

# **CHALLENGES OF BALANCED SCORECARD IMPLEMENTATION STRATEGY IN SELECTED BANKS IN ETHIOPIA**



**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE**

**By**

**Ahmed Abdurahman**

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Approved by Board of Examiners

_____	_____	_____
Advisor's Name	Signature	Date
_____	_____	_____
External Examiner's Name	Signature	Date
_____	_____	_____
Internal Examiner's Name	Signature	Date
_____	_____	_____
Chairman	Signature	Date

## **DECLARATION**

I hereby declare that this submission is my work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of this university or other institute of higher learning, except where due acknowledgment has been made in the text.

Ahmed Abdurahman

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Candidate's Name

Signature

Date

## STATEMENT OF CERTIFICATION

This is to certify that I, Ahmed Abdurahman, have carried out this research work on the topic entitled “*Challenges Of Balanced Scorecard Implementation Strategy in Selected Banks in Ethiopia*” and that the work is original and is suitable for submission for the reward of the Master’s Degree in Human Resource Management from Addis Ababa University.

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Advisor- Bahren Asrat, PhD

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Signature

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Date

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Extraordinary obligations should also go to the librarians, data collectors, research assistants, and study participants from various private and public institutions. Last but not the least; I would like to mention my family, especially my spouse, and children who encouraged me all the way through. God bless them all.

## **DEDICATION**

The two most important persons in my life, who gave me life, nourished and nurtured me. Always shown me the best side of life and shaped me to be the best human being in my life journey and become my role models. They are my dear mother and father, May their Soul be in Heaven in the abode of the Almighty. I dedicate this work of research to them with missing heart.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>ATM</b>	Automatic Teller Machine
<b>BSC</b>	Balanced Scorecard
<b>CBE</b>	Commercial Bank of Ethiopia
<b>DBE</b>	Development Bank of Ethiopia
<b>HR</b>	Human Resource
<b>HRM</b>	Human Resource Management
<b>IT</b>	Information Technology
<b>ITS</b>	Integrated Technology Services
<b>KPI</b>	Key Performance Indicators
<b>PMS</b>	Performance Management System
<b>SD</b>	Standard Deviation
<b>Sig</b>	Significance
<b>SPSS</b>	Statistical Package for Social Science
<b>UK</b>	United Kingdom

## **ABSTRACT**

BSC is necessary to ensure an efficient banking system that can play a vital role in the successful implementation of the monetary and economic policies of a country. This study assessed the Balanced Scorecard (BSC) implementation strategy and its associated challenges in selected banks in Ethiopia. To deal with the problem under investigation, a quantitative and qualitative research design was employed. The quantitative data and qualitative data gathered from five selected banks was analyzed using descriptive and correlation analysis. A total of 240 sampled participants were selected using the stratified random sampling technique to conduct this study. The questionnaire and interview checklist data collection methods were also used to analyze its implementation and related challenges. Thus, this study found that the dominant BSC implementation strategy was operational BSC, communication, and training but gave less consideration to monitoring and evaluation. As a matter of fact, the correlation analysis showed that implementation strategy and strategic alliance positively affected the outcome of BSC but was deterred by challenges. Further, this study revealed that the major challenges of implementing BSC in banks included a lack of developing a suitable link between the employees' reward system and the organization's KPIs and a lack of employee commitment. This study concluded that implementation strategy and strategic alliances play a great role in effectively implementing BSC by reducing challenges. Consequently, this study suggests that banks should review their BSC implementation strategy, enhance their inclusion of well-defined BSC implementation elements, and clearly invite BSC implementation measures.

**Keywords:** *Banks, Balanced Scorecard (BSC), Challenges, Implementation Strategy*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

At its premature origin, the balanced scorecard is gradually being used as a strategic performance management tool in private organizations. It was developed by Robert Kaplan and David Norton (1992), and it is considered one of the most influential contemporary performance management and measurement concepts that aligns both short-term strategic actions and long-term strategic goals of institutions (Anjomshoae, Kunz, Wong & de Leeuw, 2017). This is the introduction part of the study that provides readers with background information for the research reported in the study. Its purpose is to establish a framework for the research with the intention of presenting the indication of the study, its benefits, research objectives, questions, and others.

### **1.2 Background of the Study**

Despite its origins, the balanced scorecard is increasingly being used in the private sector as a strategic performance management tool. This implementation has stimulated the evolution of the balanced scorecard in the public sector by changing the earlier singular metrics. Public sector organizations present diverse challenges for a balanced scorecard (Abebe, 2019). The BSC model, which serves as both a performance measurement and management tool, has piqued the interest of researchers, management scholars, and practitioners since its introduction. It is used to assess the performance of both the public and private sectors in order to improve performance and achieve the key strategies and objectives of organizations (Gamal and Soemantri, 2017).

Peter, Hazeline, and Nasiru (2018) raised numerous implementation issues identified from the literature, including strategy misalignment, strategy communication issues, manager's acceptance and employee buy-in, the issue of clarity of vision, mission, strategy, and outcome, and strategy map implementation issues. Park, Lee, and Chae (2017) stated that the main challenge of this system is that it can be difficult and time-consuming to implement. It was initially estimated that it would take an organization a little more than two years to fully implement the system throughout the organization. However, Patricia, Beatriz, and Lucia (2018) concluded that the BSC is more than an unassuming performance evaluation system; it is a factual strategic management tool able to simplify and translate the mission and organizational

strategy, making possible the communication process, the strategic alignment, and the organizational learning.

BSC is defined as a carefully selected set of quantifiable measures derived from an organization's strategy and is a management tool with a measurement system, a strategic management system, and communication elements. It provides a logical link between the vision, mission, and strategic objectives and the anticipated results in terms of customer and stakeholder needs, financial considerations, internal processes, and capacity building (learning and growth), which are related through cause-and-effect relationships (Jemal, 2018).

Since it is necessary to ensure an efficient banking system that can play a vital role in the successful implementation of the monetary and economic policies of the country, various reform measures should be taken to enhance the contribution of the banking system towards economic development. The development and implementation of BSC have involved implementing different change management tools to bring about institutional transformations. Public banks were the first to implement the BSC, implementing individual level scorecards in some select work units, cascading corporate scorecards down to the individual level, and aligning their reward system (Amsalu and Mesfin, 2015). Similarly, private banks have adapted and introduced the system as a performance and strategic management tool, and they have been working with the system for the last few years. Currently, they have cascaded the system down to the individual level, starting as per their annual report information. All these financial institutions were inspired to introduce BSC to sustain the improvements that were introduced following the business process re-engineering study, to measure their performance from different perspectives, and to link reward and compensation with performance.

The BSC is being applied as a planning, change management, and communication tool and is also reflected as an opportunity to embed strategic management principles into the plan. Thus, this study looks at how the benefits and promises of BSC are being materialized in the Ethiopian financial sector and assesses its implementation strategy and challenges, regardless of the common implementation challenges that can be faced by any organization while implementing BSC. BSC mainly needs implementers to focus on three axes of consideration: People issues and challenges in change management; process issues that necessitate the removal and addition of new processes to enable transformation; and technology issues that sustain and enable continuous improvement (Jemal, 2018)

### **1.3 Statement of the Problem**

Abebe (2019) cited Kirriri (2015) and stated that the challenges of BSC implementation included a lack of understanding of the concept of a balanced scorecard, which was the most important challenge affecting its implementation. It also included a lack of employee understanding and use of unrelated language, a lack of an effective reward policy, and, more importantly, employees who are not motivated to deliver on their targets.

The public sectors in Ethiopia at federal level and the Addis Ababa City Administration embarked on system reforms around 2006 by implanting Business Process Reengineering and subsequently launched Balanced Scorecard as a performance measurement tool. Extensive awareness creation and training were given on these two topics. In 2007 Commercial Bank of Ethiopia and Development Bank of Ethiopia are being the Government banks embarked on the implantation of Business Process Reengineering and Balanced Scorecards in their organization in line with the government directives. Subsequently, Since 2010, the Ethiopian financial sector has been designing and implementing BSC, but bankers have been implementing BSC in a variety of ways and stages, some by cascading the strategy to departments and others on an individual level, with the latter still in the planning phase. Initially, the bankers were highly motivated to develop and implement this system, considering that it would completely evade the problem of the subjective evaluation method of an individual performer. A preliminary interview with selected employees indicated that they naively expect a high financial return even though it is not the main and only objective of the balanced scorecard.

The research undertaken by different scholars discourses on the implementation of BSC in mainly the public or private sectors and rarely focuses on both sectors due to its recent beginning in Ethiopia, particularly in both the private and public sectors. However, this study does not attempt to compare and contrast the BSC implantation challenges in the public and private banks. Among the few researchers, Abebe (2019) was involved in the challenges of implementing BSC in public, and Jemal (2018) was interested in selected offices of Addis Ababa City Administration. However, many years ago, Amsalu and Mesfin (2015) assessed the practices and challenges of implementing BSC in state-owned banks in Ethiopia. There is scarcity of literatures and research findings in the area undertaken by the researcher that show that little empirical research has been conducted to examine the challenges of BSC implementation strategy in selected banks in Ethiopia.

## **1.4 Research Questions**

### **1.4.1 The Primary Research Question**

- What are the balanced scorecard (BSC) implementation strategies and challenges in Ethiopian banks?

### **1.4.2 Specific Research Questions**

- 1 How is the BSC being implemented in Ethiopian banks?
- 2 What is the level of strategic alignment in particular that expresses a fit or misfit between BSC strategic implementation and the achievements gained by BSC implementation (application of strategy measures) in selected banks in Ethiopia?
- 3 What are the major challenges encountered in the implementation of BSC in selected banks in Ethiopia?
- 4 What is the relationship between BSC implementation in terms of its strategy, strategic alignment, associated challenges, and major achievements gained by its implementation in selected banks in Ethiopia?

## **1.5 Objectives of the Study**

### **1.5.1 General Objectives of the Study**

- To investigate the Balanced Scorecard (BSC) implementation strategy and associated challenges in selected Ethiopian banks,

### **1.5.2 Specific Objectives**

- 1 To capture in depth how the BSC is being implemented in selected banks in Ethiopia,

- 2 To identify the level of strategic alignment in particular and express a fit or misfit between BSC strategic implementation and achievements gained by BSC implementation in selected banks in Ethiopia
- 3 To formulate the major challenges encountered in the implementation of BSC in selected banks in Ethiopia.
- 4 To what extent BSC implementation in terms of its strategy, strategic alignment, and associated challenges relates to the major achievements gained by BSC implementation in selected banks in Ethiopia

## **1.6 Significance of the Study**

This study has theoretical, policy, and practical implications and positive consequences. The study serves as an input for effective implementation of BSC in financial and other private and public bureaus. The conclusions are supportive of the need to plan activities properly, to facilitate communication or information sharing between top management and the general staff, to measure the performance of individuals, groups, and organizations effectively, and to increase customer satisfaction through effective service delivery. Bank leaders may use this knowledge to address the concerns of the employees in their work, thus improving BSC implementation. Additionally, HR professionals will also benefit from this study since they are able to reorganize the gaps that can affect overall financial banking performance. It also helps the decision maker, consultant, and trainer identify the existing gap between the expected levels of implementation and what actually happens on the ground. It also broadens the horizons of the researcher and participant stakeholder in relation to the principles and practical application of BSC in the financial sector.

The outcome of the study are also of benefit to policymakers, who should select change management tools and associated policies that are appropriate to the financial industry and that will lead to improved performance in the financial sector. This study will also benefit the government because the findings will help rethink how banks' financial performance is measured. This study will also benefit policymakers by encouraging teamwork to set financial performance standards and tracking performance to consistently monitor bank results.

The study investigated the change management strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system for student researchers, scholars, or academicians. This study provides input for organizational performance across four linked perspectives: financial, customer, internal business process, and learning and growth. In general, scholars and researchers interested in the subject will be more benefited from the study.

## **1.7 Scope of the Study**

The study was engaged in assessing the BSC implementation strategy and its challenges in the banking sector. BSC design and implementation involve a complex set of steps, perspectives, and key performance indicators. Thus, it requires an understanding of its methods and applications, both theoretically and practically. As a result, the primary motivation for conducting this research is to investigate the implementation strategy and challenges of BSC implementation in selected banks, with a focus on their implementation at headquarters in Addis Ababa in public and private banking organizations. It also examines the relationship between BSC implementation in terms of its strategy, strategic alignment, associated challenges, and the major achievements gained by BSC implementation in selected banks in Ethiopia.

The selection of the study area was based on the researcher's accessibility to the data required. Moreover, Addis Ababa was selected for this study due to limited time and funds, which restricted the researcher's ability to collect data countrywide in order to achieve the study objective with convenience and cost justification. In addition, this study focuses on the BSC implementation strategy and challenges in Addis Ababa's headquarter from March to June 2021.

This study used sampled employees from the top management, middle level management, and lower level management of the target department to provide the needed information. Further, this study applied an explanatory research design to investigate the main practices and challenges of BSC implementation and also used a descriptive research design.

BSC is mainly transforming vision into action which makes it broad area to directly relate it with facets of strategy and this study will be limited to strategic alignments and explore the many challenges in implementing BSC.

## **1.8 Organization of the Study**

The study is structured into five different sections, starting with the introduction. Similarly, the general background of study, statement of the problem, research questions, objectives of the study, significance of study, and also the limitations and delimitations of the study included in chapter one. Following, it reviews both the theoretical and empirical parts of the materials and work related to the research. It explains the definition of BSC and its practical challenges and experiences, along with human resources management issues. The next chapter (Chapter three) elucidates the area description of the study, the research design, the sampling techniques, and the method of data analysis, and concludes with an explanation of the references used. Besides, Chapters 4 and 5 include data analysis, presentation, and discussion, a summary of major findings, a conclusion, and recommendations.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURES**

### **2.1 Introduction**

This chapter reviews related literatures which are related to the subject matter of the study. From related literatures and other sources, important ideas related to service quality in selected banks are integrated. Under these chapter characteristics of BSC implementation strategy and its associated challenges and their nature and management practices. Its usefulness on organizational measurement are discussed and presented in detail. Overall, this chapter provides a wider understanding of the concepts and variables of this study from previous research. The content of this chapter focuses on literature review on relevance of financial services, theories in BSC, and the theoretical framework guiding this study.

### **2.2 Theoretical Related Literature Review**

In this section, the study presents service quality model and other related factors that help to continue the study. As per Jemal (2018), balanced scorecard is a management tool that allows an organization to explain its vision and strategy into a tangible set of performance measures. However, it is more than a measuring device. It is a strategic planning and management system that is used in business and industry, government, and nonprofits organizations to align business activities to the vision and strategy of the organization increase internal and external communications, and monitor organization performance against strategic goals.

#### **2.2.1 Concepts and Definitions**

A balanced score card is a tool that translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system. It allows managers to review tangible results (such as financial measures), as well also intangible assets such as customer perception, innovation, motivation and brand as a measurement system. The Balanced Score Card (BSC) is a carefully

selected set of quantifiable measures derived from an organization's strategy and is a management tool with three main elements namely; measurement system, strategic management system and communication (Tesfaye, 2019). Its main characteristics of BSC are translating the vision, communicating and linking, business planning, and feedback and learning via perspectives, strategy map or causal linkages. These characteristics result in to benefits such as improved alignment of strategic objectives with actions, building up a performance measurement system, aligning strategic initiatives, strengthening an organizational change process, focusing resources on strategy ad it was stated that the BSC comprises four segments, namely: financial, customer, internal business processes, and learning and growth. These are significant for modern organizations, even though the initial focus was more on for-profit organizations (Eisenberg, 2016).

Balanced scorecard supports organizations focus in two aspects: financial performance and non-financial performance, which are critical for the success, and for this reason it enables achievement of long term objectives within organizations. In addition, balanced scorecard offers all inclusive frameworks for the translation of strategic objective of an organization into a logical set of performance measurements, whereas developing strategic objectives for four perspectives, and then translating them into specific measurements. These measurements are communicated within businesses, counting their strategy. Another benefit of balanced scorecard is assumed casual relation of the four perspectives, which makes it distinct from other systems of strategic measurements (Tesfaye, 2019).

The balanced scorecard (BSC) includes financial and non-financial measures in order to assess company performance. This approach goes back to the research of Kaplan and Norton (1992), which used to group the measures into four perspectives: customer perspective, internal business perspective, innovation and learning perspective and financial perspective. These four perspectives connect the company performance against its strategic goals. The objectives may vary extensively among different organizations, but they gravitate towards meeting customer demand, optimizing internal processes, developing products and services to remain competitive and finally achieving financial rewards, i.e. the four perspectives (Eisenberg, 2016). Balanced Scorecard concept offers to look at an organization's strategy from the following points of view (perspectives) as per Jemal (2018).

### **2.2.1.1 The Financial Perspective**

Timely and accurate funding data will continuously be a priority, and managers will do whatever necessary to provide it. However, the point is that the current emphasis on financials leads to the “unbalanced” situation with regard to other perspectives. There is conceivably a need to embrace additional financial related data, such as risk assessment and cost-benefit data, in this category. It related to succeed financially, how should we appear to our share-holders? Examples of this perspective include financial ratios and various cash flow measures.

### **2.2.1.2 The Customer Perspective**

It is one of the four BSC viewpoints that the customer is at the core of any business and is crucial to long-term improvement of the company performance. The customer perspective is a core of any business strategy which describes the unique mix of product, price, service, relationship, and image that a company offers. The customer perspective describes how the organization differentiates itself from competitors to attract, retain, and deepen relationships with targeted customers. The value of the customer perspective is fundamental because it supports an organization connect its internal processes to improved outcomes with its customers. It helps to achieve vision, how should we appear to our customers? Examples of this perspective include the amount of time spent on customer calls and customer survey data.

### **2.2.1.3 Internal Business Process**

Internal business process measures relate specifically to the operational processes of the business unit. Internal business is based on the motion that to satisfy customers and earn a financial return, the business must be efficient and effective at what it does. The internal process measures are characteristically based on the objective based on the objective of the most efficiently and effectively producing products or services the meet customers’ needs.

### **2.2.1.4 Learning and Growth Measures**

It signifies the employees as part of the four pillars used to measures performance with the BSC framework. The innovation and learning and learning perspective is all about developing the capabilities and processes needed for the future. In the aviation service, for example for a business to succeed not only must it effective carry out everyday transactions but it must also

continually improve in terms of the value and cost of its offerings. This innovation process can be measured in a variety of ways. These may include the speed of transactions, or the number of people involved in a particular transaction, etc. again, the choice depends on what is critical for the success of each particular business. Distinguishing that performance measures relating to learning and growth are the most difficult to select. Suggest measures of employee's capabilities, information systems capabilities, and employee motivation and empowerment as examples. The relation among the four perspectives is very strong and logically interconnected

### **2.2.2 The BSC as a Performance Management System**

The BSC is viewed as one of the most influential contemporary performance management and measurement concept that aligns both short-term strategic actions and long-term strategic goals of institutions. It is used to measure the performance of both public and private sectors aimed at enlightening performance and achieving organization's key strategies and objectives. Its model functions as both a performance measurement and management have attracted the interest of researchers, management scholars and practitioners since its introduction. The key vigorous element of BSC is that it offers a unique system for measuring and managing all the various aspects of an institution's performance and also plays the role of providing the needed clarity and specificity that makes firm's strategy, vision and mission statement meaningful, actionable and achievable. The implementation issues of BSC are more pronounced in non-profit government organizations compared to the profit-oriented outfit (Peter et al., 2018).

The adoption of the non-financial perspectives widens the information used for decision making by management and thus enables the management to find better solutions matched to a focus on financial data only. Additionally, the easy obtainability of measures on a scorecard can encourage their use and thus facilitate the decision making process. The measures can be chosen by the very company to address its special needs. Nevertheless, when using BSC it is vital to focus on the key performance drivers and on their very outcome measures. The key drivers are those that match with the overall company strategy (Quesado, Guzmán and Rodrigues, 2018). Correspondingly, there has to be a cause-and-effect relationship between the drivers and the outcomes. Then, false assumptions about the interrelationship of metrics can mislead the management. Through the cause- and-effect link, a BSC can be used not only to assess corporate

performance, but also managerial achievement. Thus shareholders can create financial motivation schemes based on the realization of BSC targets (Eisenberg, 2016).

Reasons being that the BSC was originally developed and (or) meant for the profit-oriented outfit and not exactly the other way round. The failure rate in strategy implementation, especially in terms of BSC implementation in the recent years, is becoming alarming and uncalled for. Though, in spite of all the overwhelming impact of BSC on improving and sustaining firm's performance, the BSC still suffers a great deal of implementation issues leading to failure of the BSC project. For example, one report described that about 70% of BSC implementation initiative failed over the years. Therefore, the need to identify the causes of BSC implementation pitfall is very paramount, so as to eliminate or minimize the failure rate cases, which is the main motive of this study. Additionally, there is limited available evidence on studies that identified BSC implementation issues (Peter et al., 2018).

### **2.2.3 Theory Related to BSC**

Cummings, Bridgman, & Brown (2016) stated that Lewin's change theory serves as the basis for many modern change management models and it is extensively viewed as the foundational change management approach. Lewin's change theory has ruled the theory and practice of change management for over 40 years and it reinforces models of change within organizational systems. Lewin's change theory is a simple framework for managing change through three distinct stages to create successful change. Many researchers have conducted additional research to expand on Lewin's original research.

Lewin's change theory can assist business leaders in managing the change successfully when implementing a change in an organization such as a change in a PMS, like the BSC. Change refers to the adoption of an idea, procedure, process, or behavior that is new to an organization. The preparation, planning, and implementation of planned change initiatives are the bases of Lewin's change theory. The three steps of (a) unfreezing, (b) moving (change), and (c) refreezing must be completed to implement a change successfully. Lewin believed that the first step, unfreezing, begins by creating the motivation to change (unfreeze). Lewin mentioned to this process of destabilizing the situation by identifying dissatisfaction in the situation, allowing for new behaviors to be adopted. At this stage of unfreezing, Lewin believed that different cases and changes might cause hardship. The second stage moves through the change process by

promoting effective communication and empowering people to embrace new ways of working together, so new behaviors are learned (change). Moving through this stage allows change to occur at group and individual levels. Consequently, it is important for leaders to coach and support those stakeholders involved in the change to assist them in coping with the uncertainty that change brings. Lewin’s three-stage model has been applied to predict resistance to change while offering solutions to ensure change will be successful. Thus, business leaders can use Lewin’s change theory as a framework to implement change in an organization, such as the implementation of a new PMS like the BSC.

This study is more benefited from this theory as it assumes that changes happen in sequences and progress forward and that managers should know where they are taking an organization. However, these assumptions may not be true for all contexts where change occurs. Business leaders can implement the change, but the change will only be effective if the employees involved embrace it. Therefore, business leaders need effective strategies when implementing a change in an organization such as the implementation of a BSC.

### 2.3 Conceptual Framework

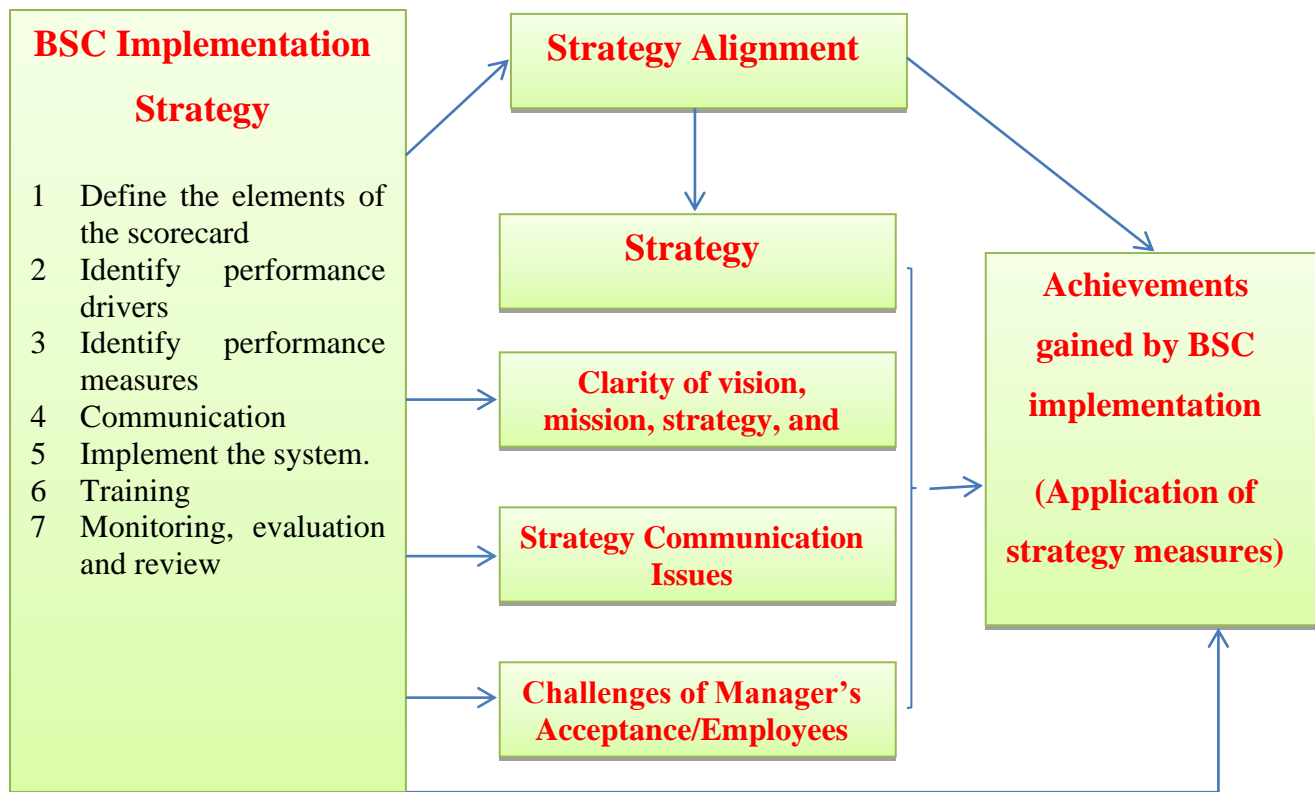


Figure 1: Conceptual Framework (Adapted from Patrícia et al.,(2017))

The conceptual framework for this qualitative case study was centered on the Lewin's change theory. This study employed Lewin's (1947) change theory for the conceptual framework for this study. The change theory integrates a three-stage model of the change process that organizations move through from a position of stability to a new position or perspective (Cummings, et al., 2016). The process of introducing change management relating to the planned strategy is shown as the implementation of a business strategy. It provided a lens for understanding the unique characteristics of successful strategies for the change process as well as the critical steps in implementing a change management initiative like the BSC. Patrícia et al., (2017) stated that the use of the BSC in the development of strategic initiatives helps managers to focus on issues that promote growth, and not only on those that reduce costs and increase efficiency. Therefore, the BSC offers a more complete and complex analysis of organizational performance, configuring a system of indicators (leading and lagging) that enables its integrated holistic vision, allowing to focus the efforts of organizations, defining and communicating priorities to managers, employees, investors and customers. Additionally, the main benefit of the BSC compared to traditional scorecards lies precisely in the internal consistency achieved between strategic objectives and indicators. Based on the above, this study believes that it can classify the advantages of the BSC into two main groups: advantages at the organizational strategy level (definition, communication and implementation) and advantages at the strategic alignment level.

## **2.3.1 Implementing Strategy of the Balanced Scorecard**

### **2.3.1.1 Implementing BSC**

Amsalu and Mesfin (2015) cited Armstrong (2006) who stated as the main stages essential to introduce and operate a balanced scorecard approach. In addition, Patrícia et al. (2017) stated that the BSC has been used efficaciously to manage the long-term strategy. It emphasizes the importance of the strategy as a framework for future action on which to focus all the resources of the organization. This means that the entire organization contributes to the achievement of strategic objectives through the deployment of indicators, goals, initiatives and personal alignment, highlighting through the perspectives, that not only financial measurements, which reflect past results are important, but the engine of future success must also be measured, i.e.

customers, internal processes, resources, growth. Thus, it will allow for the visualization of the strategy deployment through the design of strategy maps.

In this regard, it is also important to point out that the cascade process of the BSC “captures” the synergies and commitment of the various employees, focusing decision-making on obtaining the business strategy. It considers that the main advantage of the BSC has to do with the visualization of the strategy, the structure and the organizational vision in the core of the organization, which involves an integrated combination of traditional and non-traditional performance measures, the management being focused on the entire business process and ensuring that current performance is in line with the long-term strategy and customer values (Quesado, et al, 2018). The authors consider that the novelty of the BSC is in the simple and integrated design of its elements, focusing specifically on the needs of the organization. Thus, the BSC facilitates the definition of the strategy in operational terms and allows a simple description and its effective communication, making possible systematic dialogue on strategic issues between the organization members, the strategy link to the activities of the people and their departments, and continuous evaluation of strategy achievement. Consequently, it plays an important role at the information level provided to managers, in particular, knowledge about the implementation level and specification of the strategy and what the causes of possible deviations are (Patrícia et al., 2017).

The BSC has transformed the way managers think about organizational management. They began to develop and articulate the strategy more carefully, to think of the organization as an integrated and coordinated set of activities, linking the strategy to performance measures and connecting the strategy and measures to compensation. Due to the implementation of BSC, it increases the capacity to establish strategies and improve their quality (through the reduction of strategic objectives and the prevention of omissions), enabling their dissemination at lower organizational levels (promoting an active exchange of opinions about the strategies between participants) (Quesado, *et al.*, 2018). In this way, the strategies will be more successful than before, once the situation of achieving strategic objectives is clarified and the results are reflected in performance evaluations. Organizations seek in the BSC to solve certain problems related to the strategy and its implementation that continue to exist in many companies. The BSC targets to be not only a strategic clarification instrument, but also an information instrument in the entire organization and even outside of it (Patrícia et al., 2017).

### **2.3.1.2 Advantages at the Strategic Alignment Level**

In 1996 Davis P. Norton and Robert S. Kaplan wrote the book “The Balanced Scorecards” which suggested that organizations adapt a framework where their vision and strategies are translated into organizational operational methods relevant to finance, customer, internal business process and learning and growth. Hence, the BSC changed the way organizations measure their performances and organizations adapted the language of metrics incorporating the above framework. In general BSC become mainly translating strategy into action.

The BSC helps to simplify the complexity of management and decision processes by prioritizing objectives and initiatives and promoting internal learning, especially to integrate and relate a set of elements coherently that connect the strategy and organizational actions. It stresses that the BSC presents significant opportunities to develop, communicate and implement the strategy, especially through strategic maps, and visualize the cause-effect relationships between the different strategic objectives. Thus, a good BSC is also a vehicle for internal communication, and should not be confidential information of the management, but should be shared with all the employees, whose work will be enriched by their greater knowledge of the company's strategy, and to what extent their work affects it (Quesado, *et al.*, 2018).

Supposedly, the BSC is offered as an excellent inventiveness that makes it possible to link the mission and strategy to performance measures and strategically aligned initiatives. In fact, the BSC can be a viable tool for managers. Initially, it enables a tangible link of the mission and the organizational strategy, which can increase the workforce morale, which is considered an active element in the whole process. Then, the implementation of the BSC involves all levels of the organization in reaching a common goal, developing a spirit of cooperation. Thirdly, the BSC helps to improve communication and visibility between senior executives and lower-level employees. It allows organizations to build a high performance culture, to the extent that it promotes the alignment of key indicators to the strategic objectives of the company in each and every organizational level (Timothy, 2020).

Patrícia *et al.*, (2017) mentioned Hendricks, Hora, Menor and Wiedman (2012) and Hendricks, Menor and Wiedman (2004) who stated that strategic alignment advances the understanding of organizational capacities, the objectives of working groups and the link between decisions, actions, and strategic objectives, enabling the redefinition of relationships with customers and the

reengineering of fundamental business processes. They also highlight that the BSC presents a set of innovations in relation to other strategic management models, in particular, the way in which the indicators are organized and aligned, the ease with which it can be disseminated in the organization, making it possible to know about the strategic frameworks without compromising the confidentiality to which some of the aspects may be subject to, and the unfolding of the indicators and objectives by the organization and their quantification.

Therefore, the main advantage of the BSC is associated to the joint design of all the key business areas and the identification of the sequences of actions that lead to success. It submits the extension of the financial measures used in conventional accounting with quantitative and qualitative information; the balance and adequate weighting between financial and non-financial measures; and the special attention given to customer satisfaction and loyalty, in the motivation of employees and IT as essential for improving results and competitiveness and the performance of efficient production processes. In this line, the BSC facilitate stop-down communication of the objectives and their alignment to the strategy.

### **2.3.2 Challenges of BCS Implementation**

Amsalu and Mesfin (2015) addressed that one reason why BSC resourcefulness fail is that many initiatives are not Balanced Scorecard programs in the first place. It was said that very frequently organizations do not understand what exactly the Balanced Scorecard is and what its implementation involves, regardless of whether they implement the BSC themselves or whether they hire a consultant from the outside. Similarly, it was contended 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 display mediocre results and will probably fail. In addition to this, if a company wants to implement the Balanced Scorecard properly and reap all the benefits this concept may bring, people should first learn about it. People in charge very often conclude that thorough education and training are not required. Such a conclusion will permanently harm the BSC initiative and lead to failure. Conversely, if information is not accordingly entered into the system, the Balanced Scorecard initiative will probably be worthless. Even if the needed information has been recorded in the Scorecard and its databases, unless it has been retrieved and viewed by the people who are supposed to benefit from the system, it will not make any

worthwhile contribution to the organization. Therefore, the other implementation challenge is lack of IT. It emphasizes the problem of gathering and entering data into the Balanced Scorecard. In general the common challenges of implementing the balanced scorecard, it can be summarized as: limited understanding of BSC, lack of executive sponsorship, lack of BSC education and training, inadequate IT support, inadequate project team, organizational participation, inadequate key performance indicators (KPIs) and lack of planning and communication.

BSC implementation issues basically stem from the causal linkage of organization vision and strategy that is embedded in the four perspectives of the BSC and how the strategies in each perspective are integrated. Peter et al., (2018) also stated that it agonizes to numerous implementation issues despite the claim that it is the most regarded contemporary strategic management accounting tools that helps in improving organization performance. They stated that numerous studies have also reported the significant positive impact of BSC implementation on firm performance. In general, significant numbers of studies have highlighted the challenges encountered in performance management system (PMS) implementation process to include among others communication strategy, support from information systems and top management, as well as employees/manager's involvement commitment, and coordination. Though, several studies have attempted to focus on one or at most two issues of BSC implementation rather than focusing on the holistic view of the issues. Therefore, the key issues that are associated with BSC implementation can be categorized as strategy misalignment, strategy communication issues, the challenges of manager's acceptance/employees buy-in and the issue of clarity of vision, mission, strategy, and outcome.

Othman (2009) as cited by Pujas (2010) states that one reason why BSC initiatives fail is that many initiatives are not Balanced Scorecard programs in the first place. He goes on to say that very often organizations do not understand what exactly the Balanced Scorecard is and what its implementation involves, regardless of whether they implement the BSC themselves or whether they hire a consultant from the outside. According to a recent survey on existing challenges of BSC implementation made by Behdad and Mohammad (2014), insufficient information system to support BSC, lack of top management support and dedication, organizational politics and the fact that BSC implementation is time-consuming were the major challenges encountered in implementing the BSC. In general the common challenges of implementing the balanced scorecard, according to Pujas (2010), can be summarized as: limited understanding of BSC, lack

of executive sponsorship and top leadership commitment, lack of BSC education and training, inadequate IT support, inadequate project team, organizational participation, inadequate key performance indicators (KPIs) and lack of planning and communication.

## **2.4 Empirical Literature Reviews**

### **2.4.1 Studies across the Globe**

Peter et al., (2018) provided insight into the issues of performance management in the institution of higher learning and specifically regarding the implementation issues of BSC encountered among Malaysia public institution of higher learning. This study provided a review of previous literature on the BSC implementation issues. Several implementation issues identified from the literatures are strategy misalignment, strategy communication issues, manager's acceptance/employees buy-in, the issue of clarity of vision, mission, strategy, and outcome, and strategy map implementation issues. This study found that the implementation issues of the BSC among Malaysia public institution actually helps to unravel the pitfalls of BSC project and provides a roadmap show that can improve and sustain effective performance management. The implication of this study is aimed at providing the means by which the Malaysian public institution of higher learning can identify the issues inherent in BSC implementation or strategy implementation and the way forward. The implementation issues of Balance scorecard (BSC) is more pronounced in the non-profit outfit and governmental organizations (NPGOs) compared to the profit-oriented outfit. Reasons being that the BSC was originally developed and (or) meant for the profit-oriented outfit and not exactly the other way round.

Patrícia *et al.*, (2018) identified and analysed a set of advantages and contributions derived from the Balanced Scorecard (BSC) implementation. This study employed a qualitative research based on the exclusively bibliographical review of theoretical / conceptual and empirical works previously done on the subject (systematic review of the literature). It found that the BSC is more than a simple performance evaluation system, to become a true strategic management tool able to clarify and translate the mission and organizational strategy, making possible the communication process, the strategic alignment and the organizational learning.

Kasasbeh (2018) intended to find the status of Balanced Scorecard implementation in Jordanian Commercial Banks and the most barriers and problems of BSC implementation in these banks. This study found that these banks applied a set of financial and non-financial performance measures which are similar and consistent with the Balanced Scorecard dimensions. The completely implementation rate was 30.7% of the Jordanian Commercial Banks. The results from the semi-structured interviews shows that the barriers and problems of BSC implementation in these banks are social issues such as lack of Top management support and organizational culture, technical issues such as data gathering and automation, political issues such as resistance from employees, a lack of software packages, and employees turnover. Conceptual issues also mentioned by the interviewed banks as a problem to the implantation of BSC such as the misunderstandings about the relationship between the organizational strategy and the BSC scorecard, and BSC is a “general model” which may be not easy to fit any bank.

Eisenberg (2016) related the predominant scholarly theories of strategic management, employment decisions, cost accounting and share reward schemes to a panel of questions raised by Colin Drury (2012) in the case study of the fictitious company Integrated Technology Services (UK) Ltd., ITS (UK). The paper provides model answers which can be used when working with the case study at institutions of higher education. The merit of the work lies in three areas. First, it provides an overview of theories accepted by the academia that can be utilized for further research. Second, it contrasts pro and contra arguments. Thus it displays the limitations of the very theories when applied to scenarios inspired by practical problems. Third, it develops an innovative Balanced Scorecard for ITS (UK). The scorecard can be used as an example when working with Drury’s case study. Nonetheless it is also appropriate for real life situations of business entities faced with oppressive overheads and deteriorating net margins, building on highly skilled workforce and trying to preserve its differentiated profile.

#### **2.4.2 Studies done in Ethiopia**

Jemal (2018) considered the implementation of balanced scorecard in the offices of Trade and Industry Development, Micro and Small Scale Enterprise Development and Finance and Economic Development Bureaus of Addis Ababa City Administration. To collect and analyze data this study employed both quantitative and qualitative method using variables such as strategy setting, implementation of the change initiatives performance measurement, leadership,

management and staff commitment. The findings show that though there have been positive achievements, the leaders and organizers of the change initiatives have not yet fully discharged their responsibilities of using strategic measures and customer service standards as performance measurement and management tool. Additionally, the actions taken in monitoring and evaluation are not satisfactory. The feedbacks did not go beyond awareness creation, and they are not being consistently utilized as an input for any administrative and corrective measures. Although the leaders made efforts, the city administration had to play a leading role in supporting the implementation of the change initiatives to bring the desired changes in the sectors. Keywords: Balanced Scorecard, change initiative

Tesfaye (2019) assessed the practices and challenges of BSC implementation by questionnaire and key informant interview. Both qualitative and quantitative data analysis method was employed. Out of the non-probability sampling purposive/judgmental sampling and census survey has been used to consider all population which is 32. The collected data was analyzed using descriptive approach by frequencies and tables. This study found that there is insufficient commitment from leaders on the creation of conducive work environment, information sharing and encouragement of employees. Moreover, there is no close relationship with customers and failures on knowing what the stakeholders value and lack of commitment in human resource side like lack of reward system, and lack of recognition for their work are the major gaps that management should have to work more to bring improvements.

Amsalu and Mesfin (2015) evaluated the overall practices and challenges faced whereas implementing the balanced scorecard (BSC) as a performance measurement, strategic management and communication system in three state owned banks of Ethiopia: Commercial Bank of Ethiopia (CBE); Construction and Business Bank (CBB) and Development Bank of Ethiopia (DBE). This study attempted to evaluate the challenges faced as compared to the standard literatures of the system. This study identified common implementation challenges such as limited understanding of BSC, lack of executive sponsorship, lack of BSC education and training, inadequate IT support, inadequate project team and organizational participation, inadequate key performance indicators (KPIs) and lack of planning and communication were observed in the stated banks at different level. However, lack of formal BSC education and training, lack of planning and communication, lack of organizational participation and inadequate IT support were the major challenges identified.

Abebe (2019) was interested in identifying the challenging factors that impeded the implementation of balanced scorecard in Benishangul Gumuz Regional State in some selected bureaus. To address the study's objective, explanatory strategy of mixed methods research design has adopted. To identify the magnitude of various challenging factors of BSC implementation, four independent variables are identified; top management commitment, organizational working culture, employee resistance, communication and cascading process. This study found that top management commitment is the least contributing factor for the implementation process of BSC in the region. I.e. it is the most challenging factors among the independent variables. This finding is also solidified by qualitative data which were collected through focus group discussion and document analysis. The finding of the qualitative analysis shows that communication and cascading next to lack of top management commitment is impeding the implementation of BSC.

## **2.5 Summary and Research Gap**

Timothy (2020) stated that a review of the literature regarding the BSC implementation does not propose one best way to implement it. Though, findings from the literature do provide guidance to managers on various ways to implement the BSC. Eisenberg (2016) cited Kaplan and Norton (2008) who framed six steps as a guide to the implementation of the BSC: develop the strategy; plan the strategy; align the organization; plan operations; monitor and learn; and test and adapt. However, much of the literature regarding implementation tends to focus on the physical process of implementation or the processes and procedures to avoid and follow to complete successful implementation of a project (Timothy, 2020). The literature does recommend that different authors have uttered the need to develop studies regarding the implementation of the BSC since it is an area that has not yet been extensively explored (Kasasbeh, 2018).

The dynamic implementation of a performance measurement system like the BSC often leads to more successful execution of business strategies (Peter et al., 2018). A recent study done by Timothy (2020) showed that up to 90% of businesses still fail to execute their business strategy despite many organizations having identified and implemented the BSC as their chosen performance measurement system. The general business problem is that some private, public, and nonprofit organizations are being negatively affected by BSC implementation problems

resulting in inefficient operations. The specific business problem is that some business leaders in manufacturing companies lack strategies for effectively implementing a BSC. In addition, financial sector has been ignored as various studies focused on public and non-governmental organizations. For example, Jemal (2018) considered the implementation of balanced scorecard in the offices of Micro and Small Scale Enterprise Development and Finance and Economic Development Bureaus of Addis Ababa City Administration. Tesfaye (2019) assessed the practices and challenges of BSC implementation in public offices and only seven years ago Amsalu and Mesfin (2015) evaluated the overall practices and challenges faced whereas implementing the balanced scorecard (BSC) in three state owned banks of Ethiopia: Commercial Bank of Ethiopia (CBE); Construction and Business Bank (CBB) and Development Bank of Ethiopia (DBE). This study investigates the reasons for the strategies and obstacles that prevent the successful implementation of the Balanced Scorecard. The implications for positive social change include the ability to improve organizational performance, sustainability, and profitability, which may lead to new employment opportunities and promote prosperity for local families and the community.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology that uses in the study. It describes the research paradigm, research design, the population of the study, sampling techniques, sampling procedures, sample size, data collection methods, data collection procedures data analysis and reliability and validity.

#### **3.2 Area of the Study**

The study was conducted in Addis Ababa, the capital and largest city of Ethiopia. The study was restricted to Addis Ababa where financial organizations head quarters are located and the main units and divisions directly over sighting the implementation of BSC are located mostly at the head quarters. Besides, Addis Ababa is the centre of Ethiopia's economy and almost all the head quarter of the public sectors are located in this city (Source :Addis Ababa City Administrations, 2022).

#### **3.3 Research Approach**

In general, quantitative research seeks to understand the causal or correlational relationship between variables through testing hypotheses, whereas qualitative research seeks to understand a phenomenon within a real-world context through the use of interviews and observation. Both types of research are valid, and certain research topics are better suited to one approach or the other. However, it is important to understand the differences between qualitative and quantitative research so that you will be able to conduct an informed critique and analysis of any articles that you read, because you will understand the different advantages, disadvantages, and influencing factors for each approach. Quantitative and qualitative methods, i.e. mixed methods were employed in this research.

Qualitative method focuses on distinction or attributes than amount. In qualitative method, data is presented in the form of quotations, or descriptions of the phenomenon. Thus, this study enables to understand a problem more comprehensively to BSC implementation strategy, practices and challenges in banking sector; thus, it used. Thus, this study enabled to understand a

problem more comprehensively to understand the practices of BSC implementation and its strategy and the relationship with BCS implementation achievements.

Whereas conducting this research, deductive approach was used. Deductive approach indicates that a conclusion is drawn from true statements the observation of fact statements. Deductive approach was designated because the study starts from literature overview which is again compared with empirical findings and also the purpose of this study produced any new theories but to give efficient solutions for BCS implementation strategy, alignment, its challenges in financial sector. Only qualitative research approach was employed in this study to get a better understanding of the research issue. Qualitative method focuses on distinction or attributes than amount. In qualitative method, data is presented in the form of quotations, or descriptions of the phenomenon. One of the most common techniques of data gathering applied in qualitative method is unstructured interview (Creswell, 2014).

### **3.4 Research Design**

This research designed as a descriptive to provide factual, accurate and systematic data description and characterized about the population or phenomenon (Geoffrey, David & David, 2015). The research population was examined and after careful analysis, the employee who is work on various positions in public organizations in Addis Ababa used as a sample size. As well, this study described and interprets BSC implementation management and its challenges in banking sector. Primary data was collected from the surveyed organization through a well-designed questionnaire It looked at its respondents to describe, compare, contrast, classify, analyze and interpret their opinion about BSC implementation management and associated challenges In short, this study employed descriptive research design.

### **3.5 Population and Sampling**

#### **3.5.1 Target Population**

A population is the totality of any group of units which have one or more characteristics in common that are of interest to the research (Creswell, 2014). Total number of target population contained 1208 staffs of the surveyed two public banks and three top private banks. The banks are Commercial Bank of Ethiopia and Development Bank of Ethiopia which are the public

banks. Dashen Bank SC, Abyssinia Bank SC and Awash Bank SC are the private banks under study.

### 3.5.2 Sample Frame

The sample frame of the study which is the list of the employees or respondents were found from payroll or the monthly salary list of the employees for March, 2022.

### 3.5.3 Sample Size

Sampling is done due to constraints of time, money and accessibility of data to the entire population. In order to select the sample of this research of respondent, employees were calculated by using (Yamane, 1973) formula with 95% confidence level. Sample size refers to a number of items to be selected from the universe to constitute a sample (Kothari, 2019).

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

$$n = \frac{1208}{1 + 1208 (0.05)^2}$$

$$= 300$$

The calculation is presented as below. Sample size for ± 5% precision levels Where Confidence Level is 95% and P=.5. For 1208 size of population, the sample Size (n) for precision (e) of 5% was 300.

**Table 1: Sample Size Determination**

<b>Banks</b>	<b>Target population</b>	<b>Proportion</b>	<b>Sample size</b>
Commercial Bank of Ethiopia	350	0.248344	87
Development bank of Ethiopia	250	0.248344	62
Dashen Bank	125	0.248344	31
Abyssinia Bank	235	0.248344	58
Awash Bank	248	0.248344	62
<b>Total</b>	<b>1208</b>		<b>300</b>

(Source: Survey result of respected banks, 2022)

### **3.5.4 Sampling Techniques**

The study is based on both probability and non-probability sampling techniques. Purposive sampling technique as a non-probability sampling was used to select public and private banks. The private banks are selected based on their annual profit, turnover, and capital and leading the private banks in the last three years. In addition, this study used probability sampling that involved systematic random sampling by first stratified in three organizations (core and permanent employees), then proportional sampling and finally this study used simple random sampling. Simple random sampling was used to select employees from the surveyed organization.

### **3.6 Methods of Data Collection**

Data collection refers to systematic focused and orderly collection of data for the purpose of obtaining information to solve research problems (Geoffrey et al., 2015).). Both primary and secondary data collection methods were used in this study in order to counterbalance shortcomings from each technique. The decision to use multiple methods in collecting data (triangulation) ensured validity of data as one method complement each other.

#### **3.5.1 Primary Data**

This is the original source of data, in which the researcher collects the data for the first time, and as such, the data collected are known as primary data. Primary sources of data were collected from questionnaire and interview constitutes the information a researcher obtains from the field that is data collected from the subjects in the sample.

#### **3.5.2 Secondary Data**

In this study, secondary sources of data involved the use of published and unpublished documents obtained from libraries, offices and the Internet. Such documentary materials include published books, reports, theses and dissertations. The secondary data provides the researcher with more insights on the problem being studied by cross-validating and augmenting evidence obtained from interviews and questionnaires. In this study, the researcher collected secondary data from files and HRM reports of the surveyed financial organizations (2022). The secondary

data collected from different sources in this research were not a source to support or to argue against because there is no founded opinion in the secondary data..

### **3.7 Research Instruments**

#### **3.7.1 Interview**

According to Kothari (2019), an interview is a set of questions administered through oral or verbal communication between the researcher and the interviewee. In this study, semi structured interview was employed to collect data from ten top management executives. Interview schedule was prepared and questions were asked to each participant. Interview checklist was prepared based on the study of Peter et al.(2017).

#### **3.7.2 Questionnaire**

Questionnaire is a set of questions, which are usually sent to selected respondents to answer at their own convenient time and return back the filled questionnaire to the researcher (Kothari, 2019). Questionnaires were distributed to respondents including principals, head of departments and subordinates who filled them under the administration of the researcher.

Questionnaires were distributed to respondents including principals, head of departments and subordinates who filled them under the administration of the researcher. This study employed questionnaire that adapted from Jemal (2018) and Timothy (2020) in relation to Ethiopian BSC strategy implementation and associated challenges. It included open ended questions, close ended questions and five point Likert scale questions.

#### **3.7.3 Document Review**

This study reviewed annual 20-20/21 of the respective selected banks under the study. In addition, this study reviewed financial position reports of the same year and banks.

### **3.8 Variables and Measurement Procedures**

In the course of the study, the researcher collected quantitative data, supported partly by qualitative data using both secondary and primary sources of data. Qualitative data was obtained from the respondents through interview whereby quantitative data was obtained through self-

administered questionnaires. Quantitative data was collected especially on social demographic characteristic of respondents including age, education level, and etc.

**Table 2: Operational Definitions and Expected Signs**

Variables	Operational Definitions	Expected Signs
<b>General</b>	<b>Balanced scorecard (BSC):</b> A performance management framework that translates an organization’s mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system (Tomothy, 2020).	
<b>Main Variables</b>	<b>Implementation Strategy:</b> An organization’s strategy is or is not translated into action and thus does or does not obtain any benefits from the BSC (Peter et al., 2017).	+
	<b>Challenges in BSC Implementing:</b> the challenges encountered in performance management system (PMS) implementation process to include among others communication strategy, support from information systems and top management, as well as employees/manager’s involvement commitment, and coordination (Gamal and Soemantri, 2017).	-
	<b>Strategic Alignment</b> within the context of this study refers to the alignment of organization’s objectives, strategies, measures, targets and initiatives (Timothy, 2020).	+
<b>Outcome</b>	<b>Achievement</b> - Balanced scorecard enables achievement of long term objectives within organizations and it offers all inclusive frameworks for the translation of strategic objective of an organization into a logical set of performance measurements (Peter et al., 2017).	

Source: Survey Results, 2022

### 3.9 Validity and Reliability of Research Instruments

#### 3.9.1 Validity of the Instruments

Validity aimed at whether the tools are truly measuring what they intended to measure. Pilot study was done to test whether the tools truly measure what they intended to measure. Validity of the tool was made by piloting the questionnaires before a comprehensive exercise of data collection to see if the tool can measure what it is supposed to measure from different respondents such as experts in HR, academicians and banking leaders.

### 3.9.2 Pilot Study

This study carried out the pilot testing study to see whether the questionnaires can obtain the results which the study required for meeting objectives and hypotheses of the research. Accordingly 15 Questionnaires were dispatched to selected three banks (Abay, Wegagen and United Banks) which is not included in this study to check its reliability.

### 3.9.3 Reliability of the Instruments

Reliability is the extent to which a test or procedure of data collection yields similar results under constant conditions on all occasions (Kothari, 2019). The reliability of this study’s instruments was determined by using Cronbach’s Alpha test. The purpose of deriving a scale score by having multiple items is to obtain a more reliable measure of the construct than is possible from a single item.

**Table 3: Reliability Statistics Test Result**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>No of Items</b>
Implementation Strategy	.867	33
Challenges in BSC Implementing	.786	5
Strategic Alignment	.764	19
Achievement	.834	4

*Source: Survey result, 2022*

As multiple items in all constructs used, the internal consistency/reliabilities of dimension of BCS assessment were assessed with Cronbach’s Alpha and the reliability values for all constructs were verified and confirmed as greater than 0.75, which were reflected acceptable

(Kothari, 2019). The general Cronbach alpha of the scales applied in this study was rated as outstanding. Therefore, it shows the reliability of the scales was very high representing a very solid internal constancy among the measurement statements or items and the designated instrument accurately measures the variables used in this study. By the way, values of 0.75 or greater were significantly measured all constructs portrayed that the value of Cronbach's alpha are above the recommended value of 0.75 thus it can be decided that the study was reliable to capture the constructs.

### **3.10 Data Cleaning, Processing and Analysis**

#### **3.10.1 Data Cleaning**

The researcher used Statistical Packages for Social Scientists (SPSS) version 23 for the analysis of Quantitative data. Data was sorted, coded and entered into the SPSS software. With the methods the researcher used to collect the primary data, there was a risk of getting back uncompleted questionnaires, either because of the language and that the respondent ignored or did not see the question. The samples were only represented as part of the population of all of the guests, because of limited sources and personal ability. With regards to language initially it wrote the questions in English kept it as it is for banking staffs that have minimum of Diploma or First Degree and above, and some questionnaires were also translated into Amharic for local customers. Because the problem of uncompleted questionnaires is very common in filling the questionnaire, it is always good to see how to sort this out to avoid problem in analysis uncompleted questionnaires. To handle this, after the researcher collected the responses the researcher went through them and selected only the questionnaires that were filled out in full and threw away the uncompleted questionnaires.

#### **3.10.2 Data Processing and Analysis**

After data entry, the researcher could able to present that in descriptive statistics including frequencies, mean, and percentages and making cross tabulations of variables to check the relationships. Data collected from the questionnaire were then analyzed. In depicting the respondents' profile, descriptive statistics of the mean and Standard deviation of the levels of the respondents towards the BSC implementation was also calculated. The reason for using

descriptive statistics were because the researcher wants to summarize the data collected in tables and graphs for better understanding for the reader to easily examine the results.

Further, this study employed correlation data analysis to investigate the relationship between BSC implementation in terms of its strategy, strategic alignment and associated challenges and its major achievements gained by BSC implementation in selected banks in Ethiopia.

### **3.11 Ethical Issues Considered**

Ethical approval was obtained from Addis Ababa University, School of Commerce, Post Graduate Studies Program in Human Resource. Ethical letter was also obtained from Addis Ababa University. Then after, the objectives and benefits of the research were discussed in detailed with the selected financial institutions. Then, a similar discussion was held with selected banks officials and staffs. As a result, permission/consent was secured to professional banking staffs and appropriate discussions with financial institutions were conducted about the purpose, nature, objectives and benefits of the study in the local language (Amharic).

Participation in the study is voluntary and confidentiality of the information was assured during as well as after data collection. The participants were informed about their right not to participate, privacy, risk and no direct benefits of the study and not to answer any question or all of the questions. Data collectors obtained verbal consent from employees after informing them about the nature of the study and that their participation was voluntary. Then, they scheduled individual interviews to avoid disruption of usual health and COVID-19 practices. The information sought did not use for any other purpose than that to which participants consented and was not be passed to a third party. After the successful thesis defense and approval by School of Commerce, Academic Commission of Addis Ababa University Senate, and the questionnaire will be incinerated in a secure manner.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This part of the study presents the data presentation, analysis, and discussion part, which contains research analysis techniques and the demographic profile of respondents.

#### 4.2 Response Rate

The study had a 90% response rate, with 189 of the 211 questionnaires returned properly. A total of two hundred and eleven (211) questionnaires had been distributed to the respondents, of which 189 had been completed and returned. This gave a response rate of 76%. According to Peninah (2018,) a response rate of 50% is adequate for a study, 60% is good and 70% and above is excellent. Thus, a response rate of 76% was appropriate and reliable for the study, as shown in the table below. As a result, it is safe to assume that the study went well.

**Table 4: Response by Position**

Banks	Distributed Questionnaire	Returned	Response Rate
Commercial Bank of Ethiopia	87	71	82%
Development bank of Ethiopia	62	47	76%
	149	118	79%
Dashen Bank	31	24	77%
Abyssinia Bank	58	47	81%
Awash Bank	62	51	82%
	151	122	81%
<b>Total</b>	<b>300</b>	240	80%

*Source: Survey result, 2022*

### 4.3 Respondents' Demographic Characteristics

This part presents the respondents' profile, including information about their education, gender, age, marital status, involvement in financial work, and other related issues that relate to this study.

**Table 5: Respondents Demographic Characteristics (N = 240)**

Variables (Category)		Bank Type			Chi-Square Tests		
		Government Banks	Private Banks	Total			
Gender of Respondents	Male	Count	64	65	.882		
		% within Gender of Respondents	49.6%	50.4%			
	Female	Count	54	57			
		% within Gender of Respondents	48.6%	51.4%			
Respondents age	Less than 30	Count	30	41	.122		
		% within Respondents age	42.3%	57.7%			
	31 -46	Count	63	66			
		% within Respondents age	48.8%	51.2%			
	47-65	Count	25	15			
		% within Respondents age	62.5%	37.5%			
	Education Level	Diploma and Degree	Count	71		65	.399
			% within Education Level	52.2%		47.8%	
Masters		Count	46	54			
		% within Education Level	46.0%	54.0%			
Refused or Others		Count	1	3			
		% within Education Level	25.0%	75.0%			
Marital Status		Single	Count	23	31	.631	
			% within Marital Status	42.6%	57.4%		
	Married	Count	81	80			
		% within Marital Status	50.3%	49.7%			
	Divorced	Count	9	6			
		% within Marital Status	60.0%	40.0%			
	Refused or Others	Count	5	5			
		% within Marital Status	50.0%	50.0%			
Total	Count	118	122	240			
	% Total	49.2%	50.8%	100.0%			

*Survey result, 2022*

Descriptive statistics were also employed to describe the socio-economic characteristics of the sampled respondents. This study used the Chi-square test, which is used to support or reject the null hypothesis. The decision used under the test of chi square is either to reject or accept the null hypothesis. Using the decision rule, the null hypothesis is rejected and the alternative hypothesis is rejected with 5% significance as Pearson Chi-Square Asymp. Sig. (2-sided) below 0.05. The above table shows that the sex characteristics of study participants were mainly considered. This study included 64 (49.6 percent) respondents from government banks and 65 (50.4 percent) respondents from selected private banks while 54 (48.4 percent) of respondents from government banks and 57 (51.4 percent) from selected private banks participated in this study. The results specify that the two genders within the two types of banks were sufficiently represented in the study since there were none that were more than two-thirds. Moreover, the present study revealed that there was no statistically significant association (no difference) between respondents' gender and bank type (.882).

The lowest age of the respondents was 26 years, and the highest was 65 years. Thirty percent, or 71 respondents, of the 240 people polled in this study of banking activities were under the age of 30. It shows that, an older individual, have been included in banking or financial institution activities. It was also noted that 53.5 percent (129 respondents; 48.8% from government banks and 51.2% from private banks) were between the ages of 31 and 46, 16.7 percent (40) were between the ages of 46 and 55, and no respondents were over the age of 66 were included in the study. The findings show an increase in the number adults and young people engaging in financial sector activities once they reach the age of 18 years. Besides, the present study revealed that there was no statistically significant association (no difference between respondents' age and bank type (.122). Furthermore, this study revealed that there was no statistically significant association (no difference) existing among respondents' marital status and bank type (.631). The majority of the respondents were married and another categories including divorced and single were negligible. Out of 240 respondents, 161 sampled respondents were marital status of which 50.3 % of the respondents were from government banks and the other was from private banks. Hence, the result revealed the respondents were well-educated, in active or working age responsibility and well organized effectively and can answer the questions presented in this study.

#### 4.4 Respondents' Experience in working with commercial banks

This part presents the respondents' work toward the banking sector in their involvement in private and government working environments that relate to this study.

**Table 6: Respondents Experience in working (N = 240)**

Variables (Category)		Type			Pearson Chi-Square	
		Government Banks	Private Banks	Total		
Experience in working with commercial banks	Less than a year	Count	2	2	4	.067
		% within Experience	50.0%	50.0%	100.0%	
	About two or three years	Count	30	25	55	
		% within Experience	54.5%	45.5%	100.0%	
	4 – 6 years	Count	39	26	65	
		% within Experience	60.0%	40.0%	100.0%	
Above 7	Count	47	69	116		
	% within Experience	40.5%	59.5%	100.0%		
Experience with Balanced Score Card System	Less than a year	Count	1	2	3	.246
		% within Experience	33.3%	66.7%	100.0%	
	About two or three years	Count	20	23	43	
		% within Experience	46.5%	53.5%	100.0%	
	4 – 6 years	Count	31	44	75	
		% within Experience	41.3%	58.7%	100.0%	
Above 7	Count	66	53	119		
	% within Experience	55.5%	44.5%	100.0%		
Working experience out of financial sector	Less than a year	Count	13	17	30	.000
		% within Working experience	43.3%	56.7%	100.0%	
	1-5 years	Count	37	13	50	
		% within Working experience	74.0%	26.0%	100.0%	
	6- 10years	Count	34	29	63	
		% within Working experience	54.0%	46.0%	100.0%	
More than 10 years	Count	34	63	97		
	% within Working experience	35.1%	64.9%	100.0%		
Total	Count	118	122	240		
	% Total	49.2%	50.8%	100.0%		

*Survey result, 2022*

In addition, the finding in the above table shows that almost 116 sampled respondents or 48 % of the respondents have been working more than seven years or having better experience in working with commercial banks. Besides, the present study revealed that there was no statistically significant association (no difference) existing among respondents' working with commercial banks and bank type (.067). Additionally, the outcome in the above table demonstrates that almost 119 sampled respondents or 49 % of the respondents have been working more than seven years in BSC or having better experience with Balanced Score Card System. Besides, the present study discovered that there was no statistically significant association (no difference) existing among respondents' experience with Balanced Score Card System and bank type (.246). Furthermore, the results in the demographic table above displays that almost 97 sampled respondents or 40 % of the respondents have been working more than ten years or having better working experience out of financial sector. On the other hand, the present study exposed that there was statistically significant association (difference) existing among respondents' experience with working experience out of financial sector (.0001). This implies that the respondents are well experienced in financial sector and have extensive working experiences in banking sector and have known the banking performance measurement very well. The demographic enrolled on the study helped to provide a diverse perception of staffs on the practice of BSC and its associated challenges and related issues.

## **4.5 BSC Implementation Strategy and its Associated Challenges**

This response analysis presents respondents' opinion regarding their level of agreement on various dimensions with various questions about BSC in financial sector. The results were interpreted based on the following measurement scale intervals or range; 4.51-5.00 very excellent, 3.51-4.50 very good, 2.51-3.50 good or average or moderate, 1.51-2.50 fair and 1.00-1.50 poor (Abebe, 2019).

### **4.5.1 BSC Implementation Strategy**

The detail respondents' responses found below regarding BSC implementation strategy.

#### **4.5.1.1 Elements of the Scorecard and Identify Performance Drivers and Measures**

Concerning elements of the scorecard and identifying performance drivers and measures, sampled respondents' responses are presented in the following table, followed by the implication of the responses.

**Table 7: Elements of the Scorecard and Identify Performance Drivers and Measures**

Items	Type of Bank	Mean	Std. Deviation	Std. Error Mean	Std.	
					Mean	Deviation
My bank establishes the constituents of the balanced scorecard	Government	2.14	0.75	0.069		
	Private	2.28	0.683	0.062	2.21	0.719
This bank performance requirement will be defined and measured as a basis for improvement.	Government	1.81	0.908	0.084		
	Private	2.02	1.072	0.097	1.92	0.999
My bank usually includes financial, process and customer factors in BSC.	Government	3.85	1.305	0.12		
	Private	3.91	1.171	0.106	3.88	1.237
They also define clearly the objectives of the BSC.	Government	3.81	1.301	0.12		
	Private	3.79	1.214	0.11	3.8	1.255
This bank includes repeating and expanding sales from existing customers as performance parameter	Government	3.83	1.296	0.119		
	Private	3.88	1.175	0.106	3.85	1.234
This bank includes the internal processes at which the company must excel as performance parameter.	Government	3.94	1.29	0.119		
	Private	3.98	1.124	0.102	3.96	1.206
It focuses on the specific people abilities the organization desires now and in the	Government	4.26	0.881	0.081		
	Private	4.42	0.759	0.069	4.34	0.823
It focuses on performance parameter relations.	Government	4.24	0.976	0.09		
	Private	4.32	0.855	0.077	4.28	0.915
This bank concerns how performance will be measured.	Government	4.37	0.814	0.075		
	Private	4.51	0.774	0.07	4.44	0.795
KPIs are designed based on the Bank's mission and vision.	Government	4.3	0.972	0.09		
	Private	4.41	0.977	0.088	4.35	0.974
BSC complements the financial measures of past performance.	Government	4.26	1.089	0.1		
	Private	4.42	0.889	0.081	4.34	0.994
At all levels there is sufficient KPIs to measure objectives	Government	3.67	1.558	0.143		
	Private	3.74	1.482	0.134	3.7	1.517
While designing BSC, Data collection method and its frequency was set	Government	3.96	1.15	0.106		
	Private	4.07	1.014	0.092	4.02	1.082
<b>Grand Mean 3.77 SD 1.005</b>						

*Survey result, 2022*

The mean score of 3.77 was displayed; this was a very good indicator. Likewise, the standard deviation scores were less than two, which is a small standard deviation and therefore recommends that respondents had similar opinions. As per the findings in the above table, the respondents indicated that tremendous planning and control abilities provided by specific human skills, technology, and others are necessary in the implementation of BSC in Ethiopia's financial sectors. Jemal (2018) also argued that the rationale for adopting the BSC tool was the need to plan, control, and report on the performance of public sector organizations in Ethiopia. One of the experts from government banking said that

*"The foremost characteristics of BSC are transforming the dream or long-term plan, communicating, planning, and sharing criticisms and knowledge via outstanding viewpoints and visible strategy." These characteristics result in assistance, for example, developing strategic fit or alignment objectives with practical actions, strengthening a performance measurement system, bringing strategic advantages into line, consolidating organizational change, and concentrating resources on strategy.*

Results in the above table show that all the mean values were greater than 1.92 and less than 4.44; this is an indication that the respondents agreed with the various statements on more BCS strategic implementation. But the fact that the lowest mean was 1.92 showed that they disagreed with the performance requirements. These banks' performance requirements will not be defined and measured as a basis for improvement but rather only for control purposes. Even if control mechanisms are necessary, they need to be for the fundamental, long-term improvement of the company's performance. In this regard, both government and private bank respondents' responses were likely similar. In addition, the next mean score of 2.14 also shows that these banks did not establish the constituents of the balanced scorecard. For Tesfaye (2019), the formulation of strategy, relating the BSC to compensation, and maintaining the BSC through constant review and automated systems are critical elements for effective implementation. But interview responses reject the inclusion of all elements in Ethiopian banks (BSC implementations). One of the experts from government banking said that

*Bank compensation practices are not linked to BSC; rather, they are annual requirements or common cultural practices for banks.*

*Employees as well as the banking management know the annual compensation plan, and in one way or another, it will be given. Next, compensation is seen as the generosity of the management. How could it be brought into line with the BSC?*

These banks concern how performance will be measured. The highest mean score above 4.30 to 4.4 and the responses of the government and private sampled respondents have similar perceptions. From this; we can understand that these banks focus on the specific people abilities the organization desires now and in the future as performance consideration. They also focus on performance parameter relations and these bank concerns how performance will be measured. KPIs are designed based on the Bank's mission and vision. BSC complements the financial measures of past performance. Peter et al., (2018) showed that BSC have recognized the impression of lack of developing a suitable link between employees reward system and organization's KPIs. Also, in order to get the benefits of BSC, employees/manager will involve accomplishing the objectives of the learning and growth perspective of BSC. Thus, we can understand that these banks have adapted KPIs properly and they involved communicating the banks' strategy to the employees. The private bank expert also added that

*As the bank is a mature business across the globe bank institution can easily integrate the institution's strategy with the on-going management process and assimilating employee's task and incentives to their reward system*

Other means of scoring involving around 3.8 to 3.99 showed that these banks usually include financial, process, and customer factors in their BSC. We can also understand that they also define clearly the objectives of the BSC. They include recapping and increasing sales from existing customers as performance parameters. They also comprise the internal processes at which the company must excel as a performance parameter. The mean item-related KPI score was found to be 3.77, which was also rated as very good, demonstrating. There are enough KPIs to measure objectives at all levels. In practice, the difference between the banks varies accordingly; for example the following table shows the focus performance of banks.

**Table 8: Performance focus of Banks**

<b>Banks</b>	<b>Government Banks</b>	<b>Private Banks</b>	<b>Disregards or Lacks Together</b>
	<ul style="list-style-type: none"> <li>Commercial Bank of Ethiopia</li> <li>Development bank of Ethiopia</li> </ul>	<ul style="list-style-type: none"> <li>Dashen Bank</li> <li>Abyssinia Bank</li> <li>Awash Bank</li> </ul>	
Focus	<ul style="list-style-type: none"> <li>Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder Value</li> </ul>	
Financial goals	<ul style="list-style-type: none"> <li>Revenue Maximization</li> <li>Cost reduction</li> <li>Responsibility</li> <li>Accountability to the public</li> </ul>	<ul style="list-style-type: none"> <li>Profit</li> <li>Market Share Growth</li> </ul>	<ul style="list-style-type: none"> <li>innovation; creativity</li> </ul>
Chosen result	<ul style="list-style-type: none"> <li>Stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	
Who defines budget priorities	<ul style="list-style-type: none"> <li>legislators; agencies</li> </ul>	<ul style="list-style-type: none"> <li>funding</li> </ul>	<ul style="list-style-type: none"> <li>Customer demand</li> <li>Leadership</li> </ul>
Key success factors	<ul style="list-style-type: none"> <li>advanced technology</li> </ul>	<ul style="list-style-type: none"> <li>advanced technology</li> </ul>	<ul style="list-style-type: none"> <li>Uniqueness</li> </ul>

*Survey result, 2022*

The above table shows the performance direction of the banks as per the interview and annual reports of the banks. In Ethiopia's private banking sector, the key financial objectives relate to profitability and returns on investment. In the public banking sector, they follow the governments or the country's economic strategy, and their financial considerations will allow their role to be effective in their mission but will not replace an organization's mission. Fiscal prudence is not only necessary but also required in the public sector to address government programs. Therefore, the interview responses pointed out that public banks' performance measures focus on revenue maximization, costs, and accountability, while private banks need to address customer interest as the ultimate objective of their performance measures. However, Ethiopian banks face innovativeness, uniqueness, and leadership challenges.

**Table 9: KPIs Practices of the Banks**

<b>Banks</b>	<b>Government Banks</b>	<b>Private Banks</b>
Existing Major KPIs	<ul style="list-style-type: none"> <li>• Maximizing collection of loans</li> <li>• Reducing NPLs</li> <li>• Bond sale</li> <li>• Electronic banking</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit</li> <li>• Number of Customers</li> <li>• Internet Banking</li> <li>• Card ATM</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Income and similar Reports</li> <li>• Agent Banking</li> </ul>	<ul style="list-style-type: none"> <li>• Results based on suggestions boxes</li> <li>• Audit Comments</li> </ul>
Existing Minor KPIs	<ul style="list-style-type: none"> <li>• Deposit</li> <li>• Loan Disbursement</li> <li>• Number of customers</li> <li>• Loan diversification</li> </ul>	<ul style="list-style-type: none"> <li>• Loan in budgeted services quality</li> </ul>

*Survey result, 2022*

The above table shows the performance direction of the banks as per the interview and annual reports of the banks. In the private banking sector, the results of this study showed that deposits, both local and foreign, particularly foreign currency deposits, have been seen as a major performance indicator. Deposits can be classified as either interest-bearing (conventional interest) or non-interest-bearing (Islamic Banking), with the primary financial objectives being profitability and returns on investment. In addition, the number of customers, internet banking, subscriptions, ATM cards, and others are seen as major KPIs. In public banking, the primary indicator for performance measures is loan volume and usage of the internet, mobile devices, ATMs, and other internet banking systems. One higher official of the government bank indicated that

*In Ethiopia, Banking sector has registered satisfactory labeling performance by its BSC performance measurement an approving disbursing and collecting loans from project and lease financing services. We believe that the strategic reform performance has successfully implemented and showed its progress comprehensively. We also believe*

*that issues with respect to sensible lending, reducing NPLs, maximizing collection of loans and, increasing bond sale especially by districts, establishing transparent system for promotion and transfer of employees and over all attitudinal change across employees and management members are the main targets.*

**Table 10: Government Bank’s KPIs**

<b>Banks</b>	<b>Commercial Bank of Ethiopia</b>	<b>Development Bank of Ethiopia</b>
Existing Major Classifications	Label based on operational process as <ul style="list-style-type: none"> <li>• Front Line</li> <li>• Senior Staffs</li> <li>• Managers</li> <li>• Branch</li> </ul>	Label based on functional progress as <ul style="list-style-type: none"> <li>• General banking</li> <li>• Projects</li> <li>• Auditing</li> <li>• Managerial</li> </ul>
Existing Major KPIs	Critical Target (contains 70 % of KPIs) as <ul style="list-style-type: none"> <li>• Deposit</li> <li>• Customer Base</li> <li>• Digitalization’s</li> <li>• Quality – free errors</li> </ul>	Performance Targets <ul style="list-style-type: none"> <li>• Loan Collection</li> <li>• Project Facilitations</li> <li>• Appraisals</li> <li>• Checking</li> </ul>

*Survey result, 2022*

The above table displays that commercial banks Ethiopia and development banks have various performance measurement criteria with various services and products. CBE mainly focuses on deposit and digitalization or banking operational mechanisms at branch level but loan and project administrations at head quarter level while DBE focus on loan and project financing as all things considered. This leads to think that public banks are working at different levels be means of encouraging to work aggressively to meet the set targets for the given budget year by mounting loan collection, reducing NPLs as well as achieving setback reform targets. Another official of the government bank indicated that

*For the implementation of the banking reform, we have 7 strategic pillars, 26 strategic objectives and key performance indicators are developed to confirm transparency and accountability. We evaluated that this result-oriented program (BSC) is a helpful tool for the bank's reform work. We believed that a business model is being prepared to make our bank a world-class bank, and to make the changes that have started in the bank effective. We also supposed that the help of the results-based evaluation system (BSC) is essential to carry out the reform work that was started in the remaining period of the given fiscal year with the required quality and speed. We have expressed our belief that working with the help of a performance-based evaluation system will result in increasing loan collection, reducing the rate of bad loans, providing integrated services and implementing quality credit delivery. We expected that the reform work started should be strengthened in order to reduce the bank's bad credit ratio.*

Quality of services, service credibility, truthfulness, and other attributes are not indicated in their performance measurement issues.

**Table 11: Private Commercial Bank's KPIs**

<b>Banks</b>	<b>Awash</b>	<b>Dashen</b>	<b>Abyssinia Bank</b>
Existing operational Classifications	<ul style="list-style-type: none"> <li>Employee as clerical and non-clerical</li> <li>Branch level</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Branch level</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Team based</li> </ul>
Existing Major KPIs	<ul style="list-style-type: none"> <li>Non Clerical - Behavioral, service provision, marketing participation</li> <li>Clerical – personal performance and additional performance</li> <li>Branch level Performance</li> </ul>	<ul style="list-style-type: none"> <li>Budgeted Targets</li> <li>Deposit</li> <li>Loan</li> <li>Customers creation</li> <li>Digital Banking</li> <li>Project preparation and feasibility</li> </ul>	<ul style="list-style-type: none"> <li>Performance Targets</li> <li>Individual performance</li> <li>Group Performance</li> <li>Overall target achievement</li> </ul>

*Survey result, 2022*

Private commercial banks provided their annual performance of the Banks for the banking year ended June 30<sup>th</sup>. Their Annual report and financial statement of the Bank are evaluated and audited and presented on year base. Their report mainly focuses on the operating environment, the Bank's overall performance, the Bank's business and organizational development. Their employee level performance measures relate to measuring employees' performance by employees job description and customer treatment. Bank branches level and employee additional performance are measured using increments of customer base, digitalization, additional service and products, digital channel including inclusion of young customer. Besides, branch KPIs may include depots, increase digital products, loan, creating corporate customer and others. For example, Awash bank has branch measurement practices as divided by read (achieving below 50 %, gold over 100 % achievement and yellow, blue and green between 50 to 100 % respectively. These measurement targets are wider and broader and are not fittings with the reality of the finical business of the country. On the economic front, the Dashen Bank annual report of 2020/ 21 indicated that

*“Production slacks amid sharp rises in demand following lifting of restrictions and return of life to normalcy; and disruptions in the global supply chain, particularly manifested in shortage of cargo containers, have been causing havoc on the global economy. Prompted by these challenges, prices of some of the major international commodities have shown sharp increase.”*

Further, the Abyssinia Bank annual report of 2020/ 21 designated that

*The Ethiopian economy has also passed through challenging environment owing to the effects of the pandemic and continued security concerns. ... Despite all the unfavorable circumstances, the Ethiopian economy is believed to have remained resilient during the FY 2020/21, as pointed out by the Ethiopian government, as a result of efforts through the Home Grown Economic Reform implementation. Yet inflationary pressure remains the major macroeconomic challenge.”*

Looking into the financial industry, the banking sector seems to be fast expanding, which is partly a reflection of government's encouragement of the private sector, which has seen a

number of emerging banks and non-bank players pushing to join the banking and payment market to further intensify competition. One of the branch managers of a private bank said that

*In the banking sector, competition is not exhibited by quality services, but rather by favoritism, ethnicity, and religious grouping. It needs to separate the business environment from politics, and a community-based business environment is essential to Ethiopian business practices.*

This shows that customer-centric business, flexibility, and value creation do not exist in the Ethiopian banking sector. We can see how performance management has become an unconstitutional requirement for using inaccurate data gathered to attack their decisions. Businesses and customers make decisions based on emotions and outmoded assumptions, but the information with regard to service delivery should have been accurate and relevant. Looking into the financial industry, the banking sector seems to be fast expanding, but the interview respondents were not fully in agreement on that. Even with the government's encouragement of the private sector, which has resulted in a number of emerging banks and non-bank players pushing to enter the banking and payment markets, this industry has not taken off with increased competition. However, under difficult global and domestic economic conditions, while these banks have registered commendable progress in asset growth and profitability, their actual performance may not be accurate. Interview respondents also agreed that employees' performance measures or their actual performance are not reflecting the proper market outcome. That does not mean that these banks have not managed to build their internal strength and capacity to gain momentum for growth and profitability by attaining positive performance in deposit and foreign currency mobilization and loans. But another expert indicated that

*Under the existing banking leadership, banks have achieved commendable growth in respect of the various performance indicators, but we should know that banks have diversified their services; for example, employability loans, housing loans, and similar issues have increased. But what we are now concerned about are several regulatory requirements, policies, and procedures. This may hinder the actual performance measures, or KPIs. Regulatory bodies have not understood that banks are operating in an ever-changing business environment characterized by varying customer*

*expectations, evolving financial technologies, as well as economic and political dynamics accordingly.*

For this reason, we can understand that Ethiopian banks should attempt to overcome foreseeable challenges, explore opportunities, and mitigate business risks in order to translate the vision and strategy into action. This system provides the tools to improve their performance measurement practices via feedback on internal business processes and external outcomes to continually improve organizational performance and results.

#### **4.5.1.2 Implement, Communication and Training**

**Table 12: Respondents Responses on Implement, communication and training**

Items	Type of Bank	Mean	Std. Deviation	Std. Error Mean	Mean	Std. Deviation
The Bank's Strategy map is clear and understandable.	Government	3.96	1.533	0.141	4.16	1.329
	Private	4.35	1.067	0.097		
I understand the benefits of implementing BSC.	Government	4.08	1.195	0.11	4.2	1.14
	Private	4.31	1.076	0.097		
BSC is better than previous measurement systems.	Government	4.42	0.87	0.08	4.5	0.828
	Private	4.59	0.779	0.071		
BSC is relevant performance management tool for the Bank.	Government	4.31	0.745	0.069	4.23	0.893
	Private	4.16	1.012	0.092		
It is the right time for the Bank to implement BSC	Government	4.31	0.929	0.086	4.34	0.909
	Private	4.37	0.893	0.081		
This bank develop policies, procedures and processes that ensure that it is applied at all levels in the organization	Government	4.31	0.929	0.086	4.3	0.952
	Private	4.3	0.978	0.089		
Employees suitably practices BSC.	Government	4.25	1.004	0.092	4.2	1.1
	Private	4.16	1.188	0.108		
There was full support from the management.	Government	3.72	1.467	0.135	3.96	1.311
	Private	4.2	1.096	0.099		
Top Management of the Bank took the initiative.	Government	4.04	1.398	0.129	4.26	1.169
	Private	4.48	0.845	0.077		
The Bank has provided me training about the	Government	4.23	1.33	0.122	4.3	1.248

meaning of BSC.	Private	4.36	1.165	0.105		
I have been informed about corporate objectives of the Bank.	Government	4.11	1.345	0.124	4.23	1.175
	Private	4.34	0.976	0.088		
The bank informed all employees to clearly understand corporate level objectives.	Government	4.01	1.381	0.127	4.15	1.191
	Private	4.3	0.959	0.087		
The bank provided me training to design my personal scorecard	Government	4.32	1.108	0.102	4.27	1.096
	Private	4.21	1.085	0.098		
Grand Mean 4.23 , SD 1.001						

*Survey result, 2022*

This study requested respondents' perceptions of operationalization, communication, and training in relation to BSC. The grand mean of 4.23 was rated as very good. It shows that there is very effective operationalization of the banking performance in these banks. Results in the above table show that all the mean values were greater than 3.96 and less than 4.50; this is an indication that the respondents agreed with the BSC strategic implementation, including implement, communicate, and train. One official of the government bank indicated that

*We said that the bank's performance-based approach (BSC) was changed and assumed great results from the bank's strategic plan. To implement the results-oriented approach in a short period of time, training was provided aggressively.*

In the same way, the standard deviation scores were less than two, which is a small standard deviation and therefore suggests that respondents had similar opinions. The mean difference between the government and private banks' responses was minimal. We can understand that they have similar perceptions of the given statements. BSC training is available in a variety of formats. One annual report of 20020/21 stated that

*“ .. Continuously working on internalizing risk management practices across the organization through enhancing risk management processes into the mainstream of the Bank's culture; this has been done through continuous awareness creation training ... ”*

Trainings all included risk registering, leading risk indicators as well as periodic risk assessment techniques, credit, financing, liquidity, markets and operations of conventional banking and

interest free banking. The lowest mean score 3.96 was rated as very good and it demonstrates there was full support from the management. In addition, there was a big difference across the government and private banks respondents regarding top management involvement. For private banks, top management support was rated as very good but government responses were found much below than private banks. We can understand that there is a high bureaucratic issue in government banks. The highest mean score (4.500) was rated as excellent and it displays BSC is better than previous measurement systems.

The mean score below 4.20 and above 4.00 were rated as very good and they display that these banks informed all employees to clearly understand corporate level objectives. They also demonstrate that this bank's Strategy map is clear and understandable. Sample respondents understand the benefits of implementing BSC and employees suitably practices BSC. There was a difference means scores on the two surveyed banks regarding the Bank's Strategy map; this clarity difference may be adapted from their nature of business. Government banks are ruled by government overall the country strategy while private banks are formulated by profitability and survival.

The mean score below 4.34 and above 4.23 were rated as very good, and they display that the sampled respondents believed that BSC is a relevant performance management tool for the bank. They have been informed about the corporate objectives of the bank. Top management at the bank took the initiative. The bank provided me with training to design their personal scorecard. These banks also develop policies, procedures, and processes that ensure that they are applied at all levels in the organization. These banks have provided me with training about the meaning of BSC. It is the right time for the bank to implement BSC.

#### 4.5.1.3 Monitoring, Evaluation and Review

**Table 13: Respondents Responses on Monitoring, Evaluation and Review**

Items	Type of Bank	Mean	Std. Deviation	Std. Error Mean	Mean	Std. Deviation
The bank clearly defined and documented BSC monitoring and evaluation.	Government	3.25	1.2	0.11	3.25	1.198
	Private	3.25	1.201	0.109		
The bank has prepared its BSC review plan	Government	2.79	1.093	0.101	2.79	1.207

timely.	Private	2.79	1.313	0.119		
The bank has well organized BSC review policies and procedures.	Government	2.16	0.915	0.084	2.6	1.185
	Private	3.03	1.259	0.114		
BSC review plans are clearly linked to the objectives of the bank.	Government	2.34	0.754	0.069	2.73	1.045
	Private	3.11	1.144	0.104		
Monitoring and evaluation activities of the bank are well designed.	Government	3.6	1.262	0.116	3.73	1.17
	Private	3.85	1.065	0.096		
The bank effectively allocates resources for reviewing BSC.	Government	3.22	1.185	0.109	3.59	1.161
	Private	3.94	1.023	0.093		
It amends its BSC activities as per the monitoring and evaluation doings.	Government	3.09	1.102	0.101	3.56	1.126
	Private	4.01	0.958	0.087		
<b>Grand Mean Score 3.17 SD= 1.113</b>						

*Survey result, 2022*

This study demanded respondents' perceived monitoring and evaluation practices in relation to BSC in the studied banks. The grand mean 3.17 was the lowest among the items found in BSC strategic implementation. It was rated as good. Results in the above table show that all the mean values were greater than 2.6 and less than 3.73; this is an indication that the respondents less agreed with the BSC strategic implementation follow ups. But, the standard deviation scores were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. The mean difference between the government and private banks responses were minimize. But a great difference was found in relation to amendment of BSC activities as per the monitoring and evaluation doings. This shows that there is a difference on BSC implementation follow-ups in these two categories of the banks.

We can understand that their or both monitoring and evaluation activities of the bank are well designed (3.73). But again the lowest mean score shows that the banks do not have a well-organized BSC review policies and procedures. There is also a mean difference across these banks in this regard. The mean score for government respondents was 2.16 but higher mean score was found in relation to private banks. We can understand here that private banks have well

organized BSC review policies and procedures that government banks. As per one government expert claimed that

*Because government banks are owned and managed by the government, it would be difficult for them to easily review their policies and procedures. They need government approval, and flexibility is highly stagnating on their side.*

The next highest mean score was found as 3.56 and 35.9 and they were rated as very good. We can understand that these banks effectively allocate resources for reviewing BSC. In addition, it amends its BSC activities as per the monitoring and evaluation doings in these banks. On other hand, one expert indicated that

*This would imply that more effort would be required for monitoring and evaluation in order to overcome the majority of the challenges encountered by BSC in achieving BSC implementation success.*

This isalso confirmed by Anjomshoae et al., (2017) that argued that both M&E as critical, accountabilityand learning tool. M&E will help measure achievement while managing BSC outputs, short-term objectives and impacts. Both (*monitoring and evaluation* )may be used to measure achievement while managing intervention outputs, expected outcomes and intended impactsthereof.

#### 4.5.2 Strategic Alignment

The appendix next to the interview checklist contains the details of the respondents' responses.

**Table 14: Respondents Responses on Strategic Alignment**

Items	Type	N	Mean	Std. Deviation	Std. Error Mean	Mean	Std. Deviation
BSC links short term operational performance with long term strategic objectives	Government	118	4.06	0.89	0.082	4.00	1.017
	Private	122	3.95	1.127	0.102		
BSC creates ability to translate vision into operational strategy	Government	118	4.09	0.827	0.076	4.05	1.003
	Private	122	4.00	1.15	0.104		

The Bank used BSC to set business strategies and objectives	Government	118	3.59	1.214	0.112	3.93	1.131	
	Private	122	4.25	0.941	0.085			
BSC rolls down vision from corporate to division, to individual employees	Government	118	3.53	1.238	0.114	3.84	1.114	
	Private	122	4.14	0.884	0.08			
I understood alignment of my unit's objectives with the corporate level objectives	Government	118	3.62	1.198	0.11	3.95	1.071	
	Private	122	4.26	0.821	0.074			
<b>Grand Mean 3.95 and SD 1.003</b>								

*Survey result, 2022*

Sampled respondents were asked about their perceptions of and ratings of the strategic fit of the implementation strategy of BSC in Ethiopia. Their responses showed that the grand mean of 3.95 was the best among the items found in BSC's strategic implementation. It was rated as very good. Results in the above table show that all the mean values were greater than 3.84 and less than 4.05; this is an indication that the respondents strongly agreed with the BSC's strategic implementation or alignment. We can understand that BSC links short-term operational performance with long-term strategic objectives in these banks, and BSC creates the ability to translate vision into operational strategy. These surveyed banks applied BSC to set business strategies and objectives. It also cascades vision from the corporate level to divisions and individual employees. Furthermore, respondents in the sample understood the alignment of their unit's objectives with corporate-level objectives. By the same token, the standard deviation scores were less than two, which is a small standard deviation, and consequently, this study advocates that respondents had similar views regarding strategic alignment. The mean difference between the government and private banks' responses was negligible or minimal. One of the interview respondents argued that

*BSC has been widely regarded as a tool for improving performance through measures such as linking operational performance with long-term strategic objectives to deliver quality financial services, flawless service, and efficiency. In the banking sector, operational performance is the main target that accomplishes the overall or long-term target, which includes profit and market share, customer satisfaction, employee satisfaction,*

*business performance, and impact on society and the environment due to excellence in management. BSC is not a static attribute; it is a constantly changing target because it needs to produce a delighted customer.*

The overall approach to achieving BSC effectively is based on a philosophy and takes into account factors related to strategic issues. It is based on achieving strategic alignment and banking contextual fit, developing a high-performance culture, and integrating people. The strategic alignment of BSX implementation practices ensures that the performance measure initiatives are planned with reference to the requirements of the business strategy and are designed to support the achievement of business goals (Gamal and Soemantri, 2017). One of the interview respondents claimed that

*The design of BSC implementation processes should be governed by the context (the characteristics of the organization, its business strategy, and the type of employees) and the organization's culture (its values and behavioral norms).*

The BSC implementation will be affected by leadership and top management support factors present in the banks. Account should be taken of good BSC implementation practice, but this should not be regarded as best practice but as effective implementation.

### 4.5.3 Challenges

The below table contains the details of the respondents' responses.

**Table 15: Respondents Responses on Challenges**

Item	Type	Mean	Std. Deviation	Std. Error Mean	Mean	Std. Deviation
There is a missing link between “corporate level strategies and its different parts”.	Government	3.64	1.363	0.125	3.95	1.187
	Private	4.26	0.889	0.08		
There are problems that are attributable to strategy misalignment among other issues.	Government	3.78	1.315	0.121	4.04	1.18
	Private	4.29	0.975	0.088		
This bank cannot manage all organizational hard (such as the system, policies, and procedures) and	Government	3.65	1.392	0.128	3.87	1.307
	Private	4.09	1.185	0.107		

soft elements						
No one trusts the BSC implementation.	Government	3.52	1.518	0.14	3.72	1.424
	Private	3.91	1.305	0.118		
I am not indispensable and integral part of every organizational function including BSC.	Government	3.81	1.379	0.127	4.05	1.208
	Private	4.28	0.964	0.087		
I could not understand clearly the institution's strategy and vision.	Government	4.08	0.711	0.065	4.17	0.66
	Private	4.25	0.597	0.054		
There is lack of developing a suitable link between employees reward system and organization's KPIs	Government	4.25	0.867	0.08	4.35	0.757
	Private	4.46	0.619	0.056		
I am not fully committed towards BSC.	Government	4.24	1.06	0.098	4.33	0.881
	Private	4.43	0.655	0.059		
There are poor management roles in BSC implementation process.	Government	3.99	0.443	0.041	4.12	0.536
	Private	4.24	0.59	0.053		
Lack of communication organizational strategic to employees at all the levels of the organization management process	Government	4.1	0.605	0.056	4.23	0.58
	Private	4.35	0.529	0.048		
The Bank's BSC is not fully automated.	Government	3.96	0.861	0.079	4.05	0.803
	Private	4.15	0.735	0.067		
BSC is not supported by IT in collecting, analysing, reporting and distributing relevant data.	Government	3.95	0.904	0.083	4.08	0.844
	Private	4.21	0.763	0.069		
An appropriate IT system is not designed to help employees to collect data.	Government	4.11	0.894	0.082	4.23	0.87
	Private	4.35	0.832	0.075		
Lack of communication strategy in BSC implementation process.	Government	4.16	0.584	0.054	4.24	0.6
	Private	4.32	0.607	0.055		
This bank has poor BSC implementation of the strategy.	Government	3.95	0.625	0.058	4.03	0.646
	Private	4.1	0.661	0.06		
There are several issues encountered in BSC implementation.	Government	4	0.704	0.065	4.06	0.688
	Private	4.11	0.67	0.061		
There is low level of satisfaction derived from BSC implementers in this bank.	Government	4.08	0.741	0.068	4	0.79
	Private	3.93	0.831	0.075		
There are misplaced priorities in implementing BSC.	Government	4.2	0.532	0.049	4.08	0.728
	Private	3.95	0.861	0.078		

Lack of adequate awareness on the part of the employees to know the need to align the organization's strategy with objective constitutes BSC implementation issues	Government	4.08	0.699	0.064	4.03	0.765
	Private	3.98	0.823	0.075		
<b>Grand Mean 4.08 SD= .866</b>						

*Survey result, 2022*

Sampled respondents were asked about their perception of and rating of the implementation strategy for BSC challenges in Ethiopia. Their responses showed that the grand mean of 4.08 was the most serious concern or challenge in BSC's strategic implementation. It was rated as very serious. Results in the above table show that all the mean values were greater than 3.72 and less than 4.35; this is an indication that the respondents strongly agreed with the BSC's strategic implementation challenges. We can understand that respondents mean that the difference across their respective types of banks is negligible. The lowest mean scores were considered minor challenges, including a lack of trust in the BSC implementation and the inability to manage all organizational hard (such as the system, policies, and procedures) and soft elements. We can also understand that there are fewer missing links between "corporate level strategies" and their different parts. There is a considerable level of satisfaction derived from BSC implementers in this bank.

The main challenges were precisely identified and included in this study. The data are tabulated based on the variables identified and these variables are extensive because of the nature BSC and its framework. Principally, there is a lack of developing a suitable link between the employee reward system and the organization's KPIs. Next, employees are not fully committed to BSC, and there is a lack of communication strategy in the BSC implementation process. There is also a lack of organizationally strategic communication to employees at all levels of the organization's management process. Then again, an appropriate IT system is not designed to help employees collect data, and employees cannot clearly understand the institution's strategy and vision. Finally, there are poor management roles in the BSC implementation process. In this regard, Jemal (2018) demonstrated challenges recognized by most of the sampled respondents that may obstruct the smooth working of the change process. The greatest dangers are a low level of understanding about the change initiatives BSC, limitations on leadership commitment, employees' fear and resistance to change, failure to fulfill the essential basic facilities (computer

technology), a low level of staff pledge, a loosening of self-assurance about the efficiency of the change initiatives, and a high degree of worker turnover. According to Tesfaye (2018), workers have decided on their contribution during the strategic plan preparation process, strategic focus areas are well defined and understood, and organizations are aware of the strategic plan's challenges, enablers, and opportunities. Concerning the customers and stakeholders' focus, the result designated that the organization knows its customers but fails to create a close relationship with them and has problems identifying what they value. The study discovered that the company or organization did not recognize employees' efforts that their workplace was unsafe, and that employees were not cared for when it came to human resources. While Peter et al. (2048) have emphasized the challenges faced in the performance management system (PMS) implementation process to include, among others, communication strategy, support from information systems and top management, as well as employees' and managers' involvement, commitment, and coordination, According to Abebe (2019), on the challenges of BSC implementation, there are several issues, but the main factors include a lack of understanding of the concept of a balanced scorecard, which is the most important challenge affecting its implementation. Its study also indicated and suggested that before the balanced scorecard can be fully implemented, workers must understand it as a strategy implementation tool and all of its perspectives.

#### 4.5.4 Achievement

The details of respondents' responses regarding BSC achievement are listed below. This achievement deals with the area of Customer satisfaction, finance in relation to budget utilization for strategic issues, internal process as performance level of organizational strategic objectives and learning and growth embedded in service delivery as per the service standard.

**Table 16: Respondents Responses on achievement**

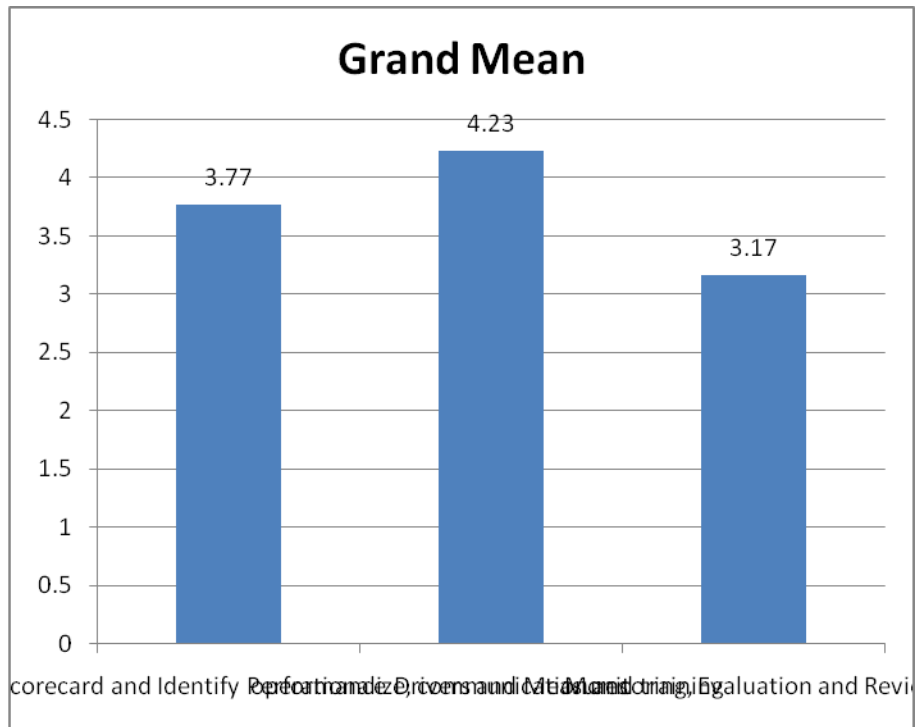
<b>Item</b>	<b>Type</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>	<b>Mean</b>	<b>Std. Deviation</b>
A change in level of customer satisfaction in the bank	Government	3.99	0.734	0.068	3.95	0.674
	Private	3.92	0.611	0.055		
The bank enhances budget utilization for strategic issues	Government	3.86	0.876	0.081	3.9	0.742
	Private	3.93	0.585	0.053		
Enhances performance level of	Government	3.86	0.765	0.07	3.88	0.713

organizational strategic objectives.	Private	3.9	0.661	0.06		
Enhances its performance level of service delivery as per the service standard.	Government	3.93	0.759	0.07	3.92	0.767
	Private	3.92	0.778	0.07		
<b>Grand Mean Score 3.91 and SD .724</b>						

*Survey result, 2022*

Appraised banking respondents were asked about their perceptions of and ratings of the implementation strategy of the BSC. Their responses showed that the grand mean of 3.91 was the best response in items regarding BSC strategic implementation. It was rated as very good. Results in the above table show that all the mean values were greater than 3.88 and less than 3.95; this is an indication that the respondents strongly agreed with the BSC strategic implementation achievement. We can understand that respondents mean that the difference across their respective types of banks is negligible. The highest mean score was 3.95, indicating that there has been an increase in customer satisfaction in the bank as a result of the effective implementation of BSC. The next mean score was 3.92, and that mean value was rated as very good. We can see that banks improve their service delivery performance in accordance with the service standard. From the mean score of 3.9, we can recognize that these banks enhance budget utilization for strategic issues, and the lowest mean score of 3.88 was rated as "very good," so we can understand that these banks enhance their performance level in achieving organizational strategic objectives.

#### **4.5.5 Summary BSC Implementation Strategy**



**Figure 2: BSC Implementation Strategy used by the banks**

Adapted from Patrícia et al.,(2017)

This study showed that the studied banks used communication, training, and operationalization as their best strategies to implement BSC. Monitoring and evaluation practices are viewed as a defeated strategy for implementing BSC.

#### 4.6 Correlation Analysis

This study used one type of inferential analysis, namely, correlation analysis. This study used a simple bivariate relationship analysis between the dependent and independent variables. According to Aster (2018), the relationship between two variables was rated as follows: from 0.01 to 0.09 negligible association, 0.10 to 0.29 low association, 0.30 to 0.49 moderate association, 0.50 to 0.69 significant association, and 0.70 and above very strong association. A Pearson’s Product Moment Correlation was conducted to establish the strength of the relationship between the variables. The findings are presented in the following table.

**Table 17: Respondents Responses on correlation analysis**

		<b>Implementation Strategy</b>	<b>Challenges</b>	<b>Strategic Alignment</b>	<b>Achievement</b>
<b>Implementation Strategy</b>	Pearson Correlation	1	-.307**	.706**	<b>.554**</b>
	Sig. (2-tailed)		.000	.000	<b>.000</b>
<b>Challenges in BSC Implementing</b>	Pearson Correlation	-.307**	1	-.334**	<b>-.456**</b>
	Sig. (2-tailed)	.000		.000	<b>.000</b>
<b>Strategic Alignment</b>	Pearson Correlation	.706**	-.334**	1	<b>.513**</b>
	Sig. (2-tailed)	.000	.000		<b>.000</b>
<b>Achievement</b>	Pearson Correlation	.554**	-.456**	.513**	1
	Sig. (2-tailed)	.000	.000	.000	

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

*Survey result, 2022*

It is understood that simple correlation analysis attempts to quantify the direction of association between two variables. Accordingly, an assessment of the correlation matrix shows that all the independent variables and BSC achievement are positively related.

Using correlational analysis, this study found that there is a substantial association or relationship between implementation strategy ( $r = .554; .000$ ) and the achievement of long-term objectives within organizations (sig. (2-tailed)).  $.000$  with a positive correlation is significant at the 0.01 level (2-tailed). In line with this study, Peter et al. (2018) perceived that proper strategic implementation helps effectively achieve long-term objectives within organizations.

This study employed correlational analysis, and it found that there is a substantial association or relationship between challenges in BSC implementation ( $r = -.456; .000$ ) and achievement of long-term objectives within organizations (sig. (2-tailed). $.000$ ), with correlation being significant at the 0.01 level (2-tailed). In proportion to this study, Jemal (2018) indicated that "attitudinal

and commitment problems of employees and managers, resource constraints, gaps in understanding why and where to implement the reform tools, and the absence of clear and uniform measurement and incentive systems are factors repeatedly raised as major challenges."

Using correlational analysis, this study found that there is a substantial association or relationship between strategic alignment ( $r = .513; .000$ ) and the achievement of long-term objectives within organizations (sig. (2-tailed)).  $.000$  with correlation is statistically significant at the  $0.01$  (2-tailed) level. In line with this study, Peter et al. (2018) found that strategic alignment involves the alignment of both financial and non-financial measures and the cause-and-effect relationship among the BSC's achievements.

## **4.7 Qualitative Analysis**

Qualitative data uncovers valuable insights that can be used to improve the user and customer experience. But how exactly to measure and analyze the data that isn't quantifiable is the challenge in qualitative analysis. This research also takes into consideration the challenge and indicates behavioral indications in BSC implementation. There are majorly five methods of qualitative data analysis to make sense of the data collected through employee interviews, surveys from the secondary sources such as the publications of the banks, and feedback during one to one interview and discussions: The analysis methods are namely,

- Content analysis
- Thematic analysis
- Narrative analysis
- Grounded theory analysis and
- Discourse analysis

In this research the narrative analysis method was employed with some aspects of content analysis. The narration and points made by respondents during interview and discussion are depicted in this study by italic fonts to give emphasis to the views expressed by the respondents..

The majority of the interview responses addressed the fact that Ethiopian banks used theoretical BSC thoughts rather than reorganized best practices. As a result, the rationales for implementing BSC in the Ethiopian banking sector or organizations were primarily used.

- to have a better performance evaluation system.
- To put into practice the theoretical BSC strategies
- To focus on strategies and link the day-to-day activities to strategies with a well-balanced and multi-perspective performance evaluation system

One of the respondents particularly indicated that

*There is good strategic alignment in BSC implementation. There is also alignment among the corporate scorecard, work process scorecard, and personal scorecard. In addition, translating BSC strategy into operational terms was sufficient.*

This can give a clue that the current BSC implementation practices in Ethiopian banks can be described as making good progress in aligning BSC strategies with work processes and individual scorecards. They also said that there is little experience with monitoring and evaluation of BSC implementation that leads to identifying the weaknesses and strengths that pave the way for better future performance. The banks' vision, mission, and core values are almost identical, and BSC implementation has resulted in revenue maximization, time savings, and an increase in the quantity of service in their financial services. In addition, as with other sectors in Ethiopia, they focused on

- Trainings
- Communications
- primarily intended to concentrate on procedures
- BSC implementation through automation was highly regarded.
- Having good BSC knowledge and experience
- Provided an awareness-creation program.

The major challenges, as per the variety of interview respondents, vary accordingly but include

- lack of incentives and reward system
- Less emphasis on employee support for change
- There is high employee resistance to change.
- Lack of commitment among leaders
- unfamiliarity with BSC software
- resource allocation gap
- problem with the working environment
- Carelessness of the employees or forced participation of the individual for performance evaluation
- lack of follow-up
- lack of commitment
- fear of accountability pressures

## **4.8 Discussions**

### **4.8.1 BSC Implementation Strategy and its associated Challenges**

#### **4.8.2 BSC Implementation Strategy**

##### **Elements of the Scorecard and Identify Performance Drivers and Measures**

This study found that these banks included elements of the scorecard and identify performance drivers and measures. This study found that these bank concerns how performance will be measured. KPIs are designed based on the Bank's mission and vision and there is sufficient KPIs to measure objectives at all levels. BSC complements the financial measures of past performance. But these banks performance requirement will not be defined and measured as a basis for improvement. Abebe (2019) argued that BSC is progressively being applied or used as

a strategic performance management tool in private sectors at earlier years of BSC originates. The implementation of BSC has encouraged the evolution of the balanced scorecard by changing the earlier singular metrics. The tools which designed to measure the performance is progressively evolved to manage the performance with leaving managers of organizations in a multitude of diverse changes. This shows that banks will adapt and purely identify elements of the Scorecard will be changed gradually. It needs long time to identify performance drivers and measures. This also shows them (banks) should continually improve their BSC implementation strategy.

### **Implement, Communication and Training**

Concerning Operationalizing communication and training, BSC is better than previous measurement systems for these banks. It is the right time for the bank to implement BSC, and these banks have provided employees with training about the meaning of BSC. For private banks, top management support was rated as very good, but government responses were found to be much lower than those of private banks. Similar to this study, Jemal (2018) found that awareness about BSC is shaped through the training of new staff and materials circulated to existing staff through the portal, Outlook, and other systems. However, it continually listed the challenges as "a lack of adequate training on the balanced scorecard." Most respondents indicated that communication between supervisors and employees is not regular. This had a negative impact on employee awareness, but this study discovered an effective BSC implementation strategy as BSC Implement communication and training. One expert in this regard indicated that

*Both the managing director and the HR team identified knowledge as the most important reason for the success of the BSC initiative in banks. Indeed, the problems and difficulties encountered in BSC implementation will be solved through the knowledge of the BSC evident in the banking sector.*

The lack of a thorough understanding of the BSC and its characteristics affected its effective implementation. The top management of the banks and the workers and other stakeholders in charge of implementing the BSC in Ethiopian banks understood its essence as a tool of

management strategy. Because of this fundamental understanding, banks have fully embraced the concept and reaped the benefits that it offers. One expert in this regard indicated that

*The only information about the BSC they received was from a theoretical background; research findings and best practices have not been included.*

To implement the BSC, much more knowledge is needed, both of the scorecard itself as well as of private and government banks, their vision, mission, values, strategy, and the organization necessary to accomplish them.

### **Monitoring, Evaluation and Review**

Monitoring and evaluation activities of these banks are well designed. It is understood that these banks effectively allocate resources for reviewing BSC. In addition, it amends its BSC activities as per the monitoring and evaluation doings in these banks. But this study found that these banks do not have a well-organized BSC review policies and procedures. This shows that these banks weak use monitoring and evaluation as a means of BSC implementation strategy. However, Kasasbeh (2018) ensured that the implementation of a Balanced Scorecard needs an operative controlling system which assembles measures, values and other significant reporting data. Public sector still needs to catch up here. On other hand, Timothy (2020) stated that a balance between a tight schedule and adequate time for practice, communication and feedback during strategy discussion has to be found. To preserve inspiration high the rollout should be kept short and adoption needs dynamics especially in government banks (Cummings et al., 2016). Jemal (2058) also recorded poor monitoring and evaluation system and lack of linkage with rewards adversely affect benefit obtained from BSC implementation.

### **Strategic Alignment**

In these banks, this study found that BSC links short-term operational performance with long-term strategic objectives and creates the ability to translate vision into operational strategy. In addition, this study found that employees understood the alignment of their unit's objectives with the corporate-level objectives. Timothy (2020) demonstrated the BSC's extensive implementation in several different types of organizations, and for organizations that have successfully implemented the BSC; potential benefits exist, such as better organizational performance, improved strategic alignment, and enhanced business planning and performance

reporting. When an organization's strategy translates into action and obtains benefits, it helps to ensure the successful implementation of the BSC.

## **Challenges**

The main challenges were precisely identified and included in this study. Principally, there is a lack of developing a suitable link between the employee reward system and the organization's KPIs. However, their annual reports mostly or commonly indicated that

*They were pleased on the 2020/21 fiscal year performance of the banks wherein mostly incremental achievements were recorded in both financial and non-financial areas despite the national challenges of the COVID-19 pandemic, political conflicts and high inflation.*

This shows that the COVID-19 pandemic affected mainly financial service sector due to decline in revenue of hospitality industry as well as the decline in export sector performance. This means the banking industry has been operating under challenging conditions under review year mainly due to the negative impact of the pandemic on business activities, political instability and civil unrests in some parts of the country which affected smooth business operations and caused branch closures in some areas. But employees attentively indicated that banking sector has a weak employee reward system in general.

Next, employees are not fully committed to BSC, and there is a lack of communication strategy in the BSC implementation process. There is also a lack of organizationally strategic communication to employees at all levels of the organization's management process. Then again, an appropriate IT system is not designed to help employees collect data, and employees cannot clearly understand the institution's strategy and vision. Finally, there are poor management roles in the BSC implementation process. However, Jemal (2018) listed the major challenge as a lack of leadership commitment and support with regard to creating awareness among employees. Moreover, top management tends to focus more on strategy formulation than strategic implementation. From the employee's part, there is a lack of readiness in terms of mentality, skill, and competence toward BSC implementation. Furthermore, a problem with performance measurement and linking performance to the reward system is impeding the BSC's effectiveness

in the branches. There is also a lack of employee involvement and a negative view of employees toward BSC implementation.

### **Achievement**

Due to the effective implementation of BSC, there has been a change in the level of customer satisfaction in the bank. The bank enhances its performance level of service delivery as per the service standard. According to Abe et al. (2019), encompassing employees at all levels in the development of BSC measures is crucial for BSC success. This will stimulate ownership of the measures and commitment to achieving their targets. The achievement of the balanced scorecard relies on employees' collaboration and support. A communication plan will improve the probability of employees accepting the tool, which will make it easier for the BSC to become a tool for making real business decisions (Kasasbeh, 2018).

### **Correlation Analysis**

This study used one type of inferential analysis, namely, correlation analysis. This study found that there is a significant association or relationship between implementation strategy ( $r = .554; .000$ ) and long-term goal achievement within organizations. In line with this study, Quesado et al. (2018) stated that the perception of the BSC as a monitoring tool rather than a strategic management tool made the people involved concentrate more on how to present achievements than on how to leverage them. The balanced scorecard incorporates a tool called the strategy map to describe the strategy. The foremost elements of the strategy map are strategic outcomes and their performance drivers. The strategy map should be the foundation for the expansion of KPIs (Eisenberg, 2016).

This study found that there is a substantial association or relationship between challenges in BSC implementation ( $r = -.456; .000$ ) and the achievement of long-term objectives within organizations. In proportion to this study, Quesado et al. (2018) stated that the problem of gathering and entering data into the Balanced Scorecard existed. Eisenberg (2016) also stated that several motivated initiatives have failed just because they were led by challenges such as ineffective teams.

This study discovered a significant association or relationship between strategic alignment ( $r = .513; .000$ ) and long-term goal achievement within organizations. Similarly, Timothy (2020)

stated about the correlation to the conceptual framework in accordance with this study. Planning and monitoring are at the heart of the change theory. It was recommended that for a higher change success rate, business leaders need to plan for the change and monitor the necessary critical change success factors until the organization meets all the desired outcomes. The BSC is a suitable and well-developed framework for monitoring and communicating change initiatives (Eisenberg, 2016). Quesado et al. (2018) stated that BSC works; that is, it is accomplished by implementing the company strategy, linking individuals, creating new behaviors, and enhancing communication. A team of people is needed.

# **CHAPTER FIVE**

## **SUMMARY OF KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presented the discussion of key data findings, the conclusions drawn from the findings highlighted, and the recommendations made the reform. The conclusions and recommendations drawn were focused on addressing the objective of the study.

### **5.2 Summary of Key Findings**

This study found that the main BSC implementation strategy in Ethiopian banks included Operationalizing BSC, communication, and trainings. Banks' implementation of BSC links short-term operational performance with long-term strategic objectives, and it creates the ability to translate vision into operational strategy. The main challenges of implementing BSC in banks included the lack of a suitable link between the employee reward system and the organization's KPIs. Next, employees are not fully committed to BSC, and there is a lack of communication strategy in the BSC implementation process. Furthermore, as a result of the effective implementation of BSC, customer satisfaction and bank performance levels of service have improved. Further, this study revealed that

- There is a significant association or relationship between implementation strategy ( $r = .554; .000$ ) and long-term goal achievement within organizations. In line with this study,
- This study found that there is a substantial association or relationship between Challenges in BSC Implementing ( $r = -.456; .000$ ) and achievement of long term objectives within organizations. In proportion to this study,
- This study discovered a significant association or relationship between strategic alignment ( $r = .513; .000$ ) and long-term goal achievement within organizations. In line with this study,

### **5.3 Conclusions**

The study concluded that these banks used limited strategies to implement BSC, including Operationalizing BSC, communication, and training. This showed that these banks did not fully implement the BSC and that they may have obstacles to the successful implementation of the Balanced Scorecard by duly taking into consideration the outlined barriers. This shows banks may not save resources such as time, expertise, and money, which are used in every BSC initiative. The main challenges of implementing BSC in banks included the lack of developing a suitable link between the employees' reward system and the organization's KPIs, having uninterested employees, and having a weak communication strategy in the BSC implementation process. However, effective BSC implementation aided these banks in improving customer satisfaction and service performance.

The timely completion of BSC implementation is vital to the development of performance measurement in banks. The complexity of the work involved in BSC implementation, as well as the involvement of multiple parties, make timely completion a difficult task. Additionally, this study concluded that having an effective implementation strategy as well as strategic alignment will enhance the achievement of long-term objectives within organizations. But this study further concluded that several challenges in BSC implementation will reduce the achievement of long-term objectives within organizations.

### **5.4 Recommendations**

The major ineffectiveness or delay in BSC implementation can be due to several reasons, like delay in adequate resources, poor planning, monitoring, and communication, and dissatisfaction. Thus, this study provides following references.

- The study suggests that banks should review their BSC implementation strategy, enhance their inclusion of well-defined BSC implementation elements, and clearly invite BSC implementation measures.
- Managing a BSC is an orderly process that, if properly executed, will maximize project resources, as most respondents believe that challenges in the effective impregnation of BSC can be avoided. It is suggested that poor monitoring and evaluation practices should be avoided, as they have been found to be a major contributor to the causes of ineffective

BSC implementations. Monitoring and evaluation practices should be administered at all levels with regard to the objectives of the projects to be executed.

- BSC implementation quality controls should be value-added during BSC development and execution. The BSC implementation processes should be evaluated promptly and upgraded accordingly. The scope change during BSC implementation or execution should be sidestepped at all costs. The scope should be fixed before BSC implementation begins, and any scope change should be authorized and checked closely by the top management and employees.
- Resource planning, scheduling, and forecasting should be improved by information system technologies to avoid adding resources in the middle of BSC implementations. The scheduling time associated with budget estimates should be improved as well; BSC implementations are not done randomly.

## **5.5 Implications for Stakeholders**

This study discovers and indicates that stakeholders are those who are or may be affected by ineffective BSC implementations. The research finding is that not all of them are involved in the entire process of BSC implementation, so care should be taken. As a result, it is recommended that all stakeholders be involved in the development of BSC implementations. The quality of BSC implementations should also be improved. Effective communication and planning should develop properly and should be seen attentively at any stage of BSC implementations. Stakeholders in BSC implementation should be recognized for strategic management practices that provide insights that can be used to improve organizational management environments through improved research foundations.

## **5.6 Limitations of the Study**

There were limitations, such as reluctance to provide data, that affected this study and its data collection operations. Mainly, some respondents were disinclined to provide data because they were unable to relate how the research would assist them directly or indirectly. The researcher, however, guaranteed them that the findings of the research would be useful in the development of the banking industry. Only when the researcher was able to identify and manage these limitations were respondents eventually persuaded through discussion about the aim of the study,

its academic capabilities, and the benefits that it offered. Also, the study used questionnaires that were voluntary and relied on the data provided by the respondents. To avoid doubt and to allow the management to disclose as much information about the research study as possible, the researcher produced an introduction letter from the university to the management. Due to financial, time, and other constraints, the study was restricted to covering BSC implementation issues. Therefore, the study had its own limitations in showing the whole picture of banking performance and the problem of BSC implementations. in the banking sector.

### **5.7 Areas for Further Research**

The researcher believed that this study should be extended so as to cover banking BSC implementations and similar strategic issues in Ethiopia, as the researcher believes that the current study was carried out at selected banks and the focus was only directed to BSC implementations. It is therefore recommended that future studies should focus on BSC implementation factors as well as BSC practices, leadership, and top management involvement with other service organizations in the country as a whole.

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# ANNEX



## Appendix I –Questionnaire

### ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE (Employees Survey)

Dear Respondent,

My name is Ahmed Abdurahman, a post graduate student in the department of Human Resource Management, at Addis Ababa University. I am currently gathering data for my thesis entitled “*Balanced Scorecard Implementation Strategy and its Challenges in Selected Banks in Ethiopia*”. It aims to assess the Balanced Scorecard (BSC) implementation strategy and its associated challenges in selected banks in Ethiopia

I therefore, humbly request you to spare some time and answer the following questions. Thank you very much for your understanding. The questions intended to collect information about the study. Thank you in advance for your kind cooperation and dedicating your time.

#### **Directions -**

- *The questionnaire consists of open ended, closed ended questions and five-point Likert scale questions.*
- *You are supposed to answer questions according to its requirements.*
- *Please do not write your name.*
- *All information will be used only for academic purpose and treated confidentially.*
- *Your honest and unbiased response will greatly contribute for the research to achieve its objective.*

Thank you for your co-operation in advance

Ahmed Abdurahman

Tel -0966 72 4900



## **Part II BSC Implementation Strategy and its Associated Challenges**

**Direction**-How do you perceive and rate the following listed implementation strategy of BSC in selected banks in Ethiopia? Please put “X” mark with the answer you choose and note that 1 represents for “Strongly Disagree”; 2 for “Disagree”; 3 for “Neutral”; 4 for “Agree” and 5 for “Strongly Agree”.

**Note – BSC- Balanced Scorecard; KPI – Key Performance Indicator**

<b>Measure Items</b>		1	2	3	4	5
<b>Define the Elements of the Scorecard</b>						
DES1	My bank establishes the constituents of the balanced scorecard					
DES2	This bank performance requirement will be defined and measured as a basis for improvement.					
DES3	My bank usually includes financial, process and customer factors in BSC.					
DES4	They also define clearly the objectives of the BSC.					
<b>Identify Performance Drivers</b>						
IPD1	This bank includes repeating and expanding sales from existing customers as performance parameter.					
IPD2	This bank includes the internal processes at which the company must excel as performance parameter.					
IPD3	It focuses on the specific people abilities the organization desires now and in the future as performance consideration.					
IPD4	It focuses on performance parameter relations.					

<b>Identify Performance Measures</b>						
IPM1	This bank concerns how performance will be measured.					
IPM2	KPIs are designed based on the Bank's mission and vision.					
IPM3	BSC complements the financial measures of past performance.					
IPM4	At all levels there is sufficient KPIs to measure objectives					
IPM5	While designing BSC, Data collection method and its frequency was set					
<b>Communication</b>						
COM1	The Bank's Strategy map is clear and understandable.					
COM2	I understand the benefits of implementing BSC.					
COM3	BSC is better than previous measurement systems.					
COM4	BSC is relevant performance management tool for the Bank.					
COM5	It is the right time for the Bank to implement BSC					
<b>Implement</b>						
OPE1	This bank develop policies, procedures and processes that ensure that it is applied at all levels in the organization					
OPE2	Employees suitably practices BSC.					
OPE3	There was full support from the management.					
OPE4	Top Management of the Bank took the initiative.					
<b>Training</b>						

TRA1	The Bank has provided me training about the meaning of BSC.						
TRA2	I have been informed about corporate objectives of the Bank.						
TRA3	The bank informed all employees to clearly understand corporate level objectives.						
TRA4	The bank provided me training to design my personal scorecard						
<b>Monitoring, Evaluation and Review</b>							
MER1	The bank clearly defined and documented BSC monitoring and evaluation. .						
MER2	The bank has prepared its BSC review plan timely.						
MER3	The bank has well organized BSC review policies and procedures.						
MER4	BSC review plans are clearly linked to the objectives of the bank.						
MER5	Monitoring and evaluation activities of the bank are well designed.						
MER6	The bank effectively allocates resources for reviewing BSC.						
MER6	It amends its BSC activities as per the monitoring and evaluation doings.						
<b>Strategic Alignment</b>							
SA1	BSC links short term operational performance with long term strategic objectives						
SA2	BSC creates ability to translate vision into operational strategy						

SA3	The Bank used BSC to set business strategies and objectives					
SA4	BSC rolls down vision from corporate to division, to individual Employees					
SA5	I understood alignment of my unit's objectives with the corporate level objectives					

**Direction-** How do you perceive and rate the following listed challenges of implementation strategy of BSC in selected banks in Ethiopia? Please put “X” mark with the answer you choose and note that 1 represents for “Strongly Disagree”; 2 for “Disagree”; 3 for “Neutral”; 4 for “Agree” and 5 for “Strongly Agree”.

**Note – BSC- Balanced Scorecard; KPI – Key Performance Indicator**

Measure Items		1	2	3	4	5
<b>Strategy Misalignment</b>						
SMI1	There is a missing link between “corporate level strategies and its different parts”.					
SMI2	There are problems that are attributable to strategy misalignment among other issues.					
SMI3	This bank cannot manage all organizational hard (such as the system, policies, and procedures) and soft elements					
SMI4	No one trusts the BSC implementation.					
<b>The Issues of Manager’s Acceptance/Employees Buy-in</b>						

IMA1	I am not indispensable and integral part of every organizational function including BSC.					
IMA2	I could not understand clearly the institution's strategy and vision.					
IMA3	There is lack of developing a suitable link between employees reward system and organization's KPIs					
IMA4	I am not fully committed towards BSC.					
IMA5	There are poor management roles in BSC implementation process.					
<b>Strategy Communication Issues</b>						
SCI1	Lack of communication organizational strategic to employees at all the levels of the organization management process					
SCI2	The Bank's BSC is not fully automated.					
SCI3	BSC is not supported by IT in collecting, analyzing, reporting and distributing relevant data.					
SCI4	An appropriate IT system is not designed to help employees to collect data.					
SCI5	Lack of communication strategy in BSC implementation process.					
<b>Clarity of Vision, Mission, Strategy, and Outcome</b>						
CVM1	This bank has poor BSC implementation of the strategy.					
CVM2	There are several issues encountered in BSC implementation.					

CVM3	There is low level of satisfaction derived from BSC implementers in this bank.					
CVM4	There are misplaced priorities in implementing BSC.					
CVM5	Lack of adequate awareness on the part of the employees to know the need to align the organization's strategy with objective constitutes BSC implementation issues					

**Direction-** How do you perceive and rate the following listed achievement of BSC implementation or Level of strategy measures usage in selected banks in Ethiopia? Please put "X" mark with the answer you choose and note that 1 represents for "Strongly Disagree"; 2 for "Disagree"; 3 for "Neutral"; 4 for "Agree" and 5 for "Strongly Agree".

Measure Items		1	2	3	4	5
<b>Achievement</b>						
ACH1	Due to effective implementation of BSC, there is a change in level of customer satisfaction in the bank					
ACH2	The bank enhances budget utilization for strategic issues					
ACH3	The bank enhances its performance level of organizational strategic objectives.					
ACH4	The bank enhances its performance level of service delivery as per the service standard.					

**Direction-** Please indicate your opinion regarding BSC implementation in this bank.

1. What are the strategies in effective implementation of BSC in this bank?

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2. What are the challenges in effective implementation of BSC in this bank?

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3. What is the basic achievement's in effective implementation of BSC in this bank?

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**Thank You!**

## Appendix II – Interview Checklist

*I am Ahmed Abdurahman, a postgraduate student of Addis Ababa University. I am conducting an academic research regarding strategies benefits and challenges of BSC implementation in selected banks in Ethiopia.*

If you allow me, can I proceed? Thank you for your support and cooperation!

1. What are the major challenges of effective implementation of BSC in developing countries like Ethiopia?

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2. What are the major strategies benefits of effective implementation of BSC in Ethiopia?

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3. What are the major practices of effective implementation of BSC in Ethiopia?

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4. What are you're the major achievements in effective implementation of BSC in Ethiopia?

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*Thank you!*