants
- Introducing the Balanced Scorecard only for compensation

It can be said that, not all organizations have succeeded with their balanced scorecard programs. Some disappointments arose due to the major organizational changes such as changes in the leadership or change in control inflicting to lose interest on the scorecard and holding back the change momentum. Other failures occur when companies actually build poor balanced scorecards. However, the most common causes of implementation failures are poor organizational process such as inadequate sponsorship and commitment from the senior management team, using inexperienced consultants and deploying inadequate resources.

To add on the above, Royal Institute of Public Administration (RIPA)¹ International (training manual 2008) cited the following process failures as are some of the major challenges in relation with the implementation of BSC (as cited by Gizachew et al.):

- Failure to define goals and expectations clearly,
- Failure to communicate the benefits,
- Failure to involve all those who will be affected by the change,
- Insufficient capabilities and skills of those involved,
- Ineffective coordination of implementation activities,
- Insufficient incentives,
- Inadequate training,
- Inadequate support from leadership.

¹ RIPA International is an institute, based in UK, that provide wide range of learning programmes both in the UK and internationally, that are designed to fit an organization's capacity-building requirements within the current global context (www.ripainternational.co.uk)

Brian Ward has, in his an article (February 18, 2007), also forwarded the following difficulties that some organizations experience:

- Difficulties in gathering information together into a BSC format or, in his own words, “Swimming in a sea of data, with no site of the shore.”
- Problem of not owning and understanding the BSC system; that is, “leaving it to the expert”.
- Too many measures while not more than 20-21 measures are ideal;
- Overreliance on software solutions rather than putting sufficient efforts on the strategy development with the involvement of people;
- Difficulties in changing the attitude of the players towards the drastic new ways of doing things, which he called “culture shock”.

These factors indicates most failures are associated with inadequacy of the commitment of the senior management, BSC training and communication and alignment of BSC to incentives. According to Paul R. Niven the top ten balanced scorecard implementation issues (failure factors) are (Niven, 2006):

1. *No executive sponsorship.* Without executive sponsorship the BSC project effort is most likely doomed. The author argues that many Scorecard elements will take place in stages: first strategy is built and translated; then objectives, measures, targets, and initiatives are developed; next the Scorecard is cascaded throughout the organization; and finally it becomes embedded in the organization’s managerial processes. Executive support and sponsorship is the common thread that connects the entire end-to-end process. Without a strong and vocal leader present at each and every juncture, the effort can quickly stall. Simply put, nothing can take the place of an energetic and knowledgeable executive willing to work tirelessly toward the cause of advancing the Balanced Scorecard.
2. *Lack of Balanced Scorecard education and training.* If little information is offered about the many subtleties and complexities of the model, it will manifest itself in poorly designed Scorecards, lack of use, and weak alignment within the organization. Thus the author is in opinion that taking the necessary time at the beginning of the implementation to develop a comprehensive Scorecard curriculum that includes background on the concept, objectives in

implementing it, typical problems, success stories, and implementation details is critical for success.

3. *No strategy.* It is extremely difficult to implement a strategic management system without a strategy. At the very core of the Scorecard concept is the organization's strategy, which guides all actions and decisions, and ensures alignment from top to bottom. A Scorecard can be developed without the aid of a strategy, but it then becomes a key performance indicator or stakeholder system, without many of the attributes true BSC offer.
4. *No guiding rationale for the BSC program.* BSC requires executive team to define the specific rationale it has in mind when turning to the Scorecard. What problem will the Scorecard solve in the organization? If there is no answer to this fundamental question, or worse yet, if it has not even been contemplated, the Scorecard is sure to suffer the degrading fate of organizational inertia. With no clearly articulated goal for the program, it can be easily misunderstood and ultimately ignored until it simply fades from view.
5. *Not reporting Balanced Scorecard results.* The author contends that "organizations that hope to achieve great success from their investment in the Balanced Scorecard but don't take the time and effort to report and discuss results are hoping to win a lottery without even bothering to buy a ticket; it just won't happen" (Niven, 2006:147). Scorecard results must be broadcast regularly throughout the organization and, perhaps more important, must frame the agenda of management meetings.
6. *Inconsistent management practices.* The BSC represents a new paradigm of balance within an organization: the needs of internal and external stakeholders, short-term opportunities with long-term value creation, lag and lead indicators of performance, and of course financial and nonfinancial indicators. A sure-fire method of promoting premature Scorecard death is to actively promote balanced measures while concurrently rewarding behaviors that reflect decidedly non-balanced ideals. A good example is attempting to manage by the BSC yet compensating executives solely on short-term financial performance.
7. *No new measures.* Taking an existing group of measures and placing them into conveniently predefined perspectives does not make BSC. In an effort to comply with the management push, groups quickly and easily assemble the same performance measures they've always used and dutifully tuck them into the four perspectives, thinking they've developed a brand

new BSC. After several months of reporting, the group will inevitably question the necessity of the Scorecard since results are about the same as always. Many of the measures needed to tell the story of the strategy may already be present, but in the vast majority of cases, they must be supplemented with new and innovative measures to ensure the execution of strategy.

8. *Ineffective team development.* BSCs thrive in a team environment where backgrounds and functional specialties get better in heated debate and animated discussion aimed at producing a Scorecard reflective of the entire organization.
9. *Lack of cascading.* This issue actually doesn't apply to every organization. Some small companies or business units may develop one BSC that is sufficient to guide the actions of the entire workforce. Organizations of any appreciable size, however, must cascade the Scorecard from top to bottom if they hope to gain the advantages offered by this system. Front-line employees are so far removed from organizational strategy that a high-level Scorecard, while providing a small piece of learning and motivation opportunities, will do little to guide daily activities. It is only by cascading the Scorecard to all levels of the organization and allowing all employees to describe how they contribute to the organization's overall success that true alignment can occur.
10. *Premature links to management processes.* Embedding the Scorecard into management processes such as budgeting, compensation, and corporate governance allows organizations to tap the full potential of this dynamic framework. However, premature attempts to forge these links may cause a swift decline in Scorecard momentum. A major problem here is the link of Scorecard measures to compensation. Employee attention and focus are undoubtedly heightened thanks to this powerful lever, but exercising it too soon can produce many unintended side effects. For one thing, the measures linking the Scorecard to compensation may be unproven and lead to dysfunctional decision making on the part of managers looking to cash in. Targets are also an issue, especially for new measures. An aggressive target may be perceived as unattainable and unrealistic, causing employees to lose any motivation they may have had to achieve it. Yet a target easily achieved will do little to foster breakthrough performance.

The experiences above signify that the journey to successful BSC implementation and use is not easy or short. Success in BSC requires commitment, teamwork, mobilization, communication and integration among personnel. Further, it stresses importance of focus on strategy, translating strategy to operational terms, making strategy everyone's every day jobs, and coordinating the BSC implementation through executive leadership.

2.7 The KEY Elements of Balanced Scorecard Success

a) The Key Elements of Balanced Scorecard Success

According to Sandy Richardson, *The Key Elements of Balanced Scorecard Success* (Richardson 2004), Balanced Scorecard (BSC) initiatives have a mixed track record in a variety of industries and organizations. However, when you study organizations that have had success with the development, implementation and ongoing utilization of a balanced scorecard, you will notice several recurring themes that provide important lessons for success for all balanced scorecard practitioners.

Success Element 1:

Understand that the balanced scorecard is part of a bigger process that starts with strategy

The BSC is a business management framework that is one (key) component in an integrated business performance management process that is built around business strategy. This process is really a system where the balanced scorecard plays a critical role in translating business strategy into measurable action. With this in mind, successful BSC organizations define a solid business strategy prior to BSC development. While this may appear obvious to BSC practitioners, many "war stories" exist about organizations that threw themselves into a measurement initiative without spending time on strategy first. Generally, the result of these initiatives is sub-optimization with results that may or may not support business strategy achievement.

When cascaded from strategy, the BSC framework, measures and targets provide an important connection between strategic business performance and individual activities and performance. In addition, the BSC helps close the feedback loop in the business management system by providing a means for the business to: monitor and actively manage progress towards the achievement of business strategy, further explore and understand the cause and effect

relationships within the business, and manage/change business strategy dynamically based on internal insights or shifts in the external operating environment.

Lesson 1: Embedding the BSC in a business performance management process that begins with business strategy creation starts the process of building strategic alignment within your Organization up front.

Success Element 2:

*Senior Leadership involvement is **critical!***

Visible and genuine senior leadership involvement is critical to the success of any BSC initiative. That is, you must secure active executive leadership that includes hands-on participation in the balanced scorecard development, implementation and management processes. Commitment at the top is so important that successful BSC organizations treated it as a “show stopper” when they started out – resolving support issues before moving forward.

The issue of gaining leadership support is the most frequent challenge faced by new balanced scorecard practitioners. Most BSC journeys don't begin with executive support from the start – very frequently, the push for a balanced scorecard initiative begins at a grass roots level. The key to “selling” the BSC to executives is taking an individualized approach. That is, look for the burning platform or key improvement opportunity in your business that could be addressed by the successful application of a business performance management approach like the balanced scorecard. Then, complete your BSC research (note: there is information out there that can help support your situation!) and build a balanced scorecard business case that clearly demonstrates the benefits required to solve your organization's critical business issue. Keep at it until the executives in your organization get the message.

Lesson 2: Lack of leadership support can destroy your balanced scorecard initiative so: DO NOT PROCEED ON YOUR BALANCED SCORECARD JOURNEY WITHOUT IT.

Success Element 3:

*The balanced scorecard is all about **FOCUS***

Focus on a clear vision for your balanced scorecard:

A balanced scorecard vision or philosophy is simply a clear statement that describes what your BSC will look like, how it will operate, how it will be built, and how the organization will use it. When created early in the balanced scorecard development process, your BSC vision provides a type of roadmap that will serve as a valuable touchstone going forward providing focus and facilitating quick consensus when critical balanced scorecard decisions are required.

Design a focused measure set:

One of the biggest challenges in BSC development is selecting a “vital few” set of performance measures that will give the best overall view of strategic business performance. In contrast to daily information overload – the BSC requires an organization to get focused on the key activities and indicators that will really move the business forward. Your business strategy and execution plans will be your best friends in selecting the critical 24 – 30 strategic metrics that will form your balanced scorecard. Successful BSC organizations take the time to look at these documents carefully and explore which measures best represent what their organization wants to achieve strategically. Successful BSC implementers do not let themselves be limited by the measures that currently exist in their organizations - they get creative and they benchmark with other organizations! To optimize your BSC measure set, slow down the measure development process and identify the best possible measures for your business strategy, even you must take the time to develop new metrics for your organization.

Lesson 3: Achieve BSC success through a dedication to focus.

Success Element 4:

Maximize balanced scorecard utilization by fully deploying to all levels of the organization

Successful BSC organizations make their balanced scorecard widely available so that everyone can “make strategy their job”. Fully deploying a balanced scorecard across an organization helps develop strategic awareness amongst employees. This is important because successful strategy implementation requires the active contribution of every employee as they make decisions in their day to day work – decisions that can either contribute to or take away from the business

strategy. Many business leaders voice concern about sharing their business strategy so broadly across the organization. Worries include the disclosure of critical strategic elements to competitors. While these are valid concerns, successful BSC organizations know that the benefits of a broad communication philosophy in mobilizing the organization behind strategy and in building employee satisfaction and loyalty levels far outweigh the risk of serious information leaks.

Lesson 4: Implement the BSC at all levels of the organization to maximize organizational alignment.

Success Element 5:

COMMUNICATE-COMMUNICATE-COMMUNICATE!

To support BSC implementation and ongoing use, successful BSC organizations view communication and education on their business strategy and the balanced scorecard (i.e. the BSC methodology, BSC measures and their linkage to strategy, BSC processes, business performance results and learning's, etc.) as an important internal marketing campaign. As a result, few of these organizations use only a single mode of communication to do the job. In fact, they use almost every type of communication method available from general communication modes (e.g. large group meetings and mass distribution e-mails) to those that are very personalized with customized messages (e.g. face to face discussions) to ensure communication success.

Lesson 5: Be sure to plan and budget for BSC communication activities because experience shows that these activities are critical, they need to happen, and they won't without a solid plan and dedicated funding.

Success Element 6

Extend the balanced scorecard and make it "the way we work"

Successful BSC organizations deepen alignment by mirroring their balanced scorecard framework and categories in every business activity possible: reward and recognition programs, individual goal plan formats, incentive compensation plan formats, strategic plan categories and

format, and almost anything else they can think of! They maximize alignment with the balanced scorecard until it becomes so integral to the business that it is embedded in everyday work.

Lesson 6: Build integration into your business performance management system until the BSC changes from just a measurement framework to the framework by which the business operates.

What is the reward for the application of these balanced scorecard success factors?

For BSC organizations, the pay off comes from the fact that their balanced scorecard matures to become an effective facilitator of organizational and cultural change for them – critical in most business environments today. Experience shows that you can successfully apply these six critical balanced scorecard lessons to your BSC plans and your organization can join other organizations in gaining this powerful result from your balanced scorecard business performance management framework.

b) Obstacles and key success factors to implement the balanced scorecard

According to Beer Molleman, The challenge of implementing the BSC; Although Kaplan and Norton describe many successful implementations of the BSC, they also identify sources of the failure of the BSC implementation (Beer Molleman 2006). Table 1 shows the obstacles and key factors in the implementation of the BSC.

Table 1: The Obstacles and Key Factors in the Implementation of BSC.

Authors/ (research method)	Obstacle	Description	Key factor
Kaplan and Norton	Too few measures (two or three) per perspective	As mentioned before, a good BSC should have an appropriate mix of outcomes (lagging indicators) and performance drivers (leading indicators) of the company’s strategy. Therefore, when the organization constructs too few measures in each perspective, it fails to obtain a balance between leading	Obtain a balance between leading and lagging Indicators.

		and lagging indicators or non-financial and financial indicators.	
Kaplan and Norton	The organisation adopts too many indicators	In this case, the organisation will lose focus and cannot find any linkage between indicators.	Obtain only the indicators that reflect strategy and are most critical.
Kaplan and Norton	Measures selected for the scorecard do not reflect the organisation's strategy	This happens when the organisation tries to apply all their Key Performance Indicators (KPIs) into each perspective without screening only for the measures that are linked to its strategy. Therefore the organisation's strategy is not translated into action and the organization does not obtain any benefit from the BSC.	Only select measures that are linked to the organisation's strategy.
Schneiderman	Try to make a quantitative link between nonfinancial leading indicators and expected financial results	The financial measures are the dependant variables and are the retrospective, lagging indicators. Some organisations are tempted to make this linkage quantifiable but since lag time is difficult to predict and numerous factors may influence the result, a quantitative link cannot be established. Therefore, they should not make a quantitative link between non-financial leading indicators and expected financial results.	Do not make a quantitative link between non-financial leading indicators and expected financial results.
Kaplan and Norton Braam and Nijsen (empirical) Schneiderman	Lack of senior management commitment	Delegation of the project to middle management and defining the project as performance measurement is described as one of the most common causes of failure, by missing focus and alignment to implement strategy. This is a process that can only be led from the top.	Senior management should support and lead defining the project as performance measurement.
Kaplan and Norton	Too few individuals are involved	The senior leadership team must work together to build and support the implementation of the BSC, including objectives, measures and targets. If not, there cannot be the shared commitment which is required to align the	The senior leadership team must work together to build and support the implementation of

		organisation.	the Balanced Scorecard.
Kaplan and Norton Schneiderman Andersen <i>et al.</i>	Keeping the scorecard at the top	To be effective, the BS, including strategy and action to support implementation, must eventually be shared with every member of the organization. If there is no deployment system that breaks high level goals down to the sub process level where actual improvement activities reside, significant process improvements throughout the organisation fail to generate bottom line results.	Involve the whole organisation in the implementation process
Kaplan and Norton Braam and Nijsen (impirical)	The development process takes too long	If the implementation takes too long, it can happen that during the implementation process, the strategy has changed. This results in the fact that some of indicators have become obsolete and requires new indicators. Measuring with wrong indicators can distract an organisation from its strategy.	Keep the development process short.
Kaplan and Norton	Introducing the Balanced Scorecard only for compensation	Support for the linkage of compensation to strategic measures can only occur effectively when it is part of the process of strategy translation in the organisation.	Support the linkage of compensation to strategic measures when it is part of the process of strategy translation in the organisation.

Source: The challenge of implementing the Balanced Scorecard

c) Best Practices for Implementing a Balanced Scorecard

According to Professor Mohamed Zairi & Dr. Yasar Jarrar; to support the successful implementation of the BSC, the research focuses on an analysis that aimed to identify the ‘best practices’. The analysis undertaken included the results of recent surveys, a critical analysis of related literature (US Department of Commerce, 1999) (Kaplan and Norton, 1996a, b), and

detailed case studies. The case studies included Natwest, Celestica, BEST PRACTICE Chemicals, US Procurement Executive Association (Government Agency), Unilever, TNT Express, Boeing, and Texas Instruments(Zairi & Jarrar 2010). The best practices identified include:

1. An organization-wide adoption of the BSC, i.e. across all key organisational functions.

This has been shown to provide:

- A co-ordinate framework and a common approach for all organisational performance measurement efforts
- A common basis and ‘language’ for understanding measurement results for all employees
- ‘Big picture’ of the organisation.

2. Utilise the BSC to provide objective data for business decisions.

The data provided by the BSC can be used a base for business decisions from allocation of available resources to future direction. This will further integrate the BSC into ‘the way we do businesses and help the organisation reach effective decisions. For example, the BSC could form a common basis to support a business case for more resources.

3. Ensure commitment, to and buy-in for, the Balanced Scorecard at all organisational levels, especially at the top.

Research clearly shows that strong leadership is paramount in creating a positive organisational climate for nurturing performance improvements. Senior management leadership is vital throughout the performance measurement and improvement process. Senior management should frequently review progress and the results of improvement efforts, and should have frequent formal and informal meetings with employees and managers to show support for improvement efforts and implementation initiatives.

4. Focus on employee training.

Comprehensive training is needed to expand employees’ technical capabilities and to achieve “buy-in” for undertaking meaningful improvement efforts. Training should be provided to help employee understand and implement the BSC in terms of the ability to design their own

measures, the understanding of how these measures affect organisational goals and strategy, and the ability to use improvement tools and techniques to action the outcomes for the meat for continuous improvement. The scope of training should include the operation of integrated project improvement teams, the role employees play in exercising sound business judgments, and the specific techniques for making process improvements (e.g., flowcharts, benchmarking, cause-and-effect diagrams, etc.).

5. Align the reward and recognition system.

Organisations should tie any reward and recognition system to performance improvement as measured by the BSC. Thus, employee incentives will tend to reinforce the organisational objectives being measured by the Balanced Scorecard.

6. Facilitate implementation by managing change and breaking down organisational barriers.

Like any improvement initiative, implementing the BSC will bring about many changes within the organisation. These changes may stir up some resistance based on unfounded fears about the perceived adverse effects of performance measurement and improvement. To overcome such resistance and barriers, it is necessary to follow well known change management strategies like open communication with employees and managers to explain the uses, need for, and benefits of the BSC, as well as their role. Another approach is to demonstrate “success stories” that show the non-threatening nature of the BSC methodology, including how an organisation can target areas most in need of improvement, benchmark against best-in-class organisations, and undertake performance improvements.

7. Eat the elephant one bite at a time.

Too aggressive an approach may overwhelm employees and result in lack of ‘buy-in’ thus limiting the chances of success. However, too slow an approach may not be able to build enough organisational momentum to bring the Balanced Scorecard to fruition. Thus, the successful BSC implementation will rely on a well planned, realistic framework of deployment.

8. Move from Performance measurement to performance management by integrating the BSC into the way the organisation does business.

Incorporating performance measurement and improvement into the existing management structure, rather than treating it as a separate program, will greatly increase the BSC's long-term viability.

This chapter reviewed the literature overview and the development of the BSC as strategic management and performance-measurement system.

BSC is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes (such as customer satisfaction) in order to continuously improve strategic performance and results. The strategies were translated into specific objectives that reflect four perspectives, namely the financial perspective; the customer perspective; the internal-business processes; and that of learning and growth. For each perspective, performance measures and targets were identified that relate to the specific objectives. The BSC is based on the simple premise that we must understand and measure the true drivers of organizational success.

If it is implemented well, the BSC (a) create a unique strategy and visualize it in a cause-and-effect map, (b) align the organization strategy and its processes (c) design meaningful key performance indicators and (d) use them to facilitate learning and improved decision making, which end up with a powerful tool that lead to better performance.

Constructing the BSC for an organization is accomplished by a systematic process that builds consensus and clarity about how to translate the mission and strategy of the organization into operational objectives and measures. The project requires an architect who can frame and facilitate the process and collect relevant background information for constructing the scorecard. The scorecard should however still represent the collective knowledge and energies of the management team of the organizations. Unless this team is fully engaged in the process, a successful outcome is unlikely. Thus, without the active sponsorship and participation of the management team, a scorecard project should not be initiated.

The aim of building the BSC and the implementation process is to cascade strategy down to the operational level where real value is added. This process is also known as strategic alignment. To be effective, this process must start with top management and cascade downward, thereby unifying direction for units, functions, teams and ultimately individuals.

The BSC to be sustained and achieve the objectives intended in the organizations, there need to update it occasionally and needs to have owner-the Change and Performance Management Office at the EMI context.

Finally, the existence of fundamental flaws in introducing and maintaining the BSC may obscure the effectiveness of the BSC. Some of these flaws relate to the people and management such as the support of the senior management and awareness and involvement of the employees and BSC team formation. Other problem stems from the operational setting such as poor design of the BSC, poor setting of measures and lack of cascading and poor linkage of the BSC to reward and other organizational systems.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter was concerned with the main principles of research methodology and the adopted research methods for this study. It includes research design, data sources, data collection methods, sample and sampling methods, data analysis methods, and ethical considerations. The details are as follows.

3.1 Research Design

The selection of a research design involves the consideration of assumptions to study the research, the nature of research, data collection methods, and Data Analysis and interpretation.

The research design applied is survey to successfully meet the research objectives by analyzing the immediate situation. This approach is preferred as it helps in locating problems/challenges faced in the BSC implementation and identifying solutions in EMI under the current study context. The method is basically qualitative with some numerical as well as purely qualitative information. The research instrument for the study is designed to elicit responses relating to current implementation and use of BSC in EMI. The data secured from different sources organized and categorized under thematic areas in view of general and specific objectives of the study and analyzed descriptively supplemented by quantitative data.

Besides to this the research paper attempts to assess how BSC implementation looks like at the Ethiopia Management Institute by examining the way how it sets its strategy, communication system and organize the performance measurement systems. Therefore, it has employed both qualitative and quantitative research methodology. Specifically, the research used exploratory (emphasizes on discovery of ideas and insights) and descriptive techniques (concerned with determining the frequency with which an event occurs or relationship between variables). This study is also analytical to establish the relationships between BSC techniques and the effectiveness of BSC implementation at EMI.

3.2 Population

The population relevant to this research study is the Ethiopian Management Institute. In order to have a more holistic perspective about the practices and implementation of BSC, the targeted respondent groups were process owners, consultants, experts and other employees. Steering team, technical team and, the Change and Performance Management Office as their responses are crucial in assessing the BSC implementation were the main source of information. A total of 240 employees were taken as sampling frame out of which 60 members were selected based on their exposure and involvement in the process of BSC implementation. From the sample members 9 process owners 51 consultants, experts and employees were selected.

3.3 Data sources

In order to achieve the objective of the study, the researcher has designed to use two appropriate data sources. These are the primary and secondary sources.

- a) **Primary sources:** This study focused much on the primary sources of data by means of qualitative and quantitative methods of data collection by employing different tools such as questionnaires and interviews.

The questions were structured in Likert scale format. In this technique, the degree of agreement or disagreement is given a numerical value ranging from one to five. Thus, a total numerical value can be calculated from all the responses.

- b) **Secondary sources:** different documents were consulted to complement the primary data. This may include documents and manuals used for the implementation of BSC system, Service Delivery Policy (2001), previous researches on the FDRE's BSC literature review, strategic plans and reports related to BSC, books, journals, and the internet sources.

3.4 Method of Data Collection

The primary data, which is the main source of information for the study, was collected from samples drawn from targeted executives, process owners, team leaders and performers using

questionnaire and interview methods. Questionnaires of both open ended and close-ended type are used.

A draft of the data-gathering instrument was pilot tested. After the questionnaire had been designed, it was pre-tested by means of several personal interviews with senior managers to ascertain the validity of the content of measures. Pretesting involved the construction of variables based on the theoretical nature of the constructs. After the questionnaire had been validated, the pre-testing interviews allowed for the clarification and redefinition of survey items and for the rectification of any potential deficiencies where necessary. Variables with similar distributional properties had to be checked to improve the reliability of the data. The final structured questionnaire for the study was then formulated as shown in Annex 1.

3.5 Sample and Sampling Method

As it is mentioned above, to obtain the required information relevant for the study, purposive sampling techniques taking the different levels of hierarchy (Executives, process owners, experts, and Employees) in the organization are used. This technique was preferred because it is used to select those respondents who acquire the experience in the implementation process in order to get information.

3.6 Data Analysis Methods

The primary data collected from survey were classified, categorized and organized for analysis. Frequency and percent will be used to analyze the data quantitatively. The data will be presented using tables, graphs and descriptive format. On the other hand, data gathered through key informant interviews will be analyzed qualitatively to strengthen the study. Hence, both quantitative and qualitative methods of data analysis are employed.

3.6 Ethical Considerations

The raw data are obtained from the respondents through the questionnaires and interviews across the institute. Effort was made to acquire sufficient and reliable data from respondents. The researcher has got cooperation and willingness to discuss openly. Besides the respondents need

their information to be kept in secret. Therefore, the researcher is responsible to respect and keep the confidentiality and unanimity of all information which are gathered from Respondents.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter contains an analysis of the information obtained from the various respondent groups. Analysis of the results provides answers to the questions posed in chapter one concerning the BSC practices and challenges at the Ethiopian Management Institute. The implications of the findings are presented throughout the chapter and results are compared and contrasted with those uncovered in the related literature.

The information used in this section is obtained through documentary review; the interview made with selected process owners, consultants and experts of EMI and questionnaires filled by the employees of EMI. The interview and the questionnaire used were planned in such a way that it can reveal information on the BSC implementation process management, changes observed due to BSC implementation and challenges in the BSC implementation.

The chapter describes the important findings on the present practice and challenges of BSC implementation at EMI with respect to BSC techniques and tools. In the presentation and analysis of the data counts or frequency and percentage are displayed. The judgment of respondents on each question varies due to the subjectivity perception of respondent's satisfaction rate on BSC implementation. Thus, the response obtained from the respondents varies. A particular response which is strongly disagreeing for one respondent may be moderate, agree or strongly agree for another respondent. The findings are discussed in the following manner.

The chapter is organized into four sections. First, the profile of the respondent groups is presented. Second, the BSC Presentation and Data Analysis are highlighted. Third, the changes observed due to BSC implementation and finally challenges of BSC as per the views of the various respondent groups were summarized.

4.1 Demographic Characteristics of the Respondents

This section presents background information of respondents.

a. Interviewed process owners, consultants and experts

The profile of organization of the interviewed process owners, consultants and experts and their process category is presented in the Table 4.1.1 below. The table indicates that out of the interviewed 15 respondents 5(33%) are process owners, 6(40%) consultants from core process and the rest that is 4(26.7%) are from support process.

Table 4.1.1 Profile of Interviewed Process Owner, Consultants and Experts

	Personal Variable	Number	%
Process	Process owners	5	33.3
	Consultants(core process)	6	40.0
	Experts (support process)	4	26.7
	Total	15	100

As indicated in the table interviews were conducted with five process owners, including the Director General, trainers and consultants who are involved in the implementation process and experts from support process.

b. Profile of employees

Out of 60 questionnaires distributed to respondents **52** questionnaires were returned. The rate of return is **86.7%** from the total questionnaires distributed. Questionnaires distributed and returned are summarized in Table 4.1.2 below.

Table 4.1.2 Summary of Questionnaires Distributed and Returned

Respondents	Questionnaires distributed	Questionnaires returned	Return rate
Process owners	9	9	100
Consultants (core process)	36	30	83.3

Experts(support process)	15	13	86.7
Total	60	52	86.7

The data obtained from respondents, whose personal profile is indicated hereunder, through questionnaire are presented.

Table 4.1.3 Demographic Profile of Employees who filled the Survey Questionnaire

No.	Item	Frequency	%
1	Gender		
	Female	12	23.1
	Male	40	76.9
	Total	52	100
2	Age		
	20-29	7	13.5
	30-39	18	34.6
	40-49	18	34.6
	50-59	9	17.3
	Total	52	100.0
3	Educational background		
	Up to Grade 12 Certificate	1	1.9
	Diploma	2	3.8
	1 st degree	24	46.2
	2 nd degree	25	48.1
	Total	52	100.0
4	Years of experience		
	Below 2 years	14	26.9
	3-5 years	8	15.4
	Above 5 years	30	57.7
	Total	52	100.0

From Table 4.1.3 above one can see that the majority of the respondents are male 76.9% while female respondents are only 23.1 %. Regarding their age distribution, few of the respondents 13.5% are of youngsters (20-29 years old), 34.6 % (30-39 years old), and 34.6 % (40-49 years old), and the rest 17.3 are of adults (50-59 years old).

The third variable is the educational level of the respondent groups. According to the data, 46.2% and 48.1% are 1st degree and 2nd degree holders respectively, 3.8% are diploma and the remaining 1.9% is from grade 10 to 12. In terms of years of services in the EMI, 26.9 % served less than 2 years, 15.4 % served for 3 to 5 years, and the rest 57.7 % served above 5 years. The data indicate that most of the respondents have 1st degree and above with varieties of fields, management and related fields (economics, and accounting and finance) being in large proportion and 73% of the respondents have served more than 3 years, in which respondents at this level and experience have the potential to understand the situation of BSC implementation easily.

4.2 Presentation and Data Analysis

In the process of analyses, discussions and interpretations the researcher has divided the whole responses into eight sub-topics. These are:

- Role of leadership for BSC implementation,
- Participation and involvement of employees in the development of strategic planning,
- Customers and stakeholders focus,
- Communication and communication strategy,
- Performance results,
- Human resource focus,
- Process management, and ;
- Organization and culture.

4.2.1 Role of Leadership for BSC Implementation

The interviews made reveal that EMI has used almost identical structural arrangement for BSC implementation like other civil service organizations. At the top level the steering committee chaired by the Director General, took overall oversight responsibility for the implementation of

the BSC. The steering committee monitors and evaluates the performances of the processes on periodic basis.

A technical BSC team reporting to the steering committee facilitates the process of developing and implementing the BSC. This team was composed of knowledgeable internal practitioners and consultants of the institute.

At the process and team levels, a cascading team bears the responsibility to cascade the organizational level plan to a process/ team. Then employees cascade the plans to their own and get approval from their team/process leaders.

The Top Management support for BSC implementation effort has great importance in distinguishing between its ultimate success and failure. BSC implementation not only depend upon top management authority, direction and support but ultimately BSC serve as the conduit for implementing top management's plans or goals for the organization. Further, the degree of management support for the BSC will lead to significant variations in the degree of acceptance or resistance to the BSC.

Top Management's support of the BSC may involve aspects such as allocation of sufficient resources including financial, manpower, time and other resources as well as management's confidence in backing the implementation process at each level (top to bottom) which can be manifested by the commitment level of the process owners. The top-level management is a leading spirit base to convince the middle level managers and performers to either the better or the worst.

Having the above facts in mind, the assessment made in the Institute has revealed that most of the respondents agree on the fact that the management, consultants and experts of the Institute got awareness (understand the vision, mission and values) and provide the necessary support in the BSC implementation and use. Some have mentioned some reservation on creating a work environment, sharing information, and encourage learning. Figure 4.2.1a and b shows the responses of the employees regarding their opinion (evaluation) of the awareness creation and support level of the management group.

Table 4.2.1a. Opinion of Employees on Awareness of Vision ,Mission and Values

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Knowing organization's mission purpose). (our	No	34	18	-	-	-	52
		%	65.4	34.6	-	-	-	100
II	knowing organization's vision (what we are trying to achieve)	No	33	19	-	-	-	52
		%	63.5	36.5	-	-	-	100
III	Knowing organizations values (what we believe).	No	30	22	-	-	-	52
		%	57.7	42.3	-	-	-	100

As depicted in the Table 4.2.1a item I that is about 65.4% and 34.6% have strongly agreed and agreed respectively that they knew the organization's mission. In item II, 63.5% and 36.5% have strongly agreed and agreed respectively indicated they have clear understanding of the vision statement. Regarding values item III of the institute about 57.7% and 42.3% have strongly agreed and agreed respectively indicated that they understood very well.

These indicate that understanding the vision, mission and values of the institute has helped employees to involve in the implementation of the BSC process.

Table 4.2.1b. Opinion of Employees on the Support of the Leadership

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Leaders create a work environment that helps us do our job	No	4	21	17	8	2	52
		%	7.7	40.4	32.7	15.4	3.8	100
II	Leaders share information about the organization	No	-	9	24	14	5	52
		%	-	17.3	46.2	26.9	9.6	100
III	Leaders encourage learning that will help us do our job better	No	6	16	22	5	3	52
		%	11.5	30.8	42.3	9.6	5.8	100

As it can be seen from item I, half of the respondents (51.9%) have reservation on their supervisors in creating a favorable work environment that helped to do their job. That is about 3.8 % and 15.4% have strongly disagreed and disagreed respectively and 32.7% remain neutral. In item II the majority (82.7%) have reservation on their supervisors in sharing information about the organization. That is about 9.6% and 26.9% has strongly disagreed and disagreed respectively and 46.2% remain neutral. In item III, regarding their supervisors encouragement of learning that will help them do their job better, more than half (57.7%) have reservation. That is about 5.8% and 9.6% have strongly disagreed and disagreed respectively and 42.3% remains neutral.

The result indicates that senior leaders do not create a conducive working environment, do not share information and do not encourage employees to learn about their job. This may adversely affect on the commitment of employees in the implementation process.

4.2.2 Participation and Involvement of Employees in the Development of Strategic Planning

Developing a proper strategic plan is one of the inputs used in the implementation of BSC. In this regard development of strategic plan, understanding the organization’s focus areas, and whether the organization knows its pains and challenges are crucial in the process. The assessment made in the Institute has revealed that most of the respondents (55.8%) answered either disagree or do not know to the question that leads to the fact that strategic plans are developed by all, whereas strategic focus areas (“Pillars of Excellence”) are well defined and understood. Some have mentioned reservation on whether the organization knows its pains and challenges, and is doing something to deal with these. Table 4.2.2 shows the responses of the employees regarding their opinion (evaluation).

Table 4.2.2. Views of Employees in the Development Strategic Plan

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Strategic plans are developed by participation of groups	No	5	18	19	8	2	52
		%	9.6	34.6	36.5	15.4	3.8	100

II	Strategic focus areas of Excellence”) are well and understood.	No	8	30	13	-	1	52
		%	15.4	57.7	25.0	-	1.9	100
III	The organization knows its pains and challenges	No	6	20	15	8	2	52
		%	11.5	38.5	28.8	15.4	5.8	100

As it can be seen from item I, more than half of the respondents (55.7%) have reservation on their involvement in the development of strategic plans. That is about 3.8 % and 15.4% have strongly disagreed and disagreed respectively and 36.5% remains neutral. In item II the majority (73.1%) have agreed on understanding of the strategic focus areas. That is about 15.4% and 57.7% have strongly agreed and agreed respectively. The last item, regarding whether the organization knows its pains and challenges, half (50.0%) have reservation. That is about 5.8% and 15.4% have strongly disagreed and disagreed respectively and 28.8% remains neutral.

We can infer from these data that there was no involvement in the development of strategic plans and employees have a doubt whether the organization knows its pains and challenges. These may indicate that strategic plan is kept at process owners’ level and enough effort was not made in embarking all employees at the team or individual level. But they have agreed on understanding of the strategic focus areas. This implies that the understanding of strategic focus areas without participation is doubtful.

4.2.3 Customers and Stakeholders Focus

Performance of the Institute, teams and individuals is evaluated in comparison of plan against the accomplishment results and on the rate of satisfaction of stakeholders and customers, since they have the power to decide on the fate of the organization. The assessment result of respondents on the understanding customers’ needs and values and stakeholders’ value is revealed as follows. Table 4.2.3 shows the responses of the employees regarding their opinion.

Table 4.2.3. Opinion of Employees on Customers and Stakeholders' Focus

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Knowing what customers need and value	No	13	36	3	-	-	52
		%	25.0	69.2	5.8	-	-	100
II	Knowing what stakeholders value.	No	12	32	5	2	1	52
		%	23.1	61.5	9.6	3.8	1.9	100

As depicted in item I that is about 25% and 69.2% have strongly agreed and agreed respectively that they knew customers need and value. In item II, 23.1% and 61.5% have strongly agreed and agreed respectively indicated they knew stakeholders value.

We can infer from these data that they knew customers needs and values as well as stakeholders values.

4.2.4 Communication and Communication Strategy

Communication is vital and essential for the successful implementation of any change to disseminate information vertically as well as horizontally and to make correction on any distortions that may affect the change process. The assessment result of respondents on the status of communication between employees and supervisors and the existence and use of communication strategy and plan is described as follows. Table 4.2.4 shows the responses of the employees regarding their opinion.

Table 4.2.4. Opinion of Employees on Communication and Communications Strategy

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Leaders communicate freely and regularly to other staff.	No	3	19	19	8	3	52
		%	5.8	36.5	36.5	15.4	5.8	100
II	The organization has a communications strategy and plan.	No	4	16	18	10	4	52
		%	7.7	30.8	34.6	19.2	7.7	100

As it can be seen from item I, more than half of the respondents (57.7%) have reservation on their supervisors' free and regular communication with employees. That is about 5.8 % and 15.4% has strongly disagreed and disagreed respectively and 36.5% remains neutral. Further the majorities (61.5%) have reservation on whether the organization has a communications strategy and plan or not. That is about 7.7% and 19.2% have strongly disagreed and disagreed respectively and 34.6% remains neutral.

The result indicates that the communication (information dissemination) between supervisors and employees is not free and regular. Similarly they do not know whether the organization has a communications strategy and plan or not. Adequate BSC communication is extremely important in creating an atmosphere for successful BSC system implementation. Communication is not only essential within the BSC team at different levels but also for the rest of the organization employees as well as with clients. Besides, lack of communication strategy creates inconvenience in managing information system across the Institute. The researcher believes that the results of the study showed poor communication systems and lack of communication strategy programmes will not enable to take up the BSC towards the achievements of desired goals.

4.2.5 Performance Results

Selecting the right performance measures has paramount importance to the ultimate success of the BSC system. Performance measures are at the core of the system drawing the attention of entire workforce and directing behavior toward the achievement of the strategy. Results obtained from the performance measures at the organization, work process/team, and individual level enables to measure whether they attain their objectives as intended or not. Ultimately this will encourage proceeding or forcing the organization to review its performance measures. Besides to this performance results help to implement reward systems and personal development programs.

Having the above concept in mind, the employees were asked to what extent the result of their work fit into the organization's overall results, and the progress made on their work group's part of the of the organization's strategic plan. (See Table 4.2.5 below).

Table 4.2.5. View of Employees on Performance Results

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	Knowing how to tell If we are making progress on our work group's part of the organization's strategic plan	No	4	33	12	2	1	52
		%	7.7	63.5	23.1	3.8	1.9	100
II	knowing how the results of our work fit into the organization's overall desired results	No	13	30	3	5	1	52
		%	25.0	57.7	5.8	9.6	1.9	100

As shown in item I about 7.7% and 63.5% have strongly agreed and agreed respectively that they knew how to tell whether they are making progress on their work group's part of the organization's strategic plan. In item II, 25% and 57.7% have strongly agreed and agreed respectively indicated they knew how the results of their work fit into the organization's overall desired results. We can infer from these employees do have the idea to tell the progress of their group towards the strategic plan, and knew whether their result fit or not to the overall desired results. This implies that employees are still in doubt on the future direction of the institute.

4.2.6 Human Resource Focus

The human resource of the organization is the backbone for its usual operational work and for the achievement of its objectives. Thus the need to develop team work and development of employees' skills, knowledge and abilities are paramount for its success. These being the fact employees were asked the level of cooperation and work as a team, and level of encouragement of supervisors to develop their knowledge, skills, and abilities. (See Table 4.2.6 below).

Table 4.2.6. View of Employees Human Resource Focus

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	We cooperate and work as a team.	No	10	33	5	4	-	52
		%	19.2	63.5	9.6	7.7	-	100

II	Supervisor encourages developing our job knowledge, skills, and abilities.	No	7	21	13	10	1	52
		%	13.5	40.4	25.0	19.2	1.9	100

As shown in item I that is about 19.2% and 63.5% have strongly agreed and agreed respectively indicates employees working together are cooperative and work as a team. In item II, 13.5% and 40.4 % have strongly agreed and agreed respectively indicated their supervisors encourage them to develop their job knowledge, skills, and abilities, so they can advance in their career. We can infer from these data spirit of team work and human resource development to advance their career is progressive which is vital for BSC implementation.

4.2.7 Process Management

BSC creates a need for information that cannot be sourced from existing information systems. Data is usually gathered and processed for various purposes across the organization. It is part of a process for building a more holistic performance management system. Employees were asked the status of collecting information about their work. (See Table 4.2.7 below).

Table 4.2.7 Opinion of Employees on Collection of Information

Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Collect information (data) about the acceptance (quality, timeliness, functionality, and economics) of our work.	No	3	25	18	5	1	52
	%	5.8	48.1	34.6	9.6	1.9	100

As shown in the figure above that is about 5.8% and 48.1% have strongly agreed and agreed respectively indicates employees collect information (data) about the acceptance (quality, timeliness, functionality, and economics) of their work. On the other hand 46.1% have a reservation on the collection of information. That is about 1.9% and 9.6% have strongly disagreed and disagreed respectively and 34.6% remains neutral. We can infer from these data the data collection and recording activity is considered as burden on day-to-day performance for significant number of employees. Consequently, the results of the findings signify simplification of the BSC performance data handling and management.

4.2.8 Organization and Culture

The mission statement of EMI describes as “to enable public service and other institutions provide sustainable, efficient and effective service by rendering state-of-the-art training, consultancy and research services”. It can achieve its purpose by developing the values and culture of the organisation towards the interest of its customers and stakeholders. Having the above facts in mind, the assessment made in the Institute has revealed the status of reward success, the existence of standards and ethics and obedience level of laws and regulations. (See the Table 4.2.8 below).

Table 4.2.8. Views of Employees on Organization and Culture

Item	Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I	The organization rewards success.	No	5	17	14	14	2	52
		%	9.6	32.7	26.9	26.9	3.8	100
II	The organization obeys laws and regulations.	No	7	18	17	8	2	52
		%	13.5	34.6	32.7	15.4	3.8	100
III	The organization has high standards and ethics.	No	3	9	24	14	2	52
		%	5.8	17.3	46.2	26.9	3.8	100

As it can be seen from item I, more than half of the respondents (57.6%) have reservation on the status of organization rewards success. That is about 3.8 % and 26.9% have strongly disagreed and disagreed respectively and 26.9% remains neutral. In item II more than half of the respondents (51.9%) have reservation whether the organization obeys laws and regulations. That is about 3.8% and 15.4% have strongly disagreed and disagreed respectively and 32.7% remains neutral. In the last item the majority (76.9%) have reservation whether the organization has high standards and ethics. That is about 3.8% and 26.9% have strongly agreed and agreed respectively and 46.2% remains neutral. From this result we can conclude that employees have doubts on the practice of rewarding success, obey laws and regulations as well as on the level of standards and ethics.

4.3 Benefits Observed due to BSC Implementation

a) Status of BSC Implementation Process

One of the area that was required as a research in BSC was identifying the position where BSC development and implementation was found. The following data illustrated the status of EMI in terms of applying BSC in the institute. The status of BSC implementation in the institute is as indicated hereunder.

Figure 3: Status in the Implementation Process

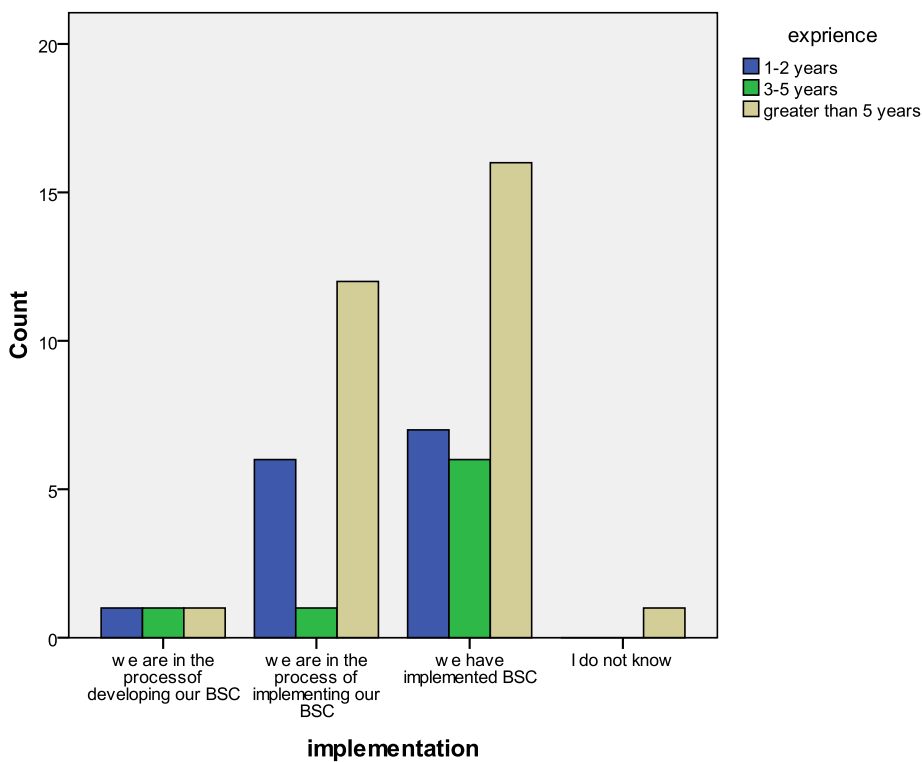


Table 4.3.1. Experience of Employees on Implementation Process

<i>Implementation process</i>	Frequency	Percent
we are in the process of developing our BSC	3	5.8
we are in the process of implementing our BSC	19	36.5
we have implemented BSC	29	55.8

I do not know	1	1.9
Total	52	100.0

As shown in the table above that is about 55.8% has agreed that they have implemented BSC, whereas 36.5% are in the process of implementing BSC. The rest 5.8% are in the process of developing their BSC. We can infer from these data the level of understanding on BSC implementation varies, even if half of them ascertain the implementation process. However, this analysis opened up a room for what advantages so far achieved and what challenges were there to deter BSC implementation in a reasonable period of time.

b) Benefits Obtained as a Result of BSC Implementation

The benefits obtained from BSC implementation by the institute, as per the response from the respondents, are as indicated in Table 4.3.2. The respondents indicated their level of agreement by marking each proposition of benefits given by the researcher as per their choice.

Table 4.3.2. Benefits Obtained

Rank	Benefits obtained as a result of BSC	Total	
		Frequency	%
1.	Organizational focus areas have been identified; shared vision and values created	12	80
2.	Performance has been improved	11	73
3.	Service delivery has been improved	9	60
4.	Day-to-day activities of each employee have been aligned with strategy	9	60
5.	Interactive communications have been created	8	53
6.	Employees are empowered and motivated	7	47
7.	Strategy is communicated and executed properly	7	47

8.	Processes are run by empowered and satisfied Employees efficiently	5	33
9.	Changes are managed effectively	5	33
10.	Planning practice improved	4	27

Based on the responses from the respondents, the top five benefits obtained by the institutions from the BSC implementation could be restated as follows:

- Organizational focus areas have been identified (80%);
- Performance has been improved (73%);
- Service delivery has been improved (60%);
- Day-to-day activities of each employee have been aligned with strategy (60%);
- Interactive communications have been created (53%);

The above benefits obtained from BSC implementation have brought changes in the working system of the institute, in the thinking and capabilities of process owners, experts and employees. As a change tool that is focusing on long term competitive sustainability of the Institute the benefit of BSC should stretch to inculcating new organizational culture in the Institute.

4.4 Challenges of BSC Implementation

The section above demonstrates the changes and status gained by using the BSC. However, according to the respondents, there are a number of challenges the respondents have faced in the implementation and use of BSC. This section describes the major challenges of BSC implementation based on data collected from the various respondent groups. The major challenges are presented in Table 4.4.1 below

Table 4.4.1 Challenges which Hindered the Implementation of BSC in EMI

Rank	Challenges/problems	Total	
		Frequency	%
1.	Poor linkage of the BSC result to reward system	13	87
2	Poor monitoring and evaluation systems and practices	13	87
3	Subjectivity and favoritism in performance evaluation	12	80
4	Insufficient Balanced Scorecard training	12	80
5	Setting the right performance measurement indicators	11	73
6	Poor information management and communication	11	73
7	Prevalence of incidental/unplanned activities	11	73
8	Too much paper work	10	67
9	Lack of BSC manual to have a uniform practice in EMI	10	67
10	Lack of shared vision and values	9	60
11	Lack of concern to the motivation of employees	8	53
12	Change Resistance Attitude	7	47
13	Poor linkage of performance evaluation with training and development	6	40
14	Lack of employees participation	5	33
15	Problems on translating the strategy to operational terms	5	33

As indicated above the extent to which the respondents agree with the proposition of factors as having negatively affected the institution in the process of BSC implementation and the circumstance of their effect. According to the responses, the top 7 factors that have highly affected the institutions could be restated as follows:

- Poor linkage of the BSC result to reward system (87%)
- Poor monitoring and evaluation systems and practices (87%)
- Subjectivity and favoritism in performance evaluation (80%)
- Insufficient Balanced Scorecard training (80 %)

- Setting the right performance measurement indicators (73%)
- Poor information management and communication (73%)
- Prevalence of incidental/unplanned activities (73%)

The challenges mentioned other than those listed include inadequate and inconsistent commitment of the executives, treating the BSC as system project, lack of integration of the Ministry of Civil Service plans with EMI plans and inefficient resource allocation. This problem though they are stated by few process owners, experts and consultants, they need to be given due emphasis as they can be major hindrance to the achievement of the BSC objectives.

Having the above in mind, the respondents, stressed challenges such as: inadequate level of commitment from middle level managers, knowledge, skill and attitudinal gap on BSC at different levels, fears and wrong perceptions in cascading objectives, bulky paper work requirement, problems in setting the right measures for the strategic goals, subjectivity involved in the performance evaluation, inadequate level of BSC education and training and inadequate capacity and support of the reform units of the institute and the respective supervisors.

In short, the major problems expressed by the various groups are mainly associated with the process of implementation and operation of the BSC as strategic management and performance measurement system.

In the proceeding chapter summary of major findings, conclusions, and recommendations were presented.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents summary of major findings, conclusions and recommendations derived from the analyses, discussions and interpretations of the data that were collected through questionnaires, interview, and documents on BSC challenges at the Ethiopian Management Institute. The following sections present the summary, conclusions and recommendations of major findings of the study.

5.1 Summary of Findings

Based on the analysis and interpretation made in the previous chapter the major findings of the research are summarized as follows:

1. Role of Leadership for BSC Implementation

a) Understanding of the Vision, Mission and Values of the Institute:

Effort were made in providing continuous guidance and support in creating shared vision, working towards the same mission (purpose) and a change in attitude and beliefs is found to be good enough. These indicate that understanding the vision, mission and values of the institute has helped employees to involve in the implementation of the BSC process.

b) Support of the Leadership (process owners) to Employees:

The support of senior leaders towards creating a conducive working environment that helps to do their job, sharing of information about the organization, and encouraging employees to learn about their job is found to be poor. This may create a gap in the communication between the two parties and reduce the commitment of employees in the implementation process.

2. Participation and Involvement of Employees in the Development of Strategic Planning

i) The participation and involvement of employees in the development of strategic plan indicates that half of the respondents have reservations. This implies that strategic plan is kept at high

level and enough effort was not made in embarking all employees of the organizations, which ultimately results in confusion of the future direction of the institute.

ii) Half of the respondents have reservation whether the organization knows its pains and challenges. The efforts made towards making awareness on the pains and challenges of the Institute are another limitation for the proper implementation of BSC.

iii) Strategic focus areas (Pillars of Excellence). Concerning the issue most of the respondents have agreed that they have had clear understanding about the strategic focus areas. Knowing strategic focus areas is a spring board to set and cascade objectives as well as for full awareness of organizational mission.

3. Customers and Stakeholders Focus

Employees know internal and external customers and understand their needs and values to render the required service at an average standard. Similarly they also understand and give due attention on the stakeholders value. Understanding customers and stakeholders needs and values enables to attain organizational goal and successful implementation of BSC.

4. Communication and Communication Strategy

i) Communication: Communication (disseminate of information) among Directors, Process owners, and team leaders with the staff is not free and regular. This implies that inadequate information will adversely affect in creating an atmosphere for successful BSC system implementation.

ii) Communication Strategy: Most of the respondents do not know whether the organization has a communications strategy and plan or not. Lack of communication strategy programmes will not enable to collect reliable, accurate and sufficient data to set objective measures for the proper implementation of the change and to take up the BSC towards the achievements of desired goals.

5. Performance Results

Employees do have the idea to tell the progress of their group towards the strategic plan, and knew the importance of their result to the overall achievement of organizational goal. We can conclude that shared idea on the importance of performance results for the success of the institute has a fertile ground.

6. Human Resource Focus

Supervisors encourage employees to develop their job knowledge, skills, and abilities, so they can advance in their career. The level of cooperation among employees and work as a team is found to be high and brings about a sprite of team work which is vital for BSC implementation. It is a good start and should proceed to gain a better result.

7. Process Management

Collection and recording data is found to be burden on day-to-day performance for significant number of employees. It is a tiresome job for most employees in addition to their routine activity. Therefore, simplification of the BSC performance data handling and management requires organizing a computerized system across all sections.

8. Organisation and Culture

The results obtained on the status of organization rewards success, the existence of standards and ethics and obedience level of laws and regulations are:

- i) More than half of the respondents have reservation on the status of organization rewards success.
- ii) More than half of the respondents have reservation whether the organization obeys laws and regulations.
- iii) The majority have reservation whether the organization has high standards and ethics.

From this result we can conclude that employees may lose trust and confidence on the institute and ultimately develop bad image.

9. Benefits observed Due to BSC Implementation

i) Status of BSC Implementation Process: Half of the employee has agreed that they have implemented BSC, whereas the rest are in the process of implementing and process of developing BSC. The level of understanding on BSC implementation varies, which may require additional effort to acquire similar standard among employees.

ii) Benefits Obtained as a Result of BSC Implementation:

The major benefits obtained by the Institute from the BSC implementation, were:

- Organizational focus areas have been identified;
- Performance has been improved;
- Service delivery has been improved;
- Day-to-day activities of each employee have been aligned with strategy;
- Interactive communications have been created;

Benefits obtained from BSC implementation have brought changes in the working system of the institute, in the thinking and capabilities of process owners, experts and employees. As a change tool that is focusing on long term competitive sustainability of the Institute the benefit of BSC should stretch to inculcate new organizational culture.

10. Challenges of BSC Implementation

The major challenges that the Institute had in the implementation of BSC were:

- Poor linkage of the BSC result to reward system;
- Poor monitoring and evaluation systems and practices;
- Subjectivity and favoritism in performance evaluation;
- Insufficient Balanced Scorecard training;
- Setting the right performance measurement indicators;
- Poor information management and communication;
- Prevalence of incidental/unplanned activities;

The challenges mentioned other than those listed include inadequate and inconsistent commitment of the process owners, treating the BSC as system project, lack of integration between the Ministry of Civil Service plans with EMI and inefficient resource allocation. We can infer that challenges need to be given due emphasis as they can be major hindrance to the achievement of the BSC objectives.

5.2 Conclusions

The following conclusion is drawn based on the analysis and the interpretation of the findings:

The balanced scorecard is introduced in the Ethiopian civil service to strengthen the management of performance in the civil service. It is implemented with the expectation of integrating the organizational process and activities and performance measurement in a holistic way to the organizational strategic objectives. The Ministry of Civil Service took the overall responsibility for coordination of the implementation in civil service organizations. BSC implementation manuals developed and distributed by the Ministry framed BSC implementation and also a system to continually follow up BSC implementation is put into operation.

EMI led the implementation in a similar way as federal civil service organisations with steering committee chaired by the Director General of the Institute and technical BSC team. At the process level a cascading team bears the responsibility to cascade the organizational level plan to a process/ team. Then employees cascade the plans to their own and get approval from their team/process leaders.

It was clear from the findings that the BSC is seen as an instrument for the wide range of improvements in the performance and work culture of the Institute. It resulted in improved strategic thinking at all levels from top level to operational personnel, developed quality of organizational strategic plans and integration of visions, missions, strategic objectives and activities. Further, it has improved culture of planning, plan based work performance, monitoring and evaluation, and performance information handling and management system among other things.

BSCs in EMI involve several challenges embedding its implementation and use as strategic management and performance measurement system. EMI has been assigned as a change agent to assist federal civil service organizations to train and implement change tools, such as BPR and

BSC. It was a good opportunity to get lessons from organizations. However, the level of implementation of BSC in the institute for the last four years is found to be poor. Some of the reasons are inconsistency and seasonality of the top level management commitment, inadequate level of BSC training, absence of accountability for BSC failures and inadequate capacity of the Change and Performance Management Office has hindered taking up the BSC to the desired level of achievement.

Further, inadequate commitment of the middle level managers and employees, turnover of qualified personnel, inadequate BSC implementation manual, problems in cascading and alignment of the BSC to personal development plan, difficulties in setting performance measures, subjectivity and favoritism in performance monitoring and evaluation system, and laborious paper based performance data handling and management system(lack of automation) has impeded the effectiveness of the BSC in achieving intended objectives in the Institute.

It was clear from the findings that there was inadequate concern to motivation of the employees and absence of appropriate mechanisms in place to reward model performers for the last few years. The practice of motivation of the employees and reward (annual salary increment and bonus) were given across the board without the performance results. The practices of reward model performers, providing salary increment based on performance results are underway with some problems that has to be adjusted (favoritism and rating errors). These have also held back the BSC effectiveness in bringing improvement in the overall performance of the institute as staff motivation through a reward program has a crucial role in facilitating the performance improvement efforts.

In short, the implementation of the BSC facilitated changes in the strategic direction of the organizations; it has improved the focus for effecting strategic change and improved accomplishment of tasks that represents the foundation of good performance management. In other words, besides simply assessing performance, the Balanced Scorecard provided a structured framework for performance management. However, the level of performance in this regard has not grown to the desired level.

5.3 Recommendations

Based on the findings and conclusions drawn with regard to the BSC practices and challenges at EMI the following recommendations are made to reap the full-fledged benefits of BSC as strategy management system, communication tool and performance measurement system.

1. Improving the Capacity of Process Owners, Consultants and Experts

As EMI is a change agent organization working in collaboration with the Ethiopian Civil Service University on BSC implementation and other change tools in the selected civil service organizations, it should work on building its internal capacity and developing BSC trainers and consultants who can provide the expert and spiritual guidance on BSC implementation and use in EMI and the civil service organizations.

2. Change the Attitude of Employees towards BSC

Changing the mindset and attitude of employees radically requires proper and careful considerations. The way employees perceive the merits and demerits of the intended change can shape their involvement in the implementation process. With this regard, Viewing the BSC as a continuous process, requiring maintenance, reassessment and updating; etc. are subject to such attitudinal influence. Therefore, to minimize some bad experiences, attention should be paid at each stage to change the attitude of all groups who involve in the implementation process.

3. Strengthen the BSC Training and Communication

Among others the two major gaps identified was absence of employees' participation and involvement during strategic plan design and revision and awareness on the organizational culture. Adequacy of the knowledge and skill and positive attitude of the employees, and management group on BSC is critical. Therefore, an organized system should be set in the Institute to continuously work on BSC awareness creation trainings, educations and communication works towards the attainment of the desired goals from BSC.

4. Develop BSC Implementation Manual

There need to develop BSC implementation manual to address the technical and operational system to strengthen the existing BSC implementation monitoring and evaluation with clear

responsibility and accountability. It will also enable to use as guiding document for training and consulting other organizations.

5. Work on the Improvement of the Employees' Motivation and Retention of Qualified

Personnel.

For change efforts to be effective, staff motivation through benefits and reward systems has a crucial role in facilitating the change efforts and smoothing the insertion of new processes in the workplace. Thus, there need to modify and strengthen the existing practice of benefits, incentive package systems to motivate and retain qualified consultants, experts and employees.

6. Improve Performance of Performers and Mobilization Efforts at Organization Level

The study findings have indicated that the application of BSC at EMI is on the right path but the pace of its performance is not to the expected level. Thus, there is a need to improve the pace of BSC implementation and use through mobilizing process owners, consultants and experts.

7. Improve and Develop Management Information System

The study findings have indicated that there is a challenge in collecting, processing and acquiring data in required amount and type. EMI should provide automation of BSC information handling and management system and train employees for the successful handling of information.

8. Develop Consistent and Strong Leadership in Designing and Deploying Effective BSC

The process owner's and consultants emotional and physical commitment is important. Allocation of enough time in meetings for strategies, objectives and measures on the organizational scorecard and cause and effect linkages on the strategy map is critical. Thus, process owner's and consultants should endeavor to lead this transformation process through clear, consistent, and visible emotional and physical involvement, which in turn builds commitment among employees and experts to the strategy and the management process that builds a strategy focused organization.

9. Establish Accountability for Failure in Performing as per the BSC Requirement

The assessment has shown tendency to be reluctant in some of process owners and employees to perform as per the requirements of BSC. Hence, it is important and advisable making sure that all process owners, consultants, and experts and employees understand for what they are

responsible in BSC implementation and use and then make them accountable for failures in the performances as per the responsibility.

10. Strengthening the Change and Performance Management Office

EMI has established the new office recently tasked with supporting and leading change efforts. Meanwhile, there should be firm actions in equipping the office by competent human resource, and in giving clear authority with commensurate accountability towards BSC and other change tools implementation. The office may be engaged to coordinate and support the strategy development, strategy execution and performance management activities. EMI should be a model organization in the BSC system management whereby others will benchmark its experience for successful implementation in their organizations.

11. Improve Performance Planning Management

One of the challenges faced in the practice of the BSC is the prevalence of incidental/unplanned activities. This problem is resulted due to poor planning efforts and communication gap between the Ministry of Civil Service and EMI, the Director General and process owners, and the performers. Thus, there needs to be an alignment in planning between the MoCS and EMI, the Director General and process owners, and the performers to work on reducing existence of unplanned activities by planning proactively and exhaustively backed by practice of letting know the performers plan of their respective process with their responsibilities and accountabilities.

12. Improve Performance Monitoring Evaluation and Measurement

It is the opinion of the majority of the employees that there is subjectivity and favoritism in the performance evaluation and measurement. Thus there need to work on the following for smooth and effective performance evaluation and measurement.

- making fair work distribution among performers considering their seniority and position
- trying to make evaluation criterion as objective as possible-especially the behavioral measurement criteria are too subjective as most of the respondents confirmed
- Develop awareness that purpose of the evaluation and measurement is mainly to help the employees improve their performance, among other things. Such effort may reduce favoritism (especially in peer evaluation) and

- Establishing compliant procedure for handling disappointments on evaluation results.

13. Address Some Challenges Associated with BSC Implementation

Challenges were reflected on setting the right measures of performance, assignment of weights to the performance objectives and measures at different levels and on what needs to be cascaded, objectives versus activities. Such technical points should be addressed through expert discussion and debate within the institute, among consultants.

14. Align the BSC Result to Personal Development Plans and Reward System

The BSC should be the nerve center of the operations and systems in the organizations and thus the personal development plans, HR decision and incentive plans should strategically be linked to BSC results. Further, constructive competition should be made among the process owners and employees on the basis of BSC performance and necessary recognition and reward be given to induce organizational learning and a culture of performance

15. Setting Best Practice Sharing Forums: It becomes important to arrange scheduled forums where different public institutions may come together and exchange views, deal with challenges they face and celebrate their achievements. This can be organized by EMI in collaboration with the Ministry of Civil Service and University of Civil Service.

16. Conducting Further Study: Most employees appreciate the positive changes in the implementation process. This can be justified by conducting further studies about the effectiveness and efficiency of the implemented process by involving the management group, consultants and employees of the institute.

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Annex 1: Survey questionnaire

ST. MARY'S UNIVERSITY COLLEGE

INDIRA GANDHI NATIONAL OPEN UNIVERSITY GRADUATE PROGRAM

MASTER OF BUSINESS ADMINISTRATION

Questionnaires to be filled by core and support staffs

Dear Respondent

I am a post graduate distance education student of St. Mary's University College in collaboration with Indira Gandhi National Open University graduate program specialized field of Master of Business Administration. Currently I am conducting a research on the practices and challenges of implementing BSC at the Ethiopian Management Institute. The main purpose of the study is purely academic that will not have any negative effect on you, so that you are kindly requested to fill out this questionnaire. The response will use a paramount important to draw lessons from the BSC practices and challenges and its effect on enhancing the performance of our organization. Therefore, the effectiveness of the study depends on your genuine and frank response and also your response kept in secret confidentially.

Thank you in advance for your cooperation!!!

Part II: - Practices achievements and challenges of BSC implementation

This questionnaire tries to assess practices, achievements and challenges of BSC implementation. Therefore, you are required to give your opinion, to what extent your organization has done these activities to implement BSC.

Considering your organization’s experience, please use the following scale on each of the identified issues associated with the implementation of BSC, by writing “√“mark on the box.

(Rating: 5= strongly agree, 4= Agree, 3= Neutral, 2= Disagree and 1= strongly disagree).

No	CATEGORY 1: LEADERSHIP	Ratings				
		5	4	3	2	1
1	Knowing the organization’s mission (our purpose).					
2	Knowing the organization’s vision (what we are trying to achieve).					
3	Know the organization’s values (what we believe).					
4	Leaders practice our organization’s values to guide us.					
5	Leaders create a work environment that helps us do the job					
6	Leaders share information about the organization					
7	Leaders encourage learning that will help us do my job better					
8	The organization lets me know what it thinks is most important					
	CATEGORY 2: STRATEGIC PLANNING					
1	The organization engages in strategic thinking in a disciplined way					
2	Strategic plans are developed by participation					
3	Knowing what overall results the organization is trying to accomplish					

4	The organization strategic focus areas (“Pillars of Excellence”) are well defined and understood.					
5	Organization mission, vision, and values are aligned					
6	The organization knows its pains and challenges					
7	The organization knows its enablers and strengths, and is using these effectively.					
8	The organization plans for the future and asks for my ideas.					
9	Knowing the parts of my organization’s plans that will affect me and my work					
	CATEGORY 3: CUSTOMER AND STAKEHOLDER FOCUS					
1	Knowing who are the most important (external and internal) customers are					
2	Keeping in touch with my customers.					
3	Knowing what my customers need and value					
4	Asking if my customers are satisfied or dissatisfied with my work.					
5	Customers are satisfied with my work					
6	The right to make decisions to solve problems for my customers					
7	Knowing who our stakeholders are.					
8	Knowing what our stakeholders value.					
	CATEGORY 4: COMMUNICATIONS AND TRANSFORMATION					
1	Leaders communicate freely and regularly to other staff.					
2	Knowing how the organization is performing.					
3	Getting all the important information I need to do my work.					

4	The organization deals effectively with change.					
5	The organization has a communications strategy and plan.					
6	Communications among, Directors, Process Owners, team leaders and other staff is primarily interactive (two-way)					
	CATEGORY 5: PERFORMANCE RESULTS					
1	Knowing what the outcomes (results) of my work are.					
2	Know how to measure the outcomes of my work					
3	Know how to tell if we are making progress on my work group's part of the organization's strategic plan.					
4	Knowing how to analyze (review) the components of my work to see if changes are needed.					
5	Using these analyses for making decisions about my work.					
6	Work products meet all requirements.					
7	Knowing how the results of my work fit into the organization's overall desired results.					
	CATEGORY 6: HUMAN RESOURCE FOCUS					
1	Making changes that will improve my work.					
2	Staff mates work with cooperate and work as a team.					
3	Supervisor encourages me to develop my job knowledge, skills, and abilities, so I can advance in my career.					
4	Recognition is given for my work					
5	There is a safe workplace.					
6	Supervisor and my organization care about me.					
	CATEGORY 7: PROCESS MANAGEMENT					
1	Getting everything I need to do my job.					
2	Collect information (data) about the acceptance					

	(quality, timeliness, functionality, and economics) of my work.					
3	We have good processes for doing our work.					
4	We make effective use of tools and technology.					
5	Control over my work processes.					
	CATEGORY 8: ORGANIZATION AND CULTURE					
1	Knowing how well my organization is doing financially					
2	The organization makes good use of teams					
3	The organization rewards success.					
4	The organization uses my time and talents well.					
5	The organization removes things that get in the way of progress.					
6	The organization obeys laws and regulations.					
7	The organization has high standards and ethics.					
8	The organization helps me help my community.					
9	Satisfaction with your job					

Part III: General overviews of BSC implementation

1. In your opinion what achievement the organization gain from the implementation of BSC? --

2. What problems (challenges) your organization face after implementing BSC?

3. What do you suggested as a possible strategy for future effective BSC implementation?

4. If you would to add any comment on BSC practices of your organization please comment.

Thank you!!!

Annex 2. Interview guide for process owners, consultants and experts

INTERVIEW GUIDE FOR PROCESS OWNERS, CONSULTANTS AND EXPERTS

1. What is your opinion towards the commitment of process owners on the implementation and uses of BSC?
2. Which process owner has been responsible for administering BSC implementation? How?
3. How do you evaluate the employee commitment in realizing the objectives cascaded?
4. What are the benefits obtained from BSC implementation?
5. What were the problems/challenges faced and how EMI overcome/solve them?
6. How is the performance evaluation of employees administered?
7. Is the BSC result attached to a reward system in EMI?
8. Do employees understand and internalized the vision, mission and values of the Institute?
9. Does EMI realize how to link budget to a strategy?
10. How do you evaluate the information management and communication system across the Institute?
11. What was your practice/challenge towards handling planned and incidental/unplanned activities?
12. How do you evaluate the effort made to make awareness on the concept and implementation procedures on BSC project?
13. what are the main criteria used to prioritize projects/initiatives?
13. How do you evaluate the success of BSC implementation in EMI? What are the factors behind the success or failure?
14. What is your opinion towards a possible strategy for future effective BSC implementation?