ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

FACTORS AFFECTING IMPLEMENTATION OF BALANCED SCORECARD: THE CASE OF COMMERCIAL BANK OF ETHIOPIA

BY

FASIKA DEMISSIE-SGS/0254/2013A

MARCH, 2023

ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION /GENERAL MBA/

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STATEMENT OF DECLARATION

I, Fasika Demissie, declare that the thesis entitled **‘‘Factors Affecting Implementation of balanced Scorecard: The Case of Commercial Bank of Ethiopia ’’** is my original work. I have carried out the study with the guidance and support of my research advisor, **Dr. Berihun Muche**. All sources of materials used for the thesis**;** have been duly acknowledged. Moreover**,** this study has not been submitted either in part or in full for the award of any Degree or Diploma Program in this or any other Institution.

Fasika Demissie

Name ____________________ Signature ____________________

St. Mary’s University, Addis Ababa March, 2023

STATEMENT OF CERTIFICATION

This is to certify that Fasika Demissie's research work on the topic entitled ''Factors Affecting Implementation of balanced Scorecard: The Case of Commercial Bank of Ethiopia'' has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Berihun Muche (PhD) ____________

Advisor Signature

St. Mary's University, Addis Ababa March, 2023.

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ACRONYMS

CBE	Commercial Bank of Ethiopia
BSC	Balanced Scorecard
SPSS	Software Packages for Social Science
RBPMS `	Result Based Performance Management Systems
BPR	Business Processing Reengineering

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ABSTRACT

The study aimed to investigate factors affecting implementation of balanced scorecard in state owned bank in Ethiopia, a case study of Commercial Bank of Ethiopia (CBE). The objective of the study was to assess factors affecting implementation of BSC in commercial Bank of Ethiopia. The study adopted a descriptive and inferential research design, the study population comprised of 93 staff working at CBE. The study applied a probability sampling design: random sampling to select respondents. The data collected through semi structured questionnaires. The study used descriptive and inferential statistics (correlation and regression) to analyze the gathered data using a Statistical Package for Social Scientists (SPSS) and the data presented in tables. The study found out that implementation of balanced score card affected by job description, supervision, management support and financial resources. The study recommended that the management should undertake effective job analysis in order to effectively carry out employee's job description. The implementation of a BSC should always be organized as a separate project should follow the basic steps outlined by Balanced Score Card Institute.

Key words: *Balanced score card, job description, BSC perspective, SPSS*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Robert Kaplan and David Norton (1992) created the balanced scorecard approach in the early 1990s.Balanced scorecard is one of a change management tools that helps an organizations to realize its organizational vision and strategy and transform into actions (Farshad, 2012). The Balanced Scorecard has been translated and effectively implemented in both the nonprofit and public sectors. Success stories are beginning to accumulate and studies suggest the Balanced Scorecard is of great benefit to both these organization types. As a result Balanced Scorecard has become popular and brought about many changes in a variety of organizations.

The balanced scorecard (BSC) is a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors (Bayer, 2007). According to Murlins (2005) a balanced scorecard contains four major perspectives: financial performance, customer service, internal business processes, and the organization's capacity for learning and growth. Within these four areas, managers identify key performance indicators the organization will track. The Balanced scorecard helps leaders define the mission, vision, goals, and metrics for a company in key areas such as financial, customer, learning, and business process. In terms of change management, the balanced scorecard provides a sequential approach to developing and implementing company strategies so that stakeholders understand what the company is trying to achieve and how it will be measured.

Balanced score card approach'' introduces a range of measures for evaluating organizational performance. However, in contrast with most measurement systems, the majority of the Performance management tools measures should be 'non-financial' as the government and corporate management becomes increasingly complicated. The Balanced score card focuses the organization on the issues which the management decides are the key to its success. It thus allows the company management to extend its business perspective and provides opportunities for effective strategic plan (Kahihu, 2004).

The balanced Score Card falls under a branch of management science referred to as management control system. A BSC tool is a freely negotiated performance agreement between the employer through the immediate supervisor and the employee. It is an agreement between the two parties that Cleary specify their mutual obligation and the organization itself. OECD (1999) defines performance management tools as a range of management instruments used to define responsibilities and expectations between parties to achieve mutually agreed results. Since its inception, the BSC has been used in more than 50 countries.In1995, the World Bank found 565 Balanced Score Card being used in 32 developing countries as at June 1994 where they will used by range enterprises and another 123,000 in china where they will used by both private and state owned enterprises (Paul,2011).

Implementing a balanced scorecard involves four sequential steps namely: strategy map it shows a logical, step-by-step connection between the strategic actions in the form of a cause-and-effect chain; developing performance measure in which basic standards are set and communicate to measure outcomes against expected results; cascading BSC which is a process of developing Balanced Scorecards at every level of the organization to ensuring that all employees at all levels are aligned with the organization-wide Balanced Scorecard; and evaluation which focuses and pays attention to a manageable group of indicators (Banker et al.,2004).

BSC is known by its benefit in that it helps organizations translate strategy into action by defining and communicating performance metrics related to the overall strategy of the company (Gumbus & Lyons, 2002). It also enables employees of the organization to focus on important business drivers (Butler et al., 1997).

Against the advantages of BSC listed before, BSC is difficult and time-consuming to implement, it would take a little more than two years to fully implement the system throughout the organization. Some organizations implement it quicker, for some it takes longer, hence the base line is that the balanced scorecard requires a sustained, long-term commitment at all levels in the organization and to make it effective (Papalexandris et al., 2005).

1.2. Statement of the Problem

The implementation of Balanced Score Card in different state corporations remains as major challenge despite numerous efforts by respective government to have BSC adopted as a reform strategy in all government run institutions (Williams, 2011).

According to Keivo (2010) many state corporations fails to realize the benefits of BSC due to the nature of the employed employee training programs on BSC applications. For BSC implementation to be successful, employees' jobs are required to be properly described to create basis for evaluation. However this is given less consideration in many state owned enterprises in many countries, hence hindering the success of BSC. According to Agnes (2011) BSC fails in most African countries due to low level of management support as a large number of top management staff withdraws their commitment during the implementation process. This also affects the supervision of employees and hence creating unfavorable environment for the BSC implementation (Oyugi, 2010).

The FDR government of Ethiopia intensively devoted to improving and reforming the civil service delivered by public organization. Initially, many trainings of management activities will conducted by the government to promote civil servants capacities and to successfully implement Result Based Performance Management Systems (RBPMS) in all public organizations delivering services for the societies (Tesfaye, 2009).

In the context of Ethiopia, the government introduced the BSC as a tool that would be used for Performance management in 2009. This tool is used to strengthen the management of performance in the civil service and state owned enterprises. The BSC tool enables the strategy of an institution to surge down through the different layers of governance (MoCB, 2010, p.144). To fill the gap of BPR, Balanced Scorecard (BSC) was come into existence. It helps the organization to focus on strategic activities and align the day to day activities with its goals.

The study further adds to the existing literature on implementation of BSC in various organizations. Academicians through the study findings are in better positions to understand how the BSC model implementation is done and use this information in furthering this field of strategic management.

The study may contribute to the understanding of the current situation and practice of BSC at different institutions in the realization their organizational strategy through the execution of balanced scorecard. The study may also be important to other organizations that have introduced the balanced scorecard to evaluate their execution progress.

Hence this study tried to assess factors affecting implementation of Balanced Scorecard in Commercial Bank of Ethiopia. So the study focus on investigating factors enhancing successful implementation of BSC, and also suggesting some solutions to overcome challenges and strengthening best practices concerning the implementation process by using different primary and secondary data sources.

1.3. Objectives of the study

1.3.1. General Objective

The general objective of the study is to assess factors affecting implementation of Balanced Scorecard in the case of Commercial Bank of Ethiopia.

1.3.2. Specific Research Objectives

The specific objectives of the study;

- ✓ To assess the mechanisms in place within the organization aimed at having successful implementation of balanced Score card in Commercial Bank of Ethiopia.
- ✓ To determine whether job description affect successive implementation of balanced Score card in Commercial Bank of Ethiopia
- ✓ To determine whether the level of management support affect implementation of balanced Score card in Commercial Bank of Ethiopia
- ✓ To determine whether the level of employees supervisions affect implementation of balanced Score card in Commercial Bank of Ethiopia
- ✓ To examine the extent to which allocation of financial resources successive implementation of balanced Score card in Commercial Bank of Ethiopia

1.4. Research Questions

1.4.1. General Research Question

What are the factors affecting successive implementation of balanced Score card in Commercial Bank of Ethiopia and how can state corporation manage these factors to effectively implement balanced score card as a performance management tool.

1.4.2. Specific Research Questions

This study aims to answer the following questions

i. What are the mechanisms in place within the bank aimed at having successful implementation of balanced core card?

ii. How does Job description affect successive implementation of balanced scorecard in the bank?

iii. How does management support affect successive implementation of balanced scorecard in the bank?

iv. What is the effect of employees' supervision on the successive implementation of balanced scorecard in the bank?

v. What is the effect of financial resources on successive implementation of balanced scorecard in the bank?

1.5. Significance of the Research

For Top management

The result of the study is useful to organizational managers since it will provide empirical and fact based information on the contribution made by intangible assets towards performance and on how best they can be measured.

For Employee

The information from the study assist management and employees to adopt specific, measurable, accurate, reliable and timely indicators which will improve productivity hence contributing to employee job satisfaction and motivation.

For Customers

The study significance to customers of the Commercial Bank of Ethiopia by enhancing the performance of the organization through strategic responses to achieve competitive advantage; the organization will improve service delivery and superior products for consumers.

For Scholars

The study significant to scholars since it will provide new perspectives of knowledge on BSC and its non-financial aspects and how different organizations are able to implement them and use them as performance measurement indictors

1.6. Scope of the Study

The scope of the research is delimited in terms of geographical location which is confined to state owned and private financial enterprises confined in Capital City Addis Ababa. Methodologically the study majorly focused on descriptive and inferential research methods. The study deals with four independent factors: job description, management support, supervision and finance; those affecting the successful implementation of Balanced Scorecard. Information to support the issues under study gathered through questionnaire and key informant interviews with respondents of top level managers.

1.7. Limitation of the study

The researcher will limit to collect information from sample respondent due to time and budgetary constraints. The main limitations of the study are the researcher considered two financial institutions (banks) namely: Commercial Bank of Ethiopia and Buna International Bank hence the findings are not generalizable to the financial institution market in the country. Furthermore, only 122 respondents involved and information was collected from them due to time shortage.

1.8. Operational Definition

Balanced score card (BSC): is performance measurement system that has been adopted by many organizations (Kaplan & Norton, 1992).

Stakeholder: is any group or individual which has an influence on balanced score card implementation in the organization (Kairu et al., 2013).

Job Description: is a list of specific employee's position job tasks or functions and responsibilities (Park & Kim, 2009).

Management Support: is the willingness and commitment of top organization management staff on implementation of Balanced Score Card.

Effective Implementation: it is the successful implementation and application of Balanced Score Card in the organizations.

Supervision: is the process under which employees are watched and guided on how to execute their respective job tasks functions by senior management employees (Peter,2005).

1.9. Organization of the Study

This chapter introduced the research background and explained the research problem statement that led to formulation of research objectives and research questions. The relevance of the study was also highlighted. The following chapter two covered the theoretical and empirical literature of the study and explains the major research gaps while describing the conceptual and theoretical framework of the study. Chapter three explained the research design and methodology of the research study to highlight the research strategy, population, area of research sampling design and procedures and data collection and analysis.

CHAPTER TWO: LITERATURE REVIEW

2.1. Theoretical Literature Review

This section reviews the relevant literature to form a basis for the study. It evaluates both the theoretical literature and the empirical literature. The section also discuss, theories associated with balanced scorecard, independent variables and the conceptual framework.

2.1.1. Conceptual Definitions of Balanced Scorecard

Balanced Scorecard is a strategic performance management tool, and semi standard structured report supported by proven design methods and automation tools that can be used by managers to keep track of the execution of activities by staff within their control and monitor the consequences arising from these actions. The balanced scorecard (BSC) is a comprehensive management control system that balances traditional financial measures with operational measures relating to a company's critical success factors. The balanced scorecard (BSC) contains four major perspectives notably, financial performance, customer service, internal business processes, and the organization's capacity for learning and growth. These perspectives help state corporations managers to identify and track key performance indicators in the organization. The perspectives also helps the managers in state corporations to define the organization mission, vision, goals, and metrics in key areas such as financial, customer, learning, and business processes.

2.1.1.1. Kaplan and Norton BSC Theory

The Balanced Scorecard is a theory and management approach first proposed in the Harvard Business Review by Kaplan & Norton (1996). A subsequent book, The Balanced Scorecard, was published in (1996). The most recent refinement of this theory and management approach appeared in Kaplan & Norton's book, The Strategy-Focused Organization (2001). Balanced Score Card provided 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 (Kaplan and Norton, 2002). According to Kaplan (2002) 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. 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. According to Kaplan and Norton (2002) effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives. These include; the financial perspective, internal business processes, learning and growth perspective and customer perspective. The balanced score-card (BSC) presents a model for strategic performance measurement and management for high performance organizations. According to Kaplan and Norton (2001) the Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system (Kaplan and Norton, 2002).

2.1.2. Perspectives of Balanced Scorecard

Balanced Scorecard as strategic management system measures organizational performance in four balanced perspectives: financial perspective, customer perspective, internal business processes perspective, and Learning and growth perspective**.**

2.1.2.1. Financial perspective

Financial perspective is a financial performance measures that indicate whether the organization's strategy, implementation and execution are contributing to bottom line improvement. It shows the results of the strategic choices made in the other perspectives. By making fundamental improvements in their operations, the financial numbers take care of themselves (Kaplan and Norton, 2001). In public sector organizations the "financial" perspective differs from that of the traditional private sector. Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations, operating in a purely commercial environment. Financial considerations for public organizations should be measured by how effectively and efficiently they meet the needs of their constituencies. Therefore for the government the financial perspective emphasizes cost-efficiency, i.e. ability to deliver maximum value to the customer (Kaplan and Norton, 2001).

2.1.2.2. Customer perspective

Customer perspective captures the ability of the organization to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction. To this effect, many organizations today have a mission focused on the customer and measuring how an organization is performing from its customers' perspective has become a priority for top management (Kaplan and Norton, 2001). The BSC demands that managers translate their general mission statement on customer service into specific measures that reflect the factors that really matter to customers (Kaplan and Norton, 2001).

2.1.2.3. Internal business processes perspective

Internal business processes perspective is primarily an analysis of the organization's internal processes. Internal business processes are the mechanisms through which organizational performance expectations are achieved. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations. This perspective focuses on the internal business results that lead to financial success and satisfied customers. Therefore, managers need to prioritize on those critical internal operations that enable them to satisfy customer needs (Kaplan and Norton, 2001). Organizations should decide at what processes and competencies they must excel and specify measures for each. Key internal processes are monitored to ensure that outcomes will be satisfactory. The measures should also link top management's judgment about key internal processes and competencies to the action taken by individuals that affect overall corporate objectives. This linkage ensures that employees at lower cadres in the organization have clear targets for actions, decisions and improvement activities that will contribute to the organization's overall mission (Kaplan and Norton, 2001).

2.1.2.4. Learning and growth perspective

Learning and growth perspective focuses on continual improvements for the organizations products and processes through employees training and development (Kaplan and Norton, 2001). In this context, learning and growth perspective looks at such issues, which include the ability of employees, the quality of information systems and the effects of organizational alignment in supporting accomplishment of organizational goals. Processes will only succeed if adequately skilled and motivated employees, supplied with accurate and timely information, are driving them. In order to meet changing requirements and customer expectations, employees may be asked to take on dramatically new responsibilities, and may require skills, capabilities, technologies and organizational designs that will not available before, and learning and growth issues enable the organization to ensure its capacity for meeting customer needs, a pre-requisite for long-term survival (Kaplan and Norton, 2001). The Balanced Score Card theory by Kaplan and David (2001) demonstrates that employees job description, better employees supervision and increased level of top management support supports the implementation of the four balanced score card perspective and hence lead to effective implementation of balanced score card in organizations.

2.1.3. Types of Change in an Organization

Change is the alteration from “what was yesterday” to “what is today” and that is often uncomfortable usually a modification of the way things get done in the system. In an organization there are two types of change in general which are Planed and Emergent change (Ackerman, 1997).

Planed change: refers to initiatives that are driven “top-down” in an organization while Emergent change: is referring to a situation in which change can originate from any level in the organization. Planned change takes place by way of a systematic process of well led events, monitored by constant surveillance that it is clearly implied that the state that must be reached and the means to do it are stated clearly and explicitly, and that they can be implemented as final concept (Mintzberg, 1990).

According to Ackerman (1997), classified changes in to three categories:

a) **Development:** it is first order, or incremental. It is a category of change that enhances or corrects existing aspects of an organization, often focusing on the improvement of a skill or process.

b) **Transitional:** it seeks to achieve a known desired state that is different from the existing one. It is episodic, planned and second order, or radical. Much of the organizational change literature is based on this type.

c) Transformational: it is radical or second order in nature. It requires a shift in assumptions made by the organization and its members. Transformation can result in an organization that differs significantly in terms of structure, processes, culture and strategy. It may, therefore, result in the creation of an organization that operates in developmental mode one that continuously learns, adapts and improves (Ackerman, 1997).

2.1.4. Determinants of Organizational Change

Factors affecting change are emerged from both the external and internal environments. When the organizations faced by the dynamic, changing environment, they are required to adapt, change and in some cases, totally transform. Factors that motivate organizations to change in response to external environmental threats and opportunities may motivate organizations to change (Lawrence, 1990). The most widely-stated causes come from macro-environmental factors such as major economic and political changes, technological advances, rapid expansion in the global marketplace and altering demographic and social structures (George &Jones, 2002).

2.1.4.1. Internal Forces

Organizations go through various internal change processes throughout their normal life cycle where organizational leaders may create change-driving forces within the organization. For instance, some organizations initiate radical change that results in structural transformation through which organizations attempt to revitalize business orientations (Chandler, 1962).

2.1.4.2. Change in the Managerial Personnel

Due to various reasons like age, health problem, retirement, promotion, transfer or dismissal existing managerial personnel replaced by new manager, he brings his own ideas and new ways of working in the organization (Quinn, 1993). Changes can only occurred when individuals in the organization begin working in new ways; displaying new behaviors, using new tools, adhering to new processes and adopting new values. But all these should be initiated by new managers,

2.1.4.3. Deficiency in Existing Organization

Changes are necessary because of deficiency in the present organizational arrangement and process if the deficiency may be in the form of unmanageable span of management, large numbers of managerial levels, lack in coordination between various departments, obstacles in communication, lack of uniformity in policy decision and the like (Kotter, 1995).

2.1.4.4. Nature of the force

The nature of work force has changed over time. Different work values have been expressed by different generations. The new generation of workers has better educational; they place greater emphasis on human values and questions authority of managers. Their behavior has also become very complex and leading them towards organizational goals is a challenge for the managers (Bridges, 2009).

2.1.5. External Forces

Change in social, political, economic, technological, and legal environments that force organizations to change themselves. Such changes may result in organizational changes like major functions production process, labor-management relations, nature of competitions, economic constraints, organizational methods and others organizations must change in order to survive the changing environment (Edmonds, 2011).

2.1.5.1. Technological Changes

If there is any technological change in the organizational environment, every organization tried to adopt it. Once the organization has to adopt the new technology, its work structure is affected and a new equilibrium has to established based on the need of the organization but not others follow the new technology (Dawson, 2007).

2.1.5.2. Marketing Conditions

Every organization exports its outputs to the market, and it has to face competition in the market. The organization may affect the competitive position in two ways that can be forced to supply the same product and buys who are not buying the product. Any change in these forces may require suitable changes in the organization (Kanter, 1992).

2.1.5.3. Social changes

Social changes have taken place because of the several forces like level of education, urbanization, feeling of autonomy, and international impact due to new information sources. These social changes affect the behavior of people in the organization. It reflects in terms of people’s aspiration, the needs, and their ways of working. Social changes comprise modifications in social systems or subsystems in structure, functioning, or process over some period of time (Allen, 1971).

2.1.5.4. Political and Legal Changes

Any changes in these political and legal factors may affect the organization operation. Political actors, capable of strategic action, employ a dual strategy that they try to control the image of the policy problem through the use of rhetoric, symbols and policy analysis (Baumgartner &Jones, 1991).

2.1.6. Other Factors

There are other factors resulted from the interaction between the internal and external factors including communication, organization culture, and leadership style and employees resistance.

2.1.6.1. Communication

An incredibly important part in the beginning of a change process is to communicate why there is a need for the changes (Kotter, 1995). Communication is said to be the ‘life blood’ of the organization, and the ‘oxygen’ of change within it (Gill, 2002). Changes need to be communicated due to that many individuals will probably be involved, and these must be convinced and motivated, otherwise there is a risk that nothing will happen. Explanations for failure in this step could be that managers underestimate the importance of getting people on board and motivated to change, or difficulties of getting people out of their comfort zone.

It is also known that repetition of a message via more than one channel increase people understanding (Dansereau and Markham, 1987). Still it is common that management only communicate the message once or twice, and often just via a written communication channel. It is also common that the receiver of the information is blamed for not understanding it, even though they did not receive nor understand the information (Klein, 1996:34). Employee of the organization herald with change oriented messages from stockholders in order to raise their awareness towards feeling of empowerment and advocating for the change (Campbell, 2008).

2.1.6.2. Organizational Culture

Organizational culture is considered as mix of organizational values, norms, assumptions and understandings accepted as correct by current employee and imposed on new employee of the organization (Hofstede, 2005). In his study, Martin (2002) argued that, culture is a way of learning everyday life in an organization. The scholar emphasized that, the organization culture is critical factor in managing change effectively. The management of quality does not take place outside cultural influences, rather, it must be embedded into context of the prevailing shared values, beliefs and assumptions that are taken for granted. The foregoing is in relation to strategic change management. It has been established that organization culture is determined by employee attitudes and behavior and is important in order to ensure the success of organization change. Understanding employee behavior and attitudes plays a very crucial role in order to develop relevant interventions to guide the change process.

2.1.6.3. Leadership Style

In most cases the top management, to develop a clear vision of what separates the future from the past (Kotter, 1995). This is necessary to motivate people to work towards a common goal (Hooper & Potter, 2000). A clear vision should simplify hundreds and thousands of more detailed decisions, it also encourages people to take the steps in the right direction and it helps coordinating the people incorporated in the change process.

Middle managers hold intermediate levels at organizations and what normally distinguishes their position is their functional and operational work and knowledge, combined with their access to top management (Wooldridge et al., 2008). Middle managers often become agents of change processes, but are often foci of change (Fenton, 1998; McConville, 2006). Their role in the process is often challenging and complex (Balogun, 2003; Balogun and Johnson, 2004), but can be of crucial importance to the success of the change. Their role can include a great responsibility and empowerment, with a challenging and very wide role. It is important when implementing a change is therefore to understand and take in consideration the role of the middle managers, and their psychological processes (Wooldridge et al., 2008).

2.1.6.4. Employee resistance

According to Kotter (1995: 73), change efforts take a long time, some as much as six to eight years to be fully implemented. One reason for this is that people within organizations can be resistant to organizational change. According to Kotter and Schlesinger (2008:27-40), managers are generally aware of the factor of human resistance. But, surprisingly few take time before a change to assess systematically who might resist the change initiative, and for what reason. Kotter and Schlesinger (2008: 27-40) further acknowledge that individuals and groups can react to change in many different ways: from passively resisting it, to aggressively trying to undermine it, to sincerely embracing it.

2.1.7. Theories of Change

Theories of change are the ideas and hypotheses that people and organizations have about how change happens. These theories can be conscious or unconscious and are based on personal beliefs, assumptions and a necessarily limited, personal perception of reality (Marjan et al., 2015). It is also a process-oriented approach to analyzing the complex systems in which organizational activities are carried out and planning actions which will influence parts of the system in a positive way. Theory of change is an ongoing process of reflection to explore change and how it happens - and what that means for the part we play in a particular context, sector and/or group of people. (Cathy, 2011).Theory of change is articulation of beliefs, assumptions and hypothesis about how change will happen in a programmed (Patricia, 2012).

2.1.7.1. The contingency Theory

The theory stated that the external environment has an impact on organizational structure and management, and that different forms of organization occur under different environmental conditions. Thus, they concluded that there is not one best way to organize and that various forms of organization have to be adapted to the environmental conditions (Lawrence and Lorsch, 1969).

The theory formulated by Kast and Rosenzweig in the 1980 as a view seeking to understand interrelationships among subsystems to define patterns of relationships between key variables. It is directed toward understanding how organizations act under varying conditions and which actions would be the most appropriate for specific situations (Kast and Rosenzweig, 1984). According to contingency view, one key management function is to develop congruence between an organization and its subsystems and environment, because this leads to greater effectiveness, efficiency and satisfaction.

2.1.7.2. The Chaos Theory

The chaos theory started out with the basic principles of the systems theory and it is the study of complex, dynamic systems that reveal patterns of order out of seemingly chaotic behaviors. And chaos is ‘the final state in a system’s movement away from order and understood as the state where a system can no longer sustain a stable pattern of behavior because of an increasingly changing environment and subsequently leads to the system reorganizing itself to adjust to these changes(Murphy, 1996).

The theory attempts to understand why systems seem not to function in linear, predictable, conventional ways, but when studied from a distance display patterns and structures. Organizations can adapt, renew, maintain and grow through self- organization brought about by chaos. The contribution of the chaos theory to management lies in the appreciation of change, chaos and uncertainty and not in the distrust and need to control any disorder (Overman, 1996).

2.1.7.3. Postmodernism Theory

The theory is characterized by the coexistence of different discourses and paradoxes but with the important distinction of being part of a complex set of relationships and interlinked networks. This network of society fabricates knowledge and results in an explosion of information. The different clusters in the network of society have an organic life of growth, constant interaction, change and self-organizing processes by which meaning is created (Holtzhausen, 2000).

2.1.8. Factors Affecting Successful implementation of BSC

This section entails conceptualization of the major research variables covered by the study. The conceptual framework shows that, job description, management support and supervision are the independent variables and the dependent variable is implementation of Balanced Score Card. Lack of clear job description creates unsuitable environment for crafting performance measurement using the Balanced Score Card and this negatively affects effective implementation of BSC in public sector organizations. Absence of effective employees’ supervision strategies leads to failure of BSC implementation since employees are not effectively evaluated on how they execute various job task functions. Top management support determines how the organization managers are committed in developing and implementing balanced scorecard.

2.1.8.1. Job Description

All the measures in the balanced scorecard are crafted form the job description. A job description is a list of the general tasks, or functions, and responsibilities of a position. Typically, it also includes to whom the position reports, specifications such as the qualifications needed by the person in the job, salary range for the position, etc. A job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The analysis looks at the areas of knowledge and skills needed by the job.

Note that a role is the set of responsibilities or expected results associated with a job. A job usually includes several roles. The job description might be broadened to form a person specification. (Armstrong, 2003).The objective of a job description is to have a clear outline of duties and responsibilities to make the screening process as direct and focused as possible. Fact Based theory is used to explain the importance of job description on BSC implementation. According to the theory, employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employee's performance data that guides towards implementation of Balance Score Card (Douglas, 2007).

2.1.8.2. Management Support

Management support is the willingness and commitment of top executives on implementation of Balanced Score Card. Top management commitment is a key factor that determines the tipping point between potential success and failure when developing and implementing balanced scorecard and other management projects and systems. In almost all of the cases where the balanced scorecard was successfully developed, implemented and validated a business continuity management system, the top most contributor to the success was the keen interest exhibited by top management (Malmi, 2001). Management support is greatly determined by the organization stakeholders such as board of directors, shareholders and employees. This is clearly explained by the stakeholder theory which is a theory of organizational management and business ethics that addresses morals and values in managing an organization (Freeman, 2004).

2.1.8.3. Supervision

According to Peter (2005) supervision means the act of watching over the work or tasks of another who may lack full knowledge of the concept at hand. Supervision does not mean control of another but guidance in a work, professional or personal context. The signing of balanced scorecard in an organization is fully facilitated by the supervisors, including the functions like evaluation and scoring exercise. In some types of organizations, e.g., a matrix organization; the supervisor attends solely to the responsibilities of the supervisorial role (Malmi, 2001). However, in many organizations, the supervisor is responsible not only for supervisorial responsibilities, but also for product-line responsibilities, that is, to get a product or service out the door. Agency theory explains that different interest amongst the organization employees affects application of effective supervision procedures that supports application of Balanced Score Card. According to

Agency Theory conflicts of interest between people with different interests in the same assets such as conflict between shareholders and managers and shareholders and bond holders affects effective supervision of organization functions. This theory tries to come up with an arrangement where one party (principal) determines the work which another (the agent) undertakes (Martinez, 2004). According to Morisawa (2002) supervision often includes conducting basic management skills (decision making, problem solving, planning, delegation and meeting management), organizing teams, noticing the need for and designing new job roles in the group, hiring new employees, training new employees, employee performance management (setting goals, observing and giving feedback, addressing performance issues, firing employees, etc.) and ensuring conformance to personnel policies and other internal regulations.

2.1.8.4. Financial Resources

Financial resources are the amount of funds required to finance BSC implementation process, a major reason that makes balanced scorecard in the public sector less effective is lack of adequate financial resources. Financial resources in state corporations are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. Lack of enough financial resources and poor management of the available fund leads to poor employees' remunerations and lack of funds for hiring BSC professionals. This negatively affects effective implementation of balance score card (Kobia, 200).

2.2. Empirical Literature Review

Many companies are unsuccessful in their implementation of the BSC. This lack of success may be attributed to different factors, such as strategic problems, planning failures, and poorly defined targets and goals. However, the failed implementation may be partly attributed in to the failure to institutionalize habits and routines (Russo, Parisi, Megliorini & Almeida, 2012). Researchers have found difficulties in deploying and using the BSC. Moreover, evidence of the instrument's impact on performance improvements is lacking.

A factor frequently reported to influence effectiveness of modern performance evaluation systems such as the BSC) is organizational culture (Chang, 2007). Organizational culture is a comprehensive concept involving beliefs, traditions, norms, knowledge, and technology of an organization, thereby fundamentally affecting the behavior of members, and the organizational performance (Park and Kim, 2009).

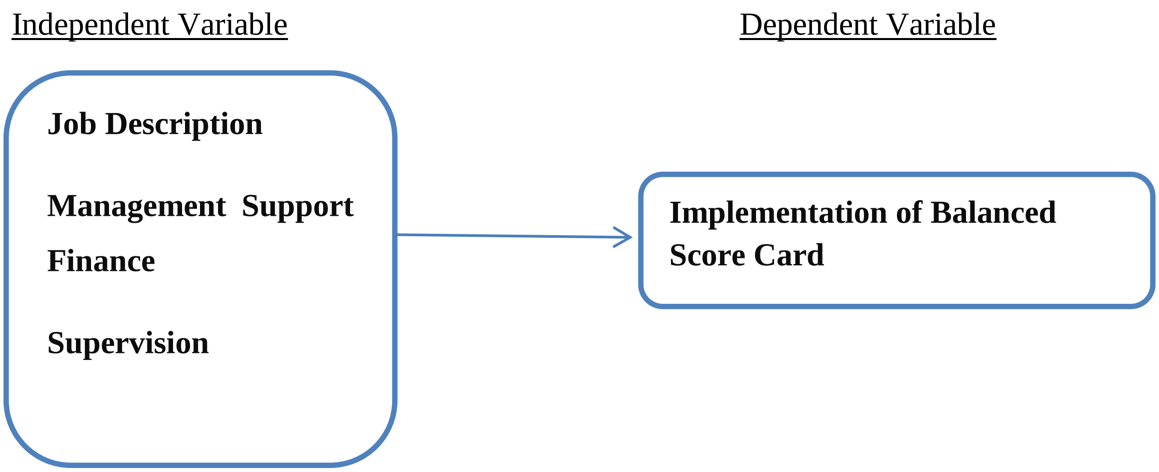
A rich literature is available in which relationship between organizational culture and adoption of new ideas and practices is discussed (Frambach & Schillewaert, 2002; Qadri, Azhar & Imam, 2013). According to Qadri et al. (2013) the successful organizations have the capability to captivate for new ideas and practices as the culture offers a platform critical for adoption-the organizational adoption of new ideas is enfolded by organization's culture. The dominant prerequisites of organizational culture like shared values, encouragement for creativity, inclination to take risk and openness have impact on adoption of new ideas and practices by two means (Luu & Venkatesh, 2010).

Alamsjah (2011) studied on the key success factors in implementing strategy and found that corporate culture (38.3%), clear strategy (36.0%), communication (33.0%), execution plan (30.1%), people competencies (27.4%), documentation (27%) and performance management (23.8%) were the most significant factors in implementation of the BSC. Anari and Alvani (2014) conducted a study on how organizational culture and values affect the BSC perspectives. The results showed that the level of organizational cultural values can significantly affect the internal business process, customer and learning and growth. In Pakistan, Qadri et al. (2013) conducted a study on organizational factors as a barrier of balance scorecard adoption for performance measurement.

2.3. Conceptual Framework

This section entails conceptualization of the major research variables covered by the study. The conceptual framework shows that, job description, management support, finance and supervision are the independent variables and the dependent variable is implementation of Balance Score Card.

Lack of clear job description creates unsuitable environment for crafting performance measurement using the Balance Score Card and this negatively affects effective implementation of BSC in public sector organizations. Absence of effective employees' supervision strategies leads to failure of BSC implementation since employees are not effectively evaluated on how they execute various job task functions. Top management support determines how the organization managers are committed in developing and implementing balanced scorecard.



Source: Lo, Trevor & Wong, Peter & Cheung, Sai (2006).

Figure2. 1 Conceptual framework of BSC

Management support is the willingness and commitment of top executives on implementation of Balance Score Card.

Job description is a collection of actual employee's performance data that guides towards implementation of Balance Score Card (Douglas, 2007).

Supervision is the act of watching over the work or tasks of another who may lack full knowledge of the concept at hand.

Financial resources: are the amounts of funds required to finance BSC implementation process.

2.4. Research Hypothesis

The study formulates the following four null hypotheses as follow:

H_{01}: Job description has no effect on BSC implementation.

H_{02}: Management support has no effect on BSC implementation.

H_{03}: Supervision has no effect on BSC implementation.

H_{04}: Finance has no effect on BSC implementation.

2.5. Research Gap

Balanced scorecard does not provide a bottom line score or a unified view with clear recommendations: it is simply a list of metrics. These critics usually include in their criticism suggestions about how the 'unanswered' question postulated could be answered. Typically however, the unanswered question relates to things outside the scope of Balanced Scorecard itself such as developing strategies.

There are a few empirical studies linking the use of Balanced Scorecards to better decision making or improved financial performance of companies, but some work has been done in these areas. A review of the past studies on BSC implementation has indicated that though various studies have been conducted, there are still gaps that need be addressed. Wubit (2020) investigated the challenges of balanced scorecard implementation in public organization; balanced scorecard application in public enterprises in Ethiopia (Tessema,2005); factors affecting implementation of BSC in Ethio telecom (Hailu ,2017) and Commercial Bank of Ethiopia (Netsanet, 2019), the contribution of BSC on performance appraisals of private organization (Yosef, 2018). As Public or private organization as well as financial and non-financial institution unique for their strategies and organizational goal this study will be novel in its approach on comparative approach of public and private financial institutions with respect to factors affecting successful implementation of Balanced Scorecard.

The past studies and the theoretical review hence explained different researchers' opinions on the use of balanced score card but none of the researchers clearly explained how public sector organizations should effectively implement balanced score card, this has therefore left some major gaps that calls for a thorough research study on balanced score card implementation. The major gaps identified by the study include; job description gap, management support gap, supervision gap and finance gap.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

This chapter explores the methodological approach for the study and it covers the design, population sample, data analysis and presentation.

3.1. Description of the Study Area

The study considered a comparative case study of public enterprise and private business enterprises. Commercial Bank of Ethiopia since its one of the state enterprises that has been experiencing balanced score card implementation challenges. The organizations are located in Addis Ababa, and its organizational structure made it suitable to gather reliable and accurate information that reflected the major factors affecting implementation of balanced scorecard in government owned financial enterprises.

3.2. Research Design

The study adopted descriptive and inferential research design. Since the study intended to gather quantitative and qualitative data that describes the nature and characteristics of factors affecting implementation of balanced scorecard in state owned corporations. According to Sekeran (2003), descriptive research design is type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. Mugenda (1999) describes descriptive research as including surveys and fact- finding enquiries adding that the major purpose of descriptive research is description of the state of affairs as it exists at present. In addition to analyze relative effects of the independent variables: management support, supervision, finance and job description; on dependent variable: implementation of BSC; correlation and regression analysis is implemented. The study considered this design appropriate since it facilitated towards gathering of reliable data describing the true characteristics of factors affecting implementation of balanced scorecard in Commercial Bank of Ethiopia.

3.3. Research Approach

In this research mixed method is utilized. According to Creswell (2014) by using mixed approach, the study provides a better understanding of the problem than those using either qualitative or quantitative methods. Besides, combining these methods gives strength that offsets the weaknesses of the two methods.

This mixed method research approach follows embedded research strategy for triangulation of data. This strategy is selected because it is devoted to answer different questions that require different types of data: quantitative and qualitative.

3.4. Population of the Study

The study population comprised of 121 staff working at Commercial Bank of Ethiopia (CBE). The relative numbers of top management, middle level management, lower level management, and staff employee of the organizations is presented in Table 3.1.

3.5. Sample and Sampling Methods

The study will apply a probability sampling design and stratified random sampling technique. This sampling technique is selected on the basis of accessing representative sample of the whole population and categories of selected employees of different levels. According to Dempsey (2003) stratified sampling is considered appropriate since it gives all respondents an equal chance of being selected as a study respondent and thus it has no bias and eases generalization of the obtained findings. Stratified random sampling was used to group respondents into four strata namely, top management, middle level management, lower management and others employee. Then, a total of 93 sample respondents are select by using Yamane Taro (1967) formula of sample size determination from a total of 121 target population. Finally, the determined sample size is proportionately distributed with respect to the four strata in the organization. The summaries of population and sample sizes are presented in table 3.2.

$$n = \frac{N}{1 + N(e^2)}$$

Where,
N = is total number of population
n = number of sample
e = margin of error

Sampling Error: 5 % of error (95% confidence interval) is selected and used in this study.

N = 128

e = 0.05

Substituting these values in the equation, estimated sample size (n) was:

$$n = \frac{128}{1+128(0.05^2)}$$

$$= 96.89$$

Therefore n = **97**

Table 3.1. Summaries of population and sample sizes

Category	CBE	
	Population	Sample
Top Management staff	4	3
Middle level Management staff	8	10
Lower Management staff	12	8
Other Employee	97	76
Total	**121**	**97**

3.6. Tools for Data Collection

Data collection instrument is a device used to collect data in an objective and a systematic manner for the purpose of the research. Data collection instruments can be questionnaires, interviews, schedules and available records. The study collects data through questioning method where questionnaires will used as the main data collection instrument. Questionnaires are filled in by respondents for the purpose of the research study (Morris, 2001). In this study the main data collection instruments will be the questionnaires containing both open ended and close ended questions. Questionnaires are preferred because it is effective data collection instruments that allow respondents to give much of their opinions are pertaining the researched problem (Dempsey, 2003). According to Kothari (2003) the information obtained from questionnaires is free from bias and researchers influence and thus accurate and valid data was gathered. The questions addressed by the questionnaires will seek to find out the factors affecting implementation of balanced scorecard in the selected organizations, and the questionnaire is adapted from Kaplan and Norton (1993) and Bayer (2007).

3.7. Source of Data

The study will use both primary and secondary data that are matches with the main themes of the research.

Primary data presents the actual information that was obtained for the purpose of the research study. For this study primary data is gathered through the use of questioning method in form of a semi structured questionnaire and key informant interview. Secondary data is the data that is collected for other purpose but it was still usable in this type of research study, it involved past data that had been previously collected and tabulated through use of graphs, charts and reports. This type of data will collected from reference materials, which had key information that was helpful to this research study.

3.8. Data Processing and Analysis

The questionnaires will collect from the respondents and checked for completeness. The questionnaires will edit, coded and organized as per each variable. Descriptive statistics data analysis method is applied to analyze numerical data gathered using closed ended questions. The Statistical Package for Social Sciences (SPSS) computer software is used for analysis to generate data arrays that will used for subsequent analysis of the data. The data is cleaned, coded, categorized per each of the research variables and then analyzed using descriptive analysis such as percentage mean and Standard deviation. Pearson correlation is carried out to establish the relationship between the research variables. The findings will present using tables, since tables are user friendly and show response frequencies as well as percentages of the respondents' opinions on factors affecting the implementation of balanced scorecard. Qualitative data analyses method will applied to analyze the data gathered using open end questions where the respondents give their personal opinions on factors affecting implementation of balanced scorecard in selected organizations.

3.9. Ethical Considerations

Ethics will a concern of a researcher while planning, designing, conducting and writing the research report. According to Punch (1994), implication and consequences of the research on participants' psychological, social, political, religious, cultural and economic life should be seriously considered. The researcher will commit to respect the ethical principles of conducting a research. The respondents, interviewees and discussants were asked to participate voluntarily, freely and even allowed discontinuing their participation if they feel discomfort. Moreover, their consent will solicit to tape-record their responses and to take their photos during key informant interview.

They will also informed about the confidentiality of the information they give through interview, and questionnaire in that it will be kept secret and will not be transferred to a third party or will not be used for any other purpose than this study. Above all, the researcher arranged and guided interview sessions through keeping the participants' privacy and providing the necessary respect for them.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

Under this section, the researcher attempts to present the collected data results or findings through discussion and interpretation.

4.1. Response Rate

In this study, the researcher distributed 97 questionnaires to employees of Commercial Bank of Ethiopia Central region Head office at different positions and only 93 questionnaires were returned. Therefore, a response rate of 95.86% was achieved.

4.2. Profile of Respondent

Gender

The study result shows in table 4.1 that 53.8 percent of the respondents who participated in the study were males and 46.2 percent were females. This indicates that both genders were represented in the study and hence there were no cases of data misrepresentation arising from gender parity.

Educational background

Similarly Table 4.1 below, presented the academic status of the sampled respondent as, more than three fourth (80.6 percent) of them are first degree holders, which is followed by 11.8 percent were second degree and above in their academic status, and the remaining 7.5 percent of the study participant own college diploma. The result confirms that the sample respondents are able to read and interpret questions found in the questionnaire written in English.

Years of service

The Table 4.1 below presented the working experience held by the respondents who participated in the research study. The result shows that 30.1 percent of the respondents had a working experience of 6 to 10 years, 35.5 percent 5 years and below, 8.6 percent 11 to 15 years, 23.7 percent 21 to 25 years, and 2.2 percent were served for above 25 years. This demonstrated that most of the respondents had a long working experience and were likely to have experienced the factors affecting implementation of balanced scorecard in the organizations.

Table 4. 1. Demographic characteristics of respondents

Parameters	Options	Frequency	Percentage
Gender of respondent	Male	50	53.8
	Female	43	46.2
	Total	93	100
Educational background	Diploma	7	7.5
	First degree	75	80.6
	Second degree and above	11	11.8
	Total	93	100
Years of service	5 years and below	33	35.5
	6 to 10 years	28	30.1
	11 to 15 years	8	8.6
	16 to 20 years	22	23.7
	21 to 25 years	2	2.2
	Total	93	100
Management level	Customer service officer	55	59.1
	Lower management	16	17.2
	Middle management	14	15.1
	Top management	8	8.6
	Total	93	100
Department	Quality assurance	2	2.2
	Marketing	12	12.9
	Human resource	2	2.2
	Public relation	6	6.5
	Administration	15	16.1
	Finance	56	60.2

Source: Own survey, 2022.

Management level

The same Table 4.1 above shows the respondents management levels. The table indicates that more (59.1 percent) of the survey participant are customer service officer, 17.2 percent are lower level management, 15.1 percent are middle level management, and the remaining 8.6 percent are top managements. The result confirms that the study participant served as proper information providers for the study on implementation of BSC in their organizations.

Department

Table 4.1 showed above presents that out of the 93 sampled respondents who participated in the study; 60.2 percent were in finance department, 16.1 percent were in administration department, 12.9 percent were from marketing department, 6.5 percent selected from public relation department, 2.2 percent were from human resource department, and the remaining 2.2 percent was from quality assurance department.

4.3. Descriptive Analysis of issues influencing implementation of BSC

4.3.1. Influence of Job Description on the Implementation of Balanced Scorecard

Sampled respondents from CBE were asked to express how they agreed on the effect of job description on implementation of balanced score card in the organizations. Factors affecting BSC implementation with respect to job description interpreted in terms of five aspects.

As presented in the table 4.4 majority (45.5 percent) of Commercial Bank of Ethiopia employee strongly agree on that well stated organizational goals and objective contribute positive effect on successful implementation of BSC with mean value of 3.72; 45.5 percent of survey participant strongly agree on clearly defined and structured Job descriptions in Commercial Bank of Ethiopia enhance its BSC implementation with mean value of 3.79; one fourth (24.7 percent) of Commercial Bank of Ethiopia respondents strongly agree on formulation of appropriate personnel has an effect on BSC implementation with mean value 3.22; similarly about one fourth (26.0 percent) of survey participant were strongly agree on clear definition and description of Commercial Bank of Ethiopia employee requirements and qualification influence successful implementation of Commercial Bank of Ethiopia with mean value of 3.29; and about one third (33.8 percent) of Commercial Bank of Ethiopia respondent not decided yet on the effect of an already deployed well-structured employee performance data system on BSC implementation in the organization with mean value of 3.10.

Table 4.2: Job description factor statistics

Description	Statistics	SDA	DA	N	AG	SA	Mean	SD
Organizational objectives/goals are well stated/ set	Frequency	6	14	10	12	35		
	Percent	7.8	18.2	13.0	15.6	45.5	3.72	1.40
There is clearly defined and structured Job descriptions	Frequency	3	15	12	12	35		
	Percent	3.9	19.5	15.6	15.6	45.5	3.79	1.31
The organization formulated appropriate Personnel	Frequency	8	19	17	14	19		
	Percent	10.4	24.7	22.1	18.2	24.7	3.22	1.34
Requirements and Employees qualifications are clearly defined	Frequency	11	13	15	18	20		
	Percent	14.3	16.9	19.5	23.4	26.0	3.29	1.39
Well-structured employees performance data system put in place	Frequency	10	12	26	18	11		
	Percent	13.0	15.6	33.8	23.4	14.3	3.10	1.22

Source: Own survey, 2022.

requirements and qualification influence successful implementation of BIB with mean value of 3.19; and about one third (33.3 percent) of BIB respondent not yet decided on the effect of an already deployed well-structured employee performance data system on BSC implementation in the organization with mean value of 2.94. The aforementioned mean values confirmed that well stated objectives, clearly defined job description, formation of appropriate personnel affect the implementation of balanced score card to large extents. These findings supported the Fact Based theory by Douglas (2007) that employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employees' performance data that guides towards implementation of Balanced Score Card (Douglas, 2007).

The study found out that job description was a major factor affecting effective implementation of balanced score card in the origination since job description helped to identify and measure individual employees' performance tasks and this supported effective implementation of balanced score card as clear and accurate employee's performance data was collected. The study noted that lack of proper job analysis and evaluation in the organization hindered effective description of employees' jobs roles and responsibilities and this hindered gathering of accurate employees' performance. It was noted that accurate performance data helped to align the employees' performance levels with organization performance goals.

These findings contended with Armstrong (2003) that all the measures in the balanced scorecard are crafted from the job description since clear job description helps in gathering reliable employees' performance data that guides in implementation of balanced score card by keeping employees performance levels to be in tandem with key performance indicators outlined in the balanced score card. The study established that clear job description allowed measurement of employees' performance and influenced improvement of the level of employee's performance.

4.3.2. Influence of Management Support on the Implementation of Balanced Scorecard

Survey participant from Commercial Bank of Ethiopia were asked to express how they agreed on the effect of management support on implementation of balanced score card in the organizations. Factors affecting BSC implementation with respect to management support discussed in terms of five aspects.

Table 4.3 Management support factor statistics

Description	Statistics	SDA	DA	N	AG	SA	Mean	SD
Stakeholders support the implementation of BSC	Frequency	17	10	26	12	12		
	Percent	22.1	13.0	33.8	15.6	15.6	2.86	1.34
Organ'l culture enhance implementation of BSC	Frequency	14	18	14	22	9		
	Percent	18.2	23.4	18.2	28.6	11.7	2.92	1.31
Top mag't support implementation of BSC	Frequency	14	15	22	7	19		
	Percent	18.2	19.5	28.6	9.1	24.7	3.02	1.42
Employees committed to implementation of BSC	Frequency	16	11	13	24	13		
	Percent	20.8	14.3	16.9	31.2	16.9	3.09	1.40
Lower level Management support BSC implementation	Frequency	13	19	18	14	13		
	Percent	16.9	24.7	23.4	18.2	16.9	2.93	1.34

Source: Own survey, 2022.

As presented in the table 4.5 one third (33.8 percent) of Commercial Bank of Ethiopia employee not yet decided to agree or disagree on that the support of stakeholders towards successful implementation of BSC with mean value of 2.86; more than two thirds (28.6 percent) of survey participant agree on the culture prevails in the organization enhance BSC implementation with mean value of 2.92; more than one fourth (28.6 percent) of Commercial Bank of Ethiopia respondents indeterminate to the influence of top management support on successful implementation of BSC in Commercial Bank of Ethiopia with mean value of 3.02; about one fifth (20.8 percent) of survey participant were strongly disagree on the enhancement of successful implementation of BSC due to commitments of the organization employee with mean value of 3.09; and about one fourth (24.7 percent) of Commercial Bank of Ethiopia respondent disagree on the effect of lower level management support on successful BSC implementation in the organization with mean value of 2.93 the value dictates that lower level management support BSC implementation to lower extent .

Unlike the case of stakeholders theory by Eden (2001) allowing stakeholders to take part in strategy development has proven useful in implementation of balanced score card. The survey respondents affirmed that stakeholders support in strategy development was less useful in the implementation of balanced score card in the organization.

Management support has indifferent effect on successful implementation of BSC in Commercial Bank of Ethiopia. These findings supported Management by Objectives Theory by George (2005) that Management by Objectives is "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members towards implementation of the BSC in the organization.

4.3.3. Influence of Supervision on the Implementation of Balanced Scorecard

The study participant from Commercial Bank of Ethiopia were asked to express how they agreed on the effect of supervision on successful implementation of balanced score card in the organizations. Factors affecting BSC implementation with respect to supervision discussed in terms of seven aspects.

Table 4.4. Supervision factor statistics

Description	Statistics	SDA	DA	N	AG	SA	Mean	SD
Supervision conducted according to basic management skills	Frequency	5	19	16	14	23		
	Percent	6.5	24.7	20.8	18.2	29.9	3.40	1.32
Teams organized for successful implementation of BSC	Frequency	2	17	18	18	22		
	Percent	2.6	22.1	23.4	23.4	28.6	3.53	1.19

Within the team new job roles designed to enhance BSC implementation	Frequency	0	27	12	16	22		
	Percent	0	35.1	15.6	20.8	28.6	3.42	1.24
New employees are hired to fill knowledge/ skill gap of organ.	Frequency	2	16	12	19	28		
	Percent	2.6	20.8	15.6	24.7	36.4	3.71	1.23
Training & dev't programs conducting for new employees	Frequency	5	9	13	31	19		
	Percent	6.5	11.7	16.9	40.3	24.7	3.64	1.16
Employee performance measured according to performance appraisal plan	Frequency	4	14	20	31	8		
	Percent	5.2	18.2	26.0	40.3	10.4	3.32	1.05
The implementation program lacks of effective supervision strategies	Frequency	9	19	13	7	29		
	Percent	11.7	24.7	16.9	9.1	37.7	3.36	1.48

Source: Own survey, 2022.

As presented in the table 4.6 more than one fourth (29.9 percent) of Commercial Bank of Ethiopia employee strongly agree on that the contribution of basic management skill based supervision proceed in the organization on enhancement of successful implementation of BSC in the bank with mean value of 3.40, it indicate that skill based supervision has moderate effect on BSC success; More than one fourth (28.6 percent) of survey participant agree on the establishment of BSC team to lead the procedure towards enhancement of BSC implementation with mean value of 3.53 as a result establishment of BSC team has effect ranked at large extent; More than one fourth (28.6 percent) of Commercial Bank of Ethiopia respondents is strongly agree on that the design of job roles among BSC team members has an effect on successful implementation of BSC in Commercial Bank of Ethiopia with mean value of 3.42 so designing of BSC team members job cause the success to large extent; more than two third (36.4 percent) of survey participant were strongly agree on that the organization hire new employees to fill knowledge and skill gap in order to successful implementation of BSC through equipping the team members with an appropriate excellence of BSC with mean value of 3.71; two fifth (40.3 percent) of Commercial Bank of Ethiopia respondent agree on that training and development programs provided by the bank to its new employee has an effect on successful implementation BSC in the organization with mean value of 3.64; out of sampled respondent of Commercial Bank of Ethiopia 40.3 percent were agree on that the measurement of employee performance based on the bank performance appraisal plan promote successful implementation of BSC in the bank with mean value of 3.32; and more than two third(37.7 percent) of survey participant disagree on the lack of effective supervision on promoting successful implementation of Buna International Bank with mean value of 3.36, so lack of effective supervision affect the implementation to little extent.

The management support has indifferent effect on successful implementation of BSC in Commercial Bank of Ethiopia.. These findings supported Management by Objectives Theory by George (2005) that Management by Objectives is “a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members towards implementation of the BSC in the organization.

Employees’ supervision was found to affect effective implementation of balanced score card in both organizations. Effective employees supervision process supported the implementation of the four balanced score card perspective and hence led to effective implementation of balanced score card in the organizations. This harmonized with the Balance Score Card theory by Kaplan and David (2001) hat employees job description, better employees supervision and increased level of top management support supports the implementation of the four balanced score card perspective and hence lead to effective implementation of balanced score card in the organizations.

The respondents explained that lack of effective employees’ supervision method negatively affected implementation of BSC in the organization and this concurred with findings by Meena

(2009) that employees' supervision was major factor that greatly affected effective implementation of balanced score card in both public sector and private sector organizations. According to Maltz (2007) that conducting basic management skills, organizing teams, designing new job roles in the group, hiring new employees, training new employees and employee performance management affects supervision during implementation of balanced score card to a large extent.

4.3.4. Influence of Financial Resources on the Implementation of Balanced Scorecard

The research participant from Commercial Bank of Ethiopia were asked to express how they agreed on the effect of financial resources on successful implementation of balanced score card in the organizations. Factors affecting BSC implementation with respect to financial resources discussed in terms of five aspects.

Table 4.5Financial resource factor statistics

Description	Statistics	SDA	DA	N	AG	SA	Mean	SD
Issues of Financial resources								
Inadequate financial resources allocated for BSC implementation	Frequency	4	25	14	14	20		
	Percent	5.2	32.5	18.2	18.2	26.0	3.27	1.30
Incentive-based pay system to enhance implementation of BSC	Frequency	5	15	16	18	23		
	Percent	6.5	19.5	20.8	23.4	29.9	3.50	1.28
Employees remuneration is based on qualification and performance	Frequency	5	14	24	4	30		
	Percent	6.5	18.2	31.2	5.2	39.0	3.51	1.34
Rewards motivate employees BSC implementation	Frequency	5	15	23	7	27		
	Percent	6.5	19.5	29.9	9.1	35.1	3.46	1.32
BSC experts are hire to facilitate effective implementation of BSC	Frequency	12	19	9	14	23		
	Percent	15.6	24.7	11.7	18.2	29.9	3.22	1.49

Source: Own survey, 2022.

As table 4.7 above presented about one third (32.5 percent) of Commercial Bank of Ethiopia employee agree on that Commercial Bank of Ethiopia allocate adequate financial resources to guarantee successful implementation of BSC in the bank with mean value of 3.27. It indicate the respondent inclined to agreement on for successful practice of BSC; from total number of survey participant of Commercial Bank of Ethiopia 29.9 percent of them strongly agree on incentive based pay system of Commercial Bank of Ethiopia enhance effective implementation of balanced scorecard with mean value of 3.50. It confirms that they rely on incentive promote success story of balanced score card; about two fifth(39.0 percent) study participant strongly agree on that qualification and performance based remuneration mechanisms contribute more on enhanced implementation of balanced scorecard with mean value of 3.51. This mean recall that qualification and performance based payment is crucial to implementation of the strategy; from sampled respondents of Commercial Bank of Ethiopia 36.1 percent of them strongly agree on Commercial Bank of Ethiopia employee motivated by rewards facilitate successful implementation of balanced scorecard with mean value of 3.30. This indicate that reward system of the bank add its own value on efficiency of balanced score card; and 29.9 percent of sampled employee strongly agree on that hiring of balanced scorecard expert is crucial to implement and meet the objectives of the strategy with mean value of 3.22. The mean confirmed that expertize knowledge of BSC is basic inputs of successful implementation of the strategy in Commercial Bank of Ethiopia.

The respondents explained that lack of sufficient financial resources hinders effective implementation of Balanced Score Card. This deal with findings by Teemu (2010) that lack of sufficient financial resources hinders effective implementation of Balanced Score Card and this contributes towards realization of declined organizations performance. The survey result also supported by findings of Yee-Chin (2009) that limited financial resources hinders allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affects the success of the BSC implementation process in many state corporations.

4.4. Correlational Analysis of factors affecting implementation of BSC

Pearson correlation was carried out to determine how the research variables related to each over and reflects the degree of linear relationship between factors and it ranges from +1 to -1.

Correlation of +1 is a perfect positive linear relationship between variables and correlation of -1 is a perfect negative linear relationship between variables (Serekan, 2003).

4.4.1. Correlational Analysis of Commercial Bank of Ethiopia

Correlational analysis of Commercial Bank of Ethiopia as presented in table 4.2 below: job description had a strong positive correlation with BSC implementation (r = 0.907). This correlation was found to be statistically significant at 95% significance level (p-value = 0.000). Management support was found to have a statistically significant fairly strong positive correlation with BSC implementation (r=0.873, p-value = 0.000). Supervision had a strong positive correlation with BSC implementation (r=0.926). The relationship was found to be statistically significant at 95% significance level (p-value = 0.000). Finance had a strong positive correlation with BSC implementation (r=0.868). The relationship was found to be statistically significant at 95% significance level (p-value = 0.000). All the independent variables had a strong positive correlation with BSC implementation (p-values < 0.01), therefore all the factors; job description, management support, supervisions and financial resources affected the successful implementation of balanced score card in Commercial Bank Buna International Bank.

The result of correlation analysis indicated that supervision has very high significantly correlated than the rest of all factors in terms of their impacts on implementation of BSC with Pearson correlation coefficient of 0.926; job description is the second highly correlated factor next to supervision with Pearson correlation coefficient of 0.907; the third highly correlated factor is management support with Pearson correlation coefficient of 0.868; and finance is the least of all factors correlated to BSC implementation with Pearson correlation coefficient of 0.868. So the management should pay attention on supervision as it is highly and significantly correlated to implementation of balanced scorecard in Commercial Bank of Ethiopia.

Table 4.6 Correlational analysis of Commercial Bank of Ethiopia

		BSC	Job description	Management	Supervision	Finance
BSC	Pearson Correlation	1	.907**	.873**	.926**	.868**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	77	77	77	77	77
Job description	Pearson Correlation	.907**	1	.752**	.819**	.661**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	77	77	77	77	77
Management	Pearson Correlation	.873**	.752**	1	.729**	.658**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	77	77	77	77	77
Supervision	Pearson Correlation	.926**	.819**	.729**	1	.773**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	77	77	77	77	77
Finance	Pearson Correlation	.868**	.661**	.658**	.773**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	77	77	77	77	77

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

4.5. Regression Analysis

Table 4.7 ANOVA Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.678	4	25.893	.	.[b]
	Residual	.000	89	.000		
	Total	77.678	93			

a. Dependent Variable: BSCIMPLEMENTATION

b. Predictors: (Constant), job description, management support, supervision, finance

In the above table 4.12 the regression model presents how much of the variance in BSC implementation explained by the underlying factors. The model or the predictor variables have accounted for 77.67% of the variability. This means more than 77.67% of variations in BSC implementation were explained by independent variables included in the model. However, the remaining 22.33% changes in BSC implementation are caused by other factors that are not included in the model.

Table 4.8 Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.050	.076		.651	.517
	Job description	.247	.033	.301	7.398	.000
	Management support	.308	.033	.323	9.454	.000
	Supervision	.433	.038	.444	11.333	.000
	Finance	.187	.024	.212	3.154	.000

a. Dependent Variable: BSCIMPLEMENTATION

Job Description

As it is shown in table 4.8 above coefficient of job description is 0.301 with its p-value 0.000. It can be seen that maintaining other explanatory variables constant job description was found to have a positive and statistically significant impact on BSC implementation as its value of significance is less than 0.05. Therefore the researcher rejects the null hypothesis that stated job description has no effect on successful implementation of BSC. The coefficient 0.301 indicates that if job description changed by one unit implementation of BSC has to be changed by 0.372 units.

Management Support

As it is shown in table 4.8 above coefficient of management support is 0.323 with its p-value 0.000. It can be seen that maintaining other explanatory variables constant management support was found to have a positive and statistically significant impact on BSC implementation as its value of significance is less than 0.05. Therefore the researcher rejects the null hypothesis that management support has no effect on successful implementation of BSC. The coefficient 0.323 indicates that if management support changed by one unit implementation of BSC has to be changed by 0.323 units.

Supervision

As it is shown in table 4.8 above coefficient of supervision is 0.444 with its p-value 0.000. It can be seen that maintaining other explanatory variables constant supervision was found to have a positive and statistically significant impact on BSC implementation as its value of significance is less than 0.05. Therefore the researcher rejects the null hypothesis that supervision has no effect on successful implementation of BSC. The coefficient 0.444 indicates that if supervision changed by one unit implementation of BSC has to be changed by 0.444 units.

Finance

As it is shown in table 4.8 above coefficient of finance is 0.212 with its p-value 0.000. It can be seen that maintaining other explanatory variables constant finance was found to have a positive and statistically significant impact on BSC implementation as its value of significance is less than 0.05. Therefore the researcher rejects the null hypothesis that finance has no effect on successful implementation of BSC. The coefficient 0.212 indicates that if finance changed by one unit implementation of BSC has to be changed by 0.212 units.

The overall regression equation is become $Y= \beta_1X_1+\beta_2X_2+\beta_3X_3+ \beta_4X_4 + \beta_0$

Where: Y is BSC implementation, X_1 job description, X_2 management support, X_3 supervision, X_4 support; β_1,β_2,$\beta_{3,}$ β_4 and are coefficients of job description, management support, supervision and finance respectively; β_0 is constant term.

Therefore $Y= 0.301X_1+0.323X_2+0.444X_3+ 0.212X_4 +0.500$

CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses conclusions and recommendations of the research study. The summary of findings gives an in-depth explanation of the factors influencing implementation of balanced scorecard in financial institution, a comparative case study of Commercial Bank of Ethiopia and Buna International Bank. This chapter draws the study conclusions and gives suggestions for further studies

5.1. Summary of Major findings

These findings supported the Fact Based theory by Douglas (2007) that employees' job description must be clear to allow measurement of employees' performance tasks. It was further noted that the organization objectives/goals, job analysis affects, personnel specification, employees' qualifications and employees performance data collection were the major factors influencing job description to affect implementation of balanced score card to a large extent.

Management support was found to be a major factor that greatly affected effective implementation of balanced score card in CBE and AIB. The study noted that the effective implementation of balanced score card required the top management to give much emphasis on BSC four perspectives namely; the financial perspective, internal business processes, learning and growth perspective and customer perspective. This concurred with Kaplan and Norton theory (2002) that effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives and effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives.

It was identified that lack of top management support affected the organization management to identify organization goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for implementing the BSC. These findings supported Management by Objectives Theory by George (2005) that Management by Objectives is "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected, and use these measures as guides for operating the unit and assessing the contribution of each of its members towards implementation of the BSC in the organization.

The study further found out that the level of stake holders support, the level of top management support, the level of employees commitment and organization culture affected implementation of balanced score card to a large extent. It was noted that stakeholders support in strategy development greatly influenced implementation of balanced score card and this contended with stakeholders theory by Eden (2001)allowing stakeholders to take part in strategy development has proven useful in implementation of balanced score card.

The organizations were found to lack effective employees' supervision strategies and lack of effective employees' supervision method negatively affected implementation of BSC in the organization. This agreed with findings by Meena (2009) that employees' supervision was major factor that greatly affected effective implementation of balanced score card in both public sector and private sector organizations.

The study further noted that conducting basic management skills, organizing teams, designing new job roles, hiring new employees, training new employees and employees' performance management influenced supervision to affect BSC implementation to a large extent. These findings supported findings by Maltz (2007) that conducting basic management skills, organizing teams, designing new job roles in the group, hiring new employees, training new employees and employee performance management affects supervision during implementation of balanced score card to a large extent.

The study found out that lack of adequate financial resources was a major factor affecting effective implementation of balanced score card in the organization. It was noted that lack of enough financial resources hindered effective financing of BSC project implementation and this was in agreement with Kobia (2007) that financial resources in public sector organizations and others are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. It was revealed that inadequate financial resources, incentive based pay system, poor employees' remuneration lack of employees' rewards and ability to hire BSC professionals affected implementation of BSC to a large extent.

The study noted that lack of adequate financial resources hindered allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affected the success of the BSC implementation process in many state corporations. This contended with findings by Yee-Chin (2009) that limited financial resources hinders allocation of sufficient resources for employees training, remuneration and hiring of BSC professionals and this affects the success of the BSC implementation process in many organizations.

Other Factors Affecting the effective implementation of Balanced Score Card in Ethiopia includes lack of trained personnel, application of ineffective corporate governance practices in the organization; outsourcing of incompetent consultants to guide on balanced score implementation process.

In addition continuous employees training, use of effective leadership styles, high level of employees engagement, sourcing of competent BSC consultants, employees motivation, job satisfaction and recruitment of competent and committed employee are complementary factors for successful implementation of balanced score card.

5.2. Conclusions

The Balanced Scorecard is a management system that enables organizations to clarify their vision and strategy and translate them into action. When fully deployed, the Balanced Scorecard transforms theoretical strategic planning into the core process of organizational excellence. In many financial institutions, effective implementation of balanced score card is major challenge hindering realization of increased business performance in terms of improved quality of service delivery. The key notable factors obstructing the success of BSC implementation in state owned and private corporations includes; poor employee job description, low level of top management support, poor employee supervision and inadequate financial resources.

Many state owned and private corporations in Ethiopia lacks effective mechanisms in place for supporting effective implementation of BSC and this leads to declined level of organization performance. It is noteworthy to understand that the key notable mechanisms in place within the organization aimed at having successful implementation of balanced score card includes; setting clear organization mission, vision and objectives, documenting core processes for each department, aligning cascading department core processes with corporate objectives, creating score card measures for each department, creating measures to monitor and measure score card achievement for each department and creating score card achievement report for each department and submitting to executive management.

Effective job description helps to craft all the measures of balanced score card, a job description is usually developed by conducting a job analysis, which includes examining the tasks and sequences of tasks necessary to perform the job. The objective of a job description is to have a clear outline of duties and responsibilities to make the screening process as direct and focused as possible. Employees' job description must be clear to allow measurement of employees' performance tasks. Effective job description leads to collection of actual employees' performance data that guides towards implementation of Balanced Score Card.

Top management commitment is a key factor that determines the tipping point between potential success and failure when developing and implementing balanced scorecard and other management projects and systems. Management support is greatly determined by the organization stakeholders such as board of directors, shareholders and employees. This is clearly explained by the stakeholder theory which is a theory of organizational management and business ethics that addresses morals and values in managing an organization.

Supervision supports effective implementation of balanced scorecard in an organization, supervision often includes conducting basic management skills, organizing teams, noticing the need for and designing new job roles in the group, hiring new employees, training new employees, employee performance management and ensuring conformance to personnel policies and other internal regulations. Financial resources in state corporations are hardly enough to achieve the desired targets and in some cases targets are based on the availability of resources. Lack of enough financial resources and poor management of the available fund leads to poor employees' remunerations and lack of funds for hiring BSC professionals. This negatively affects effective implementation of balance score card.

The study hence deduced that for state owned and private corporations in Ethiopia to effectively implement balanced score card, effective mechanisms for BSC implementation must be put in place, proper employee job description must be conducted, effective employees supervision methods should be employed and adequate financial resources should be allocated for BSC project implementation.

5.3. Recommendations

To effectively implement balanced scorecard in state owned and private corporations in Ethiopia, the study suggested the following recommendations:

It is therefore this study's recommendations that the middle level management of the organization to be enlightened on the importance of BSC on the success of their institutions. The ownership or shareholders needs to take initiatives in making sure that the middle level management undertakes training in the area of strategic management.

This study recommends that management of the organization to involve the employees in the whole process of the implementation of the BSC so as to achieve the best. This study found out that employee participation plays a great role in the implementation of the BSC in the insurance sector.

A prerequisite for implementing a Balanced Scorecard should be a clear understanding of the organizations vision and strategy. The basis for the vision and the strategy should be the holistic view and the information the management receives during systematic strategy work. Before an organization can start implementing a Balanced Scorecard it needs a clear understanding of its vision and strategy. It is the management s responsibility to define a vision, formulate a strategy and set strategic goals regardless of a balanced score card being implemented.

The implementation of a BSC should always be organized as a separate project. The project is very much a management system development project. Before the actual implementation starts the organization management should determine; the goals of BSC, problem to be solve by the BSC, BSC implementation team, project manager, overall corporate strategy, budget allocation and area for pilot project.

The management of the organization should undertake effective job analysis in order to effectively carry out employee's job description. Effective employee supervision methods should be used, high level top management support should be given and adequate financial resources should be allocated or BSC implementation. Effective training programs should also be employed to equip the organization employees with effective skills and competencies for supporting BSC implementation process.

This study therefore recommends that further studies be carried out on the same topic but with different case studies. The study also recommends that further studies be carried out on the implications of top level management on the implementation of the BSC.

5.4. Suggestion for Further Studies

The study aimed to investigate factors affecting implementation of balanced scorecard in Commercial Bank of Ethiopia and Buna International Bank. The study hence gave emphasis on the key notable factors which were; job description, management support, supervision and financial resources. The study therefore excluded other factors such as training, leadership styles and level of employees' commitment which were also noted to have a significant effect on implementation of BSC. Suggestion for further studies are hence highly recommended to establish other factors that might be affecting BSC implementation in state owned and private business institutions to give appropriate guidance on measure that should be put in place to support continuous application of BSC in the organization.

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Annex

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

QUESTIONNAIRE FOR SAMPLE RESPONDENT

Dear Participants, I am student of St. Mary's University conducting a research on Factors affecting implementation of Balanced Scorecard in the case of CBE. Kindly fill up this information and return. Any information obtained for this purpose will be kept strictly confidential and will only be used for academic purpose. Your cooperation will be highly appreciated in this regard. Thank You! Yours truly:

Fasika Demissie

PART 1: <u>GENERAL INFORMATION</u>

1. Gender
   - A. Male ☐ B. Female ☐
2. Educational qualification
   - A. Primary school ☐ D. Diploma ☐
   - B. High school ☐ E. First Degree ☐
   - C. TVET certificate ☐ F. Second Degree and above ☐
3. Years of service :
   - A. 5 yrs and below ☐ D. 16-20 yrs ☐
   - B. 6- 10 yrs ☐ E. 21 -25 yrs ☐
   - C. 11-15yrs ☐ F. Above 25 yrs ☐
4. Management level
   - A. Top management ☐ C. Middle level management ☐
   - B. Lower management ☐ D. Supportive staff ☐
5. Department
   - A. Quality Assurance ☐ D. Public Relation ☐
   - B. Marketing ☐ E. Administration ☐
   - C. Human Resources ☐ F. Finance ☐

PART 2: <u>Rating of factors affecting implementation of Balanced Scorecard</u>

Please indicate the extent to which the following factor affects implementation of balanced score card. Please record your answer by ticking at the space provided, by the scale indicator. (1= Strongly Disagree (SDA), 2 = Disagree (DA), 3 = Moderate (MO), 4 =Agree AG), 5 = Strongly Agree (SA)

No.	Factors	SDA (1)	DA(2)	M(3)	A(4)	SA(5)
1	Factors affecting job description					
1.1	Organizational objectives/goals are well stated/ set					
1.2	There is clearly defined and structured Job descriptions					
1.3	The organization formulated appropriate Personnel specifications					
1.4	Requirements and Employees qualifications are clearly defined					
1.5	Well-structured employees performance data collection system put in place					
2	Factors affecting management support					
2.1	Stake holders support the implementation of BSC					
2.2	The organizational culture enhance successful implementation of BSC					
2.3	Top management highly support successful implementation of BSC					
2.4	Employees are highly committed to successful implementation of BSC					
2.5	Management at lower level support the implementation of BSC					
3	Factors affecting supervision					
3.1	Super vision is conducted in accordance to basic management skills					
3.2	Teams are organized for successful implementation of BSC					
3.3	Within the team new job roles are designed to enhance BSC implementation					
3.4	New employees are hired to fill knowledge and skill gap in the organization					
3.5	Training and development programs are conducting for new employees					
3.6	Employee performance measured according to performance appraisal plan					
3.7	The implementation program lacks of effective					

	supervision strategies					
4	Factors affecting Financial resources					
4.1	Inadequate financial resources are allocated for the implementation of BSC					
4.2	Incentive-based pay system is put in place to enhance successful implementation of BSC					
4.3	Employees remuneration is done according to their qualification and performance					
4.4	Rewards systems are introduce to motivate employees towards successful implementation					
4.5	BSC experts (professionals) are hire to facilitate effective implementation of BSC					

PART 3: <u>OPEN ENDED QUESTIONS ON FACTORS</u>

6. Does job description affect the implementation of balanced scorecard in the organization?

   A. Yes ☐ B. No ☐

7. If your answer for question number 6 is yes explain?

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8. Please suggest various ways in which the organization management should improve on job description in order to support the implementation of balanced scorecard in CBE?

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9. Does the management support affect the implementation of balanced scorecard in CBE?

A. Yes ☐ B. No ☐

10. If your answer for question number 9 is yes explain?

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11. Please suggest various ways in which the organization management should improve on job description in order to support the implementation of balanced scorecard in CBE

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12. Does supervision affect the implementation of balanced scorecard in CBE ?

A. Yes ☐ B. No ☐

13. If your answer for question number 12 is yes explain

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14. Please suggest various ways in which the organization management should improve on supervision in order to support the implementation of balanced scorecard in CBE

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15. Is the implementation of balanced scorecard in CBE hindered by limited financial resource?

A. Yes ☐ B. No ☐

16. If your answer for question number 15 is yes explain

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17. Please suggest various ways in which the organization management should improve on supervision in order to support the implementation of balanced scorecard in CBE?

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