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ADDIS ABABA UNIVERSITY

**College of Business and Economics**

**Department of Public Administration and Development**

**Management**

**Challenges and Prospects of Bsc implementation in Ethiotelecom: The Case of  
Customer service division**

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**Declaration**

I declare that this MA. thesis is my original work, has never been presented for a degree in this or any other university and all source of materials used for the thesis have been duly Acknowledged

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## **Acronyms**

BPR	Business process reengineering
BSC	Balance scorecard
CCB	Customer care and billing
CDMA	Coded data multiplex access
CEO	Chief Executive Office
CFROI	Cash flow return on investment
DFID	Department for International Development
CPM	Customer profile management
ERP	Enterprise resource Planning
eTOM	enhanced Telecom Operation Map
FL- NGN	Fixed line Next generation project
GOE	Ethiopian government
GSM	Global system for mobile
ICT	Information and communication technology
IPNGN	Next generation internet protocol
ITIL	Information Technology Infrastructure Library
KPI	key performance indicator
MCS	Management control system
NGCC	Next generation call center
NGN	Next generation network

NGOs	Non Governmental Organizations
NNOC	Network operation center
PCMM	People capability Maturity Model
R&D	Research and Development
SPSS	Statistical package for social science
SWOT	Strength Weakness Opportunity and Threat
TT	Trouble Ticket
USD	United States Dollars

## ***Abstract***

*This study is intended to assess the main challenges and key success factors of BSC implementation in ethiotelecom specifically in customer service division. All employees of customer service division were taken as population of the study and a sample size of 93 were drawn from the population. Primary data for analysis has been collected through structured questionnaire and key informant interview to answer the established research questions about basic challenges of BSC implementation, the implementation level of BSC and key success factors to successfully implement BSC in the division. Descriptive method of data analysis was applied using mean, frequencies and standard deviations to address the specific objectives of the study. Based on this, the study identified that lack of effective communication and creating adequate understanding about BSC on employees by allocating sufficient time for that before implementing the tool, lack of periodic training about BSC as demonstrative training or any other form to empower employees once it becomes operational and lack of consistent support from top management in implementing BSC in the division were identified as bottle necks in implementing BSC. Regarding implementation level, BSC is properly implemented in the division except explaining KPI parameters by concerned body and individuals reach at consensus on its implementation which needs certain improvement. About the key success factors the study found that being online service, availability of competent staffs and availability of adequate and appropriate technologies enables the division to successfully implement BSC. Finally the study proposes effective communication about newly implemented project and its objective with all stakeholders is necessary, consistent periodical trainings either quarterly, semiannually or annually to update the knowledge of its staffs about BSC and empower them to independently and appropriately apply it, sufficient and consistent support and end to end follow up from top management is important and customer service division must create a condition for staffs that can sufficiently motivate by providing appropriate motivation packages for best performer individuals by BSC.*

**Key words: Balanced score card (BSC), customer service, challenges and ethiotelecom.**

## CHAPTER ONE

### INTRODUCTION

#### 1.1. BACKGROUND

Domanovic,et.al, (2012) stated that, dissatisfaction with traditional systems for measuring the efficiency of companies increases significantly. Traditional efficiency measures are those based on accounting data (such as return on investment, return on equity, return on sale, CFROI – cash flow return on investment, economic value added, return on added value, etc.) and those based on market share price (such as market value added, earnings per share, price/earnings ratio, dividend per share/earnings per share, dividends per share/market price per share). Upon the conducted research, it could be conducted that many companies, perhaps most, suspect that it does not work well. State of uncertainty and confusion in measuring the efficiency of enterprises is not surprising in the modern business conditions. The newly established companies that are struggling for capital and market share must continually adapt their metrics. Hence, it is understandable for large companies to take annual review of their efficiency measurement systems.

It is generally believed that the best measures of efficiency are those measures that are connected with business strategy. In addition, efficiency measures should be focused and should reward behavior that contributes to business success (Kaplan and Norton, 1992).

These and other related problems of the old financial measurement leads to the development balanced scorecard by Kaplan and Norton in 1990s as performance management tool to implement organizations' strategic plans balancing financial and non financial issues, long term and short term plans and leading and lagging indicators etc. This concept is built on the premise that companies are no longer able to gain a sustainable competitive advantage by developing only tangible assets. In other words, the company's ability to build "intangible assets" or "intellectual capital" has become a critical success factor in creating and maintaining competitive advantage (Domanovic,et.al, 2012).

Balance scorecard methodology was developed by Kaplan and Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. Thus, balanced Scorecard is a methodology used for

deploying strategic direction, communicating expectations, and measuring progress towards agreed

objectives (Kaplan, and Norton, 1996).

According to Kaplan and Narton, the BSC is primarily a tool to help strategy implementation, and reflects the need for a balance between:

- (1) Short-term and long-term targets;
- (2) Financial and non-financial measure parameters: and
- (3) Ahead (foresee) and behind (adjust), 3 indicators to show balance purpose from the internal and external perspectives.

The BSC is not only a management measurement system but also a control system. Its use Enables organizations to translate their vision and strategy into action, and to continually Improve strategic performance and results through feedback on internal business processes And external outcomes (WangRui & Guhongfei, 2016).

The balanced scorecard has evolved from its early use as a simple performance passive document into the "filing orders" for the organization on a daily basis. It provides measurement framework to a full strategic planning and management system. The "new" balanced scorecard transforms an organization's strategic plan from an attractive but passive document into the "filing orders" for the organization on a daily basis. It provides a framework that not only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies (Kaplan and Norton, 1996).

Ethiopian telecommunications has made various transformations along with the country's growth and transformation plan as it is government owned sole telecom provider in Ethiopia. As company growth and transformation plan, Ethiopian telecommunications corporation started to expand its network accessibility by signing 1.5 billion USD vender financing agreement with chine's telecom company(ZTE) in 2009.

In addition to the network expansion, Ethiopian Telecommunications Corporation also tried to make some structural adjustments in its internal management by signing a contract management agreement for two years term with French international telecom company (ORANGE) which enables the company to get modern international standard telecom management experience and success full knowledge and technology transfer. Along with this structural adjustment, the company changed its name from Ethiopian telecommunications corporation to ' Ethiotelcom' in2010.(Medhin, 2015).

Ethiotelecom has also been under major transformational activities to be a world class telecom operator. In order to achieve these ambitions, reform has been undertaken through different quality methodology tools which are being implemented throughout the company for better efficiency and effectiveness (Ethiotelecom, 2016).

Among these, eTOM Frameworks, ITIL, PCMM, and kaizen as major ones which are implemented with the objective of creating international working standards and continuous improvement culture in the company. These methodologies are already being practiced with in the operation. Moreover, in order to enhance its planning, performance measurement, and communication it is now implementing Balanced score card tool.

Therefore, ethiotelecom has deployed BSC methodology as an integrated framework to define and implementation.

Deployment of BSC in ethiotelecom passes nine main steps including the design which consists the first six steps and the implementation steps which consists the last three steps.

➤ Design/ Development Phase

This phase mainly focuses on analyzing the environment, defining strategy, set objectives, link these objectives, set performance measures and defines the strategic initiatives.

➤ Implementation Phase

These phase focus on how to put on the ground the designed score card and evaluate the performance. There are three steps in this phase which has a great role to the successful implementation of the balanced scorecard. These steps automation, cascading and evaluation.

Thus, the purpose of this paper is mainly to assess the implementation of BSC in ethiotelecom and the main challenges in the process of implementation to achieve its strategic, annual and individual plan and as performance measure, monitoring and communication tool.

## **1.2. Statement of the problem**

Performance management is a process set by an organization to ensure organizational goals that can be achieved in an effective manner. Over the past decade, performance management techniques have been increasingly applied by organizations to help managers control performance and achieve strategic goals. The widely used performance management techniques by organizations include, benchmarking, strategy mapping, lean management and balanced scorecard (Wang, 2016). Among these techniques, BSC has received considerable attention from both academics and users since it was introduced to the public.

With BSC, organizations can reach their strategy in a language that makes sense for everyone. When strategy is expressed in terms of measurements and targets, the employee can relate to what must happen or try to create a balance between various indicators like long run and short run, financial and non financial, lagging and leading indicators etc. This leads to much better execution of strategy. Not only does BSC transform how the strategic plan is expressed, but it also pulls everything together. This is the so-called “cause and effect” relationship or linking of all elements together. For example, if you want strong financial results, you must have great customer service. If you want great customer service, you must have excellent business processes in place (such as Customer Relations Management). If you want great business processes, you must have the right people, knowledge, and systems (learning and growth). Thus, as part of its strategic management processes, ethio telecom tried to identify strategic objectives and measure its performances (process outcomes) from different perspectives: Finance, Customer, internal processes and learning and growth. (WangRui & Guhongfei, 2016)

It should be understood that the BSC is not a universally standardized tool. Rather, each organization that decides to adopt the BSC must implement it in accordance with its own particular strategy, vision, technology and culture (Kaplan & Norton, 1992). The design of the BSC is thus highly dependent on the purpose for which it is used. For example, if the purpose of BSC implementation is for the purpose of performance measurement, the design will reflect more measurement parameters to link individual targets with department targets; If the organization aims to use the BSC more for control purposes, the design will likely focus on the number of perspectives with measurements that are included in the Scorecard (WangRui & Guhongfei, 2016).

In addition, the BSC is a performance management system rather than performance measurement system as focusing only on performance measurement may hinder the achievement of organizational objectives ( Braam and Nijassen, 2004)

Though ethiotelecom is a sole telecom service provider in Ethiopia, in the current stiffly competitive world, establishing long and short term plans and implementing them effectively and efficiently is mandatory to provide quality service on the eye of its customers and create satisfaction. And this necessitate to introduce appropriate tool to realize its mission, vision, goals and objectives. Therefore, ethiotelecom has deployed BSC methodology as an integrated framework to define strategic, annual and individual plan and used it as a platform for performance measurement and monitoring system. Moreover, it is also used as a communication tool at all levels.

Many studies are conducted in Ethiopia about BSC in Ethio telecom as well as other sectors like financial institutions, higher education and other sectors. Among these, Nigst.et.al, (2018) and Adamitu, (2016) conducted mainly focusing on practices, challenges and success factors of BSC implementation in higher education institutions in Ethiopia. Amsalu, (2015) and Tsion, (2014) studied practices, challenges and prospects of BSC implementation in state owned banks in Ethiopia. Temam, (2016) “Assessment of Challenges of Implementing Civil Service Reforms: BPR and BSC in Focus, in Arsi Zone, At Asella, Ethiopia”.

Some of the studies about BSC conducted in ethiotelecom were mainly focused on challenges, prospects, practices of BSC implementation and its contribution on employees performance appraisal practices (Daniel, (2017), Wubamlak, (2016), Yared, (2016) and Hana, (2017)).

On view of ethiotelecom is a sole proprietor and large company that covers the whole country, and most of the above and other studies conducted in ethiotelecom were mainly tried to assess the challenges and practices of BSC implementation at company level which covers the whole country. But as ethiotelecom has extended number of divisions, departments and sections, these studies will lead to lack of assessing the problem in sufficient detail and may not capture all the information as required. This study mainly intended to fill this gap and tried to assess the challenges of BSC implementation like employees’ clear understanding and applying BSC, whether adequate training provided to employees about BSC, effective communication is made before and during implementation, support from top management and employees involvement in introducing the tool etc and assess whether BSC parameters are fully implemented specially the four BSC perspectives

by focusing on customer service division only. In addition, the study will try to assess the main success factors of implementing BSC on customer service division. As this division is mainly focused on handling customers and provide solutions through online service about the products, offerings and services of ethiotelecom, it is more technology oriented and most of the parameters are suitable to measure which is conformable with BSC principle of “every parameter should be measured” and availability of young and educated staffs that can easily adapt new technologies and concepts etc.

### **1.3. Objectives of the study**

#### **1.3.1. General Objective**

The general objective of this study is to examine the challenge and prospects of BSC implementation in ethiotelecom the case of customer service division.

#### **1.3.2. Specific Objectives**

- To identify the specific challenges that the division faces in implementation of BSC
- To assess the extent of bsc parameters implementation in Ethio telecom the case of customer service division.
- To assess the prospects of the division in implementation of BSC

### **1.4. Research questions**

- What factors are challenging to implement BSC in ethiotelecom?
- How is the level of implementation of BSC parameters in ethiotelecom?
- What are prospects in ethiotelecom to implement BSC?

### **1.5. Significance of the study**

In the current stiffly competitive world, customer service division is a life blood of many organizations to survive specially, for service provider companies like Ethio telecom. As this study tried to assess the implementation level, challenges and prospects of BSC in customer service division, it is believed will provide necessary information to management and enable them to take timely corrective action and keep the strong sides that will help the organization to provide reliable service to customers that will lead to enhance its financial strength and this lead to improved internal process and learning and growth of its employees. Finally this research is believed to contribute for paving a way for similar researches to be conducted in the future in similar areas.

### **1.6. Scope of the study**

The Balanced Scorecard is a strategy management tool applicable to private sector organizations, NGOs, and public sector organizations but the scope of this study is only be limited to government owned telecom service provider organization in Ethiopia. In addition, the study is limited in assessing the implementation level, challenges and success factors of BSC implementation in ethiotelecom with special focus in customer service division. Due to this the results and recommendations of the study are limited to customer service division only and its result shows how these activities are practiced only.

### **1.7. Limitation of the study**

Due to confidentiality and lengthy bureaucracies, it was difficult to access some documents which were considered by the researcher important for quality of this research.

Even though ethiotelecom is sole telecom service provider in Ethiopia which has many branches all over the country, due to time constraint and to make the data manageable the study is limited to customer service division. Thus, the results and recommendations might not be generalized to other divisions.

### **1.8. Organization of the paper**

The thesis is organized and presented in five chapters. The first chapter deals with introduction of the study which consists of background of the study, statement of the problem, objectives of the study, research questions, scope and limitation and organization of the paper. Chapter two is discussed different literatures on the area which discusses various theories and concepts regarding the topic. Chapter three presents the research methodology. Furthermore, chapter four is focused on presentation of the collected data and analyzing using appropriate tools and techniques. Finally, the fifth chapter provides the summary, conclusion and recommendation part.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Theoretical review**

Research has identified that one key reason for strategy execution failure is the lack of an effective management control system (MCS) within the firm. The establishment of a suitable management control system is essential for effective strategy execution (WangRui & Guhongfei, 2016). In this regard, the Balanced Scorecard (BSC) functions as a useful measurement and strategic control tool to achieve desired strategic results (Murby and Gould, 2005)

Some practitioners argue that managers can hardly work with multiple measurements of performance. However, Kaplan and Norton (1992) make an analogy with an airplane cockpit. They explain that for the complex task of navigating a plane, the pilot should rely on a number of indicators and instruments to reach the destination safely and efficiently. He needs detailed information about fuel, airspeed, pressure, altitude, destination, and other indicators that summarize the current and predicted environment. Relying only on one instrument could be fatal. The same can be said for organizations. Managers should recognize the need to track performance in several areas. The Balanced Scorecard should therefore provide answers to four basic questions that look at the business from four important perspectives (Kaplan and Norton, 1992):

- How do customers see the business? Customer Perspective
- What is it important to excel in? Internal Process Perspective
- Can the business continue to improve ability and create value? Learning and Growth Perspective
- How do shareholders see the business? Financial Perspective.

Niven (2006) indicated some criticism of the excessive use of financial measurements: The rising importance of intangible assets. Traditional financial measures are not designed to capture the aspects or performances of customers, suppliers, employees, company culture, quality, and opportunities for learning and innovations. Performances of these intangible assets should be measured because they represent the operational drivers for future financial performance.

No predictive power for the future. Even if financial measures are an excellent summary of past achievements, they are not able to show the right path for future activities and events. They do not represent cross-functional and team-work activities. A great deal of business value is created by

the collective efforts of different functional areas. Financial statements, on the other hand, represent individual achievements of different functional areas summarized in the overall company picture. They are not able to track the various relationships which continuously Develop within an organization in different functional areas.

Short-term view. Focusing only on financial measurements may harm long term success. In contrast to activities which bring results in the long term such as research and development, employee training, or customer relationships, cost reductions may lead to temporally better financial results but threaten future development and the creation of long-term value.

They do not involve all levels of an organization. To effectively perform their daily activities, All employees need performance information. Financial measures often involve information From all levels summarized in high-level financial statements. Data presented in such a Manner may not be very useful because very often they do not reach all the levels of the organization and its employees.

## **2.2. BSC perspectives**

According to Kaplan and Norton (2002) effective implementation of balanced score card requires organization management to give much emphasis into four BSC perspectives. These include; the financial perspective, internal business processes, learning and growth perspective and customer perspective. The balanced score-card (BSC) presents a model for strategic performance measurement and management for high performance organizations. According to Kaplan and Norton (2001) the Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system (Kaplan and Norton, 2002).

This strategic management system measures organizational performance in four balanced perspectives

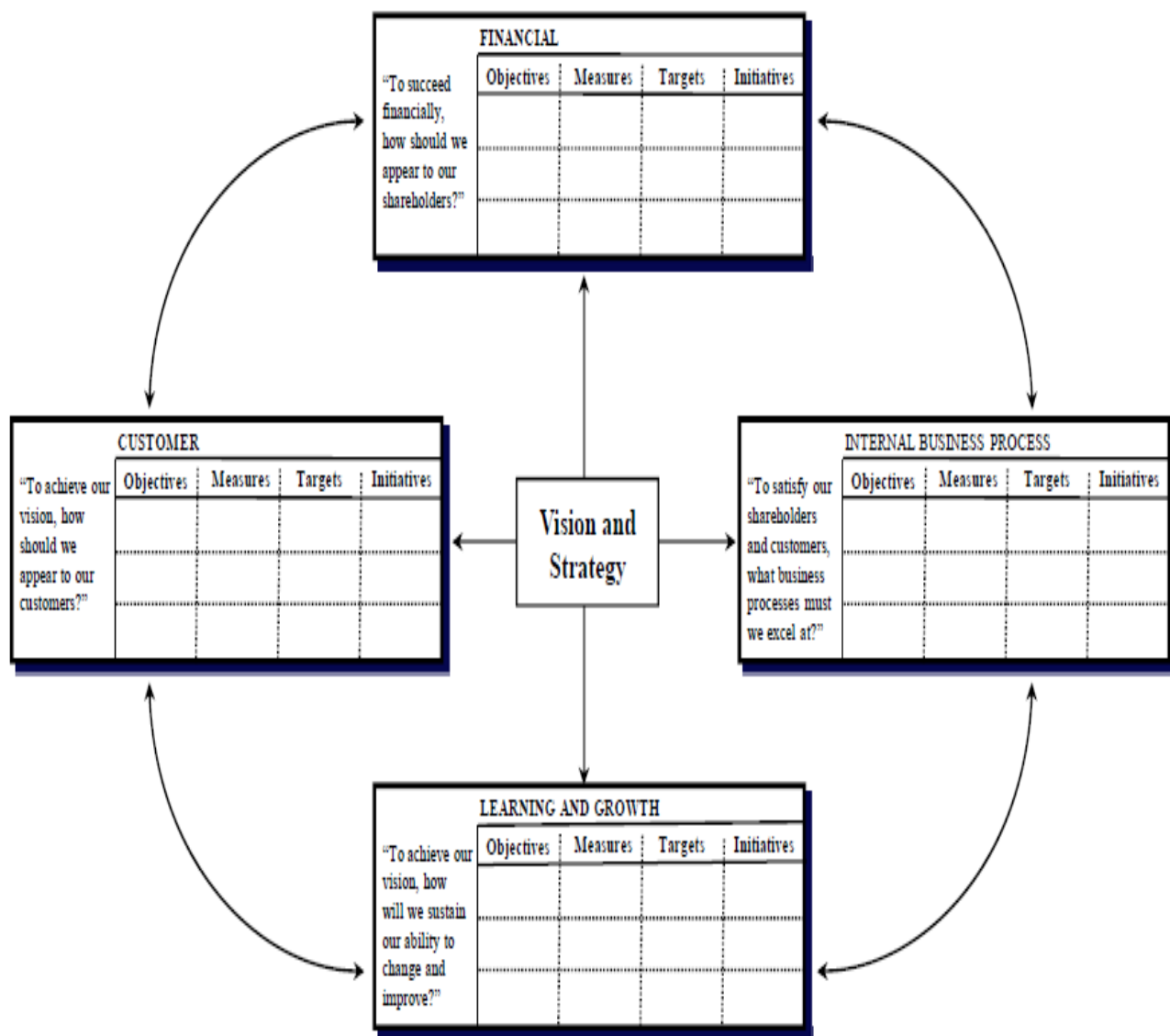


Fig.2.1.balanced scorecard model

Source: Kaplan, (2010), page 4

**1. Financial perspective** is a financial performance measures that indicate whether the organization’s strategy, implementation and execution are contributing to bottom-line improvement. It shows the results of the strategic choices made in the other perspectives. By making fundamental improvements in their operations, the financial numbers take care of themselves (Kaplan and Norton, 2001). In public sector organizations the “financial” perspective

differs from that of the traditional private sector. Private sector financial objectives generally represent clear long-range targets for profit-seeking organizations, operating in a purely commercial environment. Financial considerations for public organizations should be measured by how effectively and efficiently they meet the needs of their constituencies. Therefore for the government the financial perspective emphasizes cost-efficiency, i.e. ability to deliver maximum value to the customer (Kaplan and Norton, 2001).

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

**3. Internal business processes perspective** is primarily an analysis of the organization's internal processes. Internal business processes are the mechanisms through which organizational performance expectations are achieved. Customer-based measures are important, but they must be translated into measures of what the organization must do internally to meet its customers' expectations. This perspective focuses on the internal business results that lead to financial success and satisfied customers. Therefore, managers need to prioritize on those critical internal operations that enable them to satisfy customer needs (Kaplan and Norton, 2001).

Organizations should decide at what processes and competencies they must excel and specify measures for each. Key internal processes are monitored to ensure that outcomes will be satisfactory. The measures should also link top management's judgment about key internal processes and competencies to the action taken by individuals that affect overall corporate objectives. This linkage ensures that employees at lower cadres in the organization have clear targets for actions, decisions and improvement activities that will contribute to the organization's overall mission (Kaplan and Norton, 2001).

**4. Learning and growth perspective** focuses on continual improvements for the organizations products and processes through employees training and development (Kaplan and Norton, 2001). In this context, learning and growth perspective looks at such issues, which include the ability of employees, the quality of information systems and the effects of organizational alignment in

supporting accomplishment of organizational goals. Processes will only succeed if adequately skilled and motivated employees, supplied with accurate and timely information, are driving them. In order to meet changing requirements and customer expectations, employees may be asked to take on dramatically new responsibilities, and may require skills, capabilities,

### **2.3. Cause and effect relationship of the perspectives (strategic mapping)**

According to Murby and Gould (2005), it is critical to note that the scorecard itself is not a tool for strategy formulation; rather it is a description and interpretation of the strategy, founded on causal links between actions and their impacts.

Kaplan and Norton noted the value of articulating and representing graphically such links between actions ('drivers' or 'lead' indicators) and desired outcomes ('lag' indicators). They termed the representation process 'strategy mapping'. The identification and effective management of such causal relationships is the anchor to the success of the 'strategy scorecard', and shows how assets can be deployed, results measured and resources managed to achieve desired strategic results.

Strategy mapping provides an opportunity to articulate the key strategies or initiatives that management intends to adopt to achieve the strategic objectives. The mapping process can be effective in closing the gap between the strategic vision/direction and the operational activities of the organization – ensuring better execution of strategy.

Thus, the balanced scorecard design process is founded on the premise of strategy as a set of hypotheses about cause and effect. These hypotheses form the strategy for moving the organization from its current position to where it wants to be. (Organizations can sometimes find it helpful to state this desired position by formulating a 'destination statement').

Importantly, having developed the scorecard and by using the associated performance metrics, the cause and effect relationships between actions and impacts are both explicit and testable. As such, it should be possible for a third party to understand an organization's strategy, and how this is to be achieved from an effective and well-constructed strategy map. From the example of a strategy map below, it can be seen that the organization's mission is to improve shareholder value, and that this is achieved through the revenue growth and productivity strategies – objectives of the financial perspective.

The strategy map shows increased customer value and the value delivered from new goods and services to be the key drivers of increased shareholder value. These are driven by achieving

operational excellence, customer intimacy and product leadership. These are customer-perspective related measures, and progress towards their achievement might be measured through devices such as customer surveys/feedback, falls in numbers of complaints and dissatisfied customers/returned goods. Operational excellence, customer intimacy and product leadership are all driven by initiatives identified in the internal-processes perspective: innovate, increase customer value, achieve operational excellence and be a good neighbor. Thus it might be expected that the organization: Invests in increased R and D expenditure (supporting the innovation initiative), enhances the performance dimensions of existing offerings (to increase customer value), Re assesses internal logistics of production and delivery; and, monitors the environmental impacts of activities (supporting the ‘good neighbor initiative’).

The above activities and changes are all achieved through appropriate deployment and effective utilization of the learning and growth perspective constituents – employee competencies, technology and the corporate culture.

Strategy map example

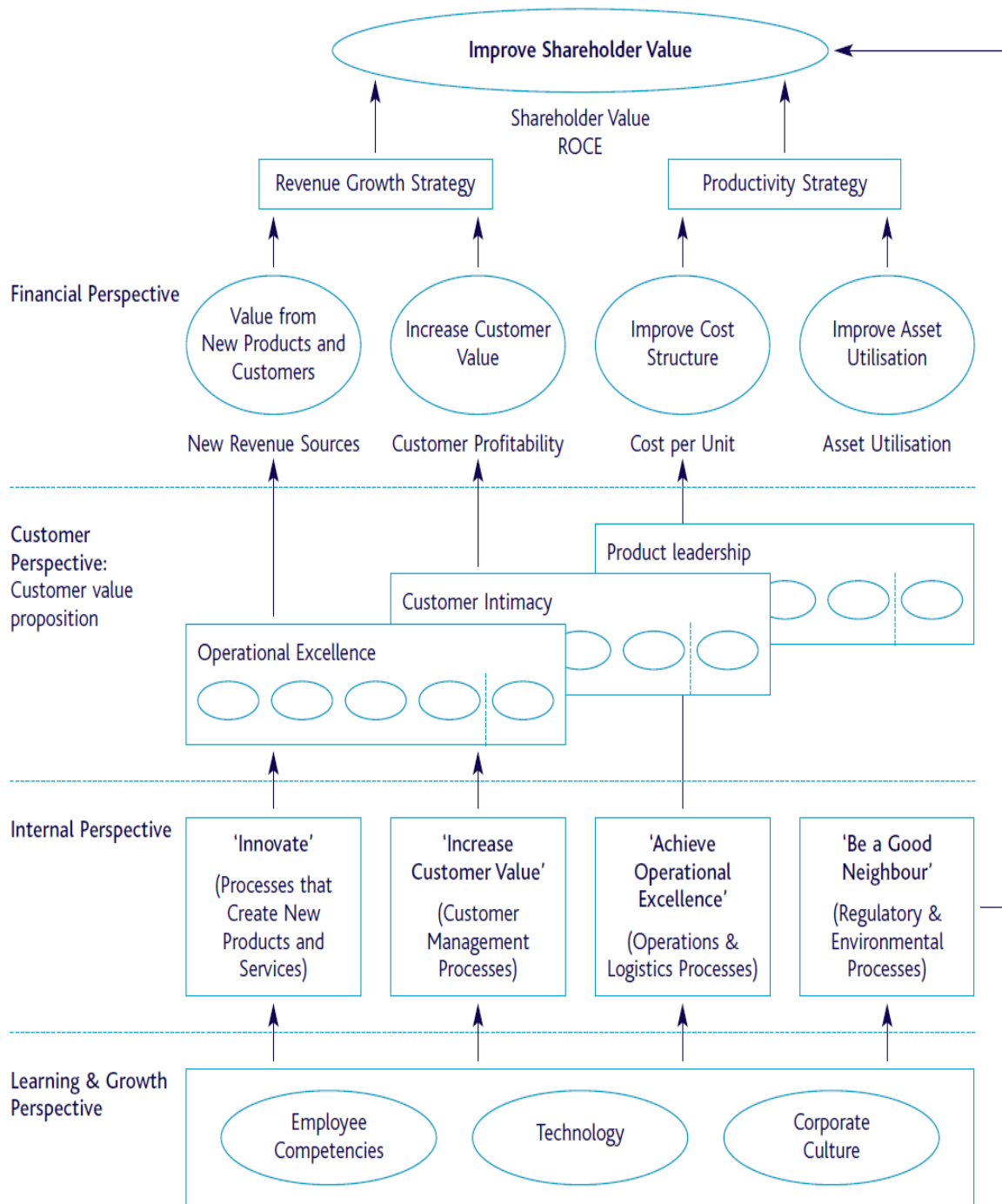


Fig 2.2. Strategic map

Source: Murby and Gould, (2005) page 5.

## 2.4. Deployment Steps of Balanced Scorecard in Ethio telecom

According to balanced score card governance of ethio telecom developed by quality and process division (2016), Building the balanced scorecard system passes in to nine steps including the design which consists the first six steps and the implementation steps which is the last three steps. All the balanced scorecard steps are stated below.

### ➤ Design/ Development Phase

This phase mainly focuses on analyzing the environment, defining strategy, set objectives, link these objectives, set performance measures and defines the strategic initiatives. Each of the steps in the designing stage presented as follows:

#### **Step One: Assessment**

Assessment helps to understand the current position of the organization both internally and externally. Unless an organization identify the strength and weakness, it will be difficult to develop future plan

The key activities to be performed at this step are the following:

- Perform a SWOT analysis to recognize the organization's position
- Identify organizational pains (Weakness + Threats) and enablers (Strength + Opportunity) from the SWOT analysis.
- Develop clear mission (our purpose), vision (our future), and core values (our principles) to provide direction for the organization's success.

Consider who the customers and stakeholders are, what they want from the organization and their ability to influence the outcome of the company's.

#### **Step Two: Strategic Development**

After assessing the environment, there must be a selection among alternative ways of doing things, focusing on a few things, and deferring or rejecting the rest. Doing this selection is referred to as strategy development. Strategies can be long term (e.g., "What must we do to achieve our vision?"), or short-term (e.g., "What should we do to achieve our short-term business goals?").

At this step the main activities to be defined are:-

➤ Perspectives selection;

- Main focus areas/ Strategic Themes
- Expected Strategic Results for each Theme

Perspectives are main focus area that a company desires to view the overall company' performances. The major perspectives in BSC methodology are customer, finance, internal business process and; learning and growth. However, depending on the need and interests of stakeholders, the perspectives might change accordingly.

### **Step Three: Strategic Objectives**

Strategic objectives are the building blocks of strategy (a strategy's "DNA") which used to break strategic themes into the more actionable activities that lead to the strategic result. These Objectives need to be .action oriented activities (what must be done to be successful) that serve as a bridge among strategies and performance measures.

At this stage, strategic objectives should be denned and categorized by perspectives and strategic theme together with the commentary (explanation and documentation).

### **Step Four: Strategic Map**

Strategic map is a collection of strategic links constructed using "If- Then" logic to show the logical connection (cause-effect links) among the objectives. It is a tool for creating organizational alignment to create executive consensus and employee accountability. It links strategic objectives how value is created through the four perspective of a strategy.

### **Step Five: Performance Measures**

In this step each of the objectives on the strategy map will be translated into metrics that can help to track to provide insight into the execution of the strategy and establish accountability throughout the company.

Performance measures helps to measure gaps in actual levels of performance compared to targeted levels. It can be taken as visual indicators of relative success since it measures both organization effectiveness and operational efficiency.

## **Step Six: Strategic Initiatives**

Strategic Initiatives are actionable projects that are aligned with strategic objectives that help to ensure the strategic success. These initiatives are wide-reaching organization projects (or programs) that have potential for significant organization impact and benefit. Inside a company these initiatives will be shared by divisions and will be implemented in accordance with their importance.

Example of Strategic Initiatives includes but not limited to:

- Telecom Expansion Program
- Service Quality Improvement Program
- Telecom Fraud Prevention & Security System
- Building Sales Incentive Programs
- Sales Center and Distribution Channel Expansion Project etc.

### ➤ Implementation Phase

These phase focus on how to put on the ground the designed scorecard and evaluate the performance. There are three steps in this phase which has a great role to the successful implementation of the balanced score card. These steps automation, cascading and evaluation.

## **Step Seven: Automation**

Automation is using software to systematize the collection, reporting, and visualization of performance data. It helps to transform performance measurement data into useful information and business intelligence.

At this step, an organization: Needs to define enterprise data collection and reporting Requirements. Evaluate information software system options and choose one automate the collection and reporting of quantitative data. Automating helps to present performance information to the people who need it in a visually appealing format using performance information to better inform decision making

### **Step Eight: Cascading**

Cascading refers translating high-level strategy into aligned lower-level objectives and measures in order to create alignment around the organization's shared vision, to make strategy actionable to divisions, departments, sections, groups and down to individuals.

The highest level balanced scorecard, often the one that is used to gauge the effectiveness of the organization as a whole, is the starting point for cascading efforts. The objectives and measures contained in that strategy map and scorecard are then driven down to the next level in the organization, which will often comprise individual business units.

### **Step Nine: Evaluation**

Evaluation is review of organization progress toward its strategic goals. The need to review the balanced scorecard strategic planning and management system is to determine where efficiency and effectiveness can be improved, to make modifications to organization planning assumptions, strategy, objectives, performance measures and targets, strategic initiatives, and budget.

Evaluation plan is required to analyze strategic results and make any necessary changes to strategy and rebalance the scorecard system. In addition, at this step all the necessary and related policies and process shall be aligned with the BSC framework in order to create consistency across the company.

## **2.5. Empirical literatures**

A study by cheruiyot, (2013) tried to assess factors affecting implementation of the balanced scorecard in state corporations in Kenya and the study found out that implementation of balanced scorecard in many Kenyan state corporations was the major problem that also affected the level of state corporations performance in terms of effectiveness and efficiency in service delivery. The study drew conclusion that the key notable factors hindering the success of BSC implementation in includes; poor employees job description, low level of top management support, poor employee supervision and inadequate financial resources.

Muyeshi, (2015), who tried to assessed the challenges of the balanced score card implementation at kenyatta national hospital stated that the implementation of the balanced scorecard at kenyatta national hospital has challenges which included but not limited to rigid organizational structure, lack of resources, complaisant organization culture, lack of functional equipment, leadership, lack of effective communication, negative stakeholder influence and cascading.

Alhamoudi, (2017) tried to identify challenge of implementing balanced scorecard strategy in Saudi Arabia and the study identifies 10 main critical factors that must be carefully considered in BSC implementation to achieve a successful project. This study highlights that BSC perspectives, top management support, the BSC team, clear mission, and strategy were viewed as the most critical success factors. The choice of perspectives for the organization's BSC must adhere to what is necessary to execute the strategy and create a competitive advantage for the organization. The BSC measures must be linked to the strategic objectives of the organization. The BSC team has to be supported continuously by top management to enable them to sustain and maintain the BSC.

According to Nigist, Getnet, Migbar (2007), who conducted a survey on Practice and Challenges of Balanced Scorecard in Higher Education Institutions: a case study on Selected Public universities in Ethiopia, BSC is not implemented properly rather it is practiced partially by few employees of the universities in few colleges/schools/faculties/ institutions. Respondents raised many challenges for the partial implementation of scorecard such as limited understanding of BSC, lack of training, lack of effective communication, lack of support from top management, etc. To alleviate this problem, the top management of the universities should create awareness, provide training, establish effective communication system, and support the employees for the implementation of the strategy of their university using BSC.

An assessment of balanced scorecard implementation practice and its challenges on procurement department in ethiotelecom by Wubeamlak, (2016) identified major bottleneck for implementation of BSC on procurement department in ethiotelecom and these are, Balance Scorecard measurement implementation data sources are not clearly stated, BSC evaluation system was not user friendly, Performance progress was not monitored periodically before formal evaluation, boss influence on evaluation was reduced, evaluation was not performed always based on plan, and lack of technical skill on balanced scorecard.

A Study by Neely, (2009) focusing on “The scorecard for measuring and managing business success” revealed that low level of top management support is a core challenge that negatively affects effective implementation of balanced scorecard in many organizations. The study mainly identified that in Europe, organizations with low level of top management support find it difficult to successfully implement balanced scorecard and those organizations with high level of top management support in terms of high level of management commitment successfully implemented the balanced score card without experiencing many setbacks.

Assessment of Balanced Scorecard (BSC) Implementation, Success Stories and Challenges in Jimma University by Adamitu, (2016) indicated that, leadership is good to see committed in terms of defining the University’s vision, mission and values as well as building and implementing BSC; In addition the leadership has done enough to facilitate top-down and bottom up communication. In the implementation process a good deal of work was done to analyze the internal and external environment of the University so as to identify the enablers and pains during implementation. Finally the implementation was facilitated by appropriate choice themes and key success factors, objectives, performance indicators for the success of the implementation initiatives which were carefully selected with goal of solving significant organization pain and tied to the vision & mission of the organization. After the implementation respondents still believe there are modest successes and some challenges that need Jimma University leadership attention.

Therefore, it is recommended that Jimma University should focus on strengthening reform team and change agent for proper implementation of balanced scorecard and enhancing communication at every stage of reform implementation. It is also recommended that the University leaders should be highly committed towards avoiding taking more time to finalize reform implementation and putting incentive mechanism in place in order to motivate the best performers.

## CHAPTER THREE

### 3. RESEARCH METHDOLOGY

This chapter presents the research design, population and sampling, sources of data, data Collection method and methods of data analysis. It also addresses data processing and data analysis methods.

#### 3.1. Description of the study and population

Ethiotelecom is a state owned sole telecom service Provider Company in Ethiopia formerly known as Ethiopian Telecommunications Corporation but starting from 2010 related with change in its internal management structure, its name changed to ethiotelecom. After changing its name and structure the company management also changed.

The company was structured as below.

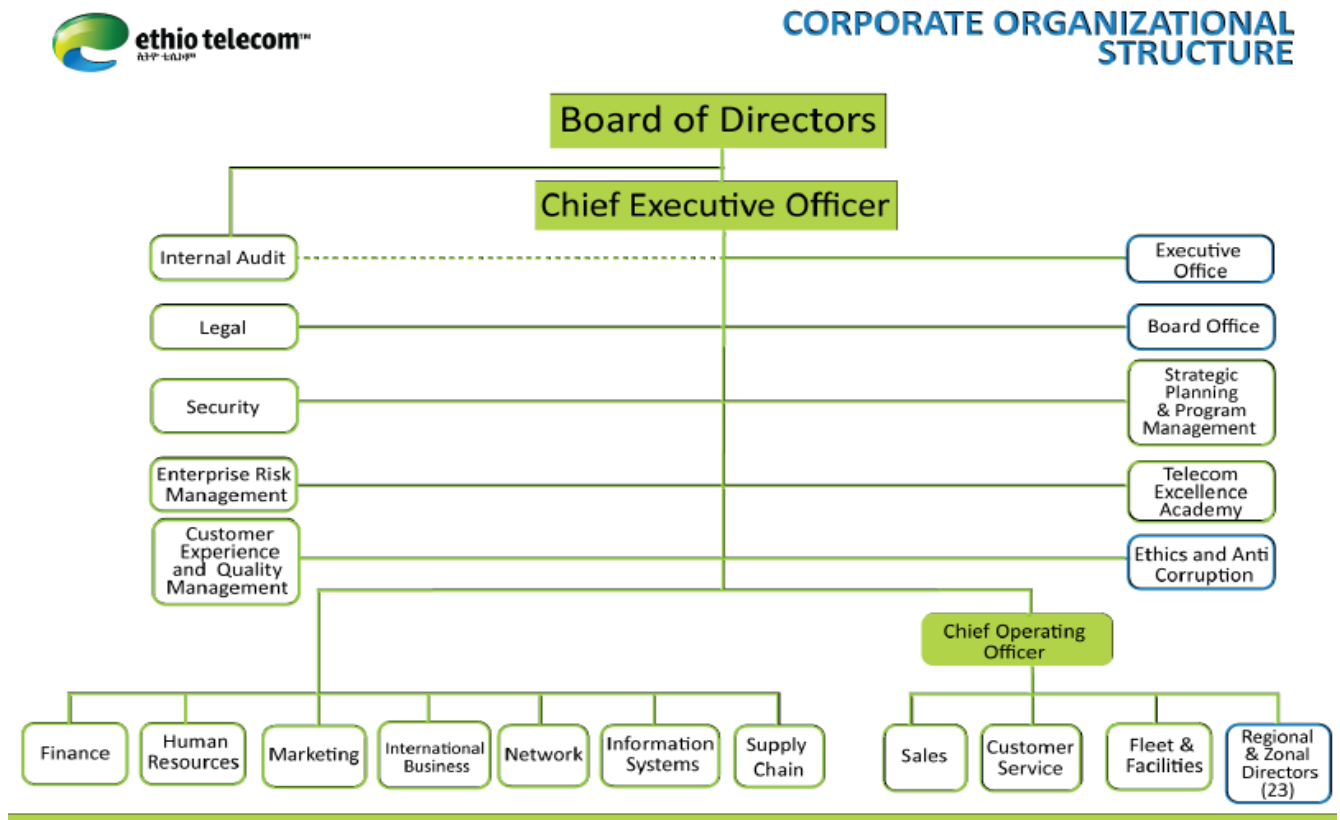


Fig.3.1. ethiotelecom updated organizational structure.

Source: ethiotelecom, 2018.

Chief Officers are the highest ranking officials following the CEO who lead the divisions of the company. And the company management was divided in to various divisions as indicated in figure 3.1. From all the described divisions, customer service division is one of the largest divisions which account 2800 employees out of around 12000 employees of the company.

Customer service division is subdivided in to five departments (front office, back office operational support, data analysis and enterprise customers and TT management). Front office has one section (call center ), operational support has two sections ( quality assurance and technical support), back office has three sections (billing and credit control ,retention and loyalty and customer profile management) ,data analysis has one section(performance and data analysis) and customers and Trouble ticket management has one section(trouble ticket). With in customer service division, from the total employees call center section alone contains around 2223 employees.

### 3.2. Research Design

In general, there are three research methods in social sciences: (a) qualitative, (b) quantitative, (c) mixed methods. Qualitative and quantitative approaches should not be viewed as rigidly separate categories. Rather, these approaches represent different ends on a continuum (WangRui & Guhongfei, (2016). In this study both qualitative and quantitative approaches or mixed approach is used. The research design employed in this study is descriptive research type. Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set of factors in a situation that will make them easy to understand and interpret. Accordingly, the descriptive research design is used to analyze demographic, accurate profile of the respondents, and some points on the structured questionnaires. In addition, qualitative data is also captured through key informants to capture data that might not be captured through structured questionnaires.

### 3.3. Sampling procedure

“All items in any fields of inquiry constitute a ‘Universe’ or ‘Population.’ A complete enumeration of all items in the ‘population’ is known as a census inquiry. It can be presumed that in such an inquiry when all items are covered, no element of chance is left and highest accuracy is obtained” (Kothari, 2004).

The population of the study is employees of customer service division in ethiotelecom as explained above is 2800 people but are not proportionally distributed among the sections of the division.

“When field studies are undertaken in practical life, consideration of time and cost almost invariably lead to a selection of respondents i.e., selection of only a few items. The respondents selected should be as representative of the total population as possible in order to produce a miniature cross- section. The selected respondents constitute what is technically called a ‘sample’ and the selection process is called ‘sampling technique.’ the survey so conducted is known as ‘sample survey’” (Kothari, 2004).

Among the most important element of the research, the sample size is the one which addresses the characteristics of the whole file series with confidence. To stick with good statistical validity, the study used a representative sample size. For this study maximum care is given to get the highest sample size and accordingly the sample size was determined using the following formula (Yamane, 1967).

$$n_0 = \frac{z^2 p(1-p)N}{z^2 p(1-p) + Ne^2}$$

Where:

$n_0$  = sample size

$z$  = confidence interval corresponding to a level of confidence

$p$  = population proportion

$N$  = population size

$e$  = precision or error limit

Taking the value of  $N = 2800$ , which is the total size of the population,  $Z = 1.96$  (95% Confidence Interval),  $p = 0.5$  and level precession  $e = 10\%$ , the required sample size found is 93.

The study used **Stratified random sampling** to select respondents from the total population. Since, Stratified random sampling intends to guarantee that the sample represents specific subgroups or strata. Accordingly, application of stratified sampling method involves dividing population into different subgroups (strata) and selecting subjects from each stratum in a proportionate manner.

In relation to this, Stratified sampling can be divided into the following two groups: proportionate and disproportionate. Application of **proportionate stratified random sampling** technique involves determining sample size in each stratum in a proportionate manner to the entire population

Therefore, the choice of stratified random sampling by the researcher enabled to have adequate representation of all subgroups can be ensured. The total sample size obtained from the population by the given formula is 93 respondents and these respondents are distributed to each stratum or sub groups proportionately as below.

$$= \frac{\text{number of individuals in the subgroup X the sample size}}{\text{The total population}}$$

Based on the above formula the distribution of respondents in each section of customer service is indicated in table 3.1 below. And respondents from each section to distribute the questionnaires were accessed conveniently or questionnaires were distributed to those individuals who are easily accessible by the researcher within each section.

**Table 3.1. Staff distribution in each section of customer service division**

Number	Section	Director	Managers	Supervisors	Staffs	Total number of employees	Sample
1	Contact center	1	2	186	2034	2223	74
2	Billing and Credit control		2	12	86	100	3
3	Technical support		2	4	26	32	1
4	Trouble Ticket			5	120	125	4
5	Quality Assurance			2	28	30	1
6	Retention and loyalty		3	9	137	149	5
7	CPM			5	117	122	4
8	performance & data analysis		1		18	19	1
Total		1	10	223	2566	2800	93

### 3.4. Data collection Method

In carrying this research, the following method used is to collect a relevant information or data. The study used quantitative and qualitative types of data in order to arrive at reliable conclusions

for the research questions. Concerning sources of data, both primary and secondary sources are used for generating valuable and relevant data.

Primary source of data is collected through questionnaire from targeted ethiotelecom staff, whereas secondary data is collected from publications of books, journals, reports, and bulletins, work governances, company background information etc.

With a combination of these two data sources, the researcher is expected to be able to obtain the required information that has essential to reach sound conclusion about the study and answer the research questions.

### 3.5. Method of Data Analysis

“Individual quantitative and qualitative techniques and procedures do not exist in isolation. The choice is increasingly advocated with in business and management research, where a single research study may use quantitative and qualitative techniques and procedures in combination as well as use primary and secondary data” (Saunders, 2009).

Quantitative and qualitative (mixed approach) data analysis technique is employed. The quantitative technique of analyzing the data is employed for data gathered through closed ended questions to assess the implementation status, the challenges of implementation and the success factors of BSC implementation in ethiotelecom with special focus in customer service division. Data obtained through open ended questions (key informants) is dealt in qualitative approach to obtain special information not captured by closed ended questions to substantiate the study.

After the data is collected from primary and secondary sources, it is appropriately checked and edited by the researcher. Then the edited data is coded and manually entered into computer. Finally, the data is analyzed by using SPSS version 20 and the results obtained is discussed and analyzed by employing graphs, tables, mean, and standard deviation and qualitatively depending on the type of data.

### 3.6. Ethical Considerations

Ethics are norms or standards of behavior that guide moral choices about our behavior and our relationships with others. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities (Cooper & Schindler, 2003). Obeying ethical rules is vital in conducting research. Hence, the following ethics is considered while conducting this research:-

- Quantitative survey respondents and qualitative survey informants is provided with detail explanation about the overall objective of the study ahead of time;
- Participants of the study is informed that the data is used only for the intended academic purpose; and
- Respondents are inquired in highly respected manner.

### 3.7. Data Reliability and Validity

According to Kothari, (2004) reliability is the consistency of results provided by the measuring instrument. A consistent finding of data collection technique, analysis, or procedure yielded is reliability (Saunders *et.al*, 2009).

The reliability analysis is done by using SPSS by Cronbach's alpha test. This is done mainly to see the internal consistency with in the collected data. In dealing with reliability test, Cronbach's alpha coefficient was made on the 23 items. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 0, the lesser the internal consistency of items in the scale and the closer to 1.0 Cronbach's alpha the greater the internal consistency of the items in the scale. Based on this, as we can see from table 3.2 below the Cronbach's alpha coefficient for the overall items taken for this test is 91.2% and for individual variables is indicated in table 3.2 which indicates there is high internal consistency in the data gathered. Because based on George and Mallery, (2003) rule of thumb, a Cronbach's alpha coefficient greater than 70% is good.

**Table 3.2. Reliability statistics**

Variable	Number of items	Cronbach's Alpha
Challenges of BSC implementation	8	85.4
BSC implementation level	8	85.4
Key success factors	7	74.2
Over all	23	91.2

*Source: own computation from survey data*

“Validity refers to the extent to which a test measures what we actually wish to measure. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. Validity can also be thought of as utility. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested” (Kothari, 2004).

According to Kothari (2004), there are three different types of validity. These are - content validity; criterion-related validity and construct validity. The applicability of the validity tests depend upon the nature of the research problem and the judgment of the researcher. For this study, content validity (face validity) is selected to assess the validity of the data.

“Content validity (face validity) is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it” (Kothari, 2004).

Based on this, the researcher believes the sample taken in this study adequately represent the total population characteristics and result obtained can be sufficiently generalized.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND PRESENTATION

This chapter deals with analysis and interpretation of the gathered data from different sections of customer service division through structured questionnaires and key informant interviews. The chapter organized in two main parts. The first part is concerned with the demographic characteristics of respondents and the second part focused on analyzing, interpreting and presenting of the collected data. Regarding the data collection method, 93 structured questionnaires were distributed which were developed using five point likert-scale (starting from strongly agree and ends in strongly disagree in a continuum bases) and all the questionnaires were filled returned. In addition to this, key informant interview was also conducted to capture information that might not be captured by questionnaires and all the data gathered were organized, tabulated and analyzed using SPSS software to get intuitive result.

#### 4.1. Background information of the Respondents

This Section summarizes the Sex of respondent, age of respondent, work experience (service years) in the organization, experience in BSC implementation, educational level and respondents position (Level) in the organization. The main focus of this section is to show the proportion female and male respondents, their work experience in the company, their experience in implementing BSC tool as performance evaluation, educational level of employees in the division etc. Based on this, we will see all the demographic characteristics of the respondents one by one as below.

**Table 4.1. Demographic characteristics of respondents**

Characteristics	Frequency	Percent (%)
<b>Respondent gender</b>		
Male	60	64.5
Female	33	35.5
<b>Total</b>	<b>93</b>	<b>100.0</b>

<b>Age of respondents</b>		
<21	1	1.1
22-31	81	87.1
32-42	9	9.7
43-55	2	2.2
<b>Total</b>	<b>93</b>	<b>100.0</b>
<b>Job level in the organization</b>		
staff	76	81.7
specialist	9	9.7
Supervisor	7	7.5
Expert	1	1.1
<b>Total</b>	<b>93</b>	<b>100.0</b>
<b>Work Experience in the organization</b>		
0 - 5 years	74	79.5
6 - 10 years	8	8.6
11 - 15	5	5.4
Above 15 years	6	6.5
<b>Total</b>	<b>93</b>	<b>100.0</b>
<b>Educational Level</b>		

Certificate	2	2.2
First degree	86	92.5
Master's degree	5	5.4
<b>Total</b>	<b>93</b>	<b>100</b>
<b>Experience in TEP implementation</b>		
Less than 6 months	6	6.5
6 months to one year	9	9.6
1 – 2 years	28	30.1
More than two years	50	53.8
<b>Total</b>	<b>93</b>	<b>100</b>

*Source: own computation from survey data*

#### **4.1.1. Gender composition of the respondents**

As we can see from figure 4.1, 64.5 percent of the respondents were male and 35.5 percents were female respondents. This may imply that the gender proportion of employees in division is not balanced.

#### **4.1.2. Age of the respondents**

The respondents in customer service division also asked to indicate their age interval and as indicated in figure 4.1, 87.1% of the respondents are in the interval of 22-32 years old or majority of the respondents in this age group. The second largest age group is 32-42 years of age which accounts 9.7% from the total respondents followed by age group of 43-55 (2.2%) and less than 21 (1.1%). From this we can conclude that largest proportion of employees in customer service division is young people.

#### **4.1.3. Work experience**

Respondents were also asked to show their work experience in the company and indicated majority (79.5%) of them have five years or less years of work experience. 8.6% of the respondents have 6-10 years of work experience, 5.4% have 11-15 years work experience in the company and 6.5% of the respondents have greater than 15 years of work experience. As discussed in the age characteristics section majority of the employees in the division are young people (22-31 years of age) and this can also be confirmed by their work experience which majority of the employees have 0-5 years of work experience.

#### **4.1.4. Educational level of the respondents**

Majority of the respondents or about 92.5 % of the employees working in customer service division are first degree graduates and 5.4% of the employees are master's degree holders while the remaining 2.2 % are at certificate level. This might imply that majority of our respondents are appropriate and capable of understanding the questionnaires and all about BSC implementation process.

#### **4.1.5. Employees' current Job level (position) in the organization**

Though the study covers all job levels starting from staff to managers, majority of the respondents of the questionnaire (81.7%) are at staff level in their current position while 9.7 %, 7.5 % and 1.1 % are specialist , supervisor and expert respectively in their position. This implies all the respondents are professional in their field of job assigned.

#### **4.1.6. Respondents' experience in BSC implementation**

Experience of BSC implementation indicates for how long the respondents have been practicing BSC as measure of their performance evaluation. Based on this, more than fifty percent of the respondents have experience of BSC implementation for more than two years (53.8%), 30.1% of the respondents in the division have an experience one to two years in implementing BSC while 9.6 % and 6.5% of the employees in the division have six months to one year and less than six months of experience in implementing BSC. This may imply that majority of the respondents have adequate experience of implementing BSC and have enough understanding to consider and value their response equally in this research.

#### 4.2. Challenges of BSC implementation

**Table 4.2. Challenges of BSC implementation in customer service division of Ethiotelcom.**

Statement	N	S.Agree	Agree	Neutral	Disagree	S.Disagre	Mean	SD
Effective and clear communication about BSC was made before and during its launching	93	18.3%	54.8%	10.8%	9.7%	6.5%	2.31	1.083
Adequate training was delivered to employees before BSC becomes operational	93	10.8%	47.3%	15.1%	21.5%	5.4%	2.63	1.101
There was a continuous training about BSC after it becomes operational	93	5.4%	26.9%	16.1%	38.7%	12.9%	3.27	1.152
I clearly understand BSC and apply it	93	17.2%	45.2%	21.5%	12.9%	3.2%	2.39	1.022
There is adequate and consistent top management support in BSC implementation	93	12.9%	25.8%	36.6%	20.4%	4.3%	2.77	1.054
I am interested and committed to implement BSC	93	32.3%	51.6%	9.7%	6.5%	0.0	1.93	0.821
BSC parameters are always cascaded timely and properly	93	20.4%	40.9%	19.4%	15.1%	4.3%	2.42	1.106
Employees of the division reach at consensus and feedback loop is properly used for improvement before the scorecard become operational	93	12.9	43.0%	23.7%	18.3%	2.2%	2.54	1.006

*Source: own computation from survey data*

Many organizations successfully formulate strategies by developing action plans, consider their organization structure and fund their strategies. However, some fail to successfully implement their strategies. Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives (Nkatha kiriiri, 2015). According to Niven, (2006), Barriers to strategy execution can be classified in to four main categories. *Vision Barrier* (majority of the work force do not properly understand the strategy). *People Barrier*

(managers fail to link incentives to strategies of the company or creating long term value to the company). *Management barrier* (most management or executives' meeting spend their time discussing on issues other than strategy) and finally organizations do not link budgets to strategies (*resource barrier*). The Balanced Scorecard is the tool that is proposed to answer the above explained complex triad of challenges or in short a tool used to implement strategies of companies. Niven also defined BSC as" it is communication tool, measurement system, and strategic management system". Having defining this way, what would be the main challenges in its implementation? Specifically the challenges in customer service division to implement BSC will be discussed in the below 4.2.

In table 4.2. respondents were asked to express their level of agreement on the presumed challenges explained in the table.

Many studies conducted around BSC like Niven, Kiriiri and others strictly advised us that BSC implementation should be accompanied by effective communication to employees of the company in way and language they can understand to help them understand how they can contribute towards achievements of corporate goals. Based on this, respondents in this study were asked whether effective communication was delivered about BSC before and during its implementation. More than 73 percent of the respondents indicate their agreement on the availability of effective communication about BSC to the employees of the division. Around 16 percent of the respondents disagree on availability of effective communication and the remaining around 10 percent of the respondents remains neutral. Though majority respondents believe that effective communication was made and the mean score value is 2.31 which indicates agreement of the respondents, some justification from the disagreed individuals on the open ended questions explained that, there was no enough time given to communicate and explain about BSC by management and were rushing towards implementation and there was no enough understanding about it by employees. But

majority of the employees expressed they get enough communication and information about BSC to implement it.

- Regarding delivery of adequate training about BSC to employees before it becomes operational, majority of the respondents or 58.1% expressed their agreement on sufficient training was delivered before it comes on practice. But still significant number of respondents remained neutral and disagreed about the training delivery. The mean score value is 2.63 which indicates agreement of the majorities but still approaching to neutral and this may indicate that employees of the division believe that they get adequate training and understanding about BSC before they implement it and acquire sufficient knowledge and skill to implement it. A data obtained from key informants also shows that Awareness creation about BSC to the staff was conducted and trainings were given at the beginning but were not enough to adequately empower employees to independently apply the tool. Specially most of introductory trainings were given after evaluation was started using BSC (after BSC becomes practical).

As explained in Niven (2006), employees may not in the same level of information at the beginning. That is, “Some team members may come to the implementation with a background in performance management and Balanced Scorecard concepts, while for others, this may be their first exposure to these topics. Either way, to ensure a level playing field for the entire team, you have to invest heavily in up-front training.” We can understand how critical training is from this statement to implement BSC and to some extent the division is effective to deliver this important element to successfully implement BSC.

Although majority of the employees in the division believe that adequate training was delivered before it becomes operational, they disagree in its consistency. 51.6% of the respondents disagreed on the statement there was a continuous training about BSC after it becomes operational. And the mean score value is 3.27 which indicates there was a lack in consistency and delivering continuous training to keep employees of the division updated and empowered about BSC tools and parameters.

Data from key informant interview Regarding whether trainings were delivered at the appropriate time and situation to enhance employees’ understanding and ability to implement BSC, shows that, though short trainings were delivered, at the beginning of BSC implementation, it was not enough for staffs to acquire the required skill and there was no consistent periodic trainings like annually, semi annually or quarterly. Sometimes old parameters were replaced by other new parameters

without enough awareness creation and training.

62.4% of the employees in the division believe that they have clear understanding about BSC and properly apply it. The mean score value is 2.39 which indicates the agreement of majority of the respondents with the statement. This might be directly related to availability of effective communication and adequate training about BSC in the division. As we can remember from the first and second questions in table 4.2, respondents confirmed that there was effective communication and adequate training on BSC before it becomes operational. As we can recall from the beginning of the discussion on table 4.2, effective communication is important mainly to create understanding about the formulated strategy and the tool (BSC) to implement it and employees can properly implement the formulated strategy with the given tool to achieve corporate goal of the company.

As explained in Niven (2006), senior management support and leadership is a must-have ingredient for a successful Balanced Scorecard program. Top management support should always stand behind the BSC development and implementation process otherwise might not bring the required result. In our case respondents were asked to give their level of agreement on the statement there is adequate and consistent top management support in BSC implementation. The mean score value of the respondents is 2.77 which approached to neutral. This may imply that support of top management and its consistency in implementing BSC is not as required by employees. Missing this critical element as explained above might have serious negative consequence to achieve strategic ambition of the company.

Regarding the interest and commitment of employees to implement BSC, 83.9% of the respondents agreed with mean score value of 1.93 that they are interested and committed to implement BSC. Similarly respondents in customer service division also expressed their agreement on the statement BSC parameters are always cascaded timely and properly with mean score value of 2.42 or 61.3 percent of the respondents believe that BSC parameters are always cascaded properly and at the appropriate time. This indicates BSC parameters established at high level (corporate level) are timely and properly cascaded to divisions, departments, sections up to individual level accompanied by appropriate modifications and customizations of parameters at each level as required.

The final statement asked regarding challenges of BSC implementation in customer service division was, whether employees of the division reach at consensus and feedback loop is properly used for improvement before the scorecard become operational. The mean score is 2.54 which may indicate agreement of majority of the respondents but approaching to neutral. 55.9% of the respondents were agreed with the statement but the remaining 44.1% were neutral and disagree with the idea as can be seen from table 4.2.

A procurement executives' association in its note "Guide to a balanced scorecard performance management methodology" explained that managers should discuss not only how they achieved past results, but also whether their expectations for the future remain on track. Changes in the environment may create new opportunities or threats not anticipated when the managers developed their initial strategies. Based on such analyses, managers may adjust or redirect their strategies or identify new strategies and it also completes a feedback loop that supports decision-making at all levels of the organization.

In our context, though discussion is undertaken and feedback loop is prepared and used to significant extent as observed from the respondents, enhancing this issue is critical as top management can capture employees' buy-in through effective communication and reaching at consensus in every parameters of BSC and developing and should effectively implementing feedback loops to identify new opportunities and threats to develop appropriate plan.

The standard deviation in table 4.2 ranges from 0.822 to 1.152 which indicates no big variation.

As it shows the spread of ideas of the respondents, we can say that respondents were agreeing in similar ideas or no significant number of variations that deviate from the mean.

The main challenges encountered during BSC implementation in the division according to the respondents in the key informant interview were.

- Sometimes there was system interruption because of different reasons and this had a direct negative effect on performance evaluation of individuals.
- There was lack of ability to implement BSC from management side and resistance on implementation of BSC and attitude problem from staff side.
- Low motivation of staffs to implement BSC mainly due to lack appropriate incentive provided for best performers like promotion.
- Bulk BSC parameters were established to evaluate individual performance and this creates difficulty to properly manage all these parameters.

### 4.3. BSC Implementation level

**Table 4.3. Implementation level of BSC parameters in customer service division of Ethiotelcom.**

Statement	N	S.Agree	Agree	Neutral	Disagree	S.disagree	Mean	SD
The right indicators(performance measures) are identified, designed to measure achievement of the right objectives of the division	93	20.4%	51.6%	17.2%	10.8%	0.0%	2.18	0.83
I clearly understand the objectives of BSC implementation and its importance to the company	93	26.9%	57.0%	11.8%	3.2%	1.1%	1.94	0.785
Each KPI measure weighted based on its importance	93	23.7%	48.4%	11.8%	14.0%	2.2%	2.22	1.033
Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation each year	93	15.1%	37.6%	22.6%	19.4%	5.4%	2.62	1.122
KPI parameters designed to measure individual performance properly	93	30.1%	44.1%	11.8%	11.8%	2.2%	2.12	1.041
Each KPI parameters and targets are designed and validated by concerned body	93	19.4%	46.2%	23.7%	7.5%	3.2%	2.29	0.973
Performance review and improvement measures are taken consistently in the division	93	16.1%	47.3%	21.5%	11.8%	3.2%	2.39	1.000
Action plan preparation at all levels to meet the BSC targets is considered as culture of the division since BSC implementation is started	93	15.1%	48.4%	23.7%	10.8%	2.2%	2.36	0.9416

*Source: own computation from survey data*

Murby and Gould (2005) on their technical report to The Chartered Institute of Management Accountants explained that, for the balanced scorecard to be fully effective as a strategic and communication tool, it is imperative that all employees understand the strategy and conduct their business in a way that contributes to its mission and objectives. Where higher-level scorecards are 'cascaded' to lower-level departmental and even where individual scorecards are used, employees must 'buy in' to the organizational strategy for effective implementation.

In the majority of cases, where due diligence has been observed in cascading a corporate scorecard to departmental or project-team level, the value of the scorecard as a tool for ensuring strategy is executed is optimized. It may be valuable to cascade the scorecard down to individual level so that each employee has a personalized scorecard which could then be used as the basis of their performance appraisal. This way they can track their own personal contribution to departmental and divisional objectives, and ultimately to the achievement of corporate goals, strategy and mission. To this end, employees in customer service division should understand objectives of implementing BSC and each parameters and indicators should be established and defined by concerned body to bring the required understanding and acquired by each employee and consistent performance review should be made at the right time to track achievements to implement BSC properly as a tool to implement corporate, divisional and functional strategies of the company.

As we can see from table 4.3, respondents were asked to express their level of agreement on statements indicated in the table which were presumed to indicate the level of implementation of BSC parameters in customer service division in ethiotelecom.

Indicators or performance measures are important parameters to measure the achievement level of a given objective. Respondents were asked whether the right indicators were identified to measure achievement of the division objectives and 72% of the respondents agreed with the idea with mean score value of 2.18. This shows, the right indicators (performance measures) are identified, designed to measure achievement of the right objectives of the division. As discussed Murby and Gould (2005), to successfully contribute to achievement of an organization's mission, the scorecard must effectively interpret strategy into operational terms. And the strategy can be operationalized through the assumed relationships between actions and their impacts and the impact of the strategy is measured through a give indicators. Thus, identifying appropriate indicators is at the forefront of measuring achievement of objectives of the division. In our discussion in the challenges of BSC implementation section, we have seen that, employees' understanding about

BSC concept and its parameters is critical to successfully implement it and play their own role for the success of corporate goal. In this section respondents were asked their level of understanding on the objectives of BSC implementation and its importance to the company. Based on this, 83.9 % of the employees in customer service division believe that they clearly understand the objectives of BSC implementation and its importance to the company with mean score value of 1.94.

Regarding the weights given to each key performance indicators (KPIs), respondents were asked whether they agree with the idea 'Each KPI measure weighted based on its importance' and 72.1 % of the respondents with mean score value 2.22 agreed with the idea implying each performance indicator is weighted based on its importance. This is very critical to show the right progress and to accurately measure the performance. In addition to this, employees also asked whether Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation every year. According to ethiotelecom BSC implementation guide, quality and process division was assigned to manage the global implementation of BSC as a tool at company level, define customize and insure implementation of the BSC governance document and ensure the strategic plan KPIs are relevant and measurable.

This guide also explains that the final cascaded individual level annual plans and indicators should be discussed with immediate supervisors to reach consensus. Accordingly individual employees were asked their level of agreement on whether Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation every year. 52.7%5 of the respondents express their agreement with statement but the remaining 47.3 % of respondents are neutral and disagree and the mean score is 2.62 which can be approximated to neutral. That is, though majority of the respondents believe that Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation every year, there are significant number of respondents who oppose this idea. This indicates that though KPI parameter explained and defined by concerned body and individuals are discussed to reach consensus on their implementation it is not as required and need improvement.

Ethiotelecom BSC implementation guide dictates, individual performance shall be evaluated by immediate supervisor on semiannual basis and an individual shall get points out of 100% by comparing the result of the KPI defined to evaluate each activity and the target given for them.

The result of each KPI achieved from 100% shall be multiplied by the weight assigned to it and show the performance of the individual in that specific KPI. Finally we can sum up out of 100% to get the final result. To measure employees' performance this way, establishing appropriate KPI parameters that can accurately measure performance of individuals is mandatory. In this research respondents were asked whether KPI parameters are designed to measure individual performance properly. 74.2% of the respondents agreed with the idea KPI parameters are properly designed to accurately measure performance of employees in customer service division with mean score value of 2.12. Within KPI parameters, the question asked to respondents was whether KPI parameters and targets are designed and validated by concerned body.

The response to this shows an agreement of the respondents with mean score value of 2.29 or .65.6% of the respondent agreed on the idea and show KPI parameters and targets are designed and validated by concerned body in the division. Having this culture mainly helps the division to easily cascade these targets and parameters consistently to all work units and individuals in the division. With regard to Performance review and improvement measures, employees in customer service division believe that there is a Performance review and improvement measures are taken consistently in the division. 63.4% of the respondents agree with the idea and the mean score is 2.39. Availability of performance review in the division is very essential to track the level of performances and achievements, to identify the strengths and weaknesses, opportunities and threats and finally to take appropriate measure on the improvement parts and enhances the strong sides to achieve organizational goals.

Finally respondents were asked to indicate how they agree or disagree on the issue of action plan preparation and assigning action owner at all levels to meet the BSC targets is considered as culture of the division since BSC implementation is started. And 63.5% of the respondents agreed with the issue with mean score value of 2.36.

#### **4.4. Success factors to implement BSC in customer service division in Ethiotelecom**

In this section, we will see the key success factors that positively contribute for the successful implementation BSC in customer service division. Respondents were asked to express their level of agreement on statements listed in table 4.4 below.

**Table 4.4 Success factors to implement BSC in customer service division**

Statement	N	S.Agree	Agree	Neutral	Disagree	S.disagree		Mean
I mostly serve my customers through online service and this enables to measure my performance accurately	93	28%	48.4%	10.8%	11.8%	1.1%		2.09
Being online service enables to express almost all my KPI parameters in number that reduces subjectivity in evaluation	93	20.4%	52.7%	16.1%	9.7%	1.1%		2.18
There are adequate technological tools to measure BSC and KPI parameters daily or monthly as required.	93	20.4%	45.2%	20.4%	11.8%	2.2%		2.30
I can get my daily , weekly or monthly performance or KPI reports from my immediate supervisor/manger/director consistently.	93	34.4%	41.9%	11.8	11.8%	0.0%		2.01
I can easily understand and interpret all the BSC and KPI parameters	93	24.7%	53.8%	12.9%	8.6%	0.0%		2.05
I can easily operate all the technological tools available in my work place to handle my customers properly	93	24.7%	50.5%	9.7%	14.0%	1.1%		2.16
Availability of appropriate technology reduced un necessary argument with my immediate boss during evaluation by reducing the number of subjective parameters in my BSC	93	23.7%	51.6%	15.1%	7.5%	2.2%		2.12

*Source: own computation from survey data*

The first two statements in table 4.4 mainly focusing on confirming most of the daily activities of employees in the division are performed through online service with the support of technology and this positively contributing to accurately measure employees' performance and reduce subjectivity in evaluation using BSC. Regarding the first issue 76.4% of the respondents believe that they are mostly serving their customers through online service and this enables performance evaluation to be made accurately. Similarly 73.1% of respondents in the division also believe that, this online service enables to express most of their key performance indicators (KPI) in number and this helps subjective parameters to be reduced and their evaluation to become almost free of subjectivity. As explained in Niven (2006), one basic principle of BSC is "When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind". This indicates creating a condition that enables to measure performances in number is important and helps to easily achieve the principles and successful implementation of BSC. Thus, the first two questions in table 4.4 above can be considered as key Success factors for BSC implementation in the division.

The second issue raised in this section is about availability of appropriate technology and its positive contribution for successful implementation of BSC in the division. This is addressed by third, fourth and seventh statements table 4.4. Accordingly respondents in the division expressed their level of agreement with 65.6%, 76.3% and 75.3% agreement with mean score value of 2.3, 2.01 and 2.12 respectively indicating there are adequate and appropriate technologies in the division to get and report performance of employees at the required time and enable managers to timely inform their improvement area for their subordinates and enable employees take necessary measures on the identified gaps and enhance their strengths promptly. In addition to this, employees in the division also believed that availability of appropriate technology reduced the number of subjective parameters and subjectivity in evaluation and this Enhanced credibility of the evaluation report.

Statements five and six in table 4.4 designed to measure the availability of educated and skilled man power in the division to properly and successfully implement BSC. Based on this, employees in the division were asked their level of agreement on whether they can easily understand BSC parameters and use them properly to enhance their service quality and if they can easily operate all the available technologies at work place to serve their customers. Accordingly 78.5% and 75.2% of the respondents believe that they can easily understand BSC parameters and use them as well as

they can easily operate all the available technologies at work place to serve their customers respectively. As explained in (Kaplan and Norton 2001), One of the four BSC legs ( perspectives) is learning and growth and this mainly intended to enhance the skills and knowledge of employees in the organization through training and education to successfully implement BSC, cope with changing environment and achieve organizational strategic plan. Thus, availability skilled and educated employees can be considered as the key success factor to successfully implement BSC in the division. Data obtained from key informants also shows that the main success factors considered by interviewees to implement BSC in customer service division were compared to other divisions of ethiotelecom in customer service division only small numbers of parameters are subjective in nature or most of the parameters can measured using technologies and expressed in number. It is simple for staff follow up with the help of technologies and deliver their performance report timely like daily key performance indicator (KPI) achievements. In addition to this, there is strong work culture in customer service division and easy to control all achievements.

## CHAPTER FIVE

### 5. CONCLUSION AND RECOMANDATIONS

In this chapter the researcher will present the conclusions of overall analysis made on the previous chapters about the challenges and prospects of BSC implementation in customer service division of ethiotelecom and provide appropriate recommendations.

#### 5.1. Conclusion

This study is mainly intended to assess the challenges and prospects of BSC implementation practices in customer service division of ethiotelecom.

Accordingly, the study primarily tried to assess the main presumed obstacles to successfully implement BSC in customer service division of ethiotelecom. One basic challenge considered in this study is whether there was effective communication and delivery of appropriate and consistent training. Based on this, though majority of the respondents in the division believe that effective communication was made, some respondents were not agreed with the idea. Some justification from the disagreed individuals on the open ended questions explained that, there was no enough time given to communicate and explain about BSC by management and were rushing towards implementation and there was no enough understanding about it by employees at the beginning. Similarly, regarding training delivered about BSC at the beginning and its consistency, they believe that though there was adequate training given at beginning or before BSC become operational, there is no periodic training about BSC as demonstrative training or any other form once it becomes operational. The remaining challenges like level of understanding of employees about BSC, their commitment, timely cascading of BSC parameters and reaching at consensus before it becomes operational were not considered as strong challenges by respondents but regarding consistent support from management respondents believe that there is lack of consistent support from top management in implementing BSC in the division.

The second issue raised in this research was about implementation level of BSC in customer service division. The main parameters to measure BSC implementation level in this research were, whether the right indicators were set and designed to measure achievement of the right objectives, staffs' level of understanding about the objective of BSC implementation and its importance, whether KPI measures were weighted based on their importance, how KPI parameters were

explained and validated by concerned body, consistency of performance review and improvement measures, whether action plan preparation and assigning action owner is considered as a culture in the division etc. Accordingly, the respondents expressed their agreement for all the statements which means respondents believe that the implementation level of BSC in the division is good. But regarding one parameter (Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation every year), significant number of respondents (47.3%) remained disagree and neutral. This indicates that though KPI parameter explained and defined by concerned body and individuals are discussed to reach consensus on their implementation it is not as required and need improvement. From this we can conclude that BSC is properly implemented in the division except explaining KPI parameters by concerned body and individuals reach at consensus on its implementation which needs certain improvement.

Regarding the success factors of implementing BSC in customer service division, the researcher tried to measure in three main categories and each of these are measured by two or more questions. The first issue is to confirm whether most of the activities are performed through online service and this enables all KPI parameters to be expressed in number. And the respondents confirmed that they are mostly serving their customers online with the help of technology and their performance measured using KPI is mostly expressed in number. The second issue tried to be measured as key success factor is availability educated and skilled human resource in the division. This was measured by ability of the respondents to easily understand the KPI parameters and use of them and ability to operate the available technological tools in the division to serve their customers. Based on this customers expressed that they can easily understand all BSC parameters and can easily operate the available technologies. Finally availability appropriate technology that helps to successfully implement BSC was the third issue respondents were asked and they confirmed that they have adequate and appropriate technology to support their customers and to express their performance evaluation result in number that reduced subjectivity in evaluation. From this we conclude that, being online service, availability of competent staffs and availability of adequate and appropriate technologies enables the division to successfully implement BSC.

## 5.2. Recommendations

Based on the findings discussed above the researcher recommended the following points.

- Effective communication about newly implemented project and its objective with all stakeholders is necessary to successfully implement and achieve the required objectives and strategic goals of the organization. Based on this customer service division should adapt a culture of effectively communicating about new projects and their objectives and their importance with its staffs and management by allotting adequate time to create clear understanding and reach at consensus with concerned stakeholders. In addition to this, there should be consistent periodical trainings either quarterly, semiannually or annually to update the knowledge its staffs about BSC and empower them to independently and appropriately apply it.
- Unless top management support is sufficient and consistent, it will be very unlikely to successfully implement BSC and achieve the required objectives as it is a tool to implement the strategic goals of the organization. Based on this, as we have seen in our analysis, there is lack of appropriate and consistent support from top management in BSC implementation in customer service division. Thus, sufficient and consistent support and end to end follow up from top management is important critical to successfully implement BSC and achieve strategic goals of the company.
- Each key performance indicator (KPI) should be clearly explained by concerned body and staffs should be discussed about the parameter and reach at consensus on their implementation. Appropriate and effective feedback loops should be established between management and the staff to consider staff feedbacks and make prompt adjustment on the parameters and avoid misunderstandings and create effective communication loop.
- Customer service division must create a condition for staffs that can sufficiently motivate by providing appropriate motivation packages for best performer individuals by BSC. This indicates in addition to the currently provided some monetary incentives the management should enhance the incentive other than money like promotional incentives and assigning the individuals to more appropriate jobs they believe. This may create intrinsic motivation on individuals and lead them to compete more to achieve it

- Currently individuals are evaluated their performance using BSC parameters but due to some factors that are beyond their control like system incident, their performance is negatively affected. Thus, the division should either establish the BSC parameters in a way that can take in to account these incidents or should control these factors that can cause system incident.
  
- BSC targets should clearly and accurately set and must have the ability to accurately measure the performance of individuals to be evaluated. In addition the number KPI parameters should be manageable.

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## APPENDIX – I

**Addis Ababa University College of business and economics, department of public administration and development management.**

### **Standardized questionnaires**

#### **Dear Respondents,**

I would like to inform you that, this questionnaire has purely an academic purpose because I am conducting a research at Addis Ababa University college of business and economics for partial fulfillment of MA Degree In public management and policy. This questionnaire is designed to collect data for a research paper entitled ‘**Challenges and prospects of BSC Implementation in Ethio telecom: The case of customer service division**’. The questionnaire is intended to assess the challenge and prospects of BSC implementation in customer service division in general and particularly implementation challenges, the level of implementation and success factors to implement BSC in the division. Thus your reply will have a real contribution to the accuracy and use-fullness of the study. Therefore, I kindly request your cooperation in filling up the questionnaire. All the data gathered will be kept confidential.

#### **Instructions**

1. Please, answer all questions.
2. In all cases where answer options are available, tick (√) inside the given box.
3. For the open questions, write your answers in the space provided.

#### **Section A. Respondent’s profiles**

Please indicate your appropriate choice among the options provided by circling the alphabet that best represents you.

1. Gender

A/ Male

B/ Female

2. Age

A. Below 21    B. 22-31    C. 32 – 42    D. 43 – 55    E. Above 55

3. Level of education

- A. Certificate                      B. Diploma                      C. First Degree  
D. Second degree                      E. Above

5. Work experience in the organization

- A. 0- 5 years                      B. 6-10 years  
C. 11-15 years                      D. Above 15 years

6. Your Experience on BSC implementation

- A. Less than 6 months'                      B. 6 month to 1 year  
C. 1 year to 2 year                      D. more than 2 years

7. What is your job level?

- A. Staff                      B. Specialist                      C. Supervisor                      D. Expert  
E. Manager                      F. Above

**Section B: Challenges to successfully implement BSC in customer service division**

1. Kindly indicate how much you agree or disagree with the following statements concerning BSC implementation challenges in customer service division of Ethio telecom

We Use the scale of (1-Strongly Agree 2- Agree 3- Neutral 4-Disagree 5-Strongly Disagree)

Number	Description	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.1	Effective and clear communication about BSC was made before and during its launching.					
1.2	Adequate training was delivered to employees before BSC becomes operational					
1.3	There was a continuous training about BSC after it becomes operational					
1.4	I clearly understand BSC concept and apply it					
1.5	There is adequate and consistent top management support in BSC implementation					
1.6	I am interested and committed to implement BSC					
1.7	BSC parameters are always cascaded timely and properly.					
1.8	Employees of the division reach at consensus and feedback loop is properly used for improvement before the scorecard become operational.					

Please you are kindly requested to write your response as much as possible to the following open ended question.  
 What are the obstacles in the implementation of the BSC in your division? What improvements can be recommended concerning the implementation process?

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**Section C: BSC implementation level in customer service division.**

2. Kindly indicate how much you agree or disagree with the following statements concerning BSC measurement is implemented in customer service division of Ethio telecom

We Use the scale of (1-Strongly Agree 2- Agree 3-Neutral 4-Disagree 5-Strongly Disagree)

Number	Description	Strongly agree	Agree	Neutral	Dis agree	Strongly disagree
2.1	The right indicators (performance measures) are identified designed to measure achievement of the right objectives of the division.					
2.2	I clearly understand the objective of BSC implementation and its importance to the company.					
2.3	Each KPI measure weighted based on its importance.					
2.4	Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation each year.					
2.5	KPI parameters designed to measure individual performance properly					
2.6	Each KPI parameters and targets are designed and validated by concerned body					
2.7	Performance review and improvement measures are taken consistently in the division.					
2.8	Action plan preparation and assigning action owner at all levels to meet the BSC targets is considered as culture of the division since BSC implementation is started.					

Please you are kindly requested to write your response as much as possible to the following open ended question. What is your view on BSC measurement implementation level in customer service division?

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**Section D: Factors the support BSC to be successful in customer service division.**

3. Kindly indicate how much you agree or disagree with the following statements concerning

Factors that enable BSC to be successful in customer service division of Ethio telecom?

We Use the scale of (1-Strongly Agree 2- Agree 3-Neutral 4-Disagree 5-Strongly Disagree)

Number	Description	Strongly agree	Agree	neutral	Dis agree	Strongly disagree
3.1	I mostly serve my customers through online service and this enables to measure my performance accurately.					
3.2	Being online service enables to express almost all my KPI parameters in number and this reduces subjectivity in evaluation					
3.3	There are adequate technological tools to measure BSC and KPI parameters daily or monthly as required.					
3.4	I can get my daily, weekly or monthly performance or KPI reports from my immediate supervisor/manager/officer and this helps me to take necessary measure to improve my gaps.					
3.5	I can easily understand and interpret all the BSC and KPI parameters and use them to enhance my service quality.					
3.6	I can easily operate all the technological tools available in my work place to handle my customers properly.					
3.7	Availability of appropriate technology in my work place reduced un necessary argument with immediate boss during evaluation by reducing the number of subjective parameters in my BSC.					

Please you are kindly requested to write your response as much as possible to the following open ended question.  
Do you think that BSC implementation in customer service division is successful due to the nature of the work in the division? What improvements can be recommended?

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## APPENDIX – II

**Addis Ababa University College of business and economics department of public administration and development management.**

### **Interview Questions for key informants**

1. Do you think that BSC is the best tool of performance management for ethiotelecom?
2. What major activities were performed to successfully implement BSC in ethiotelecom and the division?
3. What challenges were encountered in BSC implementation and measurement/evaluation system?
4. Did all the required trainings to employees were delivered at the appropriate time and situation to enhance employees' understanding and ability to implement?
5. What success factors do you think are available in customer service division to implement BSC successfully?
6. What improvements can be recommended concerning BSC implementation process in customer service division?

### **Challenges of BSC implementation. SPSS out put**

**I clearly understand the objectives of BSC implementation and its importance to the company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	25	26.9	26.9	26.9
Agree	53	57.0	57.0	83.9
Neutral	11	11.8	11.8	95.7
Disagree	3	3.2	3.2	98.9

Strongly disagree	1	1.1	1.1	100.0
Total	93	100.0	100.0	

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Adequate training was delivered to employees before BSC becomes operational	93	1.00	5.00	2.6344	1.10123
I clearly understand BSC and apply it	93	1.00	5.00	2.3978	1.02299
There was a continuous training about BSC after it becomes operational	93	1.00	5.00	3.2688	1.15288
Effective and clear communication about BSC was made before and during its launching	93	1.00	5.00	2.3118	1.08326
Employees of the division reach at consensus and feedback loop is properly used for improvement before the scorecard become operational	93	1.00	5.00	2.5376	1.00606

I am interested and committed to implement BSC	93	1.00	4.00	1.9032	.82178
BSC parameters are always cascaded timely and properly	93	1.00	5.00	2.4194	1.10653
There is adequate and consistent top management support in BSC implementation	93	1.00	5.00	2.7742	1.05428
Valid N (list wise)	93				

**Implementation level. SPSS output**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Action plan preparation and assigning action owner at all levels to meet the BSC targets is considered as culture of the division since BSC implementation is started	93	1.00	5.00	2.3656	.94161
Each KPI measure weighted based on its importance	93	1.00	5.00	2.2258	1.03345
Each KPI parameter is clearly explained by concerned body and each employee agreed on its implementation each year	93	1.00	5.00	2.6237	1.12205
KPI parameters designed to measure individual performance properly	93	1.00	5.00	2.1183	1.04100
Each KPI parameters and targets are designed and validated by concerned body	93	1.00	5.00	2.2903	.97335

Performance review and improvement measures are taken consistently in the division	93	1.00	5.00	2.3871	1.00035
The right indicators(performance measures) are identified, designed to measure achievement of the right objectives of the division	93	1.00	4.00	2.1828	.88399
I clearly understand the objectives of BSC implementation and its importance to the company	93	1.00	5.00	1.9462	.78527
Valid N (list wise)	93				

**I mostly serve my customers through online service and this enables to measure my performance accurately**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	26	28.0	28.0	28.0
Agree	45	48.4	48.4	76.3
Neutral	10	10.8	10.8	87.1
Valid Disagree	11	11.8	11.8	98.9
Strongly disagree	1	1.1	1.1	100.0
Total	93	100.0	100.0	

**Success factors of BSC implementation. SPSS out put**

**Effective and clear communication about BSC was made before and during its launching**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	17	18.3	18.3	18.3
Agree	51	54.8	54.8	73.1
Neutral	10	10.8	10.8	83.9
Valid Disagree	9	9.7	9.7	93.5
Strongly disagree	6	6.5	6.5	100.0
Total	93	100.0	100.0	

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
I mostly serve my customers through online service and this enables to measure my performance accurately	93	1.00	5.00	2.0968	.97874
Being online service enables to express almost all my KPI parameters in number and this reduces subjectivity in evaluation	93	1.00	5.00	2.1828	.90825

There are adequate technological tools to measure BSC and KPI parameters daily or monthly as required	93	1.00	5.00	2.3011	.99766
I can get my daily , weekly or monthly performance or KPI reports from my immediate supervisor/manger/director and this helps me to take necessary measure to improve my gaps	93	1.00	4.00	2.0108	.97239
I can easily understand and interpret all the BSC and KPI parameters and use them to enhance my service quality	93	1.00	4.00	2.0538	.85167
I can easily operate all the technological tools available in my work place to handle my customers properly	93	1.00	5.00	2.1613	.99226

Availability of appropriate technology in my work place reduced un necessary argument with my immediate boss during evaluation by reducing the number of subjective parameters in my BSC	93	1.00	5.00	2.1290	.93513
Valid N (list wise)	93				