

# **Addis Ababa University**

## **School of Graduate Studies**

**Challenges of Implementing Balanced Scorecard: The Case of  
Sub-city Education Offices in Addis Ababa**

**A Thesis Submitted in the Fulfillment of the Degree of Masters of  
Arts in Educational Leadership  
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This is to certify that the thesis prepared by Habtom Kahsai, in titled: *Implementation of Balanced Scorecard in Addis Ababa City Administration Educational Bureau* and submitted in partial fulfillment of the requirement for the Degree of Masters of Art complement with the regulations of the University and meets the accepted standards with respect to originality and quality.

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## **Acronyms and Abbreviation**

BSC	Balanced Scorecard
BPR	Business Process Reengineering
TQM	Total Quality Management
EFQM	European Foundation for Quality Management
BOFED	Bureau of Finance and Economic Development
UN	United Nations

## **Abstract**

*The successful implementation of balanced scorecard requires a great deal of effort and resources. This study was designed to investigate the status of implementation of balanced scorecard. The study was conducted on six sub-city education offices and multiple data sources from head offices, all core process owners and 43 educational experts. This study has been used mixed method to which qualitative method was more dominant and approached sequentially in an exploratory mode. The data was collected through interview, focus group discussion, document analysis and questionnaires. The data obtained were analyzed through qualitative approach, which it has used text and multimedia materials, and the quantitative methods has been employed SPSS application such like percentage. The findings of the study based on the analysis of data reveal that scorecard has not yet linked with all resources particularly with the budget. The report system of scorecard most of sub city is used manual rather than automation. Scorecard is only cascading the physical part but not the spiritually and pocket cascading. Even there was no personal scorecard. Most leaders left the implementation of balanced scorecard to the middle manager/core process owners and not yet create sense of emergency about the emerging management tool and leader are not on the truck to monitor and evaluate the balanced scorecard. The balanced scorecard has not yet aligned with organization, system, and employee performance around strategy through reward, motivation and recognition. Therefore, not linked with the budget, it is key factor for miss-implementation of balanced scorecard. Similarity not using automation will halt the implementation of balanced scorecard. It has not completely cascading from top to bottom, will hardly learn about the strategy and will not be motivated to execute it and this make Balanced scorecard not implemented Successfully. Leaders\ managers have less commitment toward implement Balanced scorecard. Similarly, there is low level of understanding about balanced scorecard that makes BSC too complex to do. In light of these findings, every strategic objective of the scorecard should link with the annual budget of the sub-city education offices, and thereby reporting system form bottom to top should be automated. Leaders should mobilize the change through inspiring and motivation by giving institutional monitoring and evaluation. Everybody and job should link with the strategic of the sub city education offices.*

## **Chapter One**

### **The Problem and Its Setting**

#### **1.1. Background of the Study**

The balanced scorecard tries to translate an organization's strategic direction and objective into actionable initiatives and measurements. During the 1990s, Kaplan and Norton had made several studies in several companies throughout the world with the purpose of exploring the new methods of performance measurement that are based on numerous foundations of management theories. These include management by objective (Drucker, 1954), principles of management (Fayol, 1976), open book management (Case, 1978), leading change (Kotter, 1996) hierarchy of needs (Maslow, 1962), and value discipline (Treacy and Wiersema, 1995). Finally, the balanced scorecard was developed by Kaplan and Norton. Since the concept was introduced in the early 1990s by Kaplan and Norton as a performance measurement system, the balanced scorecard (BSC) has attracted considerable interest among different organization practitioners and researchers. According to Niven (2006) 60% of the Fortune 1000 companies are either implementing or attempting to implement the balanced scorecard (BSC).

Further, a study conducted by Bain (2009) indicates that about 49.1% of organizations in North America, 54% in Europe, 52% in Asia, and 56% in Latin America use the balanced scorecard. Due to its wide acceptance and effectiveness, the balanced scorecard (BSC) was proclaimed one of the 75 most influential ideas of the twentieth century by the Harvard Business Review (Niven 2005). The balanced scorecard was originally conceived for the profit world; however, due to demonstrating accountability and generating results, attracting scarce resources, creating a focus on strategy, producing information, self-preservation, driving change, and inspiring trust, it is now popular in governmental organizations too. The city of Charlotte, North Carolina is one example from government-run organizations to which is widely considered the best example of balanced scorecard success in such bureaus. The city implemented its first balanced scorecard in 1996.

In our country, balanced scorecard was first introduced in Addis Ababa city administration, which it has adopted it based on the best practice of the city Charlotte that experience sharing was conducted in 2002 E.C. Addis Ababa is a capital and central of political, economic, social and cultural activities of the Federal Democratic Republic of Ethiopia. The education bureau of the city is thus responsible for the management educational activities throughout Addis Ababa. According to decree No.15/2001, Art.16, the ten sub-city education offices are accountable to the bureau. In turn, the ten sub-city education offices are directly responsible to 116 education offices. The sub-city education offices are also responsible the secondary and preparatory schools.

Balanced scorecard (BSC) is a milestone in an effort to create developed and democratic country. Accordingly, implementing the national policies in line with missions, visions, the country is only possible by measuring all the activities of the organization (The role of leadership on the implementation of BSC, 2002 E.C). As well, when the strategic balanced scorecard prepared in 2003 E.C, the directives was provided in which the strategies balanced scorecard should be based on the growth and transformational plan of Ethiopia (GTP). In its own part, the education sector development program (ESDP IV) was also designed by the council of Addis city Ababa administration (2003 E.C). Additionally, Ministry of Civil Service on the manual of "change masses building of federal civil service" state balanced scorecard is the only management tool that used for performance result based measurement (2005 E.C). According to the strategic manual (2002) for the implementation of balanced scorecard Addis Ababa City Administration, justification for launching balanced scorecard is to develop strategy that focus on public organization, to build up results based measurement system and develop new attitude of employees who choose to be measured only through their results. Besides, it was adopted to sustain the results those have been achieved by implementing BPR, the increasing desires of improved accountability both politically and administratively—that is meant to improve performance ranging from "good to great" etc. The need to clearly communicate the strategy to all employees, to meet citizen's needs, improve organization alignment and link strategy and operations, produce a balance strategic plan and evaluate strategy performance were all additional intents of balanced scorecard.

Addis Ababa city Administration had been prepared strategic balanced scorecard (2003 E.C- 2005 E.C) and signed the team charters of corporate balanced scorecard between of Addis Ababa city administration mayor and all head bureaus of Addis Ababa (2003 E.C) The corporate scorecard is cascaded to all Addis Ababa bureau sectors contextually. Besides, the corporate scorecard of Addis Ababa city education bureau is cascaded to all sub city education offices, woreda education offices and to all government schools at all levels respectively. Now, balanced scorecard (BSC) is considered as a management, communication and measurement tool of Addis Ababa city administration.

Balanced scorecard is established by a process that builds consensus and clarity about how to translate strategy in to operational objectives and measures. This means that the scorecard represents the collective knowledge of managers of the organizations. The scorecard projects is not an initiative to improve measurement system but rather to make change in the way the organization views and manages itself (Kaplan Norton, 1996). Balanced scorecard has a capability for organizations to keep the balanced in terms of objectives; financial and non-financial measures, lagging and leading indicators; and external and internal performance. Balanced scorecard is used to accomplish the following management process: clarifying and translating vision and strategies; communicating and linking strategies objective and measure; planning, targets and aligning strategic initiatives and enhancing strategic feedback and learning.

The implementation of balanced scorecard in Education Bureau and Sub City Education office has taken four years; however, in capacity to execute strategy of the education sector that have barriers on implementation of strategy in vision, people, management and resources though balanced scorecard exists to overcome this incapacity. Therefore, balanced scorecard (BSC) has not yet known either in the right truck or not but the researcher was assessed the implementation of balanced scorecard in the six sub-city education offices.

## **1.2. Statement of the Problem**

In order to build a BSC in an organization, a great deal of effort is needed. Resources such as time, expertise, and money should be employed in every BSC initiative. Despite its worldwide popularity, the success of the BSC is quite low. According to Atkinson

(2006), it is estimated that 70% of BSC have failed during implementation. Similarly, Dragan (2010) on his thesis conclude that although many different organizations are using the BSC as a management technique to implement corporate strategy, a number of them have encountered different problems when trying to introduce the BSC and implement it. The majority have either implemented the BSC but without any significant improvement in performance, or they have given up in the implementation the process itself. As mentioned the major causes implementation of BSC to fail; limited understanding of the Balanced scorecard, luck of executive sponsorship, lack of Balanced Scorecard education and training, inadequate IT support, Not involving the whole organization, lack of planning and communication and also un willing to change by managers. According to Fortune magazine (1999 in the, cited by Niven, 2006) 70 percent of organization failures came not as result of poor strategy, but poor execution.

Furthermore, Nair (2004)state that, Ironically, the organization challenges and implications encountered in implementing Balanced Scorecard require that implementation focus on three axes conditions; The people issues and challenges in change management, the process issues that require a removal or an additional of new processes of enable the transformation ,and the technology that sustains and improvement. As well, evolutions to which conducted in 2005 EC shows that there were tremendous problem in implementing part rather than in building Balanced Scorecard. Even the evaluation indicate most top officials implementation of Balanced scorecard left to the middle managers (Report of Education Bureau, 2005 EC).

These facts bring to mind to look the difficulties involved in the implementation process of BSC in the Addis Ababa City Administration Education Bureau. Taking this as a foundation, it will be assessed if there is any relation between the many reasons discovered by researchers and the reasons identified as causing the BSC implementation in the Addis Ababa City Administration Education Bureau to failed. Therefore, in this study an attempt was made to assess the status of balanced scorecard implementation in Addis Ababa City Administration Education Bureau in the case of six sub-city education offices.

### **1.3. Research Questions**

Based on the statement of the problem the researcher will try to seek answer for the following basic research questions:

- To what extent are sub-city education offices fulfilling conditions to implement balanced scorecard?
- To what extent are the leaders\managers committed to implement balanced scorecard?
- To what extent do the leaders\managers, experts and stakeholders trained and understood balanced scorecard?

### **1.4. Objective of the Study**

#### **1.4.1 General Objective**

The general objective of the study has been to investigate implementations of balanced scorecard education sectors in Addis Ababa city administration.

#### **1.4.2 Specific Objectives**

- To assess that whether the selected sub-city educational offices are carrying out balanced scorecard
- To examine roles by leadership or/and managers and their commitment in implementing balanced scorecard.
- To inform policymakers or/and practitioners, experts and other stakeholders so that they could understand best and put into practice balanced scorecard.

### **1.5 Significance of the Study**

Since the concept of balanced scorecard is a new management theories in Ethiopia, this great idea expand the scope of research in our country. This study has further importance:

1. It is believed that to indicate some possible solution for the problem in implementation of balanced scorecard.
2. It is believed that to use as a source of information regarding the implementation of balanced scorecard on Addis Ababa city administration in education sectors.
3. It is believed that to invite further in depth research work on the problem.
4. It is believed that to create awareness for the concerned body (governance and others) toward implementation balanced scorecard.

## **1.6. Delimitations of the Study**

This study was delimited both geographically and conceptually. Concerning geographical delimitation, it was sampled from ten sub-cities of education offices within Addis Ababa, under the city-administration education bureau. Those six sub-city education offices were Yeka, Ledeta, Bole, Kolfе, kerkose and Addis Ketema sub-city education offices. Empirically, the study was limited to investigate the implementation of balanced scorecard that encompasses the implementations of part of balanced scorecard like cascading, automation, evaluation, motivation and the role of leadership toward implementations of balanced scorecard

## **1.7. Limitation of the Study**

The study was not completely free from constraints. Because of shortage of time, the study had not investigated all factors that affect implementation of balanced scorecard. Additionally, balanced scorecard is a new emerging management theory, it has not yet conducted research before in Addis Ababa education bureau, and there is no enough reference materials fit into BSC, these things make the study harsh.

## **1.8. Definition of Key Terms**

**The balanced scorecard:** An integrated frame work for describing and translating strategy through the use of linked performance measures in four balanced perspectives: customers, internal process, employee learning and growth, and financial. The balanced Scorecard acts as measurements system, strategic management system, and communication tool.(Niven,2006)

**Perspective:** it's a way of regarding situations, facts and judging their relative importance on a proper or accurate point of view or the ability to see in that way.

**Leadership:** is the position or function of a leader, a person who guides or directs a group. It is also that ability to lead, authority, influence, command, effectiveness, act or instance of leading, guidance, and offering directives.

**Corporate scorecard:** is a tool that facilitates the implementation of long terms goal and strategies through a mechanism of measurement.

**Alignment:** is an adjustment to a line, arrangement in a straight-line.

**Performance management:** is a systematic process for improving organizational performance by developing the performance of individual and teams. It is a means of getting better results from the organizational, teams and individuals by understating and managing performance with an agreed framework of planned goals, standards and competence requirements

**Condition:** to implement Balanced Score card that must exist before balanced scorecard make possible.

**Cascade:** The process of developing aligned scorecards throughout an organization each level of the organization will develop scorecards based on the objectives and measure. It can influence from the scorecard of the group to which they report.

**Initiatives:** The specific programs, activities, projects, or actions an organization will understand in an effort to meet performance target (Niven, 2006).

**Lagging indicators:** measures that represent the consequences of actions previously taken, which it also referred to as lag-indicators. They frequently focus on results time and characterize historical performance. Employee satisfaction may be considered a lag-indicator. A good balanced scorecard must contain a mix of lag and lead indicators.

**Leading indicators:** these measures are considered the “driver” of lagging indicators. There is an assumed relationship between the two that suggests that improved performance in a leading indicator will drive better performance in the lagging indicator.

**Strategic management system:** describes the use of the Balanced scorecard in aligning an organization short time actions with strategy often accomplished by cascading the Balanced scorecard to all levels of the organization , aligning budgets and business plans to strategy ,and using the scorecard as feedback and learning mechanism.

## **1.9 Organization of the Study**

This study organized into five chapters. The first chapter provides the problem and its approach. The second chapter deals with the review of related literature. The third chapter contains research design and methodology. The fourth chapter deals with the presentation and analysis for the data. The fifth chapter includes the summary, conclusion and recommendation of the study.

## **Chapter Two**

### **The Review of the Related Literature**

#### **2.1. The Origins of the Balanced Scorecard**

The Balanced Scorecard was developed by two men, Robert Kaplan, an accounting professor at Harvard University, and David Norton, a consultant in Boston. In 1990s, Kaplan and Norton led a research study of a dozen companies exploring new methods of performance measurement. The impetus for the study was a growing belief that financial measures of performance were ineffective for the modern business enterprise. The study companies, along with Kaplan and Norton, were convinced that a reliance on financial measures of performance was affecting their ability to create value. The group discussed a number of possible alternatives but settled on the idea of a Scorecard featuring performance measures capturing activities from throughout the organization—customer issues, internal business processes, employee activities, and, of course, shareholder concerns.

At this time, our world is not in a certainty rather many things make our world uncertainty finding. So our world organization are making major changes in responding to an increasing global change indeed, the need for fundamental change is so strong that some leading authorities from academic organization and industry have called for a complete rethinking and re engineering the organizations. According to Niven (2005), the radical change that had take place in many organizations over proceeding decade such as line in time, business process reengineering (PBR), systems thinking, economic value chain analysis, and many more. All these techniques were developed to help improve business performance: these are essentially process level tools to drive efficiency and effectiveness rather than strategic management tools like the balanced scorecard, which aims to set and organization direction of considerable influence during this period was the rise of Japanese industry as it was reconstructive following World War II.

In particularly, and largely attributable to Deming, was the rise of the quality philosophy, aimed at delighting customers. Because of this philosophy several management tools were emerged Like, total quality management (TQM], quality circles, the Deming model,

the Baldrige awards, and the European foundation for quality management (EFQM) excellence model another emerging idea.

Criticize the philosophy of Deming that in the late 1980s poor economic condition Contributed to the business failure of a number of Baldrige award winners. This has brought some doubt on the validity of their business excellent model and the quality philosophy, as an indicator of good organizational performance. MG brown commenting on the pursuit of quality in America industry during the 1990's say the price of quality, however, often was lower financial results, some companies with best quality in their industries went out of business" MG brown additional stated that since 1995; quality has had bad reputation. Even the Malcolm Baldrige national quality award has removed most of the reference to quality from its 1995 criteria.

Kaplan and Norton's work was also strife to minimize the weakness of quality philosophy, which directed at seeking to establish an alternative regime to improve the chance of organizational survival and success (Niven, 2005). A key conclusion of the research under taken by Kaplan and Norton (1990) was that: in order to be successful, a company has to address long issues and not just simply rely on producing good short-term results. Kaplan and Norton argue that financial measures were too one sided and not relevant to many levels in the organization and that reliance only on financial measures may affect the ability of organizations to create value (Niven, 2006).

Moreover, Kaplan and Norton (1999) argue that focusing exclusively on financial performance measurements worked well in the area of industrialization, but in the era where new emerging, financial measurements are not enough. Some practitioners argue that managers can hardly work with multiple measurement of performance. However, Kaplan and Norton (1992) make an analog with an airplane cockpit. They explain that for the complex task of navigating a pilot, the polite should rely on a number of indicators and instruments to reach the destination safely, and efficiently. He needs detailed information about fuel, air speed, pressure, altitude, destination, and other indicators that summarize the current and predicted environments.

Relying only on one instrument could be fatal. The same can be said for organization Managers should recognize the need to track performance in several areas. The balanced scorecard should therefore provide answer to four basic questions that look at the business from four important perspectives (Kaplan and Norton, 1992). How do customers see? The organization on customer perspective what is it important to excel in? To internal process perspective, can the organization continue to improve ability and create value? Learning is growth perspective and how do shareholders see the organization and financial perspective.

From its development as a performance measurement tool, the balanced scorecard has considerably evolved. According to Lawrie and Cobbold (2004), the evolution of the balanced scorecard may be represented by three generations of balanced scorecards. The main concern of the first generation of the Balanced Scorecard as a performance measurement tool was to solve the measurement problem of balancing the accuracy and integrity of financial metrics with the drivers of for future financial success (Niver, 2005). Lawise and Cobbold (2004) argue that in the origin design of the BSC concept, the election of which measures to include was not sufficiently clear. This was evident in two respects: the organization did not know what measures to include in the scorecard, and it was not clear which measures should appear for which perspective.

To overcome those shortcomings, Kaplan and Norton (1993) introduced the concept of strategic objective. In their view, there should be direct mapping between each strategic objective placed in the four perspectives with one or more performance measures. This would justification for the selected measures. In addition, they linked the strategic objectives in a tool called strategy map to show the causality between them (Lawrie and Cobbold 2004). In the second generation from a strategic measurement system, the balanced scorecard involved in to a strategic management system with the intention of supporting management implementation of strategy (Niven, 2005).

The criticism of the second generation of the BSC was based on the lack of interpretation and understanding of the vision and mission statements from lower levels of the organization, which were preserved only for high-level management (Lawrie & Cobbold,

2004). Niven (2005) argues that the use of a balanced scorecard may be seen as a tool for measurement performance, a strategic management tool and a tool for communication.

Enhancing the communication role of the BSC was the goal of the third generation of its development. According to Niven (2005), company strategy should be understood not only by executive, but it should be transformed into simple objective and measures understood by all the people in the company and this should lead them to achieve real results. The third generation of the balanced scorecard aimed to all levels of the organization by cascading high-level balanced scorecards to lower levels.

Further, through the description in the strategy map, the BSC should are employees what they must do in each of the four perspective in order to execute the organization strategy. The balanced scorecard perspective to original balanced scorecard designed by Kaplan and Norton identified four perspectives the balanced scorecard supplements that traditional way of measuring performance with financial measures by adding measurer from the perspectives of customers, internal processes, and learning and growth. In a way it enables organizations to monitors the intangible assess needed for future growth (Kaplan and Norton, 1996). The four perspectives—the learning and growth, the customer, the internal process and the financial perspective, which each of them are discussed hereunder.

### **2.1.1 Customer Perspective**

The customer perspective aims at identifying the customer and marks segments in which the organization compete, and accordingly it measures to track related performance (Kaplan and Norton, 1996). The customer perspective should ask how an organization appears to customer in order to achieve the organization's vision and mission.

This reflects the factors are important to customers and these factors in: time, quality, performance, service, and cost. According, Niven (2006), measurers in the customer perspective should answer three questions: what are our target groups of customer; what do they expect or demand from is and what would the value proposition for us be in serving them the most common measurers for this perspective include: customer satisfaction, customer loyalty, and market share (Niven, 2006). Thus, the customer perspective examine meeting and exceeding customer expectation

### **2.1.2 Internal Process Perspective**

The greater customer performance is the result of processes, decisions and actions in which manager need to focus on in order to satisfy customer needs (Kaplan and Norton, 1992). According to Kaplan and Norton (2000), the internal process perspective of the organization determines how it will achieve the value proposition for its customers and the productivity improvement to reach its financial objectives in order to satisfy its shareholders. This perspective measures the business processes that have the greatest impact on customer satisfaction. It measure factor like quality and employee skills, they companies should identify and measure their core competencies and technologies. Critical and ensuring market leadership (Kaplan and Norton, 1999) measures that can represent this perspective are inventory turnover, delivery, productivity, cycle time, and research development expenses (Niven, 2006).The internal process perspective looks at current process to ensure efficient and effective, such like highest productivity.

### **2.1.3 Learning and Growth Perspective**

The next perspective is represented by the learning and growth perspective. By measuring the organization's ability to innovate, improve and learns the learning and growth perspective identifies the needed infrastructure to support the other three perspectives. Niven (2006) argues that measures of the learning and growth perspective are the enablers of the other perspective and represent the foundation of the balanced scorecard. According to Kaplan and Norton (1992), continual improvements and the ability to learn and introduce new products and services are the pre condition to survive, expand in the global market place, and increase the company's value—where knowledge, employee skills, satisfaction, the availability of most common measures of this perspective (Niven, 2006). The innovation and learning perspective would concentrate on the ability to sustain itself in to the future by developing future capability.

### **2.1.4 Financial Perspective**

Although the balanced scorecard was developed in part as a reaction against the excessive reliance on financial measures, the financial measures are still an important component of the balanced scorecard (Niven, 2006). According to Kaplan and Norton (1992) and Niven (2006), measures in the financial perspective indicate whether the

implementation of the company strategy and its execution are contributing to the improvement of bottom line results. Focusing at resources, energy, and capabilities on customer satisfaction, quality, knowledge, and other factors in the other perspectives without incorporating indicators showing the financial returns of an organization may produce little added value (Niven, 2006). The most commonly used measures are derived from the objectives of revenue growth and productivity, such as return on equity, return on investment, revenue, gross margin, and other indicators (ibid). Therefore, the finance perspective would concentrate on historical issues in terms of financial results and would examine how the key financial stakeholder views on the organization.

### **2.1.5 What is Balance Scorecard?**

The balanced scorecard aims at a complete description of everything that it is important to know in order to execute the company's strategy and spread over four perspectives (Olive et al, 1999). Besides, introducing non-financial measures to motivate optimal management decision, the balanced scorecard shown it's 'balance" in the following ways. According to Olive et al (1994), the BSC should link short term operational control to long term vision and strategy, following day-to-day operations that will affect tomorrow's development. In this way, the BSC is based on three dimensions it in time is yesterday, today and tomorrow. In this regard, the balanced scorecard contains mix of lagging (performance objectivity and Leading indicators (performance drivers). Lagging indicators represent the consequences of previously taken actions, while leading indicators are measurement that drive and enable the results measured by the lagging indicators (Niven 2005 and 2006, Olive et al 1999; 2003).

The balanced scorecard is balanced in that it shows both the internal and external aspects of the organization. It indicates the internal processes important to achieve organization results; but also the external view from the customers, market position (Olive, 2003). The balanced scorecard is linked things a series of cause and effect assumptions (Olive et al, 2003) to Kaplan and Norton (2000), strategy is the movement of an origination towards a desired but uncertain future position. It consists of a series of linked hypotheses and assumptions on the best way to reach these future positions. According to Niven (2006), the balanced scorecard aims to document and test the assumptions which in here to the strategy.

## **2.2 Conditions for Implementing Balanced Scorecard Successfully**

### **2.2.1 Creating Alignment by Cascading the Balanced Scorecard**

Niven (2006) state those there was tremendous positive impact to the bottom line when employees see strong connections between company goals and their jobs. So cascading the balanced scorecard is a method designed to bridge the considerable learning gap that exists in most organizations. Specifically, cascading refers to the process of developing balanced scorecards at every level of your organization. The balanced scorecard constructed at lower levels will align with your highest-level balanced scorecard by identifying the objectives and measures lower level group will track in order to gauge their contribution to overall successes.

In addition, cascading defined by Kaplan and Norton (2002), translate high-level strategy into aligned to the lower level objectives. In that it measures; creates alignment around the organization's shared vision, make strategy actionable to business processes, and pin down to individuals ; develops business processes scorecards, aligned to corporate vision and strategy and develops individual scorecards, aligned to business process and support units—that is to mean harmonize objectives to the rewards, recognition, and incentives to the results. As Peter Drucker has commented:

The nonprofit must be structured around information that flows up from the individuals doing the work to the people at the top- the ones who are in the end, accountable- and around information flowing down. This flow of information is essential because a nonprofit organization has to be a learning organization (1993:2).

This idea helps individuals to be part of decision maker. As scorecard are created at a lower level of the organization, employees of every function and rank are given the opportunity to demonstrate how their actions can lead to improved results for everyone. Cascaded scorecard provide real time data for decision making, resources allocation, and most importantly, strategic learning. Niven (2003) added that particularly in the public sector, cascading should be considered more of a necessity than a luxury or option presented by the balanced scorecard. Achieving results in the public domain demands collaboration from a vast web of groups, often spanning levels and service functions.

According to Nair (2004), cascading the BSC project is not a simple issue but must be held to simplicity for it to work. Given that measures, objectives, initiatives, and strategy linkage are all needed and coordinated, the challenge in a large enterprise is significant. When the organization cascading scorecard, organizations should consider the behaviors of objectives such as common, should and linkage. Accordingly, to Kaplan and Norton, scorecard and cascade may draw common objectives—that is mandatory or to different organizations/processes; shared objectives—to which an objective is shared by different organizations/ process that is expected to cooperate so as to achieve specific results; and unique objectives—that is an objective to be fulfilled independently by a given organizations processes. They added that, historically, scorecard is cascaded to by three distinct processes

1. **Communicate and Educate** (Spiritual cascading): employees must understand the strategy to effective communication, to help implement to develop an understanding of the strategy throughout the organization, to develop buy in to support the organizations strategy, to educate the organization about the balanced scorecard measurement and management system for implementing the strategy and to provide feedback via the balanced scorecard.
2. **Developing process/team and personal objectives** (physical cascading)- establish teams at each level, to develop their own objectives and employee buy in, to employee must understand how they can influence the successful implementation of the strategy, to help managers employee set individual and team objectives that are consistent with strategic success.
3. **Incentive and reward system:** ‘balanced pay checks’ (Pocket cascading) employees should feel that when the organization become successful, they share in the rewards, conversely, when organization become unsuccessful, they should feel some of the pain. Inactive and reward systems provide the linkages between organizational performance and individual rewards.

### **2.2.2 Linkage Budgets and Balanced Scorecards**

There is almost an indigestible logic that if the scorecard forms the basis of the planning function, then it should also be a key part of the budgeting process, for example Kaplan and Norton argues that:

Once a scorecard has been designed and introduced concerns soon arise if the scorecard is not tied into other management programmes) such as budgeting, alignment of strategic objectives, and setting personal targets; without such connection the office devoted to developing a balanced scorecard may not deliver tangible benefits( 2000: 89) .

They also state that:

Strategic planning and operational budgeting process are too important to be treated as independent processes... you must expand your traditional budgeting process beyond. Financial targeting to encompass short term targets for all balanced scorecard measures. The budgeting process should translate the first year of five-year plan into operational budgets for strategic objectives and measures in all four balanced scorecard perspectives (2000:90).

It has already been stated that a key factor in the development of balanced scorecard was the perceived over reliance on financial performance measures. Partly this stems from the key role that the budgeting process has always had in the planning process. However, sometimes, perhaps cynically, argued that budgeting and planning are frequently divorced but only the budget is used as a regular monitoring mechanism. Consequently, if there is to be any attempt to move away from the dominance of financial reporting tools the budget must be subsumed into balanced scorecard process. Niven provides a comprehensive discussion of the issue and articulates a process for achieving this. If the objectives characterized by the balanced scorecard are to be achieved, not only must staff be motivated to achieve those through the reward systems but also the objectives must be properly resourced. This as tactical action plans are built to achieve the strategic objectives it should be possible to build budgets directly linked to those plans. This will increase the importance and relevance of the cause and effect model underpinning the balanced scorecard since it should help to show how varying the resources allocated to each tactical plan would vary the achievement of the objectives.

It can therefore be seen that if the balanced scorecard is to be a major management tool in the organization it should not compete with or duplicate other processes. The financial controller could be a key player in the development of the balanced scorecard. However, they suggest that there is not a great deal of evidence of the balanced scorecard being developed widely in a large number of companies and they go on to suggest that the scorecard might have limited application in some areas of the organization. This would seem to cast doubt, or at least uncertainty, over the role of the balanced scorecard as budgetary mechanism. Indeed Kaplan and Norton [2000] argue that no functional specialist should have overall control of the balanced scorecard for fear that it might be seen as being owned by that specialism.

Niven[2005] argue that efforts to link budgets and performance measures have existed for sometimes but have been significantly hampered by poor measure design. The balanced scorecard has demonstrated the capability to overcome many of the shortcomings associated with typical performance measurement efforts, and therefore, offers a powerful platform for the linkage of budgets, performance measures, and strategy. Using the balanced scorecard to drive the resource allocation process is accomplished through a five-step process according to Niven:

1. Develop a plan to communicate the new budget process to all stakeholders- provide information on why the change is necessary and how it improves the prospects of organizational success and eases the burden of those responsible for preparing budgets.
2. Develop or refine the highest-level scorecard. The method presented relies heavily on cascaded balanced scorecards. Therefore, a high-level scorecard from which to launch the cascading efforts must be in place.
3. Develop cascaded scorecards. Scorecards should be developed throughout the agency and include not only objectives, measures, and targets, but also initiatives. The initiatives describe the processes or projects that will be undertaken to achieve scorecard targets. The investments necessary to support the initiatives forge the bond between budgets and the balanced scorecard. Initiatives entail the allocation of resources. They should be quantified and form the basis of the budget request.

4. Compile results budgets submissions gathered from all groups are compiled templates.
5. Finalize results: normally, a gap that will exist between budget appeals and what is feasible for the agency. Unit leader will deliver presentation outlining the budget submission, highlighting the strategic significance of initiative requests, and focusing on the link to scorecard targets.

Following the presentations, the process becomes initiative in nature, with senior leader discussing and debating the relative merits of all requests. Therefore, pursuing the link between budgets and balanced scorecards have discovered a number of benefits associated with the process, including the elimination of emotion, placement of facts as the driver of budget discussions; ability to build collaboration, and reinforcement of the argumentation's strategy.

### **2.2.3 Performance Management Information System (Automation)**

To assist the company's strategic and learning processes, the balanced scorecard should be continually updated with current and operationally relevant information. Inputs are needed at all stages of BSC initiative. It should act as a facilitator and has an important role at different stages of the BSC initiative in forms of (Olive et al 2003): preparing the initial stages of the BSC programmed, defining and linking measures setting goals, and observing performance, managing strategic initiatives and action plans

At the beginning of the BSC initiative, a summary of materials, which arise from working on the strategy, must be introduced in the scorecard. This process could be considered well formulate if the strategy map explicitly links the goals with the more concrete success factors and metrics in each perspective; followed by a set of initiatives. Further, the relationship between different scorecards must be clearly articulated every metric must be defined in a concise and systematic way. In accordance with the predefined time schedules, targets must be reviewed and appropriate initiatives defined. As is already stated, operating and maintaining the scorecard requires continuous in puts.

The BSC is supposed to boost new behaviors, communication and cooperation if information is not duly entered into the system, the balanced scorecard initiative will

probably be worthless. Even if the required information is recorded in the scorecard and its databases, it has never been retrieved and viewed by the people who are supposed to benefit from the system; it will not make only worthwhile contribution to the organization or justify the investment put into the balanced scorecard (Olve et al, 20033) Niven (2006) emphasizes the problem of gathering and entering data into the BSC, in this view, this can sometimes represent a unique challenge. He uses the form “balanced scorecard police” for people I the organization that, trying to collect data on the origination, have to negotiate with different owners of the data and measures.

By definition, the balanced scorecard is not a complex concept (no more than 20 measures scorecard spread across four perspectives, combining financial and non-financial measures). In the effect, the processes of collecting, analyzing, reporting and distribution information related to a BSC initiative can be labor intensive and time consuming, which may create many problems, especially in large or complex organizations. These process my represent exhausting work on which people may spend the majority of the time planned for the BSC initiative. Such problems may be overcome by designing a system to provide scorecard information automatically from other transaction systems in the origination (Niven, 2006, Olve, 2003).

From the above-mentioned idea, it can infer that balanced scorecard has its own software that helps to implement process. By applying performance measurement software one can thus get the right performing information to the right people at right time. This software is called automation that also adds structure and discipline to implementing the BSC system helps transform disparate organizational data into information and knowledge, and helps communicate performance information. Similarly, automation can be defined briefly as follows: Using software to automate the collection, reporting, and visualization of performance data. Transforming performance measurement data in to useful information and business intelligence; presenting performance information to the people who need it in a visually appealing format and using performance information to better in terms of decision-making.

Automating your balanced scorecard provides several advantages like maximizes its use as a measurements system, strategic management system, and communication tool;

allows organizational to perform. Complicated evaluations of performance and critically examine the relationship among their performance measures I supports true organization wide deployment of the tool; without thus of an automated solutions managing the process and ensuring alignment can prove difficult; and also communication and feedback may also be dramatically improved with scorecard software.

### **2.3 Mobilizing Change through Executive Leadership**

Implementing new strategies requires large score change. The term transformation has emerged to differentiate the scale of change required by organization strategy from the continuous improvement that organizations routinely perform. The leader of our strategy-focused organizations clearly led transformations, not small-scale changes. John Kotter carefully distinguishes between the words management and leadership when describing transformation “Management is a set of processes that can keep a complicated system of people and technology running smooth... leadership is asset of process that creates organizations in the first place or adopts them to significantly changing circumstances... Successful transformation is to go percent leadership and only 10 to 30 percent management’’. (Kotter, 1996)

Experience has repeatedly shown that the single most important condition for success is the ownership and active involvement of the executive team. If this at the top change is not energetic features of the process, change will not take place, strategy will not be implemented and the opportunity for bark through performance will be missed. As Kaplan and Norton argue a successful balanced scorecard program starts with the recognition that it is not a "metrics" project; it's a change project. Initially the focus is on mobilization and crating momentum to get the process staunched. Once the organization is mobilized, the focus shifts to governance, with emphasis on fluids team based approaches to deal with the unstructured nature of the transition to a new performance model. Finally, and gradually over time a new management system evolves a strategic management system that institutionalizes the new culture values and new structure into a new system for managing.

The various phases can evolve over two to three year. Successful implementation of change in organizations requires a wide range of leadership behavior. Some of the

behaviors involve political and administrative aspects, and others involve motivating, supporting and guiding people. Even the people who initially endorse a change will need support and assistance to sustain their enthusiasm, optimism is inevitable, difficulties, and setbacks occur. Major change is always stressful and painful for people. According to Gary Yukl (2010), the following guidelines describe current thinking about the best way to implement a major change in an organization the guidelines are based on theory, research findings and practitioner insight.

### **Create a Sense of Urgency about the Need for Change**

According to Kotter [2006] when changes in the environment are gradual and no obvious crisis has occurred, many people fail to recognize emerging threats (or opportunities). An important role of the leader is to persuade other key people in the organization of the need for major changes rather than incremental adjustments. To mobilize support for proposed changes, it is essential to explain why they are necessary and to create a sense of urgency about them. Explain why not changing will eventually be more costly than making the proposed change now. If people have little sense of the problems, it is important for the leader to provide relevant information and help people understand what it means. For example, distribute a summary of customer complaints each week with selective quotes from dissatisfied customers. Arrange for people to meet with dissatisfied customers. Prepare analysis of costs involved in corrective quality problems compare the performance of the organizational unit to the performance of key competitor as well as unit performance in prior years.

### **Communicate a Clear Vision of the Benefits to be Gained from Change**

When it is necessary to make major changes in an organization, a vision of what the changer will do to achieve shared objectives and values is very helpful in gaining commitment for the change [Kotter, 1996]. The desirable characteristics of a vision may be relevant, and guidelines for developing an overlong vision. Communications make a clear vision help employee to feel responsibilities and accountability.

### **Identify People whose Support is essential and Any Likely Resistance**

To evaluate the feasibility of various strategic for accomplishing major change in the organization, a leader must understand the political processes, the distribution of power and the identity of people whose support is necessary to make the change happen. Pettigrew and whipp [1991] before beginning a major change effort, it is useful to identify likely supporters and opponents. Time should be set aside to explore each of the following questions. Which key people will determine whether a proposal will be successfully implemented? Who is likely to support the proposal? How much resistance is likely and from whom? What would be necessary to overcome the resistance? How could skeptics be converted into supports? Who long will it take to get approval from all of the key parties?

### **Build a Broad Collation to Support the Change**

The task of persuading people to support major change is not easy, and it is too big a job for a signal leader to do alone. Kotter,[1996], describes Successful change in an organization requites cooperative effort by people who have the power to facilitate or block change. It is essential to build a coalition of supporters, both inside and outside the organization. A supportive collation may be even more important in pluralistic organizations that have collective leadership than in hierarchical organizations when the top Management team may have sufficient power to authorize major change. The first step is to ensure that the executive team is prepared to undertake the difficult task of implementing major change in organization; and some changes in the team may be necessary supportive are needed not only within the top executive team, but also middle and lower levels of management.

### **Use Task Forces to Guide Implementation of Change**

Temporary task forces are often useful to guide the implementation of major change in an organization especially when it involves modification of the formal structure and the relationship among subunits. Example of such typical responsibilities for a task take include exploring how key values in the vision can be expressed more fully in developing action plans and implementing a new strategy that cuts across subunit. Designing procedures for performing new types of activities and studying how the appraisal and

reward structure can be modified to make it more consistent with the new vision and strategy. The composition of each task force should be appropriate for its responsibilities, as Tichy and Devanna (1986) argued. For example, a task force to improve customer service should include people from all the functions that affect the quality of this service, and the task force should actually meet with some important customers. The leader of each task force should be someone who understands and supports the new vision and has skills in how to conduct meetings, manage conflict, and involve people in constructive problem solving.

### **Fill key Position with Competent Change Agents**

It is especially important to get the commitment of people directly responsible for implementing change the people in Key positions who will make it happen. These "change agents" must support change with their actions as well as their words (Tichy and Devanna, 1986). They should be people who are committed to the vision and have the ability to communicate it clearly whenever possible; people in key positions who cannot be will over to the new vision and strategy should be replaced. If left in place, opponents may go beyond passive resistance and use political tactics in an effort to block additional change [Kotter, 1996] Pocket of resistance can develop and grow strong enough to prevent the new strategy from being implemented successfully. Acting quickly to remove opponents who symbolize the old order not only removes people who will resist. Change, if also signals that you are serious about change.

### **Empower to Competent Plan and Implement the Change**

Nadler et al [1995] a major change is less likely to be successful if top management tries to dictate in detail how it will be implemented in each part of the organization. Wherever, feasible the authority to make decisions and deal with problems should be delegated to the individuals or teams responsible for implementing change. Competent supporters in key positions should be improved to determine the best way to implement a new strategy or support a new program, rather than telling them in detail what to do. Empowering people also means reducing bureaucratic constraints that will impede their efforts and providing the resources necessary for them to implement change successfully.

### **Make Dramatic, Symbolic Changes that Affect the Work**

According to Kotter [1996] If feasible, make dramatic, symbolic changes that affect the everyday lives of organization members in significant ways. When members are immediately affected, it becomes more obvious that the change is really going to happen and they need to adjust to it. One type of symbolic change involves on how the work has done and by the authority at various parties over the work. For example, in manufacturing company that adopted a new strategy of total product quality, the position of quality inspector was eliminated, production employees were given the responsibility for checking quality and correcting any quality problems, quality circles were established to identify ways to improve quality problems.

### **Prepare People for Change by explaining how it will affect them**

Jick (1993), even when a change is necessary and beneficial, it will require difficult adjustments by the people who are most affected. If people are unable to handle the stress and trauma of change; they will become depressed rebellious. Even enthusiastic change agents are not immune from the difficulties experienced in a long-term change effort. Alternating successes and setbacks may leave change agents feeling as if they are on an emotional roller coast ride. Ambiguity about progress and recurring discovery of new obstacles increase fatigue and frustration. These negative aspects of change are easily to deal with if people expect them and know how to cope with them. Rather than presenting change as a panacea without any costs or problems, it is better to help people understand what adjustments will be necessary.

One approach is to provide a realistic preview of some typical types of problems and difficulties people can expect. For example, ask people who have experienced a similar change to speak about their experiences and what they did to get through the change successfully. Make available training on how to manage stress, anxiety, and depression. [Conner, 1995] Form support groups to help people cope with the disruptions caused by a major change. Use electronic networks to enable members of the organization to get advice and support from each other more easily.

### **Monitoring the Progress of Change**

Innovative changes are by native ventures into uncharted waters, and it is impossible to predict all of the obstacle and difficulties that will be encountered. Many things must be learned by doing, and monitoring is essential for this learning. Feedbacks about the effects of change should be collected and analyzed to evaluate progress and refine mental models about the relationship among key variables that affect to the changes on people (Kotter, 1996). This information can be gathered in a variety of ways; one of which is to hold frequent progress the view meetings with people in key positions.

### **Keep People Informed about the Progress of Change**

A major change, like any other crisis, creates anxiety and stress sin people who are affected by it. When a new strategy does not require many visible changes in the carry stages of implementation, people will begin to wonder whether the effort has died and things are going back to the way they were, people will more enthusiastic and optimistic if they know that the change program is progressing successfully (Kotter, 1996).

One way to convey a sense of program is to communicate what steps have been instituted what changes have been completely and what improvement have occurred in performance indicators. Hold ermines to announce the inauguration of major activities, to celebrate significant progress or success, and to give people recognition for their contributions and achievement (Conner, 1995). These celebrations provide an opportunity to increase optimism, build commitment, and strengthen identification with organization unit.

## **2.4. The Importance of reward in Balanced Scorecard Concepts**

A key principle articulated by Kaplan and Norton is that's if individual are to work towards organizational goals, they must not only understand what is required they must also be given financial incentives. "Alignment of the organization towards the strategy must ultimately be motivated through the incentive and reward systems. The issue of reward linked to the balanced scorecard is a complex and difficult topic, and the somewhat categorical position adopted by Kaplan and Norton cannot therefore be supported some would argue that man is an economic animal and will respond best to reward particularly financial reward. Other argues the intrinsic reward is more important

than extrinsic reward. Herzberg argues for job enrichment through addressing positive motivation factors such as responsibility, recognition, personal achievements, growth and learning. Niven (2005) argues the case for and against intrinsic reward. Before going on to demonstrate how the balanced scorecard can be used effectively to support a financial reward structure. There is a strong belief underpinning the balanced scorecard philosophy that is what you measure is what you get by the fact that an aspect of performance is constantly measured should send signals' to the workers that this is what management deems to be important, and staff will thus concentrate on producing what is required.

According to Kaplan and Norton (2000), states that employees should feel that when the organization becomes successful, they share in the rewards; conversely, when organization becomes unsuccessful, they should feel some of the pain incentive and reward systems provide the linkages between organizational performance and individual rewards.

## **Chapter Three**

### **Research Design and Methodology**

#### **3.1 The Research Design**

Research design is the logical sequence that links the empirical data to a study's initial research questions and ultimately to its conclusions (Yin, 2003). The study was employed mixed-method approach to which encompasses both qualitative and quantitative research methods. Hence, descriptive survey method was used intensively to analyze key variables.

The sequential exploratory model is characterized by an initial phase of qualitative data collection and analysis. Highest priority was given to the qualitative aspect of the study and thereby quantitative data was used to substantiate qualitative findings (Creswell, 1999). In this regard, Morgan (1998) suggests that such a design is appropriate to use when testing elements of an emergent theory result. Similarly, Morse (1991) asserts that one purpose for selecting this approach to determine the distribution of a phenomenon within a chosen population.

#### **3.2 Source of Data**

This study used both primary and secondary source of data. The primary source of data was collected from head offices of six sub-city education offices, core process owners of the six sub-city education offices, and expert from the six sub-city education offices. Secondary sources of data were obtained from the manual, annual reports, proclamations, and regulations.

#### **3.3. Sample and Sampling Techniques**

The target population in this study was from six Sub City Education Offices from Addis Ababa city Administration Education Bureau. This study was used both probable sampling and non-probable sample techniques. For the purpose selecting organizations the study was used probable sampling techniques; that was stratified sampling which was based on the performance measurement of 2005 E.C that include from the highest, medium and lower achievers and those were Addis Ketema, Ledta, Bole, Kerkose, Yeka and Kolfe sub cities education offices. From the six sub-cities all the head offices and the

entire core process owner were part of the study by using non-probable sample techniques that was available sampling.

For the purpose of quantitative research, the study was used probable sampling technique that was simple random sampling, which was, selected education experts from the six sub-city education offices using lottery techniques. The total population of experts from six sub-city education offices was 120 and out of those population 48 samples was part of the study.

No	Name of sub city	Sub city	Education experts	
		Total population	sampling	Percent
	Addis Ketema	20	8	40
	Ledeta sub city	20	8	40
	Kerkose	20	8	40
	Bole	20	8	40
	Yeak	20	8	40
	Kolfe	20	8	40
	Total	120	48	40

### 3.4 Tools of Data Collection

On the first phase that was qualitative techniques focused on the semi structured interview, focus group discussion and document analysis respectively. As crowe et al (2011) describe that, the use of multiple source of data (data triangulate has been advocated as a way of increasing the internal validity of a study.] On the second phase that was quantitative techniques that was focused on the closed ended questionnaire. Therefore, for this study instrument interview, focus group discussion and document analysis used to collect the data from head officials and core process owners of the six sub-city education offices. The questionnaire was used to collect data from the education experts of the six-sub city education.

### **3.4.1 Interview**

In depth interview was used as the main instrument in getting the multiple views of participant towards implementation of balanced scorecard. For the study purpose, semi structured interviews was used with six top officials from each six sub city education offices. Den Soombe (2007) writers, the most common form of semi-structured interview is one to one, which involves a meeting between one research and one informant. Moreover UN (2004) stated semi structured questions allow respondents to express their own point of view and to describe situations, events and their experience. The interview question items focused on their experience, view and understanding about concept of BSC, Implementation of BSC and the role of the organization and also the leader toward general implementation of BSC.

The interview questions were first prepared in English language and carefully translated into Amharic language for language fluency. The interview of top officials was recorded through text and audiocassette. The interviews were taken forty-five minutes to one hour to each informant.

### **3.4.2 Focus Group Discussion (FGD)**

Focus groups make particular use of group dynamics. They consist of small groups of people who were brought together by a 'moderator" (the researcher) to explore attitudes, Feelings, beliefs, experience and idea about specific topic (Dens combe, 2007). As UN (2004) states, when interviews are conducted with more than one person at a time a focus group is a shift away from an interview to a group discussion between small (6-10 groups] of individual who have been selected because they have some knowledge about the research questions. The focused group point of discussion were the attitudes, feelings, beliefs, experience and idea about concept of BSC, Implementation of BSC and the role of the organization and also the leader toward general implementation of BSC. Thus, Focus group discussion was conducted with core process owner from each six-sub city education offices, which divided in to two groups. Each group had eleven participants. The participant was selected based on the measurement result of 2005 that was higher, medium and lower achievers. Two Focus group discussions were conducted by dividing in to two depending on their departments.

The Focus group discussion questions were initially prepared in English language and carefully translated in to Amharic language for language fluency. The Focus group discussions were recorded through text and video recording. The discussion took about an hour on each Focus group discussion. The meeting held in Addis Ababa Education Bureau in mini meeting hall.

### **3.4.3 Document Review**

Documents can be treated as a source of data collection as an alternative and supplementary to interview and Focus group discussion. These are government publications like strategic manual of leadership on implementation of BSC, Growth and Transformation Plane, Addis Ababa Education Bureau Evaluation manual of 2005 EC etc

### **3.4.4 Questionnaires**

The second phase quantitative approach focus was on questionnaire. This instrument was designed to collect information about the implementation of balanced scorecard about conditions full fill to implements, the role of leaders\managers to implement BSC and about the awareness of it through closed ended questions, which was rating scale. The respondent of these closed questions was for about forty-three educational experts from the six sub-city education officers.

## **3.5 Method of Data Analysis**

The data analysis used both mixed data analysis method.

### **Qualitative approach**

Qualitative approach of the study; the data was organized through text and multimedia materials (audio and video recording). According to Agra (1980), qualitative data seek to identify and describe patterns and themes, during the data analysis the data will be organized categorically and chronologically, reviewed, repeatedly, and continually coded. In analysis, the qualitative data of the research followed the following steps.

#### **Step one**

First raw data was prepared as notes, tape records, video recording and document reviewer. Second, organized all collected materials in a compatible way; this helped me searching ease for particular items of data.

**Step two:** familiarity with the data state organized and prepared the data in a suitable fashion, the next task was to become thoroughly familiar with the data by reading and re-reading text data through listening and listening at audio recording interview data.

In addition, the focus group discussions watching and watching the recorded video: This helped the researcher to immerse in the details of what was said, what was done, and what was portrayed through the data. Analysis the text and tape-recorded of interview and the text and video recorded of focus group discussions was prepared for data interpretation.

### **Step three: Interpreting the data**

Based on the above-mentioned three-steps the study was carried out the following key activities. Coding the raw data based on the sources using some former prepared for this purpose: categorizing these codes by identify ways in which the order can be grouped in two categories: then, from identified themes and relationships among the codes and categorical that helped the researcher to make a link from the data collected; finally, concepts were developed and arrived at some generalized conclusions based on the relationships, patterns and themes that already identified in the data.

**Step four: writing the research report in reporting the research result** the research identified the key parts of the data/analysis and prioritizing certain parts over others to show key features in the data rather than showing every detailed in the report of the results of the study.

### **Quantitative approach**

The second phase quantitative approach the data was organized the questionnaire by arranging the measures into frequency distribution and presenting them in table form. The questionnaire were analyzed and presented using SPSS application and described by percentage.

### **3.6 Validity the Data**

The Validity of qualitative research is vital. The researcher must have some way of demonstrating that their findings were true otherwise, there are no good grounds for anyone to believe it. Conventionally, the bases for judging the quality of research have

been validity this refers to the appropriateness of the data in terms of the research being investigated; reliability this refers to whether a research instrument is natural in its effect and constraint across multiple occasions of its use (Den Scombe, 2007).

So, for increasing creditability of the researching the following instruments were used:

1. **Triangulation:** the data was collected from different sources using different instruments such as interview, focus group discussion, documentation and closed ended questionnaire for cross checking the result.
2. **Grounded data:** qualitative research tends to builds on a detailed security of the text or visual images involved. This provides a solid foundation for the conclusions based on the data and adds to the credibility of the research.
3. **Use of detailed description with a quota.** In interpretation of the data obtained, I narrated and describe what I understand
4. **The questionnaire part in data processing and analysis was made using SPSS** that help to increase the creditability and reliability of the study.

### **3.7 Ethical Considerations**

The importance of ethical consideration is undeniable (Creswell, 1980). Consequently, for the purpose of this research the following were employed:

1. The research questions were articulated verbally so that are clearing understood by the participant
2. The purpose of the researching was described to the participants before taking any information from them. In such case, respondents were not deceived about the purpose of the research findings.
3. At the beginning of data collection the participants were told they could leave whenever they feel like and if they were not willing to continue
4. The rights of participates, interesting and wishes were considered while collecting data.
  - The rights to confidentially; the participant's involvement in the research were not made available to other people.

## Chapter Four

### Presentation, Analysis and Interpretation Data

This chapter presents the data collected, analysis and interpretation of the study. To gain an overview of the implementation of the balanced scorecard, the first instrument was interview that conducted with the six head officials of the sub city education offices of the interview took places in their offices are lasted for forty five minutes to an hour for each top officials.

The second instrument was conducted with core processes owners of the six sub-city education offices. In total, twenty-two participants were participated in the focus group discussion. The discussion was divided in to two group each group had eleven participants. The meeting with the focus group was conducted in meeting room of Addis Ababa Education Bureau and lasted for an hour of each group.

#### 4.1 Respondents Rate

**Table 1: Number and percentage of returned questionnaires**

<i>Sampling Experts</i>	<i>Prepared questionnaires</i>	<i>Returned questionnaires</i>	<i>Usable return</i>	<i>Percentage</i>
			No	%
Sub city				
Addis ketema	8	8	8	100
Bole	8	7	7	87.5
Kolfe	8	8	8	87.5
Kerkose	8	7	7	100
Ledata	8	6	6	87.5
Yeka	8	7	7	75
Total	48	43	43	89.6

As it is indicated in table 1, out of 48 questionnaire distributed to the education experts form sub city, 43(89.6) percent properly completed copies, were returned and used for the analysis. This shows that all sub-cities had higher participation.

## Sample characteristics of Respondents

**Table 2: Education experts by age**

<i>Age</i>	<i>Number</i>	<i>Present</i>
26-30	16	37.2
31-40	11	25.6
41-49	5	11.6
50 and above	11	25.6
Total	43	100%

Table two indicates that 16(37.2%) Respondent in between 26-30 age, 11(25.6%) respondent in between 31-40 age, 11 (25.6%) respondent in above50 years and 5(11.6%) respondent between 41-49 age. This shows that it had mixed age but there was lack of well experience employees that need to incase rate of survival.

**Table 3: Educational expert's qualification**

<b>Qualification</b>	<b>Number</b>	<b>Percent</b>
<b>Diploma</b>	4	9.3
<b>First degree</b>	30	69.3
<b>Masters</b>	9	20.9
<b>Total</b>	43	100

Table 3 indicate that 30(69.3) respondents were first-degree holder and 9 (20.9%) respondents were second degree where as 4(9.3%) respondents were diploma holder. This shows most of our respondents were first-degree holders but lack of second-degree holders. It needs additional work toward increase level of qualification

**Table 4: Receive balanced scorecard related training**

<b>Response</b>	<b>No</b>	<b>%</b>
<b>Yes</b>	30	69.9
<b>No</b>	13	30.2
<b>Total</b>	43	100

Table 4 indicate that 30(69.9) respondents were taking training related BSC where as 13(30.2%) respondents were not taking training related BSC. This show that balanced scorecard has five years old but still there were people who were not taking BSC training. There was a gap in delivering training on BSC.

## **4.2. Conditions for Implementing Balanced Scorecard**

In this part, the data was collected through interview, focus group discussion, document analysis and questionnaire analysis and interpretations were made. Accordingly, analysis and discussion of the findings presented as follows. To implement balanced scorecard successfully, several conditions have to full fill such as planning and setting target, linking with resources and management process to balanced scorecard, automation, and conducting develop balanced scorecard at each level of organization.

### **4.2.1 Planning and Setting Target**

The Balanced Scorecard plan should as Niven (2006) believes; reveal to everyone in the organization what is planned to be achieved, with whom, why, how and how long will it takes. Regarding planning and setting target of balanced scorecard, respondent from code two replied that—strategic measurement often only participate the top officials and ad-hoc committee of BSC. Similarly, another informant report that balanced scorecard is not the main plan of the organization rather as supplementary plan because there are other planes that come from Addis Ababa education bureau.

One of the crucial questions that concerns is that who designed scorecard plan and on whether it is participatory within code three-interviewee. Accordingly, they respond, “scorecard is designed by the education bureau and sends to our offices by the formal letter and we discussed with our management council and we gave more emphases to the annual plan rather than scorecard since our report to the bureau is restricted to the annual plane lonely. Likewise, the interview that held with the code four replied that because we do not reach consensus with the bureau about the scorecard targets, we do not research consensus similarly with our stockholders and our experts too. Most the interview respondents replied scorecard was not the main plane our offices rather as second plan.

The focus group discussion that held with group one most of participant state that we had variety plan that cascade from the education bureau, sub city administration, and sub city financial office and from sub city capacity building, but no one asked report depend on the scorecard expect the ad hoc from bureau rarely.

The discussion that held with group two research participants most respondents hold similar assertions, which they state that we have scorecard but we had not made evaluation depend on it periodically rather than the rest plan. In the same way, one participant affirms that the stakeholders do not play sounding role in the preparation of the balanced scorecard plan, even there is no report system using balanced scorecard. Similarly another participate state that the trend of endorsing targets on consensus is paid no attention.

Annual evaluation report of 2005 E.C on the implementation of balanced scorecard indicated that scorecard has not yet become the main plan of the leader rather than restricted to the core processes owners (Middle managers).

**Table 5: Planning and setting target**

Note: Strong agree Agree Undecided, Disagree , Strongly disagree

<i>No</i>	<i>Items</i>	<i>Measurement</i>										<i>Total</i>	
		Strongly disagree		Disagree		Undecided		Agree		Strongly agree		N	%
		N	%	N	%	N	%	N	%	N	%		
1.1	Reaching consensus strategy before developing the scorecard	6	14	18	41.9	12	27.9	4	9.3	3	9.3	43	
1.2	Involving all stakeholders during setting target	4	9.3	29	67.2	2	4.7	3	7	5	11.6	43	
1.3	Focusing the scorecard on strategic objective	9	20.9	4	9.3	6	14	19	44.2	5	11.6	43	
1.4	Using scorecard as organization as a head plan	2	4.7	26		4	9.3	7	16.3	4	9.3	43	
1.5	Accumulative Average	21	12.2	72	48%	24	13%	33	19%	17	9.8%	43	

To assess respondents view on the planning and setting target the most important points were included in the study. Table 5 Item 1 on the reaching consensus strategy before developing the scorecard, most respondent (41.9) disagree with the consensus strategy before adapting scorecard in their organization but some respondent (27.9) couldn't decide. On item 2 all stakeholder involving during setting targets, most respondent (67.2) replied disagree with the involving all stakeholders during setting target in their organization.

Whereas, item three focus at the scorecard on strategic objective, most respondents (44.2) agree with the idea but some of the respondent (20.9) were strongly disagree. Analogous to this, item 4, scorecard consider as head plan of the organization, most respondents (60.5) were disagree with considering scorecard as a head plan.

Table 5 shows on reaching consensus, involving all stakeholders and using scorecard as a head plan of organization has a problem because most respondent item 1, 2 and 4 replied 'disagree' but item 3 regarding focusing scorecard to strategic objective some respondents agree. To Sum up about process of developing scorecard had problem, and this lead to improper implementation of BSC.

#### **4.2.2 Linking to Source and Management Process to Balanced Scorecard**

Once a scorecard has been designed and introduced, concerns soon arise if the scorecard is not tied in to other management programmers, such as budgeting, alignment of strategies initiatives, and setting personal targets, a balanced score card may not deliver tangible benefit[Kaplan and Norton, 2002). Regarding balanced scorecard linking to resource and management process, during incentives from the top official code two replied that balanced scorecard had not yet linked with budget and initiative, and with employee performance. He added that our budget is depend on the recurrent budget and capital budget that allocated by BoFED, which was not any relation with Balanced scorecard.

Is everything in the sub city education office relate with balanced scorecard According interview respondent to code three "there is no any relation with general education quality assurance package. Similarly, respondents in code four point out "when BPR had arrived in our organization, a lot of things were changed like human resources furniture's, salary education but with BSC nothing is changed all things are as it is. Most respondents

response balanced scorecard has not any relation either with recurrent budget or capital budget.

On the focus group discussion, group one participants discussed that balanced scorecard bring scorecard only without any initiative like budget, system and other program. Focus group discusses group two similarly discussed that scorecard has not any relation with the department of planning and budgeting in the bureau. It is prepared exclusively without any relation with other plans. Correspondingly, in the focus group discussion, many participate replied that there is no any relation with the annual budget with the scorecard objectives. Another participant states that, to increase your budget from the previous year, you have to improve your budget utilization rather than implement strategic effectively.

Additionally from the annual evaluation of 2005 E.C manual on the implementation of balanced scorecard show that scorecard and budget should be as hand and glove but practically they are opposite side as black and white, there is no any relation in between them.

**Table 6: Liking to resourcing and management process to balanced scorecard**

Note Fully linked Partially linked Not linked

	<i>Items</i>	<i>Measurement</i>						<i>Total</i>	
		Not linked		Partially		Fully linked		No	%
		No	%	No	%	No	%		
1	Link budget formulation, cost according and performance result	23	53.5	19	44.2	1	2.3		
2	Link key organization initiative in to balanced scorecard	25	58.1	14	32.6	4	9.3		
3	Budget allocate to your organization according to the strategic objective	34	78.5	9	20.9	-	-		
4	Align the organization systems, and employee performance with balanced scorecard	30	69.6	13	30.4	14	-		
5	Cumulative Average	112	65.1	55	31	19	11		

To look respondents view on the linking to resources and management process to the balanced scorecard. Table 6 item 2 regarding on the link budget formulation, cost accounting and performance result, most respondents (53.5) replied not linked and some others respondent (44.1) partially linked. Table 6 item2 links key organization initiative in to balanced scorecard, some respondents (48.8) replied not linked and some of them (51.2) linked partially. Table 6 item 3 budget allocate to your organization according to the strategic objective most respondent (78.9) replied not linked the strategic objective with budget. Organization system and table 6, item 4, align the organization system and employee performance with balanced scorecard, most respondent (69.6) replied not linked. Table 6 indicate that from item 1 to 4 there was not liked balanced scorecard with resources and management process of the organization but some respondents were replied partially linked. Therefore, this shows that implementation of scorecard without budget is so difficult.

#### **4.2.3 Performance Management Information System**

IT should act as a scorecard with facilitator and has an important role as support at different stages of the BSC. Automation adds structure and discipline to implementing the BSC system helps transform disparate organizational data in to information and knowledge, and helps communicate performance information (Norton and Kaplan, 2002). According to head office code four, there was automation at the begging but now there is no automation in our office, still the software do not adapted by the experts and core process owners. Head office code give, replied that in never meeting several questions was rising regarding automation bun nobody is taking action toward utilization of automation.

All the respondents replied that utilization of automaton in our organization is vague which needs rigorous skill training toward automation. From the top officials, participant in code-two replied that; even though there is some attempt to automate the report, performance of scorecard is not yet use or output sheet for the report. One of the top official's from code-six states that neither he/ she knows nor has skill regarding automation.

From focus group discussion, group one claim that—there were attempts in using automation at individual levels, especially by those who are capable of operating computer. Focus group discussion in group-two maintain that most of the time using automation is left to the secretary of the office who do not know well the actual performance of the organization. One of the participate from the focus group discussion state those most of the time automation is left to the secretary of the offices or to the focus focal personnel of the organization and other participant replied that automation makes for balanced scorecard more complex and challenge management tool.

From the evaluation annual report of 2005 E.C on the implementation of balanced scorecard reported that except one sub city, nine sub city education offices had not prepared their report using automation rather than in narration form that did not show the base line and the achieved target.

**Table 7: Performance management information system automation**

Note : Always Mostly Sometimes Rarely Never

No	Items	Measurement							
		Never		Rarely		Sometimes		Mostly	
		No	%	No	%	No	%	No	%
1	Software to automate the collection, reporting, and visualization of performance data.	20	46.5	15	34.9	6	14	2	4.7
2	Using performance information to better inform decision making	11	25.6	24	55.8	4	9.3	4	9.3
3	Presenting performance information to the people who need it in a visually appearing format	5	11.6	28	65.1	8	18.6	2	4.7
4	Communication and feedback through scorecard software	11	25.6	30	69.8	-	-	2	4.7
5	Average	47	27.3	97	56.3	18	10.4	10	5.81

To observe respondents view regarding management information system (automation) table 7 item 1 using software to automate the collection reporting, and visualization of performance data, most respondents, (46.5) responses never and also some respondents (34.4) responses rarely. Table 7 item 2 using performance information to inform decision making, most response (55.8) replied rarely, and some respondents (25.6) response never. Table 7 item 3 presenting performance information to the people who need it in a visually opening formal, most respondents (65.1) respond rarely and some respondents (18.6) replied sometimes. In Table 7 item 4, the case of communication and feedback through scorecard software, most respondents (69.8) replied rarely has some respondents (25.6) replied never. Besides, Table 7 shows form item 1 up to item 4 there was not supporting by the help of performance management information system (automation).therefore, the process of collecting, analyzing, reporting, and distributing information related to a BSC initiatives can be labor intensive and time consuming, which may create problem in implementing BSC.

#### **4.2.4 Cascading Develop Balanced Scorecard at each and Every Level of Organization**

Cascading the balanced scorecard is method designed to bridge the considerable learning gap that exists in most organization specifically, cascading referee to the process of developing balanced scorecards at every level of your organization (Niven, 2003). According the head office code four, cascading is done from the bureau to the school without full responsibilities and accountability. Similarly, head office code four states that even though there is cascaded from top to the bottom, it has not related with incentive and has not reached consensuses about setting target among employee. Regarding cascading develop balanced scorecard at each and every level of organization, from the most top official code six replied that scorecard is cascaded from education bureau up to department but not to the individual. One form the top official code two state that it is only cascade the physical not cascade spiritual that was not with understanding of strategy.

From the focus group discussion group one discussed that cascading is held but only for the education office and the core process owner but not the personal scorecard. Focus group discussion in group two specify that scorecard is prepared by education bureau and

send to the sub-city, and the sub-city re-send it to woreda education office and then to the school respectively. Yet, it was only the scorecard that do not show the unique, share and common strategic objective and also do not have the standard that indicate time, quality and prices.

Most participate from both focal group discussion replied that there is no personal scorecard yet. Another for the participate state that there is no pocket cascading incentive and reward system. Similarly, from the evaluation annual report of 2005 E.C on the implementation balanced scorecard state that scorecard is cascaded only material but do not understand which objective is common, share and unique. There is no report system as scorecard cascade from the top to bottom, there is no communication from the bottom to the top according scorecard.

**Table 8: Cascading develop balanced core card at each and every level of organization**

Note: Strong agree    Agree    Undecided    Disagree    Strongly disagree

<i>No</i>	<i>Items</i>	<i>Measurement</i>										<i>Total</i>	
		Strongly disagree		Disagree		Undecided		Agree		Strongly agree		No	%
		No	%	No	%	No	%	No	%	No	%		
1	Communicate and educate scorecard throughout the organization	10	23.3	4	2.3	20	46.5	7	16.3	2	4.7		
2	Establish teams at each level, to develop their own objectives and employee by it.	7	16.3	23	53.5	2	4.7	9	20.9	2	4.2		
3	Incentive and reward systems provide the linkages between organizational performance and individual rewards.	2	4.7	28	65.1	5	11.6	5	11.6	3	2.0		
4	Average	19	14.7	55	42.6	27	15.6	31	24	7	5.4		

To assess the respondents view on the cascading develop balanced scorecard at each level of organization. Table 8 item 1 communicate and educate a scorecard throughout the organization, table 9 item 1 communicate and educate score cared throughout the

organization, some respondents (46.5) the organization, some respondents (46.5) replied undecided and other respondents (23.3) strongly disagree. Table 9 item 2 establishes teams at each level, to develop their own objectives and employee by it, most respondents (53.5) replied disagree and other some respondents (16.3) replied strongly disagrees. Table 8 item 3 incentive and reward systems provide the linkages between organizational performance and individual's regards, most respondent (65.1) replied disagree. Table 8 shows that was not cascading to each level of organization where as some responds (46.5) replied undecided regarding to the communication and educate scorecard thought the organization. This brings challenges to make strategic focus organization.

### **4.3. Commitments of Leaders/Managers to Implement Balanced Scorecard**

No initiative in an organization, regardless of its potential, has any chance of success without a sponsor in top management (Niven, 2005). The same applies with balanced scorecard Niven (2005) stresses the importance of top management for the success of the balanced scorecard initiative. He argues that if top management does not support the BSC initiative, and more importantly, does not appreciate its role in solving real life problems, the BSC will show mediocre results and will probably fail.

#### **4.3.1 Creating Sense of Emergency**

When changes in the environment are gradual and no obvious crisis has occurred, many people fail to recognize emerging threats (an opportunity). Thus, the role by leadership is to persuade other key people in the organization of the need for changes, it is essential to explain—why they are necessary and to create a sense of urgency about them (Kotter, 1996). According to the head of office of code one, because BSC and BPR used simultaneously more focus give to the BPR to give services to the customer based on the standard had priority. BSC is not the agenda all of a nation expects in Addis. The head offices code two replied that what they have performed based on BSC measurement. Therefore, a measurement tool is done by measurement team. Regarding leaders on creating sense of emergency on balanced scorecard, most of the top official code three replied that balanced scorecard introduced to our organization without well understanding essence of scorecard so most us do not give emphases during introducing BSC.

Concerning, this, one top official code five said that when I compare BSC with BPR, BPR was influential than BSC. BPR was a popular and concerned issue or a nation. From focus group discussion group one discussed that we do not know the rational for implement Balanced Scorecard and our head office do not indicate the sensitivity for using balanced scorecard. Focus group discussion on group two indicated that still we do not know the bridge that gap by balanced scorecard. Our head office do not bring balanced scorecard as the center agenda of our organization.

Likewise, the discussion in both focus group discussion group conducted with participate were showed that BSC was not the agenda of the country and did not declare officially as a nation management tool. There was poor communication during introduction of BSC in Addis Ababa. There was no clear-cut measure that differentiates between BSC and the status aqua.

A strategic leadership manual for implementation issue (2002 E.C) states that senior management must articulate the organization strategic plan based on the understanding of balanced scorecard. Until realize all successfully, it required leadership support from the top. Besides, as indicated in the evaluation annual report of 2005 E.C, lack of senior management commitment rather left the balanced source card implementation to the middle management (core processes owners).

**Table 9: Creating sense of emergency**

Note: Very sufficient Somewhat sufficient Not sufficient at all Sufficient Rarely

No	Items	Measurement										Total	
		Not sufficient at all		Sufficient Rarely		Not sufficient		Somewhat sufficient		Very sufficient		No	%
		No	%	No	%	No	%	No	%	No	%		
1	Shows dissatisfaction with the status quo	5	11.6	4	9.3	33	76.7	1	2.3	-	-		
2	Shows sufficiently compelling for change	8	18.6	23	53.5	8	18.6	4	9.3	-	-		
3	Giving legitimacy to the intervention required to implement change	32	74.4	3	7.0	4	9.3	3	7	1	2.5		
4	Communicate a clear vision of the benefit to be gained	8	18.6	29	67.4	2	4.7	3	7.0	1	2.3		
5	Keep people informed about the progress change	8	18.6	33	76.7	33	76.7	1	2.3	-	-		
6	Average	61	28.7	92	42.7	50	23.5	12	5.5	2	6.9		

Regarding the commitment by leadership to implement balanced scorecard, assessment of the respondents found indicative to the overall views as well as concerns in creating

sense of emergency. In Table 9 item 1 shows dissatisfaction with the status aqua, most respondents (76.7) replied somewhat sufficient and some respondents [11.6) response not sufficient at all. Table 9 item 2 shows sufficient at all. In Table 9, item two show sufficient compelling for change, most respondents (53.5) replied rarely. Some respondents (18.8) replied not sufficient. Table 9 item 3 giving legitimacy to the intervention required to implement change. Most respondents (74.4) replied not sufficient. Table 9 item 4 communicates a clear vision of the benefit to be gained most respondents (67.4) response rarely and another some respondents (18.6) replied not sufficient. Table 9 item 5 keep people in termed about the progress change, most respondents (76.7) replied rarely.

Table 9 also indicate that leaders create sense of emergency rarely that did not sufficiently compelling for change intervention to implement change, communicate a clear vision; and keep people informed about the progress change. This may bring failures implementation of BSC because the most important condition for success is active involvement of leaders\managers.

#### **4.2.4 Review the Organization Programs toward Strategic Goal**

Innovative changes are by nature ventures to predict all of the obstacles and difficulties that will be encountered. Many things must be learned by doing, and monitoring is essential for this learning. Feedback about the effect of change should be collected and analyzed to evaluate progress and define mental models about the relationship among key variables that affect the performance of the organization.

According to the head offices code four, monitoring and evolution is left to the bureau of monitoring and evaluation department that support us monthly. We evaluate our performance weekly depend on the annual plan. Similarly, head offices code three; sometimes we bring BSC as one agenda at a glance but not in depth way. While reviewing the organization's efficiency in realizing its strategic goals, the top official code-five replied that—they made periodical evaluation with the education bureau and other senior official. In code six, the discussions were dedicated to evaluate strategy execution: concerning this, a participant said that; "...in our daily meeting most of our agenda emphasis on temporary problems and have not yet made discussion

implementation of scorecard based on strategic objective”. From focus group discussion group one indicate that existence of balanced scorecard is decides only by having scorecard or not. If you have scorecard, BSC is consider as alive. There is no any other means to evaluate the performance of BSC management tool. Head officials do not understand about BSC themselves. Similarly, focus group discussion group participants state that there is no program to evaluate implementation of scorecard and as part of the balanced scorecard reform.

One from the participant reported, “The leader may ask about preparation of scorecard but do not goes beyond this. There is no in-depth monitoring and evaluation about balanced scorecard even balanced scorecard consider as a core process owners job only.” Additionally, strategic leadership manual for implementation BSC (2002 E.C) indicate that balanced scorecard to be sustainable and system of the organization monitoring and evaluation should be initiation restrict; however, the evaluation annual report (2005) on the implementation of BSC indicate that monitoring and evaluation is left lonely to the ad-hoc committee of BSC.

**Table 10: Review the organization progress toward strategic goal**

Note: Always Mostly Sometimes Rarely Never

No	Items	Measurement										Total	
		Never		Rarely		Someti mes		Mostly		Always		No	%
		No	%	No	%	No	%	No	%	No	%		
	Monitoring and evaluation												
1	Review the origination progress toward strategic goal	4	9.3	4	9.3	32	74.4	3	2.0	-	-		
2	The extent to which balanced scorecard communicate to the stakeholders	4	9.3	31	72.1	4	9.3	3	7.0	1	2.3		
3	The extent to which give the organization periodical performance report depend on balanced scorecard	3	2.0	28	65.1	10	23.3	9	4.2	-	-		
4	The extent that organization evaluation depend on the target of balance scorecard	31	72.1	2	4.7	6	14.0	2	4.2	2	4.1		
5	To what extent monitors the progress of the change and make any necessary adjustment	6	14.0	3	7.0	30	69.8	4	9.3	-	-		
6	To what extent people keep informed about the progress of change	6	14.0	27	62.8	6	14.0	4	9.7	-	-		
7	To what extent help people deal with the stress and difficult of the balanced scorecard change	5	11.6	4	9.3	34	79.1	-	-	-	-		
	Average	61	20.2	99	32.8	12	40.5	25	8.3	3	0.9		

To look the respondents view toward Review the organization progress toward strategic goal. Table 10 item 1 review the organization progress toward strategic goal, most respondents (74.4) replied sometimes. Table 10 item 2 the extent to which balanced scorecard communicate to the stakeholders, most respondents (72.1) replied rarely table 10 item 3 the extent to which give the organization periodical performance report depend on balanced sore card, most respondents (65) replied rarely. Table 10 item 4 the extent to which give the organization periodical performance report depend on the balanced scorecard, most respondent (72.1) response never table 10 item 5 to what extent monitor the progress of the change and make only necessary adjustment, most responded (69.8) replied sometimes. Table 10 item 6 to what extent people keep informed about the progress of change, most respondents (62.8) replied rarely. In Table 10, item 2, to what extent help people deal with the stress and difficult of the balanced scorecard change, most respondents replied sometimes. Table10 indicate that item 1, 5 and 7 were monitoring and evaluation were taking place sometimes where are time 3, 4 an 6 monitoring and evaluation were taking place rarely and never item 2 from these summarize that monitoring and evaluation were not adequate. This may hinder the progress of BSC during implementation.

### **4.3.3 Create Strategic Focus Organization**

The scorecard allowed successful organizations to build a new kind of management system that has three distinct dimensions;

1. Strategy - make strategy the central organizational agenda
2. Focus - create incredible focus
3. Organization- mobilizes all employers to act in fundamentally different ways.

Therefore, organization has used the scorecard to create on entirely new performance management framework that puts strategy at the center of key management processes and system (KAPLAN and Norton, 2001).

According to the head offices of code three, "we are trying to make balanced scorecard as a system in our organization. Not all agenda is creating strategic focus organization but we spend our time how to introduce balanced scorecard in our organization. Our meeting is rounded about the building of Balanced Scorecard, not about strategy." Similarly,

interview that made with code four replied that they spend more time on the agenda that brought from the top rather than discussing the strategic objective of the organization. Most of the respondents replied that every employee and their job not yet aligned with the core strategic objective of the organization. Regarding create strategic focus organization, most of the interviewee reported that even though there is improvement from the year to year, strategies have not yet our central agenda, rather we spend our time on tactical and accidental agenda.

From the focus group discussion group one state that the agenda during every week meeting is not known by the management council rather it create by the head office while we open the meeting and most of the time our agenda is depend by the leader that consider to him\her as important one. Similarly, the focus group discussion that held on group two every employee and their job aligned with routing activities that gave an assignment by the boss.

Similarly, from both focus group discussion participants were showed that evaluation depending on the scorecard strategic objective might be once in the year and this is at the end of the year but throughout the year we have made discussion on routing not strategic. Belonging to this idea one participate said that “the only who asked about the implementation of balance scorecard is the ad-hoc committee which come from education bureau not from our top officials”.

According to the evaluation annual reports (2005 E.C) on the implementation of balanced scorecard state that to create strategic focus organization, make strategy every one's every day job but there is no personal scorecard yet, there is only for the core process [department]

**Table 11: Create strategic focus organization**

Note: strong agree, agree, undecided disagree strongly disagree

No	Items	Measurement										Total	
		Strongly disagree		Disagree		Undecided		Agree		Strongly agree		No	%
		No	%	No	%	No	%	No	%	No	%		
	Create strategic focus organization												
1	Leaders and managers spend more time on discussing strategy.	5	11.6	29	67.4	7	16.3	1	2.3	1	2.3		
2	Every employee and their job are aligned with strategy	3	7.0	30	69.8	3	7.0	6	14.0	1	2.3		
3	Holding review meeting around strategy	28	65.1	4	9.3	5	11.6	4	9.3	2	4.2		
4	Consider balanced scorecard as the strategic planning and management framework	2	4.7	29	67.4	11	25.6	1	2.3	-	-		
5	Create a performance, results oriented culture	6	14.0	28	65.1	6	14.0	3	7.0	-	-		
6	Average	44	20.4	120	55.8	32	14.8	15	6.9	4	1.8		

To look the respondents view toward create strategic focus organization. Table 11 item 1 leader and manager spend more time on discussing strategy, most respondent \*(67.4) replied disagree. Table 11 item 2 every employee and their job are aligned with strategy, most respondents (69.8) replied disagree table 11 item 3 holding review meeting around strategy, most respondents replied strongly disagree and some respondents (11.6) replied undecided.

Table 11, item 4 consider balanced scorecard as the strategic planning and management framework, most respondents (67.4) replied disagree and some respondents (25.6) replied undecided. Table 11 items 5 create a performance results oriented culture, most respondents (65.1) replied disagree.

Table 11 shows from item 1 up to 4 the respondent disagree with the idea so from these respondents strategic focus organization has not yet created.

**4.3.4 Mobilize through Motivation and is Inspiring**

A key principle articulated by Kaplan and Norton is that, it individuals are to work towards organization gross, they must not only understand what is required they must

also be given financial incentives "alignment of the organization towards the strategy must ultimately be motivated through the incentive and reward system.

Accordingly, the interview that was made with leadership at the head office (in code one), he stated that “ Even though there is no salary motivation depend on his/her performance, we gave several motivation that made him/her satisfies which evaluation made yearly is depend on the criteria that send from the human resources department not by the department themselves.” Similarly, the head office of code three, still there is no any recognitions and reward that affected with the balanced scorecard. Most the respondents replied that the system, the employee performance and organization is not align with record and recognition based on balanced scorecard

On the subject of mobilizing through motivation and incentives, most of interviewee state that; even though there is a motivation toward the organization performance, there is no motivation to the individual according to their performance. In addition, one of from the interviewer respondent reported, as there is informal reward and recognitions program at the end of the year. Nevertheless, there is no well-structured and organized reward related with strategic objective. From the focus group discussion, group-one participants reacted that; in a rare cases there was a reward program that may held once in a year. However, they asserted that there was no motivation in our organization as a system ever it was better during the resulted based appraisal management tool. Focus group discussion that discussed in group- two similarly indicated that there is no any motivation system started from 1999 E.C at this time motivation is completely given up.

Additionally, from both the focus group discussion participant were showed that some time there is a motivation programmed but the regard is not part of the organization as a system. One form these participants reported, “Most of our reward is to the extrinsic reward rather than intrinsic reward such as responsibility recognition, growth and learning”. In the same way, strategic leadership manual for implementation BSC (2002 G.C) indicate that leaders should prepare reward package depending on the measurement takes place yearly but according to the evaluation annual report (2005: 60) on the implementation of BSC, there is no reward package manual yet but there is reward programmed which is not strategic and not organized well.

**Table 12: Mobilize through motivation and inspiring**

Note: Very sufficient    Somewhat Sufficient    Not sufficient at all  
                                  Sufficient    Rarely

No	Items	Measurement										Total	
		Not sufficient at all		Rarely		Somewhat		Sufficient		Very sufficient			
		No	%	No	%	No	%	No	%	No	%	No	%
4.1	Empower competent people to help plan and implement change.	29	67.4	1	2.3	7	16.3	4	23	2	4.7		
4.2	Align the organization, systems and employee performance around strategy through rewards and recognition program	29	67.4	4	9.3	3	7.0	6	14.0	1	2.3		
4.3	Link key organizational initiative in to the balanced scorecard	35	81.4	5	11.6	1	2.3	2	4.2	-	-		
4.4	Encourage appreciation for flexibility and innovation	3	7.0	32	74.4	5	11.6	2	4.7	7	2.1		
5	Average	96	55.8	42	24.4	16	9.3	14	8.1	10	5.8		

To observe the respondents view toward the mobilize through motivation and inspiring, table 12 item 1 empower competent people to help plan and implement change, most respondents (67.4%) replied not sufficient at all table 12 item 2 align the organization, systems and employee performance strategy through rewards and reorganization program. Most respondents (67.4) replied not sufficient at all. Table 12 item 3 links key organizational initiative in to the balanced scorecard, most respondents (81.4) replied not sufficient at all. Table 12 item 4 encourages appreciation for flexibility and innovation, to respondents (74.4) replied rarely. Accordingly, table 12, item 1, 2 respectively replied not sufficient at all except item 4 replied rarely. Form these respondent leaders/managers were not mobilizes through motivation and in spring.

**4.4 Education and Understand about Balanced Scorecard**

The difficulty in studying the BSC is that there is no consensus on what the BSC is all about. They explain that the BSC has had different meanings at different times: in the

early 1990s, the focus was on developing financial and non financial measures of performance in the mid 1990s, it moved to align the measures with strategy in 2001 the BSC took its current shape as a strategy implementation 2001. Some organizations moved from the focus of the BSC in the same way as it developed: they first implemented the BSC as a performance measurement system and later as a strategy implementation system (Othman et al 2002).

Regarding training and education about balanced scorecard, during interview almost all top officials replied that there was enough training about BSC but lack consistency because of having higher turnover both leaders and employee. Regarding level of understanding of balanced scorecard, most of the interview replied as balanced score card is a measurement tool. One from the officials state that all stakeholder have not similarly understanding about balanced scorecard.

Similarly, from the focus group discussion participant replied that balanced scorecard is as measurement tool too. One from the participant replied, "Before introducing balanced scorecard our performance did not measure but now performance measurement is started. From focus group discussion, one participate replied in relation to BSC training point out that even through there was several training there was not enough knowledge and skill about BSC still.

**Table 13: Educate and understand about balance scorecard**

Note: Strongly agree Agree Undecided Disagree  
Strongly disagree

Items	Measurement										Total	
	Strongly disagree		Disagree		Undecided		Agree		Strongly agree		No	%
	No	%	No	%	No	%	No	%	No	%		
1	Training and education about balanced scorecard											
1.1	30	69.8	7	16.3	3	7.0	3	7.0	-	-		
1.2	1	2.3	5	11.6	32	74.4	3	7.0	2	4.7		
1.3	4	9.3	30	69.8	5	11.6	2	4.7	2	4.7		
1.4	4	9.3	26	60.5	9	20.9	4	9.3	-			
1.5	2	14.0	28	65.1	10	23.3	3	7.0	-			
	41	19	96	44.6	59	27.4	15	6.9	4	1.8		
2	Level of understanding about balanced scorecard											
2.1	6	14.0	29	67.4	5	11.6	1	2.3	2	4.7		
2.2	27	4.7	11	25.6	1	2.3	2	4.7	2	4.7		
2.3	27	62.8	6	14.0	7	16.3	3	2.0				
3	60	46.5	46	35.6	13	10	6	4.6	4	3.1		

Regarding educate and understand about balanced scorecard. To look the respondents view on the training and education about balanced scorecard. Table 13.1 item 1.1 high level of knowledge the manager and employee have on balanced scorecard at this time, most respondents (69.8) replied strongly disagree some respondents (16.3) replied disagree

Table 13.1, item 1.2 lack of adequate education and experience, most respondents (74.4) replied "undecided". Table 13.1 item 1.3 lack of technical skill, most respondents (69.8) replied disagree and some respondent (11.6) replied "undecided" table 13.1 item 1.4 encourage and facilitate sharing of knowledge and ideas, most respondents (60.5) replied disagree and some others (20.9) replied "undecided" table 13.1 item '5' encourage and

facilitative learning by individual and teams, most respondents (65.1) replied 'disagree' while some others (23.3) replied 'undecided'.

To assess the respondents view forward level of understanding about balanced scorecard. Table 13 item 2.1 high level of understanding about balanced scorecard, most of the respondents (67.4) replied "disagree" while some others (14.0) replied "strongly disagree. Table 13.2, item 2.2 perceives balanced scorecard as a measurement tool, most respondents (62.8) replied, "Strongly disagree."

Table 13.2 item 2.3 adequate awareness to all stakeholders about balanced scorecard, most respondents (62.8) replied strongly disagree while [13.2] and (13.3) respectively disagree and undecided. Table 13.1 shows item 1, 3, 4 and 5 respectively replied disagree where as item 2 replied undecided from these respondents training and education about balanced scorecard were not enough. Table 14.2 indicates that level of understanding about balanced scorecard is low.

## **Chapter Five**

### **Findings, Conclusion and Recommendation**

This chapter presents summary of findings, conclusion, and forwards recommendation derived from previous presentation and analysis.

#### **5.1 Summary**

The purpose of this study is to investigate the implementation of balances scorecard on Addis Ababa city administration on education bureau in the case of six sub city of education offices. The study formulated the following basic research questions.

1. To what extent are organizations' fulfilling conditions to implement balanced scorecard?
2. To what extent are the leaders/managers committed to implement balanced scorecards.
3. To what extent are the leaders/managers experts and stakeholders the educate and understand balanced scorecard

Sequential exploratory (Qual Quan) method was used in this study. For qualitative approach was used descriptive method while for quantitative data used survey method. For qualitative technologies, tools of data collection were semi-structured interview, focus group discussion and document analysis while for qualitative techniques; of data collection tool was closed end questionnaire. The study was conducted in six sub-city of education office in Addis Ababa city administration.

### **5.1.1 Characteristics of Respondents**

This study was used both probable sampling and non probable sampling techniques. For the purpose of qualitative approach; the study was used non probable sampling technique that was purposeful sampling which gave to the six sub city of education offices, each head offices and core process owners were part of the study. The total participate from each sub city were 6 and 22 head offices and core processes owners were participated. For the purpose of qualitative approach was used probable sampling technique that was simple random sampling technique. Form total population 48 sampling were selected that is 40% of the total population. Out of 48 samples 43 were questionnaire were properly returned and used for the analysis.

### **5.1.2 Major Findings**

#### **5.1.2.1 . Conditions for Implementing Balanced Scorecard**

##### **1. Regarding planning and setting target**

The qualitative analysis indicate that even though there was some attempting to participate during preparation of scorecard, the entire stakeholders were not involving during preparation of scorecard and setting target except the top and middle managers/leaders. Similarly from the questionnaire respondents average 48% were replied disagree with reaching consensus, involving stakeholder and using scorecard or head plan.

##### **2. Linking Resource and management process to the balanced scorecard**

From most interviews, respondents, focus group discussion participants and documentary analysis indicate that balanced scorecard had not yet likened with resources particularly with budget not alignment completely. Similarly from the questionnaire respondent's average 65% were replied not linked with any resources of the organization

### **3. Regarding performance management information system (automation)**

The qualitative analysis indicates that there was no information system as organizational report system except in a few individual efforts. Additionally, from questionnaire respondents average 56.3% replied rarely used automation

#### **Regarding cascading develop balanced scorecard at each and every level of organization.**

The qualitative analysis indicate scorecard cascading was only held physically [the scorecard material) not the spiritually and pocket cascading even there had not yet started personnel scorecard. Additionally, from the questionnaire respondent's average 61% strongly disagree with cascading.

#### **5.1.2.2 Commitment of Leader/Manager to Implement Balanced Scorecard**

Regarding creating sense of emergency

The qualitative analysis indicate that leaders/managers did not create a sense of emergency which balanced scorecard is the tool that can tackle the existing problem in the organization and create strategic focus organization even the implementation of balanced scorecard was left to the middle manages (core process owners). Additionally, from questionnaire respondents average 61% were replied strongly disagree with leader/manager create sense of emergency

### **6. Regarding review the organization progress toward strategic goal (Monitoring and evaluation)**

The qualitative analysis indicates those leader/manager was not properly and organized support of monitor and evaluate the implementation of balanced scorecard in the organization. Additionally, from the questionnaire respondents average 61% were replied strongly disagree with leader/manager monitoring and evaluation the progress of balanced scorecard

#### **Regarding create strategic focus organization**

The qualitative analysis indicates that every leader/manager, every employee and their job hand not aligned with educational strategy and did not create strategic focus organization except preparing scorecard. Besides, of this, from questionnaire respondents average 55.8% were replied disagree with creating strategic organization focus organization

### **Regarding mobilize motivation and inspiring**

The qualitative analysis indicate that balanced scorecard had not yet align with organization system and employee performance around strategy through rewards motivation and recognition reward package. Additionally, questionnaires respondents average 55.8% were replied not sufficient at all mobilize theory motivation and in spring-balanced scorecard.

#### **5.1.2.3 Educate and Understand about Balanced Scorecard**

### **9. Regarding training and education about balanced scorecard**

The qualitative analysis indicate that there was several training toward balanced scorecard but not enough and had lack of consistence. Additionally, from questionnaire respondents 44.6% were replied undecided with training and educate about balanced scorecard

There was mismatching result between questionnaire respondents and with the rest data collection tool.

### **10. Regarding level of understanding about balanced scorecard**

The qualitative analysis indicates that balanced scorecard was considered as measurement tool alone. Additionally, from questionnaire respondents' average 46.5% were replied strongly disagree with understanding of balanced scorecard while 3.1% were replied strongly agree with that.

## **5.2 Conclusion**

Balanced scorecard is worldwide popularity and its acceptance as a powerful strategic management tool, a significant number of organizations have encountered different problems when trying to introduce the balanced scorecard in their organization. At this time majority of organizational have either implemented the BSC with success, without achieving any significant performance improvement, or have abandoned it at the implementation stage, so the purpose of this thesis has been to investigate the implementation of balanced scorecard in the Addis Ababa city administration education bureau in the case of six sub city education officer's depending on the data analysis and finding the researcher concluded the following based on the basic questions. There is no

people responsibilities in detail, the availability of resources, not involving stakeholders during planning and setting targets and do not consider as a scorecard as a main plan, the absence of such a formalized plan diminished people's perception of the importance of the importance of the scorecard and lowered their responsibility for it. Not properly planning the activities in advance made people rather confuse about what is expected of them and the final goal of scorecard is quite insecure. If the balanced scorecard has not been linked with the budget, it is key factor for failures of implementation of balanced scorecard since budgets have a capability to deliver tangible benefit from implementation of balanced scorecard.

Similarly, automation is not using in information and communication exchange in the balanced scorecard, there is no chance of building such a tool that require a vast amount of timely and reliable data, and this is the biggest problem which halt the implementation of balanced scorecard. Scorecard is not cascaded from top until the front line properly; this will hardly learn about the strategy and will not be motivated to execute it and this make-balanced scorecard not successfully implemented. Therefore, conditions that help to implement balanced scorecard is not complete full filled.

The leaders/managers are not given priority to the implementation balanced scorecard and do not appreciate its role in solving real life problem, the balanced scorecard will show mediocre results and will probably fail. Leaders/manager gives a little attention on monitoring and evaluation, this will bring employee to perceive balanced scorecard, which is not worth their time and this, will make BSC hard to implement. Management can demonstrate strong commitment to their balanced scorecard by making a firm commitment to a new reward system based on the scorecard, practically, balanced scorecard is not align with reward system, and this will make balanced scorecard another management fad. To sum up, leadership mangers have less commitment toward implementing balanced scorecard.

The balanced scorecard is a tool to facilitate communication with in the process of translating the strategy. At this moment, most head officials and experts consider balanced scorecard, as a tool for measuring performance, measuring performance is not make balanced scorecard complete and this will restrict the effectiveness of the scorecard

and this lead more likely to fail. Therefore, there is low level of understanding about balanced score care. Generally, implementation of balanced scorecard in six sub-city education offices has a problem that has to be bridge the problem soon.

### **5.3 Recommendations**

Based on the evidences from this study the following recommendations are forwarded in order to improve the implementation of balanced scorecard in six sub-city education offices of Addis Ababa.

1. In order to feel the importance of the BSC initiative and make people stay focused, the balanced scorecard needs a well-defined plan showing all the important steps needed to implement and keep the BSC alive in the sub-city education offices. The plan should be confirmed by the top officials in order to underline the seriousness of the initiative and the importance of all the defined steps. The plan should include all responsibilities, and the availability of resources to meet the objectives, all area must completely understand their role in the execution of the strategy every one must understand what is expected and when and how to do it. This should be done by both head officials and planning department cooperatively.
2. Strategic planning and operational budgeting process are too important to be treated as independent process. The organization must expand the traditional budgeting processes beyond financial targeting to encompass short term targets for all balanced scorecard measures. The budgeting process should translate the first year into operational budgets for strategic objectives and measures in all four balanced scorecard perspectives. This should be done by both head officials of education bureau and Bureau of finance economic development cooperatively.
3. To get the right performance information to the right people at the right time, to implement the BSC system by adding structure and discipline, to help transformation disparate organizational data in to information and knowledge and to help communicate performance information automation should be used strictly. This should be done by both by IT department and each core and sub owners of education offices cooperatively.

4. To minimize employee less understanding of overall organizational goals, cascading can be the only bridge this understanding gap by developing scorecard to each level. These cascaded scorecards align with organizations highest-level scorecard by indentifying the objectives and measures lower levels groups will track in order to gauge their contribution to overall success. Cascading must use to create strategic focus organization that bring accountable to all organization manager and employee. Through cascading scorecard from top to bottom based on their responsibly. This should be done by both head officials and planning department cooperatively.
5. When changes in the environment are gradual and no obvious crisis has occurred many people fail to recognize the emerging management tool because resistance to change is common phenomenon for individuals and organizations. So to break the resistance to change, the leader has to persuade people in the organization by creating sense of urgency about the need for balanced scorecard by comparing from the previous management tool. This should be done by all leaders\managers depend on their level managerial position.
6. To promote the balanced scorecard as a successful concept and not as a potential "faddish" initiative of the manager, the organization leader should be fully committed to the initiative. Support should be long terms last throughout the implementation process, and continue afterwards to ensure its continuous use. The leader should monitoring continuously and evaluate predictably. The leader should convey his/her passion for the strategy created to meet the organization is objective. Implementing the BSC is not a simple process and many potential difficulties and obstacles may harm the initiative, but the leader of the organization should have confidence in it and support it.
7. To build strategic focused organization leaders should translate the strategy to operational terms. The leader has to align the organization to the strategy and make strategy every one's every day job and should make strategy a continual process. This should be done by the head officials.
8. If individuals are to work towards organizational goals, they must not only understand what is required they must also be given financial incentives. Therefore, alignment of the organization towards the strategy must ultimately be motivated

through the incentive and reward systems. This should be done by both head officials and planning department cooperatively.

9. In linkages, objectives and the initiatives created to meet them are clear enough and understood by everyone in organizations, the balanced scorecard would boost new behaviors and communication. The main goal of the balanced scorecard should be to make people in different organizations departments and other organizational units understand their contribution to meeting the objectives within the organizations and across four perspective. Balanced scorecard is not only a measurement tool but also you should understand is that BSC attempts to move organization from monitoring to measurement; from measurement to management and from management to direction setting. This should be done by both head officials and planning department cooperatively.
10. The balanced sore card will contribute to the execution of the strategy through new behaviors, communication and cooperation. The goal is for everyone in the organization to understand the BSC. The training for the manager and employee should be consistence and have to build institutional training centre constantly. The learning process should include different resources like copies of books and articles about the BSC topic will certainly be good starting points to become prepared. Even know it needs some change agent members should send on comprehensive BSC training courses. They will late share their acquired knowledge with other team member and organize internal BSC training in the organization. Hiring external consultants could be a good option.

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**የአዲስ አበባ ከተማ አስተዳደር ትምህርት ቢሮ "የ2005 ዓ.ም የግምገማ ሰነድ (ያልታተመ)፡፡**

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**ሲቪል ሰርቪስ ሚኒስቴር ግንቦት 2005 "የፌዴራል ሲቪል ሰርቪስ የለውጥ ሰራዊት ግንባታ ማንዋል" አዲስ አበባ፡፡**

**አዲስ አበባ ከተማ አስተዳደር አቅም ግንባታ የካቲት 2002 "የBSC ትግበራ አመራር ስትራቴጂ" ያልታተመ፡፡**

**Appendix-I**  
**Addis Ababa University**

**Education of College and Behavioral Studies**

**Department of Educational Planning and Management**

**Interview and focus group discussion for head officials of sub city education office  
and core process owners of sub city education office**

Interview guide and focus group discussion will be prepared for the top officials of sub cities education offices and middle managers (core process owners) of the sub city education offices respectively. The first interview will be made with top officials of the six sub cities collect relevant data to examine beliefs, attitude; skills and knowledge toward the balance scorecard and then later will continue focus group discussion. In order to articulate freely and deeply discussion, the interview and focus group discussion will be in Amharic language.

1. Describe briefly the organizational climate in the period prior to the introduction of the balanced scorecard?
2. Which conditions should the organization fulfill in order to implement balanced scorecard?
3. Would you describe the current performance of balanced scorecard in your sub city? Is balanced scorecard become part of your organization? To what extent?
4. What is the level of understanding of the balance scorecard now?
5. How do you describe the commitment of the leader toward supporting to all levels and evaluating the implementation of balance scorecard?
6. Are attempt made to provide solutions for the prevailing problem in implementation balance scorecard in your organization?

**Appendix-II**  
**Addis Ababa University**

**Education of College and Behavioral Studies**

**Department of Educational Planning and Management**

**Questionnaire for educational experts of sub city education office**

A Questioner is prepared to be completed by those, who work in the sub-cities of education offices as educational experts. The objective of this questionnaire is designed collecting the relevant data to investigate the implementation of balance scorecard on the six sub city of education offices in Addis Ababa Education Administration. The findings of the study can serve all the stakeholders in the sub city by providing facilities information about the implementation of balanced scorecard. Your cooperation is therefore, very essential for the success of this study. Thus, I kindly request you fill the entire questionnaire honestly and genuinely.

**Remark**

- Do not write your name.
- Your response will kept confidential and will be used only for academic purpose
- Failure complete the items properly highly affect this study. Thus, you are kindly requested not to leave any item managed.

Thank you in advance for your cooperation.

**Part I. Background information**

**Direction I** Please you are kindly requested to provide an appropriate answer in the space provide and indicate a tick "✓" mark under your appropriate response in the box given.

1.1. Sub city \_\_\_\_\_

1.2. Sex \_\_\_\_\_

1.3. Age in year                      Less than 25                       26-30                       31-40                       41-49  
                      50 and above

1.4. Academic qualification                      certificate                       diploma   
first degree                       second                      degree



**3. Performance management information system (automation).**

**Remark** 5= Always 4= Mostly 3= Sometimes 2= rarely 1= Never

No	Items	Scale				
		5	4	3	2	1
3	Performance management information system (automation).					
3.1	Using software to automate the collection, reporting, and visualization of performance data.					
3.2	Using performance information to better inform decision making.					
3.3	Presenting performance information to the people who need it in a visually appearing format.					
3.4	Communication and feedback through scorecard software.					

**4. Cascading develop balanced core card at each and every level of organization.**

**Remark:** 5= Strong agree 4= Agree 3= Undecided  
2= Disagree 1= strongly disagree

No	Items	Scale				
		5	4	3	2	1
4	Cascading develop balance scorecard at each and every level of organization					
4.1	Communicate and educate scorecard throughout the organization.					
4.2	Establish teams at each level, to develop their own objectives and employee by it.					
4.3	Incentive and reward systems provide the linkages between organizational performance and individual rewards.					

**Direction II:** Please you are kindly requested to write your response as much as possible to the following open ended question.

How do you observe the pre conditions to implement balance scorecard fully? What do you suggest explain? \_\_\_\_\_

\_\_\_\_\_

Thank you!!

### Part III. Commitments of leaders/managers to implementation of balance scorecard

**Direction:** Below are some of the statement indicating the role of leader and manager in implementing balance scorecard, so, you are kindly requested to indicate your opinion about commitment of leader/managers during implementation of balanced scorecard. For each item by putting "✓" mark under you appropriate response in the column provided below.

#### 1. Creating sense of emergency

**Remark:** Very sufficient 3= somewhat sufficient 1= Not sufficient at all  
4= Sufficient 2= Rarely

No	Items	Scale				
		5	4	3	2	1
1	Creating sense of emergency					
1.1	Shows dissatisfaction with the status quo.					
1.2	Shows sufficiently compelling for change.					
1.3	Giving legitimacy to the intervention required to implement change.					
1.4	Communicate a clear vision of the benefit to be gained.					
1.5	Keep people informed about the progress change.					

#### 2. Review the organization progress toward strategic goal.

**Remark:** 5= always 3= some times 1= never  
4= mostly 2= Rarely

No	Items	Scale				
		5	4	3	2	1
2	Monitoring and evaluation					
2.1	Review the organization progress toward strategic goal.					
2.2	The extent to which balanced scorecard communicate to the stakeholders.					
2.3	The extent to which give the organization periodical performance report depend on balance scorecard.					
2.4	The extent the organization evaluation depend on the target of balance scorecard.					
2.5	To what extent monitors the progress of the change and make any necessary adjustment.					
2.6	To what extent people keep informed about the progress of change.					
2.7	To what extent help people deal with the stress and difficult of the balanced scorecard change.					

### 3. Create strategic focus organization

**Remark:** 5= Strong agree      4= Agree      3= Undecided  
2= Disagree      1= strongly disagree

No	Items	Scale				
		5	4	3	2	1
3	Create strategic focus organization					
3.1	Leaders and managers spend more time on discussing strategy.					
3.2	Every employee and their job are aligned with strategy.					
3.3	Holding review meeting around strategy.					
3.4	Consider balanced scorecard as the strategic planning and management framework.					
3.5	Create a performance, results oriented culture.					

### 4. Mobilize through motivation and inspiring.

**Remark:** 5= Very sufficient      3= somewhat sufficient      1= Not sufficient at all  
4= sufficient      2= rarely

No	Items	Scale				
		5	4	3	2	1
4	Mobilize through motivation and inspiring.					
4.1	Empower competent people to help plan and implement change.					
4.2	Align the organization, systems and employee performance around strategy through rewards and recognition program.					
4.3	Link key organizational initiative in to the balanced scorecard.					
4.4	Encourage appreciation for flexibility and innovation.					

**Direction III:** Please you are kindly requested to write your response as much as possible to the following open ended question.

How do you evaluate the manager/leader role on implementation balanced scorecard?

Would you explain it? \_\_\_\_\_

\_\_\_\_\_

Thank you!!

**Part VI. Educate and understand about balance scorecard**

**Direction:** This part of the questionnaire contains items own knowledge skill and awareness about balanced scorecard. This, you are kindly requested to answer the following items that reflect the extent of leaders mobilized balance scorecard by put "✓" mark under your appropriate response in the column provided below.

**Remark:** 5= Strong agree                      4= Agree  
 3= Undecided                      2= Disagree   1= Strongly disagree

No	Items	Scale				
		5	4	3	2	1
1	Training and education about balanced scorecard.					
1.1	High level of knowledge the managers and employee have on balanced scorecard at this time.					
1.2	Lack of adequate education and experience.					
1.3	Lack of technical skill.					
1.4	Encourage and facilitate sharing of knowledge and ideas.					
1.5	Encourage and facilitative learning by individual and teams.					
2	Level of understanding about balanced scorecard.					
2.1	High level of understanding about balanced scorecard at this time					
2.2	Perceive balanced scorecard as measurement tool					
2.3	Perceive balanced scorecard as a middle management task.					
2.4	Adequate awareness to all stakeholders about balanced scorecard.					

**Direction VI:** Please you are kindly requested to write your response as much as possible to the following open-ended question.

Do you think that everybody have knowledge skill and awareness about balanced scorecard? Would explain your suggestion toward this? \_\_\_\_\_

\_\_\_\_\_

Thank you!!

## DECLARATION

This thesis is my original work and all the sources of information for the study have been duly acknowledged. I neither presented this master thesis at home nor abroad in a format other than the research paper.

Name: Habtom Kahsai

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

This thesis has been submitted for examination with my approval as University advisor.

Name: Jeilu Oumer (PhD)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_