



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
OFFICE OF GRADUATE STUDIES**

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

**THE EFFECTS OF BALANCED SCORE CARD /BSC/ IMPLEMENTATION
ON PERCEIVED EMPLOYEE PERFORMANCE IN THE CASE OF ETHIO
TELECOM'S SALES DEPARTMENT**

**BY
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AUGUST, 2021

ADDIS ABABA, ETHIOPIA

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TELECOM'S SALES DEPARTMENT**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS
ABABA UNIVERSITY SCHOOL OF COMMERCE IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS
OF ARTS IN HUMAN RESOURCE MANAGEMENT**

BY

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AUGUST, 2021

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Declaration

I declare that this research report on The effects of balanced score card /BSC/ implementation on perceived employee performance in the case of Ethio –Telecom’s sales department, is my original work and has not been presented or submitted partially or fully by any other person for a degree in any university, and all the sources used in this research report have been properly recognized and acknowledged as in text citation and reference list.

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LETTER OF CERTIFICATION

This is to certify that Melat Asfaw Gashaw carried out her study on the topic entitled “effects of balanced score card /BSC/ implementation on perceived employee performance in the case of Ethio –Telecom’s sales department”. This work is original in nature and suitable for submission for the award of the Masters of Arts in Human Resource Management.

Dr. BANTE WORKIE (PHD) _____
(The Research Advisor) **Signature** **Date**

LETTER OF APPROVAL

This is to certify that the thesis prepared by Melat Asfaw Gashaw entitled “effects of balanced score card /BSC/ implementation on perceived employee performance in the case of Ethio – Telecom’s sales department”, which is submitted in partial fulfillment of the requirements for the Degree of Master in Human Resource Management, complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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LIST OF ACRONYMS AND ABBREVIATION

BSC: Balanced Scorecard

PM: Performance Management

KPIs: Key Performance Indicators

CP: Customer perspective

IP: Internal Business perspective

LP: Learning and growth perspective

FP: Financial perspective

SPSS: Statistical Package for Social Sciences

ABSTRACT

To upgrade its planning, performance measurement, and communication, Ethio telecom is carrying out a balanced score card tool. This study investigated the effects of balanced score card implementation on perceived employee performance of Ethio telecom's sales department. A sequential explanatory mixed method approach that combined both quantitative and qualitative studies to explore the central and subsidiary questions was utilized. Information was accumulated from Administrators, Advisors, Specialists, Supervisors and Managers of sales department. Semi-structured interviews with key informants, documentary evidence, and a survey questionnaire form the main evidence base. Inferential statistics (Regression and correlation) and Content analysis were used to analyze the quantitative and qualitative data separately. The result of the integrated approach indicates balanced scorecard implementation from financial and learning and growth perspectives have positive and significant effect on the performance, while customer and internal process had insignificance effect on the perceived employee performance of Ethio telecom. With the set of such findings, the study suggested that the performers of balanced scorecard to take thought to the objectives in endeavor to define key performance indicators to further develop employee performance. Close to the findings, this study perceived the need to concentrate further on the effective implementation of balanced scorecard perspectives on the company and individual levels.

Keywords: Balanced Scorecard (BSC), Employee Performance Management Process, Ethio Telecom and Sales Department.

CHAPTER ONE

1.1 Introduction

The point of this chapter was to outline the effects of balanced score card /BSC/ implementation on perceived employee performance of Ethio Telecom's sales department. The study was introduced to permit readers to comprehend the background and explanations of the study clearly. This section momentarily presents background information of the study and the company alongside with statement of the problem, research questions, objectives, significance, scope, limitations and organization of the study.

1.2 Background of the Study

Performance management is a method for improving outcomes from the organization, teams and individuals by comprehension and overseeing performance within a concurred framework of planned goals, standards and competence requirements (Armstrong and Baron, 2006). It is a key and integrated way to deal with sustained success to organizations by working on the performance of individuals who work in them and by fostering the abilities of groups and individual contributors' (Armstrong and Baron, 2006).

The performance management process begins by distinguishing the strategic goals an organization needs to achieve to stay competitive and beneficial. After these thoughts are solidified, managers recognize how they and their employees can assist with supporting organizational objectives by effectively completing work (Mathis and Jackson, 2010)

A balanced score card is an instrument that interprets an organization's mission and strategy into an extensive arrangement of performance measures that gives the structure for a strategic measurement and management system (Kaplan and Norton, 1992). A Balanced scorecard is a configuration for portraying the activities of an organization through various measures for each of (typically) four perspectives (Olive, Nils-Göran;et al, 2003).

The first and the original utilization of the balanced score card (BSC) was performance measurement (Kaplan and Norton, 1992). When utilizing the BSC to gauge performance, firms center around on the four performance measurements; financial, customer, internal process, and learning and growth measurements.

By estimating the four measurements, the BSC helps firms to follow every one of the significant parts of a company's strategy just to accomplish continual improvement of partnership and collaboration. The BSC held financial measurements as a definitive measure of a company's performance. (Kaplan and Norton, 2002)

Estimating financial measurements is vital to decide if a firm's strategy and execution is supporting the general mission of the firm (Madsen and Stenheim, 2014). For private and revenue driven associations, financial measurements center around profit and market share (business development) while for public and nongovernmental organizations, financial measurements center on some projected result-oriented measures (Madsen and Stenheim, 2014).

The BSC likewise gauges' customer perception of the organization since customers give direct incomes through sales, their impression of the firm is basic to broaden and sustain sales (Casey and Peck, 2004). Under customer point of view, the BSC estimates time, quality, performance, and cost (Kaplan and Norton, 1992). The BSC likewise gauges internal process to work on the activities that improve consumer satisfaction, and innovation and figuring out how to upgrade the abilities of employees and to acknowledge prevalent internal business process (Bose and Thomas, 2007).

Ethio telecom has been under major groundbreaking activities to turn into successful telecom operator. To accomplish these desires, various tools are being executed all through the organization for the better efficiency and effectiveness. To enhance its planning, performance measurement, and communication, it is carrying out a balanced scored card tool.

For effective execution of BSC in the organization, policies, processes and procedures were lined up with the BSC governance document. In like manner, individual divisions are assuming their liability to guarantee the alignment of policies, processes, and procedures. To execute BSC effectively, there ought to be a nearby follow up and monitoring mechanism on the planning and implementation stages. (Source: Ethio telecom BSC Governance document 2018).

1.3 Statement of Problem

As indicated by a study by Ittner and Larcker (1998, as cited to in Marvin, 2006), the changing business climate has increased dissatisfaction in utilizing exclusively traditional financial measures for performance measurement. Given the weaknesses of depending absolutely on traditional financial performance measures, performance measurement systems that joined other nonfinancial measures are required (Marvin, 2006). Kaplan and Norton (1992) presented the Balanced Scorecard in the early 1990's to defeat the inadequacies of conventional financial performance measures in the present business environment (Marvin, 2006).

As the historical backdrop of BSC shows, developed nations are utilizing BSC beginning from 1992 which is over 29 years back. When we come to Ethiopia, as demonstrated by Assefa Abdu (2020), Ethiopian government was presented BSC in 2008 as a performance measurement and management tool with objectives to achieve effectiveness and efficiency of the various aspects at the federal and regional levels through radical transformational measures. From this some positive results have been achieved. However, mere designing the balanced scorecard tool do not yield the intended results.

Toward the start of 2011/2012 budget year, Ethio telecom executed BSC by adjusting all its strategic objectives to BSC framework as a measure of performance management, which conducts in every 6 months. The scorecard measures organizational performance across four balanced perspectives: financial, customers, internal business processes, and learning and growth.

For three years, the researcher has access to attend the half year (Six month) and annual performance report prepared by sales division on BSC which was from 2018/19 G.C to 2020/2021 G.C. As observed by preliminary research conducted by asking more than thirty employees about their commitment to perception on balanced scorecard, BSC is considered as annual performance evaluation template.

In addition, most respondents didn't know the real need of BSC and the four perspectives and also the employees consider BSC for the purpose of annual increment and for promotion only.

The researcher also asked supervisors about their way of internal communication and their responses revealed that internal communication and in general the internal business process receives many complaints in a daily basis.

This study was a critical investigation of the effects of balanced scorecard implementation from Customer, Internal process, learning and growth and financial perspectives on the perceived employee performance of Ethio telecom's sales department. The knowledge gained from this study will help to build a base of evidence that can be utilized in determining the strengths and weaknesses of the current performance measurement system, and pin point areas where change or improvement may be indicated. The research questions below form the basis of the study.

1.4 Research Questions

The main question of the thesis was; what are the effects of balanced scorecard implementation on perceived employee performance of Ethio telecom's sales department?

In an attempt to answer the main question of the study, the following sub-questions were addressed.

1. What is the effect of balanced scorecard implementation under each perspectives?
2. To what extent is the awareness of Ethio telecom's sales department employees on balanced scorecard?
3. How the internal communication of Ethio telecom's sales department does work?

1.5 Objective of the Study

1.5.1 General Objective

The General purpose of this study was to investigate the effects of balanced score card /BSC/ implementation on the perceived employee performance of Ethio –Telecom’s sales department.

1.5.2 Specific Objectives

The specific objectives of the study were:

- To assess the effects of balanced scorecard implementation under each perspectives.
- To determine the extent of the awareness of Ethio telecom's sales department employees on balanced scorecard.
- To investigate how internal communication of Ethio telecom’s sales department works.

1.6 Significance of the study

In recent years, Ethio telecom has made an incredible change on its strategic plan implementation, which made improvement of performance. Concerning the future, since the privatization strategy is going to be applied, two private telecom companies will join the telecommunication industry in not so distant future.

Ethio telecom has to compete in the industry by translating its strategies in to measurable objectives and have to ensure the effectiveness of those implemented strategies.

Therefore, this study benefits Ethio telecom to find how effective is its strategic tool (BSC) implementation and it may help to take effective measures at the departmental and individual levels. This research has also significance for the body of knowledge by exploring balanced scorecard implementation in depth. The result, after conducting the research, may also use as a reference data for conducting other new researches or in testing the validity of other related findings.

Finally, through this study, the researcher had gained a deeper understanding of the actual and perceived effects of balanced scorecard on performance of the organization and also the research will have significance for the researcher in reporting the main findings and recommendation obtained from the findings to the concerned division in the organization.

1.7 Scope of the Study

The study geographically delimited to Addis Ababa, Arada sub city, offices found under head office administration. This study focused on Sales division department. The department is responsible for handling sales data and reports, compensation and incentive plans, sales processes, and customer and marketing data.

This implies, the department influences the effectiveness of performance in Ethio telecom. Therefore, in order to make the sample size manageable the study only focused on Ethio telecom Sales department.

In terms of concept, the study had two distinct dimensions, namely the effects of implementing balanced scorecard under the four independent variables and the dependent performance management process variable in the Sales Department.

In terms of time, to obtain recent data for the study and specially to investigate the effects of implementing balanced scorecard on perceived employee performance before and after Ethio telecom's great reform. This study focused on data obtained from years after 2016/17 G.C.

1.8 Limitation of the Study

The study faced limitations and constraints such as: inadequacy of company documents related to BSC due to confidentiality.

In addition, as a result of Covid-19 pandemic there were difficulties while gathering data. However, the study was carried out by collecting both the primary and secondary data.

1.9 Definition of Key Terms

BSC (balanced scorecard) – Norton and Kaplan (1990) – BSC is a strategic management system that helps managers to translate organizational strategy into operational objectives and implement it.

Performance management - Armstrong (2009), it is a systematic process for improving organizational performance by developing the performance of individuals and teams.

1.10 Organization of the study

Chapter one presents an overview of the research questions, the objective of the study, Research hypothesis, significance, scope and limitation of the study and operational definitions are discussed. Chapter two outlined the literature review, theoretical framework and the conceptual framework. Chapter three described the research methodology used in this study. It also explained how the relevant data was collected and analyzed around the specific research questions and hypothesis. In chapter four, the collected result from respondents were discussed. At last, the main findings were summarized and discussed and implications were derived from the findings. In addition, recommendations are proposed for the effective implementation of BSC from the four perspectives of balanced scorecard.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

In this chapter, literatures related to balanced scorecard are reviewed. It is organized into different sub topics: definitions of BSC, performance management, Emergence and Evolution of BSC, Basic elements and Characteristics of BSC, Balanced Scorecard Strengths, the main proponents of the BSC, the four perspectives of balanced scorecard, conditions to implement a Balanced Score Card, challenges of balanced scorecard implementation, the practice of BSC in Ethio Telecom, empirical review and finally conceptual framework are briefly discussed.

2.2. Theoretical Review

2.2.1. Performance Management

It is the process of defining clear objectives and targets for individuals and teams, and the regular review of actual achievement and eventual rewarding for target achievement (O'Callaghan, 2005). Akata (2003) considers performance management as a systematic and holistic process of work planning, monitoring and measurement aimed at continuously improving the teams and individual employee's contribution to achievement of organizational goal. As indicated by Armstrong (2000).

Performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the peoples who works in them and by developing the capabilities of individual contributors and teams. It is strategic in the sense that it is concerned with the broader issues facing a business if that business is to function effectively in its environment and with the general direction in which the business intends to go to achieve its longer term goals. Performance management is integrated in two senses:

- (i) Vertical coordination, connecting or adjusting business, group and individual targets with center capabilities, and

(ii) Horizontal coordination, connecting diverse part of human asset the board, particularly hierarchical turn of events, human turn of events, and award, to accomplish an intelligible way to deal with the administration and advancement of individuals (Armstrong and Barron, 2006; Armstrong, 2009).

Performance management in its fullest sense depends on the conviction that all that individuals accomplish at work at any level adds to accomplishing the general reason for the association. It is thusly worried about what individuals do (their work), how they do it (their conduct) and what they accomplish (their outcomes).

Armstrong (2009) referenced that the earliest reference to performance management in the writing was made by Warren (1972) and late by Beer and Ruh (1976).

He further contends that the idea and establishment of PMS depends on the administration hypothesis, for example, merit rating, the board by objective and execution evaluation. The accompanying area explains surveys of these theories.

A. Merit rating

Merit rating was the method involved with evaluating how well somebody was respected as far as character characteristics, for example, judgment or respectability and characteristics like administration or helpfulness. Legitimacy rating frequently elaborate the evaluation of decisions against each factor, probably in the conviction that the measurement of emotional decisions made them more unbiased. A few organizations utilize the complete legitimacy score as the reason for positioning workers, and this is converted into a constrained dissemination for execution pay purposes; for instance, the best 10% in the positioning get a 5 percent expansion, the following 20% a 4 percent increment, etc. The board by destinations (MBO) then, at that point came and generally went during the 1960s and 1970s, and at the same time, tests were made with appraisal methods, for example, typically secured rating scales.

B. Management by objective

The management by objectives development asserted that it defeated the issues of quality rating. The executives by targets were characterized by John Humble (1972) referred to in Armstrong (2009) as:

“A dynamic system that seeks to integrate the company’s need to clarify and achieve its profit and growth goals with the manager’s need to contribute and develop himself.”

The Management by objectives often turned into a hierarchical issue with little discourse, and it would in general zero in barely on the destinations of individual chiefs without connecting them to corporate or group objectives (albeit this connection should occur).

The framework likewise would in general focus on chiefs, passing on the remainder of the staff to be managed by an older style merit-rating plan, apparently in light of the fact that it was imagined that they didn't merit anything better.

C. Performance appraisal

During the 1970s an amended way to performance assessment was developed under the influence of the management by objectives movement. It was at times called "results orientated evaluation" since it consolidated the understanding of destinations and an appraisal of the outcomes acquired against these goals. This type of execution examination got a lift during the later 1980s on account of the utilization of execution related compensation dependent on execution evaluations.

The provisions of this framework that recognized it from other examination plans were as per the following: accentuation on both turn of events and assessment; utilization of a profile characterizing the person's qualities and advancement needs; and, coordination of the outcomes accomplished with the means by which they have been accomplished (Armstrong, 2006). Performance management at first incorporated many of the elements of these earlier approaches of rating, objective setting and review, performance pay and a tendency towards trait assessment. Conceptually, however, performance management is significantly different from previous approaches in that:

- 1) It is regarded as a continuous process not a single event;
- 2) It is treated as a normal and necessary function of management rather than an HR procedure; and
- 3) It is therefore owned and driven by line managers rather than HR.

2.2.2. Definition of Balanced Scorecard

Various researchers defined balanced scorecard in various ways:

As per David P. Norton, (1999) definition, “it is the strategic management control system and a framework to translate an organization’s strategy in to terms that can be understood, communicated and acted upon. It is therefore not management control system but strategic management control system”

It is characterized as a device that interprets an organization’s mission and strategy in to a comprehensive set of performance measures that provides the framework for a strategic. It is a methodology for driving organizational improvement toward pre-chosen objectives which monitors progress through thoroughly chosen measures (Glenn, 2003). It is additionally an incorporated administration framework comprising of three parts: vital administration framework, specialized device and estimation framework. It brings about a thoroughly chosen set of measures got from and connected to an organization’s core strategies (Glenn, 2003).

As per Niven, (2002) it is defined as carefully selected set of quantifiable measures derived from an organization’s strategy. The measures derived from an organization’s strategy. The measure selected for balanced scorecard represent a tool for leaders to use in communicating to employees and external stakeholders the outcomes and performance drivers by which the organization will achieve its mission and strategic objectives.

As indicated by Hubert K., (2003) study result balanced scorecard; divided in to organizational and personal scorecard. Organizational balanced scorecard is top-down management system instrument that is used for making an organization’s strategic vision operational levels.

It depends on the basic achievement factors, objectives, performance measures, targets and improvement actions. Then again, personal balanced scorecard is comprised of the personal mission, vision, key roles, critical success factors, objectives, performance measures, targets and it functions as personal improvement and self-coaching instrument for individuals focus on their personal wellbeing and success in the society.

2.2.3. Emergence and Evolution of BSC

In the last part of the 1980s, organization began understanding that to survey the general wellbeing and execution of the association, it was essential to gauge and oversee nonfinancial measures likewise notwithstanding the conventional monetary measures like benefits, share esteems, deals volumes etc.

Traditional financial measures are normally the slack pointers of the business execution and recount the narrative of the past. They don't give any understanding into the theoretical resources and capacities that should be created to have the option to accomplish the ideal monetary outcomes. For instance, bleeding edge laborers in an assembling set up are far taken out from these monetary measures and have no clue regarding how their everyday work converts into monetary outcomes.

In this manner, financial measures flop in surveying the elusive worth moved by the organization or the worth it can make. They can likewise bomb the information based techniques by regarding human resources as cost things; though it is broadly perceived that human resources is really the main part of the worth creation chain (Kaplan and Norton, 1996).

Balanced Scorecard was created because of this need (Kaplan and Norton 1992; 1996; 2001). BSC presented estimating the drivers of execution, while holding the proportions of monetary execution (Brown, 2000). The term 'Adjusted Score Card' was authored by Art Schneider man in 1987.

Be that as it may, till the mid 1990's the framework was perceived to be a blend of monetary and non-monetary measures restricted to 15-20 numbers which were bunched in four viewpoints.

BSC turned into a well-known term when Kaplan and Norton who worked broadly on scorecards distributed reports of a few BSC execution triumphs. Be that as it may, there were no unmistakable meanings of BSC. The actions on the decent scorecard guarantee a harmony between outer measures for investors and clients, and inner proportions of basic business cycles, advancement and learning and development. It finds some kind of harmony between the result proportions of past execution (slack pointers); the actions that drive future execution (lead markers), and furthermore between plainly quantifiable and fairly abstract measures (Brown, 2000).

2.2.4. Basic Elements and Characteristics of BSC

As per Kaplan and Norton (1996) there are six essential parts of BSC. They are points of view, subjects, destinations, measures, targets, and drives.

Perspectives: There are four standard viewpoints as recommended by Kaplan and Norton. These are financial, customer, internal business process, and learning and growth. However, organizations can choose any number of perspectives as may suit their need of sufficiently measuring the present performance and the drivers of future performance.

The number would depend on how the stakeholders' expectations are being represented and the manner in which the organization would decipher their strategy. All relevant factors for strategy execution are accounted for in these perspectives, thus creating a balance between the short term and long term objectives as well as linking the desired outcomes and the performance drivers for those outcomes. Thus, perspectives form the basic architecture of BSC. Kaplan and Norton (1996)

Themes: Themes are inborn in the technique and give knowledge into how an association would do its main goal. There are normally three to four essential subjects comprising of an assortment of goals across viewpoints which empower execution of the topic. Kaplan and Norton (1996)

Objectives: They feature basic variables to the accomplishment of the organization which should unquestionably be accomplished.

Measures: What gets estimated gets accomplished. Measures assist association with deciding its accomplishment in executing technique. The two central purposes served by measures are authoritative inspiration and target assessment of the technique just as essential learning.

Targets: Targets assist with characterizing the degree of execution or the pace of progress that is required.

Initiatives: These are key activity programs that are needed to accomplish the goals. The distinctive trait of BSC which isn't found in other administration control frameworks is the suspicion of the circumstances and logical results connections between measures across the four points of view. Technique is perceived as far as a progression of connected speculation that portray circumstances and logical results connections. For instance, it tends to be conjectured that 'representative fulfillment' will prompt 'worker maintenance' and 'employee productivity'. Likewise, when there is improvement in 'employee satisfaction' the other two 'effect' parameters shall also show improvements. If they don't, the hypothesis can be considered invalid. Kaplan and Norton (1996)

In this manner, estimations in BSC give a continuous record of the projected circumstances and logical results connections across points of view which are fundamental for settling on educated choices. The causal connections across four viewpoints assist with foreseeing the monetary presentation dependent on the sign from non-monetary measures. BSC comprises a decent harmony among monetary and non-monetary measures.

Objectives across the four viewpoints show balance between the outside measures typically present in the monetary and client viewpoints and the inner measures that are in the other two viewpoints of inside business cycle and learning and development. It likewise demonstrates a harmony between the slack markers of past execution and the lead pointers that drive future execution. Kaplan and Norton (1996)

2.2.5. Balanced Scorecard Strengths

BSC is a multidimensional way to deal with estimating and overseeing execution that is explicitly connected to authoritative procedure. The accentuation is on connecting execution measures with the techniques of the specialty units (Otley, 1999). The BSC not just makes an interpretation of methodology into functional terms as the association adjusts its system, zeroing in on the specialty units and representatives about their job in satisfying the association mission (Frigo and Krumwiede, 2000).

The BSC is a progressive arrangement of vital targets spread more than four possibilities, less procedure and lined up with the monetary point of view (Figge et al., 2002). The BSC is a structure for execution estimation that concentrates of the board in only a couple of steps and makes spans between the distinctive useful regions (Akkermans and Oorschot, 2002).

The Balanced Scorecard is adjusted in both inner and outside parts of the business. It features the significance of inward cycles to accomplish business results, yet additionally the outer view from clients and market position (Olve, 2003). A very much planned BSC ought to have the option to portray your procedures through the targets and measures you have picked (Niven, 2003). BSC permits representatives comprehend the technique and targets making the association with your organization are every day.

Works with evaluation and criticism on a continuous premise (Pandey, 2005). Explaining the functional system and working with correspondence, BSC means to fill in as a motor to proficiently adjust the organization to the methodology of the froth that supervisors can adjust their activities and endeavors (Voelpel et al., 2005).

BSC can be applied in organizations of any size to oversee and assess business technique, screen activity productivity, and convey related cycles to all representatives (Rohm, 2006). The correspondence procedure of the BSC permits supervisors to see how estimation results are influenced by their activities (Atkinson, 2006; Burney and Widener, 2007).

The advancement of the BSC was one of the responses to reactions of conventional types of appraisal representing information based organizations (Bose and Thomas, K., 2007).

When the BSC requires organization solidly characterize a mission, a dream and an authoritative procedure, then, at that point the BSC can be viewed as a method for correspondence and technique execution (Tayler, 2010).

2.2.6. The main proponents of the BSC

Kaplan and Norton (1992; 2002), declare the BSC has gainful qualities to executing associations. In the first origination of the BSC, the primary advantages were to help organization to create and execute powerful business techniques (Kaplan and Norton, 1992). Madsen and Stenheim (2014) add that, in spite of a huge group of grant on the BSC condemning or staying incredulous about an obvious connection between the BSC and business execution, the inescapable act of the BSC proposes its utilization has some gainful qualities, regardless of whether saw or genuine, to a huge number of associations that have carried out it.

Indeed, Rigby and Bilodeau (2013) contend the very first and fruitful spread of the BSC among a huge number of associations twenty years after its initiation is adequate proof that carrying out associations are either happy with the idea or possibly discover a few parts of the idea helpful and valuable to improve execution.

Kaplan et al. (1992; 2002) battle the BSC gets its advantages from conquering the deficiencies of the customary monetary based exhibition estimation instruments. The customary presentation estimation strategies like the profit from speculation,

Net present worth, interior pace of return, and recompense period zeroed in solely on financial measurements. These techniques confronted two genuine restrictions. To start with, financial measurements past performance and uses the discoveries to inform future business strategies.

Estimating past performance doesn't consider current changes in the business climate and dangers a firm passing up on possibly worthwhile arising openings. Second, monetary measures are intermittent execution measures since they are quarterly, semiannual, or yearly execution measures. Occasional estimates mean an association needs to trust that a specific period will pass to assess or to foster techniques to further develop execution.

Since the current business environment (counting spending plans and their jobs) changes every once in a while, occasional measures become less powerful in assessing and curing execution.

By defeating the two deficiencies, the BSC furnishes chiefs with three extra execution measurements to assess the general organizational execution just as the past, present and future execution. Madsen et al. (2014) support that the BSC has a general constructive outcome on the presentation of an association yet discovers not all parts of the BSC are helpful. While a few angles or employments of the BSC help to further develop execution, others hamper execution.

Nonetheless, Madsen and Stenheim (2014) see that the differential results of the BSC are on the grounds that the idea is as yet creating. They contend that, scholastics and experts ought to comprehend that the BSC is certifiably not an adult idea and its understanding and use shifts across researchers and professionals separately. Due to the interpretive and practice varieties, various associations have carried out the BSC to accomplish various purposes uncommonly to further develop execution or to work on essential administration. Thus, the BSC has various advantages to organizations contingent upon the reason for the execution. The varieties in any case, Madsen and Stenheim (2014) discover three normal advantages of the BSC to the executives. To begin with, the BSC helps chiefs to zero in on methodology, construction and vision.

The center is significant for the environment to comprehend and to direct methodology execution. Second, the BSC coordinates monetary and non-monetary based measurements to help chiefs to zero in on the whole business measure and guarantee current business exercises and occasions add to client esteems and to the drawn out hierarchical system.

Third, the BSC help directors to screen the execution of a procedure by planning circumstances and logical results linkages between representative exercises and technique execution. Basuony (2014) likewise discovers the BSC benefits associations however the advantages lean towards huge associations. The fundamental advantages taking care of issues related with authoritative attributes, for example, changes in association design, specialization and diverse progressive levels.

2.2.7. The four perspectives of balanced scorecard

Also, as referred to by Tilaye (2010), Kaplan and Norton's reasonable scorecard takes a gander at an organization according to four points of view:

I. Financial perspective

The financial performance characterizes the drawn out targets of the specialty unit (Kaplan and Norton 1992). Financial measures incorporate worked on cost structure and expanded resources usage utilizing the usefulness improvement methodology, on one hand and then again upgraded client esteem and extended income openings through income development methodologies (Kaplan and Norton, 1992). The financial perspective stresses cost efficiently, that is, the capacity to convey most extreme worth to the client at least expense and supported partner esteem (Gekonge, 2005).

II. Customer perspective

This perspective catches the capacity of the organization to give quality labor and products, the adequacy of their conveyance, and in general client assistance and fulfillment (Kaplan and Norton, 1992).

This will result from price, quality, availability, selection, functionality service, partnerships and brand value propositions, which will lead to increased customer acquisition and retention (Gekonge, 2005). The BSC requests that administrators interpret their overall statement of purpose on client support in to explicit measure that mirrors the components that truly make a difference to clients (Kaplan and Norton, 1992).

Customers concerns will in general fall in to four classifications: time, quality, performance and service and cost. Fulfilled clients purchase an item once more, talk well to others about the item, try to ignore contending brands and publicizing, and purchase different items from the organization (Kotler and Armstrong, 2004). Late administration theory has shown an expanding acknowledgment of the significance of client center and consumer loyalty in any business (Cabrow, 2002).

III. Internal processes perspective

According to Gekonge (2005), inside measures viewpoint centers around the internal business results that lead to financial achievement and fulfilled clients. To meet the organizational goals and clients' assumptions, association should recognize the key business measure at which they should dominate.

These key business measures are observed to guarantee that out comes will consistently be palatable. The inside measures viewpoint writes about the productivity of interior cycles and systems. The reason behind this viewpoint is that client based measurers are significant, however they should be made an interpretation of in to proportions of what the association should do inside to live up to its clients' desires (Kaplan and Norton, 1992).

IV. Learning and growth perspective

The learning and development point of view inspects the capacity of representatives that is abilities, gifts, information and preparing, the nature of data frameworks, data sets and networks and the impacts of hierarchical arrangement (culture), administration, arrangement and collaboration). In supporting the achievement of organizational objectives. (Gekonge, 2005)

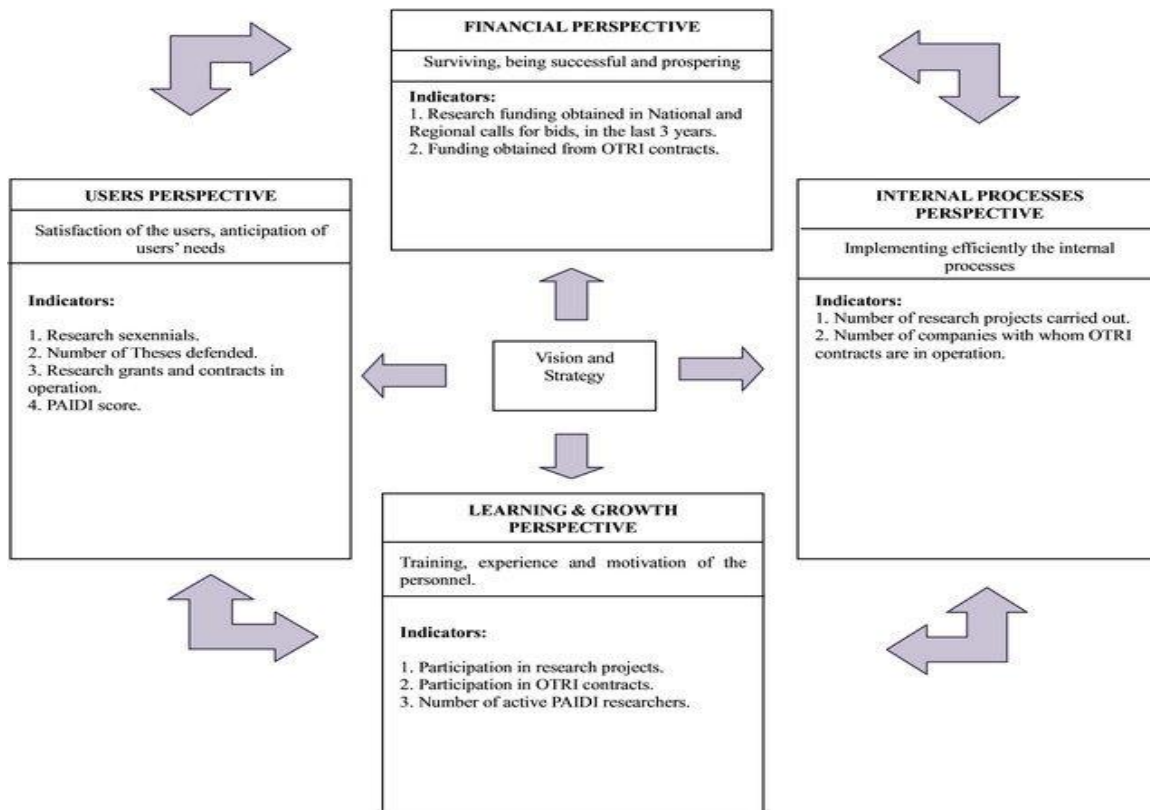


Figure 1. performance management in four perspectives

(Source: Balanced Scorecard Institute, 2007)

2.2.8 Employee performance and Balanced Scorecard

The performance measures considered up to this point have relied only on financial accounting measures as the means to evaluate performance. Over time, the trend has become to incorporate both quantitative and qualitative measures and short- and long-term goals when evaluating the performance of managers as well as the company as a whole. One approach to evaluating both financial and nonfinancial measures is to use a balanced scorecard.

According to Amsalu (2014), the idea for using a balanced scorecard to evaluate employees was first suggested by Art Schneiderman of Analog Devices in 1987 as a means to improve corporate performance by using metrics to measure improvements in areas in which Analog Devices was struggling, such as in a high number of defects. Schneiderman went through different iterations of a balanced scorecard design over several years, but the final design chosen measured three different categories: financial, customer, and internal. The financial category included measures such as return on assets and revenue growth, the customer category included measures such as customer satisfaction and on-time delivery, and the internal category included measures such as reduced defects and improved throughput time. Eventually, Robert Kaplan and David Norton, both Harvard University faculties, expanded upon Schneiderman's ideas to create the current concept of the balanced scorecard and four general categories for evaluation: financial perspective, customer perspective, internal perspective, and learning and growth. These categories are sometimes modified for particular industries.

Therefore, a balanced scorecard evaluates employees on an assortment of quantitative factors, or metrics based on financial information, and qualitative factors, or those based on nonfinancial information, in several significant areas. The quantitative or financial measurements tend to emphasize past results, often based on their financial statements, while the qualitative or nonfinancial measurements center on current results or activities, with the intent to evaluate activities that will influence future financial performance. Amsalu (2014).

Combining the Four Components of a Balanced Scorecard

Balanced scorecards can be created for any type of business and can be used at any level of the organization. An effective and successful balanced scorecard will start with the strategic plan or goals of the organization. Those goals are then restated based on the level of the organization to which the balanced scorecard pertains. A balanced scorecard for an entire organization will be broader and more general in terms of goals and measures than a balanced scorecard designed for a division manager. Balanced scorecards can even be created at the individual employee level either as an evaluation mechanism or as a means for the employee to set and monitor individual goals. Once the strategic goals of the organization are stated for the appropriate level for which the balanced scorecard is being created, then the measures for each of the categories of the balanced scorecard should be defined, being sure to consider the areas over which the division or individual does or does not have control. In addition, the variables have to be obtainable and measurable. Last, the measures must be useful, meaning that what is actually being measured must be informative, and there must be a basis of comparison either company standards or individual targets. Using both quantitative and non-quantitative performance measures, along with long- and short-term measurements, can be very beneficial, as they can serve to motivate an employee while providing a clear framework of how that employee fits into the company's strategic plan. Richardson (2011)

2.2.9. Conditions for Implementing the Balanced Scorecard

Before an organization can begin carrying out a Balanced Score Card it needs a reasonable comprehension of its vision and methodology. It is the administration's obligation to characterize a dream, figure a methodology and put out essential objectives paying little mind to a Balanced Scorecard being executed (Virtanen, 2009).

The reason for the vision and the technique is the all-encompassing perspective and the data the administration gets during precise methodology work. The essential standards would seldom be able to be purchased from outside advisors; anyway outside ability can work with the most common way of making them.

Common instruments used to assist structure the strategy work are; Strategy Mapping, PEST (Political, Economic, Societal, and Technological) analysis, SWOT (Strengths Weaknesses-Opportunities-Threats) analysis, Porter value chain analysis, Porter Five forces of competition analysis, BCG Matrix analysis.

No place in their books and articles Kaplan and Norton depict the conditions an organization should use to have the option to apply the fair scorecard. The manner in which they portray associations that applied the BSC in various models recommends that this strategy is generally appropriate (Mollema, 2008).

As per Kaplan and Norton, the Balanced Scorecard empowers organizations to change systems. Organizations in a profoundly unique climate need to change their system continually, which, prompts often changing the actions in the BSC. In a basic examination of the BSC, Norreklit, H. (2000) expressed that organizations in powerful environmental elements will often change their actions, bringing about a considerable vulnerability edge with respect to the helpfulness of the characterized pointers. By and large, it is hard for an association to build up execution measures for exercises with which the association has very little or no experience. Subsequently, as estimating impacts is especially troublesome in organizations which continually need to adjust to new circumstances, the BSC isn't material for organizations in profoundly powerful conditions.

2.2.10. Challenges of balanced scorecard implementation

Amsalu (2014) in his study to evaluate the difficulties looked by state owned banks of Ethiopia that executed the reasonable scorecard framework inferred that by and large very little or no organization has carried out the idea of adjusted scorecard in the manner the writing clarifies and the manner in which it is executed by organizations in different nations.

However this was closed from an example of a modest number, the examination expresses that these organizations have a decent standing in the country.

The essential difficulties of the implementation process of BSC are shift from one setting to another yet Richardson (2011) unmistakably distinguishes the resulting factors which are profoundly compromising the execution cycle of BSC in the organization,

For example, Lack of visionary administration, dormant senior chief's responsibility and inclusion in the process BSC, most associations don't convey BSC all through the whole organization, Undermining its substance and designation of few asset.

In spite of numerous accounts of fruitful execution of BSC, huge number of associations experienced various difficulties directly from presenting the idea in their association all through the execution cycle.

It is obvious from various related writing that larger part of the organization have either carried out the BSC, yet with no critical improvement in their general presentation, or they have even surrendered in beginning the idea. As indicated by Atkinson (2006), it is assessed that 70% of BSC drives have fizzled with no commitment in execution. Kaplan and Norton (2001) distinguished two significant difficulties of the BSC execution in associations: disappointment in plan and interaction.

a) Failure in Design

An inadequately planned Balanced Scorecard is one of the significant reasons that might prompt disappointment in BSC execution. Such plan is portrayed by the accompanying significant components (Kaplan and Norton, 2001, p.360)

- 1) Too few measures in every point of view, prompting inability to acquire a harmony between driving and slacking (monetary and non-monetary) markers.
- 2) Too numerous markers without distinguishing the basic few: this causes the association to lose center and not be able to discover linkage between pointers.
- 3) Failure to connect measures to the technique of an association. This implies the organizations system isn't converted right into it, hence, it doesn't acquire any advantage from the BSC.

b) Failure in Process

Interaction disappointments are the most widely recognized reasons for disappointment in Balanced Scorecard execution and incorporate the accompanying (Kaplan and Norton, 2001, p. 361):

- **Conceptual Issues:** Failure in comprehension and deciphering the idea of the Scorecard is one of the significant difficulties for carrying out the BSC effectively. Disparaging the requirement for preparing and correspondence about the BSC drives and destinations might leave the whole exertion ineffectual and vain. Kaplan and Norton (2001)

- **Lack of senior management support, ability and commitment:** The accomplishment of any BSC execution can without much of a stretch be imperiled because of absence of responsibility and backing by senior and chief administration.

The Balanced Scorecard is certifiably not a one-time project: it is a persistent interaction. It makes an interpretation of technique to functional terms, adjusts the association to system, and makes procedure everybody's regular work. Kaplan and Norton (2001)

- **Using BSC for additional top-down control:** Using the Scorecard execution markers as order and-control framework by senior administration in which they utilize the pointers to rebuff or improperly reward individuals might become one of the major issues and difficulties for Balanced Scorecard execution. This might make dread, obstruction, underperformance and cheating among workers. Kaplan and Norton (2001)

- **Lack of causal relationships:** According to the hypothetical affirmation made by Kaplan and Norton (2001), inability to create and test causal connections between the proportions of BSC is basically basic test that obstructs the targets of the BSC. Hoque and James (2000, p. 3) emphatically support this thought with their assertion the utilization of a BSC doesn't mean simply utilizing more measures; it implies putting a modest bunch of deliberately basic estimates together in a solitary report, such that makes circumstances and logical results relations straightforward. Othman (2006) likewise distinguished that organizations that had not fostered a causal relationship (model) confronted extra expected difficulties and issues not looked by associations that set up the model. Kaplan and Norton (2001)

- **Weak Infrastructure:** Lack of good office format, sponsored by feeble IT foundation and computerized information gathering framework allows organization to invest a lot of their energy and assets on specialized parts of BSC idea and overlook the theoretical issues.

- **Too much focus on measurement aspects:** One of the unmistakable difficulties during the time spent BSC execution

- **Social issues (Organizational Culture):** Lack of hierarchical responsibility, disposition, frail interest and inconsistent authoritative culture are regularly referred to difficulties in the writing concerning execution of BSC. An organizational culture overwhelmed by protection from change, single dimensional estimation and control framework, low degree of astuteness and responsibility is probably going to deal with issues in the execution cycle of BSC. Similarly, in associations that are not participatory, their individuals might stay detached, less responsive, less concerned and dial back the execution cycle. Kaplan and Norton (2001)

2.2.11. The practice of BSC in Ethio telecom

The fair scorecard has advanced from its initial use as a straightforward presentation estimation structure to a full strategic planning and management system. The "new" adjusted scorecard changes an association's essential arrangement from an appealing however inactive archive into the "documenting orders" for the organization consistently.

It gives a system that just gives execution estimations, yet assists organizers with distinguishing what ought to be done and estimated. It empowers leaders to really execute their systems. (Ethio telecom BSC Governance document, 2018).

Accordingly, Ethio Telecom has conveyed BSC approach as a coordinated structure to characterize key, yearly and individual arrangement and utilized it as a stage for execution estimation and checking framework.

In addition, it is additionally utilized as a communication instrument at all levels. (Ethio telecom BSC Governance archive, 2018).

➤ Objective of BSC in Ethio telecom:

The main purpose of deploying BSc in Ethio Telecom is:

- To adjust the vision and mission of the organization with the everyday activity.
- To center on the strategic objectives of the organization.

- To measure Ethio execution through the non-monetary and monetary measure.
- To prepare employees of the organization towards vital destinations and drives to support the exhibition of the organization.
- To increase organizational accountability.

Performance measurement in Ethio telecom

Performance measurement is an audit of Ethio Telecom's performance on a fixed time of span towards its strategic objective. The need to audit the decent scorecard vital arranging and the executives framework is to improve and make alterations to association arranging suspicions, methodology, goals, execution measures and targets, key drives, and spending plan.

Performance measures help to quantify holes in real degrees of execution contrasted with designated levels. It tends to be taken as visual pointers of relative accomplishment since it estimates both the organization and its representative viability and functional effectiveness.

2.2.12 Research Hypothesis

Based on the research questions of the study, the following hypothesis was tested:

Ha1: Customer perspective of balanced scorecard has significance effect on perceived employee performance improvement of Ethio telecom's sales department.

Ha2: Internal process perspective of balanced scorecard has significance effect on perceived employee performance improvement of Ethio telecom's sales department.

Ha3: Learning and growth perspective of balanced scorecard have significance effect on perceived employee performance improvement of Ethio telecom's sales department.

Ha4: Financial perspective of balanced scorecard has significance effect on perceived employee performance improvement of Ethio telecom's sales department.

2.3 Empirical Review

Malina and Selto (2001) directed an examination to evaluate the connections among correspondence and the executives control ascribes and hierarchical adequacy of the decent scorecard. Their examination uncovered that the execution of BSC elevated critical freedoms to create, convey and carry out methodology which insists Kaplan and Norton 's idea of causal relationship.

One more investigation made by Davis and Albright (2004) uncovered that critical upgrades were found in help businesses because of acquaintance of BSC with their administration framework. In the examination they made in the financial business in the US, they tracked down that unrivaled monetary execution was accomplished by those banks taking on BSC contrasted with the non-BSC embracing ones. In any case, other experimental examination discoveries show that there are various components that impede effective execution of BSC in associations.

Paul Andon, et al. (2005), for example, in their exact examination found that opposition from various people and gatherings in various associations they considered presented huge difficulties in effective execution of the scorecard. Such people and gatherings felt they were undermined and the execution of the BSC idea unfit to serve their individual or gathering interests. Thus, they endeavored to carry the BSC execution to a halt and kept doing their exercises the old way.

As per a new review on existing difficulties of BSC execution made by Behdad and Mohammad (2014), deficient data framework to help BSC, absence of top administration backing and devotion, hierarchical legislative issues and the way that BSC execution is tedious were the significant difficulties experienced in carrying out the BSC.

Muyeshi, R. (2015), who attempted to surveyed the difficulties of the decent score card execution at kenyatta public emergency clinic expressed that the execution of the fair scorecard at kenyatta public emergency clinic has difficulties which included yet not restricted to unbending hierarchical construction, absence of assets,

Agreeable organization culture, absence of practical gear, administration, absence of compelling correspondence, negative partner impact and falling.

S.Alhamoudi, (2017) attempted to recognize challenge of carrying out adjusted scorecard system in Saudi Arabia and the investigation distinguishes 10 fundamental basic factors that should be painstakingly viewed as in BSC execution to accomplish a fruitful task. This examination features that BSC viewpoints, top administration support, the BSC group, clear mission, and system were seen as the most basic achievement factors.

The selection of viewpoints for the organization's BSC should stick to what in particular is important to execute the procedure and make an upper hand for the organization. The BSC measures should be connected to the essential goals of the association. The BSC group must be upheld persistently by top administration to empower them to support and keep up with the BSC.

2.4. Conceptual Review

The conceptual framework is a basic base for showing legitimate progressions of supposition the examination wants to achieve in its target. It shows calculated establishment to continue with the examination and demonstrates how ideas are identified with one another.

Financial Perspective: This viewpoint considers of amplifying investor's abundance as a definitive objective of an undertaking. All endeavors to further develop consumer loyalty, work on the quality and decrease conveyance season of items and administrations, if not prompt unmistakable monetary outcomes, will have no worth (Smith, 2006). Financial objectives frequently use to gauge the organization's practicality. For instance, working benefit, profit from venture, quick development in deals, future incomes and the new making of monetary added esteem are of monetary measures (Kaplan and Atkinson, 2007, p. 368).

Customer Perspective: In this point of view, the procedure of separated worth gave to the client is considered as an objective. Organizations by executing a special procedure and utilizing accessible assets, have made the most worth in them in target markets for clients, keep up with them and draw in new clients. There are a few elements influencing consumer loyalty, including the accompanying elements, the nature of administrations gave to clients, worker usefulness and hierarchical information. Major Customers' grumblings come from staff associations with clients (Smith, 2006).

In this point of view, from the reasonable scorecard, key execution measurements, incorporate consumer loyalty, client maintenance, new client obtaining, client benefit and piece of the pie (Kaplan and Atkinson, 2007, p. 369).

Internal Business: Process Perspective Value is made by inside business measures. Organizations deal with their interior cycles to separate offered some benefit to the client. Accomplishing every one of the objectives of the client point of view, needs series of functional cycles proficiently and adequately, these cycles ought to be set as far as interior cycles and proper measures to control the advancement to create (Smith, 2006). The point of view of inner cycles reminds the fundamental requirements to play out the work being referred to direct by a definitive goal, and to accomplish monetary targets and client needs (Nair, 2004, pp. 49-50).

Learning and Growth Perspective: The organization's capacity to enhance, improve and learn, ties straightforwardly to its worth as an association. Kaplan knows the setting of learning, development, and advancement as the endeavor foundation. The central matter is that figuring out how to further develop authoritative cycles is fundamental, working on inside cycles to further develop consumer loyalty is vital and further developing consumer loyalty to further develop the monetary outcomes is fundamental (Garrison et al., 2003, p. 696).

Organization Performance: alludes to the adequacy of the organization in satisfying its put forward objectives (Porter, 2003). Association execution is the effectiveness that is inferred by an association as far as conveyance of administration for example consumer loyalty, effectiveness, consumer loyalty, improvement of acquisition methods.

Performance measurement: A course of surveying progress toward accomplishing foreordained objectives, remembering data for the proficiency with which assets are changed into labor and products (yields), the nature of those yields (how well they are conveyed to customers and degree to which customers are fulfilled) and results (the aftereffects of a program action contrasted with its planned reason), and the adequacy of government tasks as far as their particular commitments to program objective.

Independent Variables

Dependent Variable

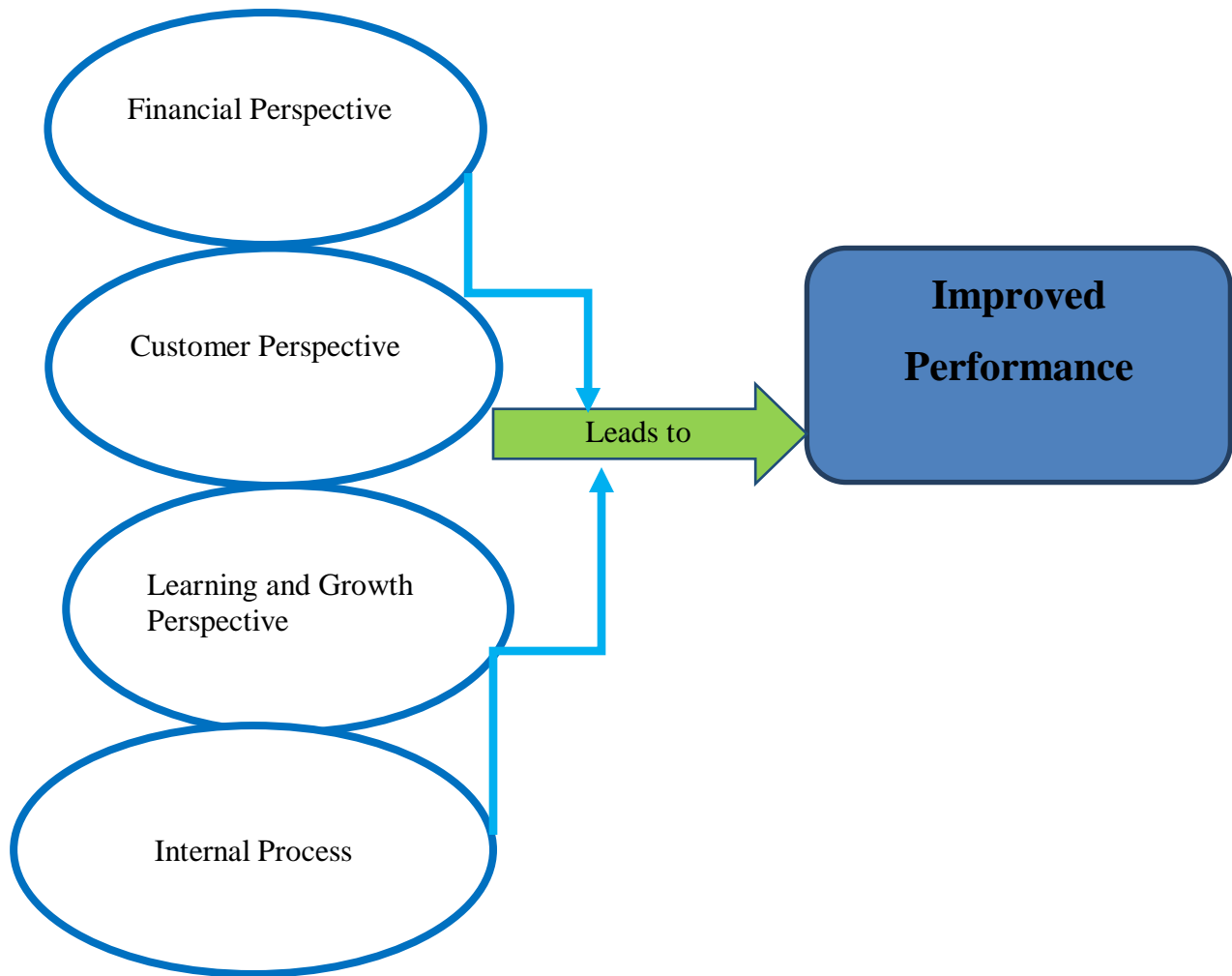


Figure 2. Conceptual Framework

Source: self-developed

CHAPTER THREE

METHODOLOGY OF THE RESEARCH

3.1 Introduction

This chapter discussed the strategies, the design of the study, methods and instruments of data collection, and the most important data analysis techniques' that were employed for addressing the research questions raised in Chapter One. The chapter also explained the reasons why the mixed design was considered appropriate, the data collection methods, actions that have taken to increase both the validity and reliability of the results, how the data was analyzed qualitatively and quantitatively, and ethical issues relating to research.

3.2 Research Design

A research design is the 'procedures for collecting, analyzing, interpreting and reporting data in research studies' (Creswell and Plano Clark 2007). Exploratory research is led when enough isn't thought about a phenomenon and an issue that has not been plainly characterized (Saunders, 2007).

Since the motivation behind this study was to explore the effects of balanced scorecard on performance, explanatory design that helps to answer the 'how' fundamental questions of the research was used. The accentuation of this research design was on studying a situation or a problem in order to explain the relationship between variables or to test whether one event causes another (Creswell, 2003). Thus, the researcher argued that explanatory design was the proper research design to address the central and subsidiary questions of the study.

For this study, an explanatory sequential design method was employed. Qualitative and quantitative data collection and analysis were conducted at different phases. An explanatory sequential design according to Plano Clark (2011) consists of first collecting quantitative data and then collecting qualitative data to help explain or elaborate on the quantitative results.

The rationale for this approach is that the quantitative data and results provide a general picture of the research problem; more analysis, specifically through qualitative data collection is needed to refine, extend or explain the general picture. The process is depicted by the following figure.

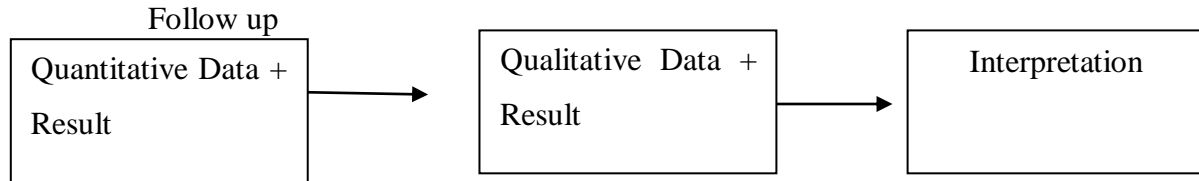


Figure 3. Sequential Explanatory Design

3.3 Research Approach

Mixed-methods research, utilizing a mix of quantitative and qualitative approaches, has acquired fame since research methodology continues to advance and create, and a mixed method is one more advance forward, using the strength of both qualitative and quantitative research methods (Creswell, 2009).

Since this investigation expected to acquire further understanding and a fuller description of the effects of balanced scorecard implementation, the interpretive and positivist paradigm of research (Mixed approach) was most appropriate. Therefore, the researcher employed a mixed-methods approach to collect and analyze data, integrate the findings, and draw inferences by using both qualitative and quantitative modes in this single study.

3.4 Description of the Study Area

The study was conducted in Addis Ababa. The city has 10 sub-cities. The researcher covered the Ethio Telecom's sales department which is located at head office in Churchill area which is under Arada sub city. The notion behind selecting this department is it supports a company's sales team by creating, evaluating, and optimizing data sets and sales applications. Employees working in this department most often manage sales administration, oversee business analytics and attainment planning, and direct sales force enablement.

3.5 Sampling technique, Target population and Sample size

3.5.1 Sample size

Sample size determination as per Mason (2010) and Higginbottom (2005) isn't tied in with decreasing sample error or increasing representativeness as in the case of quantitative research. It is somewhat worried about the objective of gathering sufficient information that can effectively address the research question and enhance the validity and reliability of the study.

To lead this study, Census Method was utilized. Census method is the method of statistical enumeration where all members of the population are studied. A population refers to the set of all observations under concern. In this study, there were 184 employees and it was easy to manage them all, so Census Method was used.

3.5.2 Target Population

Parahoo (1997) portrays population as the absolute number of units from which information can be gathered like people or organizations. Consumes and Grove (2003) portray populace as every one of the components that meet the rules for incorporation in an examination. The objective population for a review is the whole arrangement of units for which the overview information is to be utilized to make translations. In this way, the objective populace characterizes those units for which the discoveries of the review are intended to sum up.

This study was focused on the effects of balanced scorecard on the performance of Ethio Telecom's Sales department. Specifically, the target populations for the study were Ethio Telecom's Sales department employees at head office area.

Here, the department is responsible for handling sales data and reports, compensation and incentive plans, sales processes, and customer and marketing data. This implies, the department influences on the effectiveness of performance in Ethio telecom. According to the information provided from the company, there are 184 Sales department workers in Addis Ababa, head office. So, the target population size is 184.

3.5.3 Sampling technique

To conduct this study, Census Method was used. Census method is the method of statistical enumeration where all members of the population are studied. A population refers to the set of all observations under concern. In this study, there were 184 employees and it was easy to manage them therefore it is preferable to use Census Method. Employees were surveyed using questioners and managers and supervisors were interviewed.

3.6 Data Sources, Type and Collection Instruments

3.6.1 Data Type

There are two types of data: primary and secondary. The primary data are those which are collected a fresh and for the first time and thus happen to be original in character. They are original or un-interpreted accounts pertaining to people, objects, or events that are collected for the task at hand. Secondary data, which are gathered and recorded by someone else prior to the current project. For this research both primary and secondary data types were used.

3.6.2 Sources of Data

In order to carry on any research activity, information should be gathered from proper sources. The more valid is the source of information, the more reliable have been the information received, which in turn, will lead to reliable conclusion.

Generally, in accomplishing the research, both primary and secondary sources were used; the primary source of data was administrators and advisors, supervisors, specialists and managers. In addition, the secondary source of data was related research, manual, books and Internet.

3.6.3 Data Collection Instruments

Since this study adopted a mixed-methods design, the data collection instruments and analysis techniques come from both qualitative and quantitative techniques. Qualitative data collection and analysis followed by quantitative data collection and analysis. The methods of data gathering used were survey questionnaires followed by interviews, and document analysis.

Questionnaire

The questionnaire is adopted. The aim of a questionnaire is to find out what a selected group of participants do, think, or feel (Meyer, Becker, & Vandenberghe, 2004). The questionnaires were designed in a Five-point Likert-scale rating (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree). For this study, questionnaires were distributed for 184 participants comprising 7 section managers, 28 supervisors, 25 specialists and 124 administrators and advisors.

From this, 161(87.5%) questionnaire was returned, i.e. 7 section managers, 21 supervisors, 17 specialists and 116 administrators and advisors. Significantly, all the different levels were represented in the returned questionnaires. Here under each of the four variables there are questions.

Document Analysis

One of the most important instruments to collect research data for this study was the analysis of documents. That mostly focused on balanced scorecard manuals and guidelines, annual performance appraisal reports of the company and individual performance appraisal templates and reports. These documented sources were combined with other sources obtained from interviews and survey data. The interpretation and analysis of these sources was integrated within the interpretation of sources from interviews.

Interview

As described by Bogdan and Biklen (1992: 96), the interview is a purposeful conversation between two people with the aim of getting information. It is used to gather qualitative descriptive data in the subject's own words.

In this study, interviews were considered the most appropriate method of data collection because of the nature of the data needed and in order to address the question that is required to investigate, i.e. the effects of balanced scorecard on the performance of Ethio Telecom's sales department.

Semi-structured interviews were prepared on the focus of the effects on implementation of balanced scorecard from customer, internal process, learning and growth and financial perspectives and also performance improvements. The questions were asked on different dimensions under each variable. The Selected interviewees were; three managers, and four supervisors. They were responsible for the effective implementation of balanced scorecard policies and procedures and they are also responsible for reporting the performance appraisal reports for every six months.

3.7 Methods of Data Analysis and Hypothesis Testing

The technique for data analysis determines the unit of analysis in accordance to the research problems.

Analysis of data is a process of inspecting, cleaning, transforming and modeling data with the goal of discovering useful information, suggesting conclusions and supporting decision making. In research, measurement comes before analysis, and the process of moving from one to the other is often complicated (L. Burstein. (1980).

Before starting the analysis, all the collected data should be identified and grouped in to homogenous group. Identifying errors that occurred in the course of data collection, editing will be conducted, editing followed by classification, which is done using data attribute means according to the type of data gathered.

3.7.1 Quantitative Analysis: Inferential and Descriptive Statistics

Numeric data collected in a research can be analyzed quantitatively using statistical tools in two different ways. Descriptive analysis refers to statistically describing, aggregating, and presenting the constructs of interest or associations between these constructs.

Inferential analysis refers to the statistical testing of hypotheses (theory testing). (Research methods for the social science, 2021)

Inferential statistics are the statistical procedures that are used to reach conclusions about associations between variables. They differ from descriptive statistics in that they are explicitly

designed to test hypotheses. Numerous statistical procedures fall in this category, most of which are supported by modern statistical software such as SPSS and SAS. (Research methods for the social science, 2021)

This study is aimed to reach conclusions about the effects of balanced scorecard from the four perspectives (independent variables) on the performance (dependent variable). Therefore, both inferential and descriptive analysis was found appropriate analysis methods for quantitative data.

As a statistical tool, correlation (Spearman) and Regression (ordinary logistic regression) is employed using SPSS 20. Ordinal logistic regression (often just called 'ordinal regression') is used to predict an ordinal dependent variable given one or more independent variables. Having carried out ordinal regression, it helped to determine which of the independent variables have a statistically significant effect on the dependent variable. The reason why Ordinal logistic regression were used because the data is Ordinal, non-normal, has scatter distribution and non-linear. So it is appropriate to use Ordinal logistic regression.

3.7.2 Qualitative analysis: Content Analysis

The emphasis in qualitative analysis is “sense making” or understanding a phenomenon, rather than predicting or explaining. A creative and investigative mindset is needed for qualitative analysis, based on an ethically enlightened and participant-in-context attitude, and a set of analytic strategies. (Research methods for the social science, 2021). While analyzing the interview data qualitative analysis were used.

Content analysis is the systematic analysis of the content of a text (e.g., who says what, to whom, why, and to what extent and with what effect) in a quantitative or qualitative manner.

Content analysis typically were conducted as follows:

First, when there are many texts to analyze (e.g., newspaper stories, financial reports, blog postings, online reviews, etc.), the researcher began by sampling a selected set of texts from the population of texts for analysis. This process is not random, but instead, texts that have more pertinent content should be chosen selectively.

Second, the researcher identified and applied rules to divide each text into segments or “chunks” that can be treated as separate units of analysis. This process is called unitizing. For example, assumptions, effects, enablers, and barriers in texts may constitute such units.

Third, the researcher constructed and applied one or more concepts to each unitized text segment in a process called coding. For coding purposes, a coding scheme is used based on the themes the researcher is searching for or uncovers as he classifies the text.

Finally, the coded data were analyzed, often both quantitatively and qualitatively, to determine which themes occur most frequently, in what contexts, and how they are related to each other.

3.8 Reliability and Validity

3.8.1 Reliability

Joppe (2000, as referred to by Tesfayeboru, 2017) pointed that ‘... an accurate representation of the total population under study is referred to as reliable if the results of a study can be reproduced under a similar methodology...’. Reliability, by definition, refers to the extent to which studies can be replicated.

In order to satisfy the criterion of reliability in a piece of research no matter it is quantitative or qualitative it is important for the researcher to document the research procedure explicitly (Kirk and Miller, 1986, as cited by Tesfaye boru, 2017).

Cronbach's alpha was used in this study to evaluate the internal consistency of the research instrument, which is a developed questionnaire. Cronbach's α (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted as a number between 0 and 1.

A Benchmark alpha of 0.70 was set as an acceptable measure of reliability (institute for digital research and education, 2021). Cronbach's alpha coefficient indicates the consistency of responses to items.

The following table shows the result on the Cronbach Alpha.

Table 1. Reliability Statistics

Cronbach's Alpha	N of Items
0.810	23

Source: Author's Computation (SPSS 20)

As shown in the above table, the Cronbach Alpha test infers that the instrument's internal consistency as 81% which is over the adequate rate.

Besides, Reliability of this study was advanced in the accompanying manners: first, the research design, procedures and methods of data collection, participants of the study and data analysis methods were identified and decided.

These activities assisted to collect adequate information from appropriate respondents. Second, in this study the strategies used to maximize the reliability of the findings were to avoid untrustworthy data and bias on the part of the researcher during data collection and analysis (beliefs did not influence the research). And finally, appropriateness of the data collection methods to the research question and the triangulation of the data collected through the various methods maximized the reliability of the research.

3.8.2 Validity

As per Tesfaye boru (2017), generally, there are three key kinds of validity in a quantitative study:

A. External Validity- refers to the extent to which the findings of a particular study can be generalized across populations, contexts and time (Dellinger and Leech, 2007, as cited by Tesfaye boru, 2017). The validity of this research is maintained by using triangulation multiple sources of data and multiple research methods.

Further, since this research is mixed type, in which the combination of qualitative and quantitative studies has the potential to achieve triangulation,

Which is one of the important ways to enhance external validity (Bryman, 1988, as cited by Tesfayeboru, 2017)?

B. Internal Validity- is conceptualized as the degree to which the researcher is confident about the conclusion/inferences of the causal relationship between variables/events (Tashakkori and Teddlie, 1998, as cited by Tesfayeboru, 2017). In a hypothesis testing study, internal validity is normally pursued through complex statistical procedures that enable control over extraneous variables (Johnson et. al., 2007).

In this study, several statistical instruments are used to test the robustness of the estimated results and the assumptions in the regression model.

1. Normality of the residuals or errors
2. Linear relationship between the independent and dependent variable(s)
3. outlier test

Therefore, the model was tested for the above stated assumptions.

A. Tests for Normality

The hypotheses used in testing data normality were based on the data distribution that tests for:

Ho: The distribution of the data is normal.

Ha: The distribution of the data is not normal.

If a test rejects normality, this suggests that a non-parametric procedure that assumes non-normality can be safely used.

B. Tests for Linearity

The Scatter plot graph contains tests for the linear, nonlinear, and combined relationship between variables. The hypotheses used in testing data normality are:

Ho: There is no linear relationship between variables,

Ha: There is a linear relationship between variables.

If the test for linearity has a significance value smaller than 0.05, this indicates that there is a linear relationship. Alternatively, a graphical approach is used to observe plots for linearity. Linearity is displayed by the data points being arranged in the shape of an oval.

C. Construct/content Validity: Construct validity threat arises when investigators use inadequate definitions and measure variables based on those inadequate definitions (Modell, 2005, as cited by Tesfaye boru, 2017).

In this study, the threats to construct validity is limited as it forwards explicit definition for each variable via setting a conceptual framework as well as before running the model. Moreover, the use of multiple methods is likely to reduce the threats to the construct validity. The indicators used in the quantitative analysis were further examined in the qualitative interviews, so as to check the accuracy of the definition of indicators.

3.9 Ethical Consideration

Prior to going to the field and gathering data, consent was asked from the respondents. What's more, the researcher briefly presented and showed the aim of the study to the potential respondents. Different parts of ethical considerations for the research were privacy and confidentiality of their response.

Respondents were guaranteed that the data they give will stay confidential and it won't be utilized for different purposes than the expressed ones.

The study recognizes all supporters of this study and gives legitimate credits to those researchers promptly and list of references is additionally attached. At most exertion is additionally applied to keep the study liberated from bias, abuse, misconduct and fraudulent acts and practices.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter deals with company profile, presentation, analysis and discussion of findings of the study. It entails inferential statistics that helps to draw conclusion about the study undertaken to determine the effects of balanced scorecard implementation on performance of Ethio telecom's sales department.

4.2 Descriptive Statistics Analysis

4.2.1 Demographic Information of the respondents

This section shows the response rate, gender of respondents, age of respondents, and level of education, respondent work experience and respondent's job level at Ethio telecom's sales department.

4.2.1.1 Response Rate

Table 1 summarizes information about respondent rate, where population size of the study was 184 employees from sales department. 184 questionnaires were distributed to employees and 161 were returned. This indicates that 87.5% of the target sample filled and returned questionnaires. According to Mugenda and Mugenda (2003), a response rate of 50% and above is recommended for data analysis. Therefore, the response rate of 87.5% was considered adequate for analyzing the data in this study.

Table 2. Response Rate

	Frequency	Percent (%)
Number of questionnaires Distributed	184	100
Number of Questionnaires Returned	161	87.5%

Source: Collected Data (2021)

4.2.1.2 Respondents Gender

The results as indicated in Table 2 revealed that Male respondents were 55.9% and Female respondents were 44.1%.

Table 3. Respondents Gender

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	90	55.9	55.9	55.9
	Female	71	44.1	44.1	100.0
	Total	161	100.0	100.0	

Source: Collected Data (2021)

4.2.1.3 Respondents Age

The results from Table 3 indicates that 26.1% of respondents belongs to age group of 26-35, 56.5% of respondents at sales department belongs at age group of 36-40 Years, and lastly 17.4% of respondents belongs to greater than 41 years.

Table 4. Respondents Age

Age of respondents

Age of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35	42	26.1	26.1	26.1
	36-40	91	56.5	56.5	82.6
	41<=	28	17.4	17.4	100.0
	Total	161	100.0	100.0	

Source: Collected Data (2021)

4.2.1.4 Respondents Education

Table 4 shows that 35.4% of respondents are BA/BSC Degree holder, and 64.6% respondents are with Master's Degree. This implies that most respondents are well educated and experienced professionals.

Table 5. Respondents Education

Educational Status

	Frequency	Percent	Valid Percent	Cumulative Percent
BA/BSC	57	35.4	35.4	35.4
Valid Masters and above	104	64.6	64.6	100.0
Total	161	100.0	100.0	

Source: Collected Data (2021)

4.2.1.5 Respondents Work Experience

The results from table 5 shows that 24.8% of respondents have less than 4 years’ experience, 54.7% of respondents have experience ranging from 5-9 years and 20.5% of respondents have experience ranging between 10-14 years’ work experience.

Table 6. Respondents work experience

Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
<4	40	24.8	24.8	24.8
Valid 5-9	88	54.7	54.7	79.5
10-14	33	20.5	20.5	100.0
Total	161	100.0	100.0	

Source: Collected Data (2021)

4.2.1.6 Respondents Job level

The result from Table 6 shows that 72% of respondents belong to Administrator/Advisor, 13% belongs to supervisory level, 10.6% belongs to specialist level and 4.3% belongs to Manager Level.

Table 7. Respondents Job category

job category

	Frequency	Percent	Valid Percent	Cumulative Percent
Admin/Advisor	116	72.0	72.0	72.0
supervisor	21	13.0	13.0	85.1
Valid Specialist	17	10.6	10.6	95.7
manager	7	4.3	4.3	100.0
Total	161	100.0	100.0	

Source: Collected Data (2021)

4.2.1.7 Descriptive Analysis of Variables

Descriptive statistics in the form of means and standard deviations for respondents were computed for the effects of balanced scorecard implementation on performance of Ethio telecom's sales department. The descriptive statistics of the Independent Variables is presented in table 4.2 as below.

Table 8. Descriptive Statistics for the Major Variables

Perspectives	Minimum	Maximum	Mean	Std. Deviation
Customer	3	4	4.11	0.53
Internal Business	3	4	3.47	0.64
Learning and growth	3	4	3.81	0.28
Financial	3	4	3.67	0.44
Performance Measurements	2	4	2.94	1.04

Source: Computed for this research, 2021

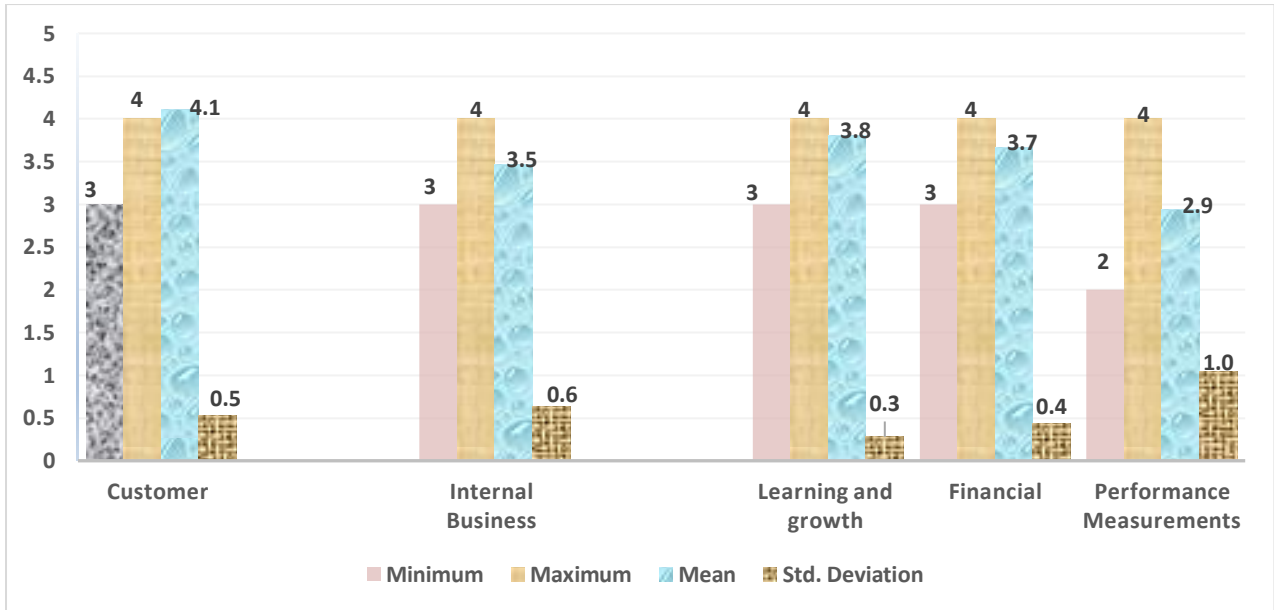


Figure 4 .Descriptive Statistics for the Independent Variables

The descriptive statistics displayed in table 4.2 above shows the maximum and minimum values, the mean and standard deviations among variables. According to Pihie (2009), the mean score measurement is used for description of the respondents mean score as low, moderate and high.

Mean score of less than 3.39 is described as low, mean score of 3.40 to 3.79 is described as moderate and mean score of greater than 3.80 is described as high. Consequently, the mean of the respondents about the Customer Perspective variable was 4.11 (SD = 0.53) on a five-point scale. This implies that, the respondent agreed that customer has a positive effect on BSC. The mean response of Internal Business perspective was 3.47 (SD = 0.64). It is moderate mean as compared to Customer Perspective. And it infers that the respondent is neutral regarding Internal Business perspective. Here, Learning and growth Perspective with a mean of 3.81 (SD = 0.28) and Financial Perspective with a mean of 3.67 (SD = 0.44). Respondent agreed in both perspectives that the perspectives have a positive effect on BSC. At last Performance Measurements with a mean of 2.94 (SD = 1.04). Which is low mean, the findings of each Perspective on percentiles of respondents are summarized as below.

Findings of Customer perspective

Table 9 Summary of Customer perspective

Questions	SDA	DA	%D (%SAD+ %D)	N	A	SA	%A (%SA +% A)
The implementation of balanced scorecard improves the service delivery of Sales Department.	0%	0%	0%	0%	64%	36%	100%
The customer complains is decreasing after balanced scorecard implementation.	0%	25%	25%	20%	55%	0%	55%
Ethio telecom focuses on long-term customer relationship through a deep knowledge of their needs.	0%	0%	0%	10%	37%	53%	90%
Ethio telecom articulated goals for time, quality and cost and translates these goals in to specific measures.	0%	0%	0%	12%	42%	46%	88%
Mean	4.4	3.3	4.4	4.3	4.1	4.5	3.2
SD	0.5	0.8	0.7	0.7	0.6	0.5	0.7

Source: Computed for this research, 2021

As indicated in table 9 above 100% of the respondents agreed on implementation of balanced scorecard improves the service delivery of Sales Department. This implies that, BSC has a role in enhancing the service delivery of the department. 55% of the respondents agreed that customer complain is decreasing after BSC implementation this is also related to the quality of the service delivery. 90% of the respondents, agreed on the statement that Ethio telecom focus on long-term customer relationship through a deep knowledge of their needs.

This indicated that Ethio telecom focus on long-term customer relationship rather than temporary benefit and this comes from by knowing customer needs. Then 88% of respondents also agreed that the organization articulated goals for time, quality and cost and translates these goals in to specific measures.

Findings of Internal Business perspective

Table 10. Summary of Internal Business perspective

Questions	SDA	DA	%D (%SAD+ %D)	N	A	SA	%A (%SA +%A)
BSC implementation helped Ethio telecom to excel in its best process and competences.	0%	0%	0%	7%	47%	46%	93%
The key internal process and competences are linked to the actions taken by individual employees.	9%	35%	44%	20%	27%	9%	36%
Employees at lower level in Sales Department have clear targets for actions, decisions, and improvement activities that will contribute to the company's overall mission.	9%	16%	25%	16%	43%	16%	59%
BSC Implementation enhanced the responsiveness of Ethio telecom information system.	4%	26%	30%	22%	44%	4%	48%
Mean	4.4	2.9	3.4	3.2	3.5	4.2	4.1
SD	0.6	1.1	1.2	1	1.2	0.7	1.3

Source: Computed for this research, 2021

In the above parameters shows that 93% of the respondents agreed on BSC implementation helped Ethio telecom to excel in its best process and competences. Here BSC facilitated the process and competences of the department. 44% of the respondents disagreed that key internal process and competences are linked to the actions taken by individual employees. This implies that, the basic elements in the process are not linked to individual levels.

Again 59% of the respondents agreed on Employees at lower level in Sales Department have clear targets for actions, decisions, and improvement activities that will contribute to the company's overall mission of the organization.

It is true that the overall mission of the organization is cascaded to the individual levels. 48% of the respondents, agreed on BSC Implementation enhanced the responsiveness of Ethio telecom information system.

Findings of Learning and growth perspective

Table 11. Summary of Learning and growth perspective

Questions	SDA	DA	%D (%SAD+ %D)	N	A	SA	%A (%SA +% A)
BSC gives much concern to the advancement of your career development.	0%	4%	4%	34%	56%	6%	62%
Ethio telecom gives much concern on product and service innovations.	0%	4%	4%	8%	50%	38%	88%
BSC Implementation plays an important role in enhancing organizational work culture	3%	15%	18%	22%	30%	30%	60%
The working environment is suitable to develop your job, knowledge and ability so that you can advance your career.	4%	9%	13%	35%	18%	34%	52%
Mean	3.6	4.2	3.7	3.7	4.1	3.5	4.3
SD	0.7	0.8	1.1	1.1	0.9	1.2	1

Source: Computed for this research, 2021

62% of the respondents agreed on BSC give much concern to the advancement of their career development. This shows that, BSC helps employees to build their career path. Again 88% of the respondents agreed on Ethio telecom give much concern on product and service innovations.

This is a practical and visible capacity of Ethio telecom's sales department in creating new product and services. 60% of them agreed on BSC Implementation plays an important role in enhancing organizational work culture. This also related with individual career development and motivation of employees towards their job this leads to strong organizational work culture.

52% of the respondents agreed on the working environment are suitable in developing job, knowledge and ability, so that they can advance in their career. The working environment of sales department is as good as other departments and this create a motivation for the employees in their job.

Findings of Financial perspective

Table 12. Summary of financial perspective

Questions	SDA	DA	%D (%SAD+ %D)	N	A	SA	%A (%SA +% A)
Balanced scorecard implementation brings revenue growth and sustainable market share to Ethio telecom.	4%	4%	8%	14%	46%	32%	78%
Due to BSC implementation Ethio telecom enhanced shareholders value.	2%	4%	6%	16%	38%	40%	78%
BSC implementation Improves over all Financial Performance of Ethio telecom.	4%	13%	17%	49%	17%	17%	34%
Balanced scorecard implementation increased the profitability of Ethio telecom.	5%	12%	17%	40%	35%	8%	43%
Mean	4	4.1	3.3	3.3	4.1	3.5	3.7
SD	1	1	0.7	0.7	1.2	0.9	0.6

Source: Computed for this research, 2021

78% of the respondents agreed on BSC implementation bring revenue growth and sustainable market share to Ethio telecom. This concept is related to the above parameters such as quality service delivery and long-term customer relationship through a deep knowledge of their needs.

So, the existence of these parameters guarantees the revenue and sustainable market share of the organization. In addition, 78% of the respondents agreed on BSC implementation of Ethio telecom enhanced shareholders value. This directly related to revenue growth and sustainable market share, if these two parameters increase the value of shareholders also increases.

49% of respondents are neutral in the question BSC implementation improves over all Financial Performance of Ethio telecom. 43% of the respondents agreed about balanced scorecard implementation increased the profitability of Ethio telecom. If revenue increased and sustainable market share is certain there will be profitability.

Findings of Performance Measurement

Table 13. Summary of Performance Measurements

S/N	SDA	DA	%D (%SAD+ %D)	N	A	SA	%A (%SA +%A)
Performance is evaluated continuously using BSC.	0%	0%	0%	0%	55%	45%	100%
Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives.	4%	12%	16%	19%	27%	39%	66%
The organization evaluation depends on the target/plan of balance scorecard.	6%	14%	20%	22%	17%	41%	58%
Performance evaluation objective are maintained in evaluating individual performance.	42%	30%	72%	21%	6%	1%	7%
Feedback is given after performance appraisal is performed.	33%	30%	63%	20%	11%	7%	18%
There is a Reward for those who performed above the standard.	43%	28%	71%	17%	10%	2%	12%
My performance is improved due to adequate implementation of BSC.	32%	27%	59%	20%	15%	6%	21%

Mean	0.5	1.2	1.3	1	1.2	1.1	1.2
SD	4.5	3.9	3.7	1.9	2.3	2	2.3

Source: Computed for this research, 2021

The finding of the research indicated that 100% of the respondents agreed on Performance is continuously evaluated using BSC. 66% of the respondents agreed on Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives.

From this it can be inferred that Ethio telecom has enough standards to measure Performance by using BSC.58% of them agreed that the organization evaluation depends on the target/plan of balance scorecard. Related to this, in every level of the department every single employee will propose his /her plan at the beginning of each year, and then they will be evaluated accordingly.

72% of the respondents disagreed about Performance evaluation objective are maintained in evaluating individual performance. 63% of the respondents disagreed on Feedback is given after performance appraisal is performed. As it stated above feedback is not continuously given after performance appraisal. In addition, 71% of the respondent's disagreed on the existence of reward for those who performed above standard. There is no clear reward mechanism for those who performed above standard. Finally, 59% of the respondents disagreed on; their performance is improved due to adequate implementation of BSC. They didn't believe that BSC improved their performance.

Table 14. Summary of Spearman's Correlation

Correlations			Improvement of PM	FP	CP	IP	LP
Spearman's rho	Improvement of PM	Correlation Coefficient	1.000				.
		Sig. (2-tailed)	.				
	FP	Correlation Coefficient	.470**	1.000			
		Sig. (2-tailed)	.000	.			

	CP	Correlation Coefficient	.028	.036	1.000		
		Sig. (2-tailed)	.724	.655	.		
	IP	Correlation Coefficient	.047	.127	.055	1.000	
		Sig. (2-tailed)	.557	.108	.486	.	
	LP	Correlation Coefficient	.440**	.364**	.153	.090	1.000
		Sig. (2-tailed)	.000	.000	.052	.256	.
**. Correlation is significant at the 0.01 level (2-tailed). N=161							

Source: Author's Computation (SPSS 20)

4.3 Inferential Statistics Analysis

4.3.1 Correlation Analysis

Hypothesis 1

Result of spearman's correlation (correlation results summarized table 8)

Spearman product correlation of Customer perspective of BSC and performance of Ethio telecom's Sales department was found to be markedly low and negligible positive and statistically **insignificant** ($r = 0.028$, $p > 0.001$), hence, H_0 was supported.

Hypothesis 2

Spearman product correlation of Internal perspective of BSC and performance of Ethio telecom's Sales department was found to be markedly low and negligible positive and statistically **insignificant** ($r = 0.047$, $p > 0.001$), hence, H_0 was supported.

Hypothesis 3

As shown in the correlation results summarized in Appendix D, Spearman product correlation of learning perspective of BSC and performance of Ethio telecom 's Sales department was found to be moderately positive and statistically significant ($r = 0.44$, $p < 0.001$), hence, H_1 was supported. This shows that an increase in the implementation of learning perspective of BSC would lead to effective performance of Ethio telecom.

Hypothesis 4

As shown in the correlation results summarized below in Table 12, Spearman product correlation of financial perspective of BSC and performance of Ethio telecom's Sales department was found to be moderately positive and statistically significant ($r = 0.47$, $p < 0.001$), hence, H1 was supported. This shows that an increase in the implementation of financial perspective of BSC would lead to effective performance of Ethio telecom.

4.3.2 Pre model test

Before running to correlation and regression analysis, a test on the assumptions of correlation and regression which is normality, outliers and linearity test assumption was done as explained below to ensure precise model results.

4.3.2.1 Test for Normality

When testing for normality, we are mainly interested in the **Tests of Normality** table and the **Normal Q-Q Plots**, our numerical and graphical methods to test for the normality of data, respectively. If the **Sig.** value of the Shapiro-Wilk Test is greater than 0.05, the data is normal. If it is below 0.05, the data significantly deviate from a normal distribution.

According to table 7, Except Performance improvement variable, the P values of the variables are below 0.05 which indicates non normality.

Table 15. Test of normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
CP	.143	161	.000	.948	161	.000
IP	.130	161	.000	.957	161	.000
LP	.151	161	.000	.960	161	.000
FP	.112	161	.000	.939	161	.000
PM	.062	161	.200*	.989	161	.243

*. This is a lower bound of the true significance.

Source: Collected Data (2021)

4.3.2.2 Testing for outliers

As the below figure show, there is an outlier in the effectiveness of Cp and effective of Fp. This implies that non parametric tests are more appropriate model for this study.

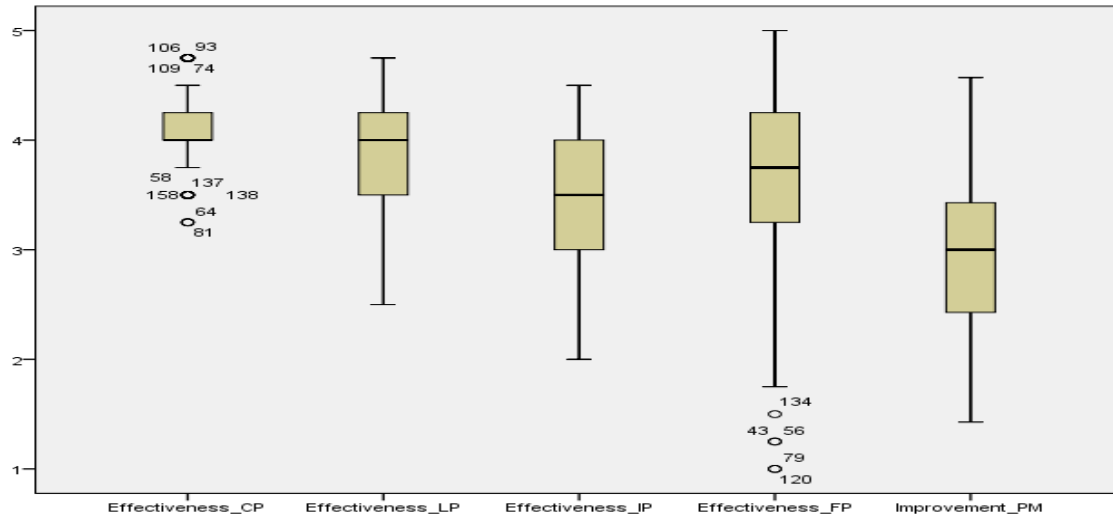


Figure 5.Outlier test

Source: Author's Computation (SPSS 20)

4.3.2.3 Test for linearity

As the scatter plot fig shows (Appendix C) the data's are scattered and so the linearity assumption is failed. Therefore, non-linearity model appropriate for this study.

4.3.3 Ordinary Logistic Regression

4.3.3.1 Model fitting Information

The Model Fitting Information (Table 8) contains the -2 Log Likelihood for an Intercept only (or null) model and the Full Model (containing the full set of predictors). There is also a likelihood ratio chi-square test to test whether there is a significant improvement in fit of the Final model relative to the Intercept only model. In this case, we see a significant improvement in fit of the Final model over the null model [$\chi^2(4) = 58.128, p < .001$].

Table 16. Model Fitting Information

Model Fitting Information					
Model	-2 Log Likelihood	Chi-Square	df	Sig.	
Intercept Only	938.225				
Final	880.097	58.128	4	.000	

Link function: Logit.

Source: Author’s Computation (SPSS 20)

4.3.3.2 Goodness of Fit

The “Goodness of Fit” table contains the Deviance and Pearson chi-square tests, which are useful for determining whether a model exhibits good fit to the data. Non-significant test results are indicators that the model fits the data well (Field, 2018; Petrucci, 2009, as cited by Mike Crowson, 2019).

In this analysis, it is shown that both the Pearson chi-square test [χ^2 (3472) =3326.819, p=0.961] and the deviance test [χ^2 (3472) =878.711, p=1.000] were both non-significant. These results suggest good model fit.

Table 17. Goodness of fit

Goodness-of-Fit			
	Chi-Square	df	Sig.
Pearson	3326.819	3472	.961
Deviance	878.711	3472	1.000

Link function: Logit.

Source: Author’s Computation (SPSS 20)

4.3.3.3 Parameter Estimates

In the parameter estimates, there are the regression coefficients and significance tests for each of the independent variables in the model. The regression coefficients are literally interpreted as the predicted change in log odds of being in a higher (as opposed to a lower) group/category on the dependent variable (controlling for the remaining independent variables) per unit increase on the independent variable. (Mike Crowson, 2019).

The positive Estimate is interpreted in the following way: For every one-unit increase on an independent variable, there is a predicted increase (of a certain amount) in the Log odds of falling at a higher level of the dependent variable. More generally, this indicates that as scores increase on an independent variable, there is an increased probability of falling at a higher level on the dependent variable. (Mike Crowson, 2019)

The negative Estimate is interpreted in the following way: For every one-unit increase on an independent variable, there is a predicted decrease (of a certain amount) in the Log odds of falling at a higher level of the dependent variable.

More generally, this indicates that as scores increase on an independent variable, there is a decreased probability of falling at a higher level on the dependent variable. (Mike Crowson, 2019)

Table 18. Parameter estimates

Parameter Estimates								
		Estimate	Std. Error	Wald	df	Sig. value	95% Confidence Interval	
							Lower Bound	Upper Bound
Location	CP	-.114	.406	.078	1	.780	-.909	.682
	IP	-.058	.224	.067	1	.796	-.498	.382
	LP	1.329	.312	18.188	1	.000	.718	1.940
	FP	1.010	.185	29.830	1	.000	.647	1.372
Link function: Logit.								

Source: Author's Computation (SPSS 20)

Hypothesis 1

H0: Customer perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's Sales department.

H1: Customer perspective of balanced scorecard has significance effect on the performance of Ethio telecom's Sales department.

According to institute for digital research and education, Coefficients having p-values less than alpha are statistically significant. For example, if you chose alpha to be 0.05, coefficients having a p-value of 0.05 or less would be statistically significant.

(i.e., you can reject the null hypothesis and say that the coefficient is significantly different from 0). Accordingly, the result for this study shows, the coefficient for Customer Perspective (-0.114) is not statistically significant at the 0.05 level since the p-value =0.078 is greater than 0.05. Therefore, Customer Perspective was not a significant predictor in the performance improvement.

For every one-unit increase on customer perspective, there is a predicted decrease of 0.114 in the Log odds of falling at a higher level on the performance of the organization. This implies, as the scores of independent variable (Customer Perspective) increases there is a decrease probability of falling at a higher level on the dependent variable (performance management process). Therefore, the decision is to accept the null hypothesis.

Hypothesis 2

H₀: Internal perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's Sales department.

H₁: Internal perspective of balanced scorecard has significance effect on the performance of Ethio telecom's Sales department.

The coefficient for Internal process perspective (-0.058) is not statistically significantly different from 0 because its p-value =0.067 is definitely larger than 0.05. So, internal process perspective was not a significant predictor for performance improvement.

For every one-unit increase on internal process perspective, there is a predicted decrease of 0.058 in the Log odds of being in a higher level of the dependent variable. Therefore, the decision is to accept the null hypothesis.

Hypothesis 3

H₀: Learning perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's Sales department.

H₁: Learning perspective of balanced scorecard has significance effect on the Performance of Ethio telecom's Sales department.

The coefficient for Learning and Growth (1.329) is statistically significantly different from 0 using alpha of 0.05 because its p-value is 0.000, which is smaller than 0.05.

Therefore, the decision is to reject the null hypothesis. Further, Learning and Growth Perspective was a significant positive predictor for improved performance.

For every one-unit increase on an independent variable (Learning and Growth), there is a predicted increase of 1.329 in the Log odds of falling at a higher level on the dependent variable (improved performance management process of Ethio telecom). This means as the score of that independent variable increases; there is an increased base equivalent increased probability of falling at a higher level on the dependent variable which in this case the performance.

Hypothesis 4

H₀: Financial perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's Sales department.

H₁: Financial perspective of balanced scorecard has significance effect on the performance of Ethio telecom's Sales department.

The coefficient for Financial Perspective (1.01) is statistically significant because its p-value of 0.000 is less than .05. The decision is to reject the null hypothesis. In other words, Financial Perspective was a significant positive predictor of improved performance.

For every one-unit increase on financial perspective, there is a predicted increase of 1.010 in the Log odds of improved performance of Ethio telecom's Sales department. This indicates that the effective implementation of balanced scorecard from financial perspective were more likely provides performance improvement.

4.3.3.4 Test of parallel lines

Ordinal linear regression assumes that the relationship between the Independent Variables are the same "across all possible comparisons" (Osborne, 2017, as cited by Mike Crowson, 2019) involving the dependent variable an assumption referred to as Proportional Odds.

When the result of the test of Parallel lines (i.e., assumption of Proportional odds) indicate non-significance, then assumption is satisfied. Statistical significance is taken as an indicator that the assumption is not satisfied. (Mike Crowson, 2019)

As the below table shows, in the results from our analysis, we interpret the results to mean that the assumption is satisfied (as $p=1.00$).

Table 19. Test of parallel Lines

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	880.097			
General	869.571 ^b	10.526 ^c	84	1.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

Source: Author’s Computation (SPSS 20)

4.4 Interview Analysis

The previous section reported the empirical findings from the quantitative component of this study. The following part of the study gives an overview of the interview. 7 interviews that were conducted with participants of sales department managers and supervisors. The interview was conducted with three managers and four senior supervisors.

- a. What are the effects of customer perspective on achieving customer satisfaction, new customer acquisition and customer retention in supporting the accomplishment of organizational performance?**

“Customer perspective of balanced scorecard is directly derived and implemented from the developed countries. We did not consider the nature of our country customers. That’s why we did not improve the customer retention which is the main objective of customer perspective, which affects the performance of the organization.”

As it can be observed from the above statement, the current implementation practice of balanced scorecard from customer perspective has not significantly affect the performance of sales department and this has been well felt by the department managers as well as supervisors.

b. What are the effects of internal process perspective on achieving excellence in service delivery, internal processes development and improving relationship with distributors and retailers?

“Internal process perspectives of balanced scorecard are not that much effective, I think it’s because, the current relationship between the partners of the organization, like distributors and agents are is not strong. This is due to the number of order that received by the organization and the estimated time of delivery and also the quality is still poor. These will violets the real objectives of internal process. The main thing is that, in my experience, defective products like Sim cards and Voucher cards are not few. I think this is the main reason for not implementing internal process perspective of balanced scorecard effectively.”

Like in the case of customer perspective, when the researcher asked the perceptions of the interviewees (managers and supervisors) agreed on the result. The interview responses showed that, the objectives of internal process, (achieving excellence in service delivery, internal processes development and improving relationship with distributors and retailers) are still there, but the key performance indicators (KPI) are not objectively measured the performance of employees. Several of the responses shows that the current implementation of internal process is not effective related to the objectives of internal process.

c. What are the effects of learning and growth perspective on achieving the ability of employees (skills, talents, knowledge and training), the quality of information systems (systems, databases and networks) and the effects of organizational alignment (culture, leadership, alignment and teamwork)?

“Ethio telecom provides online, face to face and on job training to its employees whenever it’s necessary. Therefore, the abilities of each employee not only in our department but company wise are in a good skill and knowledge.

Further, each employee has connected through the Intranet which can be taken as source of information. So I think the learning and growth perspective is implemented effectively and I can say that, it positively affects the performance of our organization.”

The clarification of the manager indicates that, the employees have the required skill and knowledge, due to the continuous trainings provided by the organization. In addition to this, the learning culture of the organization is good.

This indicates that, the basic objectives and key performance indicators of learning and growth perspectives are well measured and implemented.

d. What are the effects of financial perspective on achieving a higher return on investment, achieve significant revenue from new product and service launch, maximize profitability, delight shareholders and achieve cost reduction?

“As we all know before three years, the company reduced the tariff for all its products and services, this helped our company in generating high profit and increase shareholders value. So in this case, I definitely say that financial perspectives are effectively implemented and have positive effect on the performance of the organization.”

As stated in the balanced scorecard document and as it emerged from the interview with the managers and supervisors of sales department, financial perspectives of balanced scorecard indicate those measures dealing with organizational profitability, growth, and shareholder value.

The interview with the sales manager confirmed that the profitability, growth and shareholder’s values are improved. This implies that, the financial perspectives of balanced scorecard have positive effect on the performance of the company.

4.5 Conclusion

Customer perspective focuses on customer satisfaction, new customer acquisition, customer retention, and customer profitability.

In this study, both the qualitative and quantitative studies have confirmed that the objectives of customer perspective which are customer satisfaction level and customer retention levels are not positively contributed to the performance of the organization.

As presented in the findings, the implementation of internal process perspective of balanced scorecard has insignificant effect on improved performance management process. This is concluded as, even if the internal process objectives and measure of key performance are in the documents of the balanced scorecard of the company, the implementation practices have insignificant and negligible effect on the performance management process of the company.

Several of the responses shows that the current implementation of internal process is not effective related to achieving excellence in service delivery, internal processes development and improving relationship with distributors and retailers. This shows the finding from the quantitative analysis has a meaningful result.

The findings of the study show that the company gives priority to employee training for improving organization performance. These create and maintain the corporate culture attitude that will result to the achievement of the vision and mission of the organization. Also the regression analysis result shows that there is a positive and statistically significance effect between the performance and the learning and growth perspective. With such background, the qualitative study has brought the same question to the managers and supervisors of sales operation support. The result shows that learning and growth perspective of balanced scorecard has significance effect on the performance of the company.

The effective implementation of the objectives of financial perspectives which are achieving a higher return on investment, achieve significant revenue from new product and service launch, maximize profitability, delight shareholders and achieve cost reduction has significant effect on the performance of Ethio telecom's sales department. The positive regression result and the response of the qualitative result confirmed the positive effect of financial measures on the performance of the organization. So, the financial perspective of balanced scorecard has positive effect on the performance of the company which is the same with the quantitative result of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

5.1 Summary of Findings

The purpose of this study was to assess the effects of balanced score card /BSC/ implementation on the perceived employee performance of Ethio Telecom's sales department. The focus was to maintain and increase the positive effect of balanced scorecard on the performance of the organization by ensuring and encouraging the effective implementation of balanced scorecard at the department and individual level. The study intended to provide suggestions and recommendations that would hopefully change the view of the responsible personnel toward the effective implementation of balanced scorecard. Therefore, the below research questions were addressed to achieve these aims.

Since this study used a mixed approach, the results presented in this section included findings generated from the quantitative and qualitative approaches in combination. Based on the analysis and interpretations presented in Chapter Four, the major findings of the study are presented below.

- **The effect of Customer Perspective on Performance**

Related to sub research question one, the study found that customer perspective of balanced scorecard has a no significant effect on the performance management process of Ethio telecom's sales department. Therefore, the study accepted the null hypothesis and rejected the alternative hypothesis which states there is significance effect between customer perspective and performance. Customer perspective focuses on customer satisfaction, new customer acquisition, customer retention, and customer profitability.

In this study, both the qualitative and quantitative studies have confirmed that the objectives of customer perspective which are customer satisfaction level and customer retention levels are not positively contributed to the performance of the organization.

- **The effect of internal process perspective on Performance**

With regard to sub research question two, the study found that there is a no significant effect of internal process on the performance of Ethio telecom's sales department. The quantitative and qualitative result supports that to accept the null hypothesis.

The internal process perspective of balanced scorecard focuses on the design, delivery of the services, and the degree of excellence achieved. Furthermore, this perspective measures the internal business processes, core competencies, and technologies that would satisfy stakeholders and customers. The negative result shown in the empirical study implies these objectives are not effectively implemented. Therefore, the findings in both approach confirmed the null hypothesis.

- **The effect of learning and growth perspective on Performance**

Concerning the third research question, both the constructed quantitative and qualitative study investigated that learning and growth perspective of balanced scorecard has significant effect on Performance.

Therefore, the result rejects the null hypothesis that tells that Learning and growth perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's sales department.

The findings of the study show that the company gives priority to employee training for improving organization performance. These create and maintain the corporate culture attitude that will result to the achievement of the vision and mission of the organization.

Therefore, both the qualitative and quantitative approach confirmed that the learning and growth perspective of balanced scorecard has significance effect on the performance of Ethio telecom.

- **The effect of financial perspective on Performance**

Related to the fourth research question, it was investigated that financial perspective of balanced scorecard has significant effect on Performance. Therefore, the result rejects the null hypothesis that, financial perspective of balanced scorecard has no significance effect on the performance of Ethio telecom's sales department.

The effective implementation of the objectives of financial perspectives which are achieving a higher return on investment, achieve significant revenue from new product and service launch, maximize profitability, delight shareholders and achieve cost reduction has significant effect on the performance of Ethio telecom's sales department. The positive regression result and the response of the qualitative result confirmed the positive effect of financial measures on the performance of the organization.

The objective of this research was to assess the effects of balanced scorecard implementation on the performance of Ethio telecom's sales department. Based on the results of the quantitative and qualitative studies, the following conclusions were drawn.

Balanced scorecard implementation from the four perspectives (customer, internal process, learning and growth and financial) has effect on the performance of Ethio telecom's sales department.

5.2 Conclusions

The Balanced Scorecard started off as a card which gives an overall picture (Keeping important perspective in focus) of organization performance. It was initially brought in to set over emphasis on financial performance and bring the other three perspectives as performance indicator.

It was later brought in as a management strategic tool, which translated these performance indicators into decision making (From long term goals translating into short term decisions) and hence reflecting in operations.

The objective of this research was to assess the effects of balanced scorecard implementation on the performance of Ethio telecom's sales department. Based on the results of the quantitative and qualitative studies, the following conclusions were drawn. Balanced scorecard implementation from the four perspectives (customer, internal process, learning and growth and financial) has effect on the performance of Ethio telecom's sales department.

- **Customer Perspective**

BSC (Balanced Scorecard) helps the organizations in attaining the customer satisfaction by customer retention, customer acquisition, market share increments, and lead-time occurs, and on time delivery. The findings on the qualitative analyses support the quantitative study findings in that the customer perspective goals of balanced scorecard which are customer satisfaction and retention has not significantly improved the performance management process of the company. The qualitative result shows most customers are not satisfied with the services provided by the company. Customers have no choice to get the service due to the monopoly power of the telecommunication occupied by the organization. Both the quantitative and qualitative studies have confirmed that the effect of customer perspective was very small even at a negligible level on performance management process.

- **Internal process Perspective**

BSC (Balanced Scorecard) helps the organizations in their internal business process perspective by providing management with a comprehensive picture of business operations. It also helps in measuring of how well the company identifies the customers' future needs, increase in creativity and unexpected ideas, measures the quality, time cycle measurement, measures cost, and measures post sales services, warranty, repair, and treatment of defects and returns.

As presented in the findings, the implementation of internal process perspective of balanced scorecard has insignificant effect on improved performance management process.

This is concluded as, even if the internal process objectives and measure of key performance are in the documents of the balanced scorecard of the company, the implementation practices have insignificant and negligible effect on the performance management process of the company.

- **Learning and Growth Perspective**

BSC (Balanced Scorecard) helps in increasing the learning and growth perspective by increasing of employee satisfaction, alignment of employee incentives with overall organization success factors, and increasing of employee morale.

In the view of respondents, the company highly concentrated on the employee skill, experience and knowledge. Despite employee's willingness to acquire more skills, top management believe and support will put on question. This means that supporting it with resources like incentives. Employees are trained in their respective job position and also they take trainings related to ethics, corruption, Leadership and self-management trainings which helped the company to build healthy corporate culture. Thus, the qualitative and quantitative study confirmed that, this implementation of learning and growth perspective has significant effect on performance management process of the organization.

- **Financial Perspective**

The BSC (Balanced Scorecard) helps in enhancing the financial aspects of the organizations by increasing profitability, added economic value, and increase sales growth. It also helps in increasing cash flow generation and increase the return on capital employed. This study was aimed to investigate the effect of financial perspectives on the performance management process of the organization. As the findings of the mixed approach indicated, the profitability, sales growth and the economic values of the company has improved due to effective implementation of the balanced scorecard financial perspective objectives. It was found that good financial reporting and better use of finances leads to shareholder satisfaction and it also impacts positively on the employee perception of the organization; which promotes organizational performance on the overall. The company is effective in converting the financial goals in to measurable objectives and that brings improved performance for the company.

5.3 Recommendations

The previous sections have discussed key findings of the study in relation to the performance management process of the organization and the balanced scorecard perspectives. These findings have several implications and recommendations for the actors and responsible personnel of the organization.

The General purpose of this study was to investigate the effects of balanced score card /BSC/ implementation on the performance of Ethio Telecom's sales department. Findings from both the quantitative and qualitative studies suggest that balanced scorecard implementation from the four perspectives has positive and also negligible effect on the performance of Ethio telecom's sales department. This has implication for the managers in the processes of company strategies formulation and decision making. In addition, employees including supervisors should have consideration to the basic balanced scorecard perspective goals and objectives in attempt to formulate key performance indicators, to improve company performance. Since the company has on liberalization and privatization process, the below recommendations are given by the researcher for each balanced scorecard perspectives.

- **Customer perspective**

The specific objectives of the study were to investigate the effect of balanced scorecard implementation from customer perspectives on the performance of EthioTelecom's sales department. Regarding to the customer perspective, the company should work more on measuring customer satisfaction and customer retention other than totally counting the number of subscriber's country wide. The customers need to be more involved in decision making regarding to the tariff and quality of the service. This make them feel that they are also stakeholders of the organization.

In addition, the organization should assess and research the main complaints of the customers in order to increase customer retention. By doing this and improving communication with customers the organization will improve its performance, even if the company has on privatization.

- **Internal process perspectives**

The specific objectives of the study were to investigate the effect of balanced scorecard implementation from internal process perspectives on the performance of Ethio Telecom's sales department. Related to the internal process perspective, the study finds that internal process has insignificant effect on the performance of the company.

This requires the company to improve the knowledge management strategy and to make it enable in the usage of abundant knowledge for competitive advantage for the next competition with foreign telecommunication companies. Additionally, the company should sustain its improvement to achieve sustainable development.

- **Learning and Growth Perspective**

The specific objectives of the study were to investigate the effect of balanced scorecard implementation from learning and growth perspectives on the performance of Ethio Telecom's sales department. The study finds that Learning and Growth perspective has positive significant effect on performance. Although, it is found that most employees are measured by the BSC objectives but they do not have much knowledge on the objectives. To maintain these improvements on performance management process, the company should train employees on the implementation of balanced scorecard and the result that will be achieved if it is implemented effectively.

Further, the organization should use the highly experienced and trained employees more by having an enhance employee involvement strategy to tap into the skills and competences for more innovations for business improvement purpose. Additionally, the organization should initiate more incentive schemes to encourage innovation and to create competitive advantage with the abundant knowledge.

It may also require review of the training strategy as well as carrying out an audit to establish the acquired skills in relation to company requirement currently and for the future.

- **Financial Perspectives**

The specific objectives of the study were to investigate the effect of balanced scorecard implementation from financial perspectives on the performance of EthioTelecom's sales department. Managers and all actors of balanced scorecard should also target to build a well-developed financial report strategy to maintain organizational profitability, growth, and shareholder value.

Generally, the company should recognize the causal relationship between the four perspectives, with the training programs provided for improving employees 'skills and an investment in information technology (learning and growth perspective) leads to an improvement in delivering service (an internal process), which also leads to customer satisfaction and loyalty (customer perspective), and this, in turn, will increase revenue and profits (financial perspective).

5.4 Suggestions for further research

This study has investigated the effects of balanced scorecard on performance of Ethio telecom's sales department. The same research should be done on other departments, at division level and the organization itself, so as to establish if the result obtained will be of a similar nature.

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ANNEX

APPENDIX A

Questionnaire

Questionnaire for Contact center advisors, supervisors and managers of EthioTelecom’s sales department.

Research title: Assessing the Effects of Balanced Score Card /BSC/Implementation onPerformance in the Case of Ethio Telecom’s sales department.

Addis Ababa University, School of Graduate Studies, College of Business and Economics, Department of Human Resource Management

Dear respondents,

This questionnaire is designed with the aim of gathering information for the study on “Assessing the Effects of Balanced Score Card /BSC/ Implementation on Performance in the Case of Ethio Telecom’s sales department.” for the partial fulfillment of the requirement of Master degree in Human Resource Management. Your responses will be treated with highest confidentiality. The respondents are kindly requested to respond to all questions and as honestly as in any way possible in order to enable the researcher to draw the most accurate conclusions.

Thank you for participating in the study. Please put “x” mark for the closed ended questions and write your answer for the open ended questions.

Part I: Demographic Information – please put (X) in a given answer Box

1. **Gender** Male Female

2. AgeGroup

A. ≤ 25 B.26-35
C.36-40 D. 41 and above

3. Educational status

A. Diploma B.BA/BSC
C. Mastersandabove D. Other pliespecify _____

4. How long you have been working at Ethio telecom?

- A. < 4 B. 5 –9
 C.10 –14 D. 15 and above

5. Your Job position in the organization

- A. Staff B. Supervisor
 C. Specialist D. Manager

Part II

Kindly indicate how much you agree or disagree with the following statements concerning the effect of BSC implementation for performance improvement regarding financial, customer, internal business and learning and growth perspectives. Put (X) mark on your choice.

SA - Strongly Agree; A - Agree; N –Neutral; D-Disagree; SD - Strongly Disagree

SA=5, A=4, N=3, D=2 ,SD=1

Questions Related to Customer perspective

S/No	Content	SA	A	N	D	SD
CP1	The implementation of balanced scorecard improves the service delivery of Sales Department.					
CP2	The customer complain is decreasing after balanced scorecard implementation.					
CP3	Ethio telecom focus on long-term customer relationship through a deep knowledge of their needs.					
CP4	Ethio telecom articulated goals for time, quality and cost and translates these goals in to specific measures.					

Questions Related to Internal Business perspective

S/N	Content	SA	A	N	D	SD
IP1	BSC implementation helped Ethio telecom to excel in its best process and competences.					
IP2	The key internal process and competences are linked to the actions taken by individual employees.					
IP3	Employees at lower level in Sales Department have clear targets for actions, decisions, and improvement activities that will contribute to the company's overall mission.					
IP4	BSC Implementation enhanced the responsiveness of Ethio telecom information system.					

Questions Related to Learning and growth perspective

S/N	Content	SA	A	N	D	SD
LP1	BSC gives much concern to the advancement of your career development.					
LP2	Ethio telecom gives much concern on product and service innovations.					
LP3	BSC Implementation plays an important role in enhancing organizational work culture.					
LP4	The working environment is suitable to develop your job, knowledge and ability so that you can advance your career.					

Questions Related to Financial perspective

S/N	Content	Rating				
		SA	A	N	D	SD
FP1	Balanced scorecard implementation brings revenue growth and sustainable market share to Ethio telecom.					
FP2	Due to BSC implementation Ethio telecom enhanced shareholders value.					
FP3	BSC implementation Improves over all Financial Performance of Ethio telecom.					
FP4	Balanced scorecard implementation increased the profitability of Ethio telecom.					

Questions Related to Performance Measurements

S/N	Statements	Rating				
		SA	A	N	D	SD
PM1	Performance is evaluated continuously using BSC.					
PM2	Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives.					
PM3	The organization evaluation depends on the target/plan of balance scorecard.					
PM4	Performance evaluation objective are maintained in evaluating individual performance.					
PM5	Feedback is given after performance appraisal is performed.					
PM6	There is a Reward for those who performed above the standard.					
PM7	My performance is improved due to adequate implementation of BSC.					

APPENDIX B

Interview Guide

Interview Guideline for Supervisors and Managers of sales department

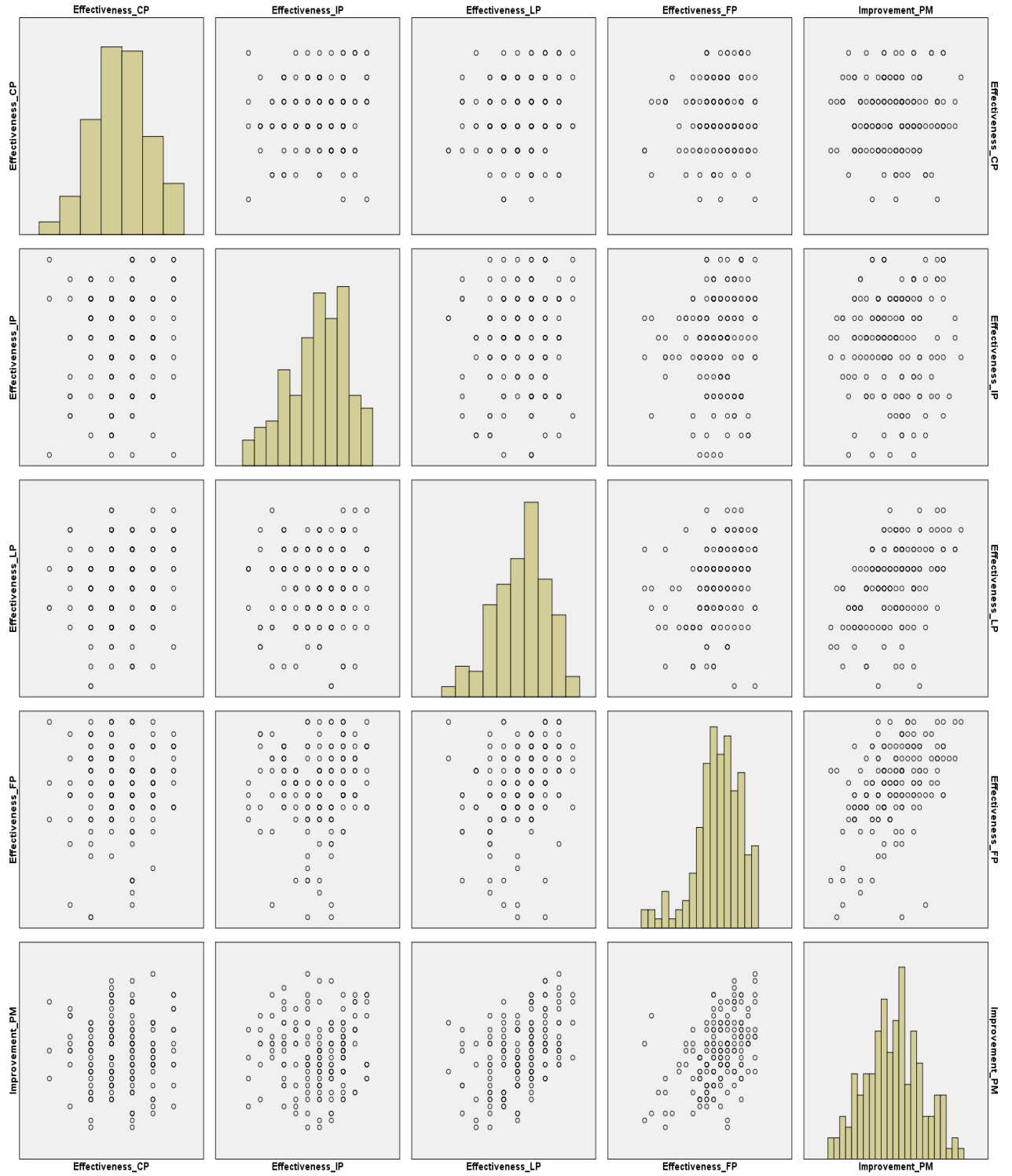
Research Title: The effects of balanced score card implementation on perceived employee performance(The case of Ethio Telecom’s sales department.)

1. What are the effects of customer perspective on achieving customer satisfaction, new customer acquisition and customer retention in supporting the accomplishment of organizational performance?
2. What are the effects of internal process perspective on achieving excellence in service delivery, internal processes development and improving relationship with distributors and retailers?
3. What are the effects of learning and growth perspective on achieving the ability of employees (skills, talents, knowledge and training), the quality of information systems (systems, databases and networks) and the effects of organizational alignment (culture, leadership, alignment and teamwork)?
4. What are the effects of financial perspective on achieving a higher return on investment, achieve significant revenue from new product and service launch, maximize profitability, delight shareholders and achieve cost reduction?

END OF INTERVIEW

APPENDIX C

Scatter Plot for Linearity test



Source: Author's Computation (SPSS 20)

Fig Scatter plot for Linearity test