



**ASSESSING THE IMPLEMENTATION OF BALANCED SCORECARD /BSC/ AND ITS CHALLENGES IN
PERFORMANCE APPRAISAL IN ETHIO TELECOM CASE OF ENTERPRISE DIVISION**

By

SHIMELESE WONDOSENE

Addis Ababa University College of Business and Economics

School of Commerce – Graduate Studies Program

Department of Human Resource Management

June 2019

Addis Ababa



**ASSESSING THE IMPLEMENTATION OF BALANCED SCORECARD /BSC/ AND ITS CHALLENGES IN
PERFORMANCE APPRAISAL IN ETHIO TELECOM CASE OF ENTERPRISE DIVISION**

**A Thesis Paper Submitted to the office of Graduate Studies of Addis Ababa University School of Commerce in
Partial Fulfillment of the Requirements for the Degree of Masters of Arts in Human Resource Management**

By

Shimelese Wondosene

Advisor: Dr. Worku Meknonen

June 2019

Addis Ababa

DECLARATION

I declare that a project work named - “Assessing the implementation of BSC and its challenges in performance appraisal in Ethio telecom case of enterprise division” is my own work and that all the sources that I have been indicated and acknowledged by means of complete references.

Shimelese Wondosene

Date

ASSESSING THE IMPLEMENTATION OF BALANCED SCORECARD /BSC/ AND ITS
CHALLENGES IN PERFORMANCE APPRAISAL IN ETHIO TELECOM CASE OF
ENTERPRISE DIVISION

By

SHIMELESE WONDOSENE

Approved by Board of Examiners

Name of Advisor

Signature

Name of Internal Examiner

Signature

Name of External Examiner

Signature

CERTIFICATE

This is to certify that this project work, Assessing the implementation of BSC and its challenges in performance appraisal in Ethio telecom case of enterprise division undertaken by Shimelese Wondosene in Partial fulfillment of the award of Master's degree in Human Resource Management at Addis Ababa University school of Commerce, is an Original work and not submitted earlier for any degree either at this University or any other University.

Dr. Worku Meknonen

Date

ACKNOWLEDGMENTS

First, glory to God and Holy Mother Mary who help me in every step of my life.

I would like to thank my advisor, Dr. Worku Meknonen., for his valuable guidance in the preparation of this study.

My deepest gratitude goes to my friends and colleagues for their full engagement in the distribution and collection of questionnaires and of course to all survey respondents for their willingness and participation in the survey.

Finally, I would like to thank my family and friends for their encouragement and support not only during this study but throughout my life.

Table of Contents

DECLARATION.....	i
CERTIFICATE.....	iii
Acknowledgments.....	iv
List of Acronyms.....	x
List of tables.....	xi
Abstract.....	xii
Chapter One Introduction.....	1
1.1 Background of the Study.....	1
1.2 Background of the Company.....	2
1.3 Statement of the Problem.....	4
1.4 Basic research question.....	5
1.5 Study Objective.....	6
1.5.1 General objective.....	6
1.5.2 Specific objectives.....	6
1.6 Significance of the study.....	6
1.7 Scope of the Study.....	6
1.8 Limitation of the study.....	7
1.9 Definitions of Terms.....	7
1.10 Organization of the paper.....	8
CHAPTER TWO.....	9
2. Literature Review.....	9
2.1 Theoretical review.....	9
2.1.1 BALANCED SCORECARD: AN INTRODUCTION.....	9
2.1.2 Defining Balanced Scorecard.....	10
2.1.3 The Four Perspectives of Balanced Scorecard.....	11
2.2 Evolution of Balance Scorecard.....	13
2.2.1 Concept of Balance Scorecard.....	15
2.2.2 Features of a good balance scorecard.....	19
2.2.3 Key elements of balance scorecard success.....	20
2.2.4 Benefits of balance scorecard success.....	22

2.3 Empirical Review.....	23
2.3.5 Performance appraisal process.....	24
2.4 Overview of Ethio telecom BSC governance.....	25
2.4.1 Objective of BSC in Ethio telecom.....	25
2.4.2 Performance measurement.....	26
2.4.3 Individual performance evaluation.....	26
2.4.4 Role of Employees.....	27
CHAPTER THREE.....	28
3. Research Methodology.....	28
3.1 Description of the study area.....	28
3.2 Research approach.....	28
3.3 Research Design.....	29
3.4 Sample and Sampling Techniques.....	29
3.5 Data gathering tools.....	30
3.5.1. Primary Data.....	30
3.5.1.1 Questionnaire.....	30
3.5.1.2 Interview.....	30
3.5.2 Secondary Data.....	31
3.6 Data collection procedures.....	31
3.7 Ethical consideration.....	31
3.8 Data Analysis.....	32
3.9 Reliability Test.....	32
CHAPTER FOUR.....	33
4 Data Analysis and Discussion.....	33
4.1 Presentation of Respondents Background.....	33
4.2 Presentation of level of agreement regarding BSC implementation.....	34
4.2.1. Concepts of BSC.....	36
4.2.2 Top management support.....	37
4.2.3. Balanced scorecard education and training.....	39
4.2.4 Resource availability.....	42
4.2.5. Performance measurement.....	43
4.2.6 Performance evaluation.....	47
Chapter Five.....	50

5 Summary, Conclusion and Recommendation.....	50
5.1 Summary.....	50
5.2. Recommendation.....	53
5.3 Limitation and a further area of study.....	54
References.....	55
APPENDICES.....	58
Appendix A.....	58
Appendix B.....	64
DECLARATION.....	i
CERTIFICATE.....	iii
ACKNOWLEDGMENTS.....	iv
List of Acronyms.....	viii
List of tables.....	ix
Abstract.....	x
Chapter One Introduction.....	1
1.1 Background of the Study.....	1
1.2 Background of the Company.....	3
1.3 Statement of the Problem.....	4
1.4 Basic research question.....	5
1.5 Study Objective.....	6
1.5.1 General objective.....	6
1.5.2 Specific objectives.....	6
1.6 Significance of the study.....	6
1.7 Scope of the Study.....	6
1.8 Limitation of the study.....	7
1.9 Definitions of Terms.....	7
1.10 Organization of the paper.....	8
CHAPTER Two.....	9
2. Literature Review.....	9
2.1 Theoretical review.....	9
2.1.1 BALANCED SCORECARD: AN INTRODUCTION.....	9
2.1.2 Defining Balanced Scorecard.....	10
2.1.3 The Four Perspectives of Balanced Scorecard.....	11
2.2 Evolution of Balance Scorecard.....	13

2.2.1 Concept of Balance Scorecard.....	15
2.2.2 Features of a good balance scorecard.....	19
2.2.3 Key elements of balance scorecard success.....	19
2.2.4 Benefits of balance scorecard success.....	22
2.3 Empirical Review.....	23
2.3.5 Performance appraisal process.....	24
2.4 Overview of Ethio telecom BSC governance.....	25
2.4.1 Objective of BSC in Ethio telecom.....	25
2.4.2 Performance measurement.....	26
2.4.3 Individual performance evaluation.....	26
2.4.4 Role of Employees.....	27
CHAPTER Three.....	28
3. Research Methodology.....	28
3.1 Description of the study area.....	28
3.2 Research approach.....	28
3.3 Research Design.....	29
3.4 Sample and Sampling Techniques.....	29
3.5 Data gathering tools.....	30
3.5.1. Primary Data.....	30
3.5.1.1 Questionnaire.....	30
3.5.1.2 Interview.....	30
3.5.2 Secondary Data.....	31
3.6 Data collection procedures.....	31
3.7 Ethical consideration.....	31
3.8 Data Analysis.....	32
3.9 Reliability Test.....	32
CHAPTER Four.....	33
4 Data Analysis and Discussion.....	33
4.1 Presentation of Respondents Background.....	33
4.2 Presentation of level of agreement regarding BSC implementation.....	34
4.2.1. Concepts of BSC.....	36
4.2.2 Top management support.....	37
4.2.3. Balanced scorecard education and training.....	40
4.2.4 Resource availability.....	42
4.2.5. Performance measurement.....	43

4.2.6 Performance evaluation.....	47
Chapter Five.....	50
5 Summary, Conclusion and Recommendation.....	50
5.1 Summary.....	50
5.2. Recommendation.....	53
5.3 Limitation and a further area of study.....	54
References.....	55
APPENDICES.....	58
Appendix A.....	58
Appendix B.....	66

List of Acronyms

BSC- Balanced Score Card

ERP- Enterprise Resource Planning

HR- Human Resource

KPIs- Key Performance Indicators

SWOT – Strength Weakness Opportunity and threats

TQM – Total Quality Management

List of tables

Table 1.1 Target and percentage achievement of BSC.....	5
Table 2.1 A comparison of FCS and BSC.....	22
Table 2.2 Performance Execution Levels.....	26
Table 3.1 Reliability Statistics.....	32
Table 3.1 Respondent's background.....	33
Table 4.2 Concepts of balanced score card (BSC).....	36
Table 4.3 Top management support.....	38
Table 4.4 Balanced scorecard education and training.....	40
Table 4.5 Resource availability.....	42
Table 4.6 Performance measurement.....	44
Table 4.7 Performance monitor.....	46
Table 4.8 Performance evaluation.....	48

Abstract

The main purpose of this research is to examine the challenges of BSC implementing in performance appraisal on Enterprise Division in ethio-telecom. The data were collected using a questionnaire and semi-structured interview question from a sample population in Enterprise Division. From the total of 170 target population, this research selected 119 samples and collected data after that analyzed by using SPSS version 20 for the close-ended question. Then the data presented using descriptive statistics with the help of frequency, tables, and percentage to provide information. Mean and Standard Deviation through a measure of central tendency was also used to analyze data. The data that were collected by semi-structured interview questions and open-ended questions, interpreted manually. The result shows that the major challenges of BSC implementation in performance appraisal were, even if the staff discussed performance appraisal with their supervisors most of the time their idea is not acceptable. This leads to a disagreement between the staff and the supervisors. Most of the staffs are not satisfied by BSC implementation and the respondents state different reasons for this like BSC most of the time focused on countable factors, does not consider the weakness of the company rather focus only employees side, when the plan given it is not equally distributed between divisions this creates bias and the parameter (criteria) does not consider the working environment. The availability of enough resource take the highest share to achieve any target but the finding clearly indicated that there is no enough resource available to achieve the target. Performance progress is not monitored continuously before formal evaluation made this leads not to know the performance continuously. Therefore, future researchers may conduct for further related research work that covers a wider scope and larger sample size appears to be significant.

Chapter One Introduction

This chapter aims to identify the research problem, questions to answer and objectives for carrying out the study. The chapter begins with introductory background information about performance evaluation tools and Balanced Score Card, the statement of the problem will follow, and research questions and objectives will continue respectively. Operational definitions, Significance of the study, Delimitation, and structure of the report will end the chapter.

1.1 Background of the Study

In a globalized world, companies deploy different performance evaluation tools to improve the performance of the staff and to make them more competent. Performance evaluation benefits both the company as well as the staff because based on the performance evaluation once companies can make many corrective measures if there is a gap or if the performance is good the company can prepare an action plan to keep its wonderful performance.

From different performance evaluation tools, BSC is one of them and mostly used. Balanced Score Card /BSC/ is a methodology used for deploying strategic direction, communicating expectations, and measure progress towards agreed objectives. According to Murby and Gould (2005), the balanced scorecard is a conceptual framework for translating an organization's strategic objectives into a set of performance indicators distributed among four perspectives: Financial, Customer, Internal Business Processes, and Learning and Growth. Some indicators are maintained to measure an organization's progress toward achieving its vision; other indicators are maintained to measure the long term drivers of success. Through the balanced scorecard, an organization monitors both its current performance (finance, customer satisfaction, and business process results) and its efforts to improve processes, motivate and educate employees, and enhance information systems its ability to learn and improve.

This is also cited by Liu (2014) that a balanced scorecard developed by Kaplan and Norton comprises should have four perspectives, namely finance, customer relations, internal business process and lastly, learning and growth. It reflects a balance between short- and long-term objectives, financial and non-financial measures, lagging and leading indicators, and external and

internal measures. It emphasizes linking and aligning multiple measures to strategic objectives and conceptualizing the strategic alignment between business goals and specific tactics.

BSC first introduced by David Norton and Robert S. Kaplan in 1992 they believe that if companies were to improve the management of their intangible assets, they had to integrate the measurement of intangible assets into their management system. Ethio telecom has been under major transformational activities to become a world-class telecom operator. In order to achieve these ambitions, different methodology tools are being implemented throughout the company for better efficiency and effectiveness. To enhance its planning, performance measurement, and communication, it is now implementing a balanced scored card tool. For successful implementation of BSC in the company, policies, processes and procedures shall be aligned with the BSC governance document. Accordingly, respective divisions shall take their responsibility to ensure the alignment of policies, processes, and procedures. In order to implement BSC successfully, there should be a close follow up and monitoring mechanism on the planning & implementation phases. (Ethio telecom BSC Governance document 2016).

As the history of BSC shows other developed countries using BSC starting from 1992 which is more than 20 years back. But when we come to our country it started in 2011/2012 which is a recent phenomenon when compared with other countries. In the case of Ethio telecom BSC implemented in May 2015 which means less than four years. Literature related to the topic is more done on developed countries. But as Soderberg (2005) and other authors working on the topic mentioned on limitation part their conclusion and finding are limited to the specific country especially for Developed country and for a specific industry. For developing countries like Ethiopia BSC is relatively new and many studies have not been done on the topic. In addition, concerning performance appraisal in Ethio telecom is not yet done.

Therefore, this researcher developed a questionnaires and interview questions that used to assess the implementation of BSC and its challenges in performance appraisal in Ethio telecom case of enterprise division with important recommendations that supports and improves the organization.

1.2 Background of the Company

The introduction of telecommunication in Ethiopia dates back to 1894. Ethiopian Telecommunications Corporation is the oldest public telecommunications operator in Africa. In those years, the technological scheme contributed to the integration of the Ethiopian society when the extensive open wire line system was laid out linking the capital with all the important administrative cities of the country (Worku Bogale, 2005).

After the end of the war against Italy, during which the telecommunication network was destroyed, Ethiopia re-organized the Telephone, Telegraph, and Postal services in 1941. In 1952 the Imperial Board of Telecommunications (IBTE) was established by proclamation No. 131/52 in 1952. The Board had full financial and administrative autonomy and was in charge of the provision and expansion of telecommunications services in Ethiopia.

The Imperial Board of Telecommunications of Ethiopia, which became the Ethiopian Telecommunications Authority in 1981, was placed in charge of both the operation and regulation of telecommunication services in the wake of the market reforms (Worku Bogale, 2005).

In 1996, the Government established a separate regulatory body, the Ethiopian Telecommunication Agency (ETA) by Proclamation 49/1996, and during the same year, by regulation 10/1996, the Council of Ministers set up the Ethiopian Telecommunications Corporation (ETC). Under the supervision of the ETA, the principal duty of ETC is maintaining and expanding telecommunication services in the country and providing domestic and international telephone, telex, and others communicate on services. In this respect, currently, ETC is the only operator of any telecommunication related service (Worku Bogale, 2005).

In 2010 the company restructures itself and become ethio telecom. France Telecom took the management for two years and the contract was closed in 2012. According to the current structure of the company, there are twelve divisions that are responsible for different major tasks of the company.

Enterprise division is among those twelve divisions and is responsible for handling sales activities to customers which fall under SOHO (Small Office Home Office)/ SME (Small and Medium Enterprise) and key account customer category.

1.3 Statement of the Problem

Balanced Score Card is a communication tool that helps each employee better understand where the strategy drives the organization, what the plan is for reaching that destination and what their departmental and individual measured contribution is to that convergent effort. According to de Waal (2007), lack of management skills and expertise often makes it not viable for developing countries to develop complex structures such as sophisticated performance management systems. They, therefore, concentrate more on introducing and copying tools and systems from the Western world which are not always the best suited to local circumstances. This raises the question of whether Western techniques like performance management are suitable for developing countries. There is no question that in theory, adopting management practices that have proven to be effective is a better alternative for an organization than investing limited and scarce resources in efforts that do not amount to much more than 'reinventing the wheel'. Statistically, in developing countries like Ethiopia, poor management practices, bureaucratic inefficiencies, and low productivity levels in many organizations create considerable pressure for managers to adopt speedy, ready-to-implement strategies.

In line with the above-mentioned points of performance evaluation, the Ethio telecom enterprise division has faced many problems after the implementation of BSC. First, the plan is not achievable as checked on continuous performance evaluation reports; staff who are working in this department as well the overall performance of the department is always below the target. In addition to this, there is a mismatch between the plan and available resources in the company towards the achievement of the plan. Other than support activities, staff in the division promote new and existing products to customers were little evaluation magnitude is given. In support of the above idea table below shows that the actual, target and percentage achievement of BSC in the enterprise division is presented by referring to the annual reports of 2016 & 2017.

Table 4.1 Target and percentage achievement of BSC

Product	Target	Actual	% achieved
FIXED VOICE	48964.9	23421	47.83%
PSTN	37250.5	15333	41.16%
WLL CDMA	11714.5	8088	69.04%
LTE/4G	2717.57	1650	60.72%
GSM	7771.04	3273	42.12%
WCDMA\3G	31975.3	9744	30.47%
BB D&I	66,835	20,906	31.28%
3G Dongle	27646.1	10295	37.24%

Source: From company document (Annual reports of 2016 & 2017)

Specifically, in Ethio telecom above mentioned points of performance evaluation after implementing this evaluation tools especially in enterprise division the researcher has observation of some problems from preliminary investigation information gathered informally shows the plan is not achievable as checked on continuous performance evaluation reports; staffs who are working in this department as well the overall performance of the department is always below the target. This can be one cause for staff rotation and employ dissatisfaction in the company especially in enterprise division. If it is not managed well it can be dangerous for the company both in customer satisfaction and meting its target. Therefor based on the preliminary observations and by referring the annual reports of 2016 & 2017 on weakness observed the researcher have identified deeply the cause and factors affecting the performance and implementation of BSC in Ethio telecom especially in enterprise division and put recommend solutions based on the identified gaps.

1.4 Basic research question

Specifically, the researcher conducted this research and developed the following research questions after collecting the information from stakeholders and analysing the data. These questions are:

- What are the basic obstacle to implement BSC at Ethio telecom?
- what are the limitations of the current evaluation system at the enterprise division?

- What is the attitude of employees in BSC implementation?

1.5 Study Objective

1.5.1 General objective

The major objective of this study is to assess the implementation of BSC and its challenges in performance appraisal in Ethio telecom case of enterprise division.

1.5.2 Specific objectives

Specific objectives of this study are

- To assess any barrier that affect employees not to meet the BSC evaluation parameters,
- To examine if there any limitation on BSC evaluation system in enterprise division and
- To investigate the attitude of the employees on the BSC implementation system.

1.6 Significance of the study

The findings of this study will create awareness for both the employer and the employees to know the evaluation system and its practice in the company, the study findings will also be relevant input to the management of ethio telecom in identifying the strength or weakness of BSC, it will be as an input to other researchers for further investigation and Other companies who implemented this system or those companies who have a plan to implement this can get benefit from this paper.

1.7 Scope of the Study

In this study, from different divisions this paper only focused on enterprise division reason behind this is that 85% income of the company is generated from this division in addition, compared with other division the target given for this division is always not achievable even the company performance highly impacted by this division. Geographically, the study will also be limited to enterprise staffs located in the capital city, Addis Ababa.

1.8 Limitation of the study

The study will be limited to assess the implementation of BSC and its challenges in performance appraisal in Ethio telecom case of enterprise division, this study cannot be generalized to all other individuals as the respondents are confined to Enterprise division only. Therefore, the results cannot be generalized to individuals working in other divisions. As such, there is still room for further investigation to include individuals working in other sectors or divisions that may add further support to the findings.

1.9 Definitions of Terms

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

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

Performance Appraisal - According to Yong (1996) defines performance appraisal as “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position”.

1.10 Organization of the paper

The introduction part of the study will be discussed in chapter one, Background information, problem statement, research questions, the objective of the study, operational definitions, significance and delimitation of the study will be discussed in this chapter.

Chapter two contains different kinds of literature both on the area which discusses various theories and concepts on BSC Implementation and related empirical reviews. The third chapter will discuss the methodology of the research. The research design and research methods will be explained in this chapter starting from how the data collection instrument is prepared to how the collected data is analyzed.

The following chapter, chapter four, will discuss the empirical findings and analysis of the study with interpretations. And the last chapter, chapter five, will present a conclusion based on the analysis result and recommendations provided by the researcher.

CHAPTER TWO

2. Literature Review

In this chapter literature related to the balanced scorecard is reviewed in order to see what previous studies are done concerning the topic to support this study.

2.1 Theoretical review

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways (management study guide).

2.1.1 BALANCED SCORECARD: AN INTRODUCTION

Financial as well as non-financial metrics, Robert Kaplan and David Norton (1992a) in their first article "The Balanced Scorecard Measures That Drive Performance", devised a framework called 'Balanced Scorecard'. They realized that although traditional financial performance measures worked well for the industrial era, but were proving to be insufficient in measuring the abilities and competencies essential for survival in changing the economic environment. The Balanced Scorecard (1992a, 1993, 1996a, 1996b, 1996c, 2000, 2001a) identifies the influence of non-financial factors upon strategic success and present advantages over historical performance measures. It is a set of measures that offers top managers a fast but comprehensive view of the business. Traditional performance indicators tend to measure financial and accounting aspects, impacting long-term productivity and profits, whereas, Balanced Scorecard provides the measures of synthetic indicators which companies should focus on, such as customer reactions, profits, quality and flexible production selection (Martin, 1997). Woods and Grubnic (2008) highlight the potential of Balanced Scorecard to bridge the gap between vague mission statements and day-to-day operations. It serves companies to integrate strategy, organization framework and vision into management systems. Translate the long-term strategy and innovation of customer value into operational activities. It also balances the competitiveness and short-term

fortunes of stockholders through the blending of traditional and modern indicators (Talbot, 1999).

2.1.2 Defining Balanced Scorecard

The Balanced Scorecard was originally a one-year multi-company study (Kaplan & Norton, 1992a). The study concluded that in an increasingly complex business environment, dependence on only financial measures was no longer adequate for managing organizations, especially where intellectual capital and knowledge-based assets were critical for success. Kaplan and Norton (1996c) defined Balanced Scorecard as a framework that helps organizations translate strategy into operational objectives that drive both behavior and performance. The Balanced Scorecard strategic management system is comprised of "a framework, core principles and processes that translate an organization's mission and strategy into a comprehensive set of performance measures strategically aligned with initiatives" (Inamdar et al., 2002, p. 21). The measures and objectives are viewed across four dimensions of performance: financial, customer, internal business process and learning and growth. Every perspective has its respective objectives for three to five years that are communicated throughout the organization and presented on a strategy map (Kaplan & Norton, 1996c). The word balanced in the term 'Balanced Scorecard' is indicative of the balanced consideration given to long and short-term objectives, financial and non-financial measures, leading and lagging indicators and external and internal performance perspectives (Kaplan & Norton, 1996b, 1996c; Hendricks et al., 2004). Rimar and Garstka (1999) highlighted the need to articulate the organization's strategy. Even a clearly stated vision and strategy can be interpreted differently by individual members in an organization. Developing a Balanced Scorecard clarifies the significance of the strategy and translates it into terms that are considered meaningful by the people involved. It focuses on fundamentally changing the way an organization is strategically led and not with keeping organizational score. Kanji and Moura (2001) concluded, "The Balanced Scorecard is more than a performance measurement system. It is commonly adopted as a strategic management system to describe the organization's vision of the future and create shared understanding; clarify and update corporate strategy; communicate strategic objectives throughout the organization; align customer need and business objectives; work as a holistic model of strategy allowing all employees to see how they contribute to

organizational success; link strategic objectives to targets and budgets; build a reward system that is geared to achieving targets; and obtain feedback on the effectiveness of the strategic view"(p. 898).

2.1.3 The Four Perspectives of Balanced Scorecard

The Balanced Scorecard allows the manager to look at the business from four important perspectives.

2.1.3.1 Financial Perspective: How do we look to shareholders?

The Balanced Scorecard retains the financial perspective since financial measures are valuable in summarizing the measurable economic consequences of actions already taken (Kaplan & Norton, 1996c). Financial performance measures indicate whether the company's strategy, implementation, and execution contribute to bottom-line improvement (Kaplan & Norton, 1992a). Typical financial goals relate to profitability measured by operating income, return on capital employed or economic value added (Kaplan & Norton, 1996c). Kaplan and Norton (1992a) identified three stages of a business's life cycle: growth, sustain and harvest. During growth, businesses are at the early stage of their life cycle. They possess products or services with significant growth potential. In order to capitalize on this potential, organizations have to employ resources to develop and improve new products and services: construct and expand production facilities, build operating capabilities, invest in systems, infrastructure, and distribution networks, and foster and develop customer relationships. Organizations at the sustain stage attract investment and reinvestment but are required to receive fine returns on invested capital. These businesses are likely to maintain their existing market share and grow the business. When business units reach a mature phase of their life cycle, the organization harvests the investments made in the previous two stages. These businesses no longer need significant investment but only adequate to maintain existing equipment's and capabilities. (Kaplan & Norton, 1996c).

2.1.3.2 Customer Perspective: How do customers see us?

Many organizations have a corporate mission that focuses on customers. Therefore, a company's performance from its customers' perspective has become a priority for top management (Kaplan &

Norton, 1992a). "Clearly, if business units are to achieve long-run superior financial performance, they must create and deliver products and services that are valued by customers" (Kaplan & Norton, 1996c, p. 63). The customer perspective enables organizations to align their core customer outcome measures: market share, customer retention, customer acquisition, customer satisfaction, customer profitability, to targeted customers and market fragments. It also helps them to recognize and measure, explicitly, the value propositions they distribute to targeted customers and market segments. The value propositions represent the drivers and the lead indicators for the core customer outcome measures (Kaplan & Norton, 1996c).

2.1.3.3 Internal Business Process Perspective: What must we excel at?

Kaplan and Norton (1996c) recommend that managers should define a comprehensive internal-process value chain beginning with the innovation process (identifying existing and future customer needs and developing new solutions to meet those needs), continues through the operations process (delivering existing products and services to existing customers) and ends with after-sale service (offering services after the sale that add to the value customers receive from a company's product and service offerings). The process of deriving objectives and measures for the internal business process perspective represents one of the major distinctions between the Balanced Scorecard and traditional performance measurement systems. Traditional performance measurement systems focus on controlling and improving existing responsibility centers and departments (Kaplan. 1984; Howell et al., 1987; Johnson & Kaplan, 1987; Kaplan, 1990). Most organizations nowadays supplement financial measurements with measures of quality, yield and cycle time (Naimi et al., 1988; Cross & Lynch, 1989; Lessner.1989; Nannietal., 1990).

2.1.3.4 Learning and Growth Perspective: Can we continue to improve and create value?

Kaplan and Norton (1992a) advocated that organizations are required to introduce continual improvements to their existing products and processes and gain the ability to set up an entirely new product with expanded capabilities. The focus was laid on investing for the future such as new equipment's and product research and development (Kaplan & Norton, 1996a). They asserted that through the ability to launch new products, generate more value

for customers and enhance operating efficiencies continually, organizations can enter new markets and increase revenues (Kaplan & Norton, 1992a).

Argyris and Schon (1978) have defined organizational learning as "experience-based improvement in organizational task performance" (p. 323). It is developed from three principal sources namely people, systems and organizational procedures. The financial, customer and internal business process objectives on the Balanced Scorecard reveal large gaps between the existing capabilities of people, systems and procedures and the required competence to realize breakthrough performance. To close these gaps, organizations need to invest in re-skilling employees, enhancing information technology and systems aligning organizational procedures and routines. These objectives are articulated in the learning and growth perspective of the Balanced Scorecard (Kaplan & Norton, 1996c).

2.2 Evolution of Balance Scorecard

A Balanced Scorecard is an approach to measurement. The evolution of the Balanced Scorecard idea began with the injunction that managers ought to measure more than financial results and proposed a matrix with four types of measures: financial, internal (process), innovation and learning, and customer. Initial work focused on how managers might identify the best measures in each of the four areas and how they might communicate them with subordinates.

Throughout the history of contemporary management theories starting from the ones that were introduced by the intrusion of the mass production in the operational efficiency have brought up several new management theories. (Debuske & Crabtree, 2006)

In the dawn of the century, Frederick W. Taylor (1911) established the very concepts of resource allocation in his Principles of Scientific Management. In the 1920's it went around assembly line and motion studies as the first experience from systematic mass production had given theorists quite a lot of materials to be analyzed from the point of view of using traditional blue-collar employees more efficiently. (Taylor, Frank, Gilbrecht and Ford, 1920). In the 1930s, the main topic was the motivation of employees, as it turned out that human nature does not enable them to work long hours on a repetitive task without frustration level getting so high enough to diminish productivity. In the 1940-and 1950s, the first statistical and linear methods were introduced in trying to measure logistics of the operations management and its implications to

overall company success in the financial-analysis side. At the beginning of the 1980s, partly because of the introduction of electronic data processing equipment and the quick development of computers, the whole array of management techniques was initiated. The particular reasons for the vast development of the new theories were catalyzed mainly by ever-growing competition generated through the more systematic use of computers, and of course also by the rapid growth of the importance of human capital.

Today's companies are in the midst of a revolutionary transformation. Industrial age competition is shifting to information age competition. During the industrial age, roughly from 1850 to about 1975, companies succeeded by how well they could capture the benefits from economies of scale and scope. (Chandler, 1990) Technology mattered, but, ultimately, success accrued to companies that could embed the new technology into physical assets that offered efficient, mass production of standard products. During the industrial age, the financial control systems were developed in major companies to facilitate and monitor efficient allocations of financial and physical capital. (Chandler, 1977). A summary financial measure such as return-on-capital-employed (ROCE) could both direct a company's internal capital to its most productive use and monitor the efficiency by which operating divisions used financial and physical capital to create value for shareholders.

Prior to the 1980s many academics and consultants became concerned that too much emphasis was being put on financial and accounting measures of performance. Management accounting systems had been perfected to produce detailed cost breakdowns and extensive variance reports. It was realized that these systems were not useful for managing a business under the circumstances resulted out of the emergence of the global competitive environment during the 1980s.

Product quality, delivery schedules, reliability, after-sales service, customer satisfaction became key competitive variables. But none of these were measured by the traditional performance measurement systems.

During the 1980s much greater emphasis was given to incorporating non-financial performance measures as mentioned above, into the management reporting system as they provided feedback on variables that are required to compete successfully in a global economic environment. But a

proliferation of performance measures emerged and has resulted in confusion when some of the measured conflicted with each other.

The need to link financial and non-financial measures of performance and identifying key performance measures led to the emergence of "Balanced Score Card" approach developed by Norton and Kaplan (1992) in the U.S. The Balanced scorecard is defined as "an approach to the provision of information to management to assist strategic policy formulation and achievement. It emphasized the need to provide the user with a set of information, which addresses all relevant areas of performance in an objective and unbiased fashion".

2.2.1 Concept of Balance Scorecard

The balanced scorecard methodology, an outgrowth of prior measurement and management methodologies like total quality management (TQM), has existed for decades, but it was formalized in the early 1990s by Robert Kaplan and David Norton. (Kaplan, 1998) Kaplan and Norton (1996) not only gave it a formal name but also put structure around the way organizations can measure how well they are functioning and how to predict future performance. Basically, it's a way to map and translate complex business information into something that's understandable to everyone. The methodology starts with targets defined by the organization, followed by scorecard measures. These usually include both corporate targets and business unit targets, which are then honed into individual measures and targets. It's a very flexible approach, designed to be adapted to any organization's needs. And virtually anything can be measured.

Robert S. Kaplan and David P. Norton (1992) introduced the balanced scorecard to the private sector as a methodology for measuring an organization's performance beyond profit margins and dividend yields.

They realized that executives rely on more than financial indicators when making decisions, and they concluded that a wider range of performance measures was needed to capture the financial and operational performance of an organization. They also observed that performance measurement systems often are designed to measure specific employee tasks with workload indicators, which can create an environment of behavior control rather than creative thinking. The balanced scorecard, which measures four dimensions of an organization financial, internal

business, innovation and learning, and customer, is designed to promote a culture that emphasizes strategy development for maximizing the efficiency and the effectiveness of service delivery. Although originally designed for the private sector, the balanced scorecard soon found its way into local government. By 1998 at least twenty-three municipal governments had adopted the balanced scorecard because performance in the public sector always has been a multidimensional concept (Kathy and Kidwell, 2000).

However, organizational barriers to this management tool have tended to make it an option only for large local governments. These barriers include inadequate management sponsorship, organizational resistance to change, lack of employee skills, and difficulty in measuring service effectiveness (Ittner, 1998).

In 1996, when Charlotte became the first municipality in the United States to adopt the balanced scorecard, city officials realized that they had to modify the management tool in order to make it fit the public sector (Niven, 2003).

An overall modification was to align the balanced scorecard with the city's vision and strategic themes, ensuring that objectives and measures selected for each of the four dimensions would provide feedback on the overall direction of the organization. The city also had to modify the four dimensions of the balanced scorecard. (Charlotte, 2007)

To address the customer dimension, the private sector can rely primarily on proxy measures that are calculated from sales data. Although proxy or administrative measures often are used in the public sector, some local governments use citizen surveys to assess service quality directly (Kelly, 2005).

Charlotte (2007) changed this dimension to "Serve the customer," reflecting the city government's proactive organizational culture. It identified a blend of administrative and customer-satisfaction indicators to measure six objectives in this dimension: "Reduce crime," "Increase the perception of public safety," "Strengthen neighborhoods," "Provide transportation choices," "Safeguard the environment," and "Promote economic opportunity." An example of an administrative indicator is the average on-time performance for the transit system, which supports the objective of providing transportation choices. An example of a customer-satisfaction indicator is the percentage of citizens who report feeling safe in neighborhoods, which supports

the objective of increasing the perception of public safety. The internal business dimension did not require major modification. Kaplan and Norton (1996) envisioned that organizations would turn to their performance measurement systems to select or develop measures for this dimension, which focuses on the efficiency and the effectiveness of processes and procedures. Charlotte merely renamed this dimension "Run the business." It relies primarily on effective measures to support three objectives: "Develop collaborative solutions," "Enhance customer service," and "Improve technology efficiencies." For example, the measure of the percentage of 911 calls answered within thirty seconds was selected as part of the objective of enhancing customer service.

Kaplan and Norton (1996) proposed measures like sales growth, operating income, and market share for measuring the financial dimension of the organization. Because organizations in the public sector are not profit-driven, Charlotte broadened this perspective to "Manage resources" and identified four objectives: "Maintain its AAA bond rating," "Deliver competitive services," "Expand its tax base and revenues," and "Invest in infrastructure." It then selected performance measures to track progress toward achieving each objective. For example, the city's street-resurfacing cycle as calculated by annual funding is used to measure the objective of investing in infrastructure.

Finally, Charlotte (2007) needed to make substantial modifications in the innovation and-learning dimension. Kaplan and Norton designed this dimension primarily to capture product development.

The public sector is more involved in providing labor-intensive services than privatization in developing products, and this requires a different philosophical approach to measuring innovation and learning. Charlotte renamed the dimension "Develop employees" and selected three objectives "Achieve a positive employee climate," "Recruit and retain a skilled, diverse workforce," and "Promote learning and growth." A key performance measure for tracking recruitment and retention is the rate of voluntary turnover. Charlotte's (2007) successful experience with modifying, adapting, and implementing the balanced scorecard suggests that certain management tools designed for the private sector can be used in the public sector. But as with any management tool, local governments must be prepared to make further modifications to the balanced scorecard during the adoption process in order to align it with their individual

needs. Also, local governments with experience in performance measurement are better candidates for the balanced scorecard, because they are more experienced at responding to the complexity of tracking performance within four dimensions that are not mutually exclusive. In other words, understanding what the different types of measures are, what service aspects they capture, and how they can be used to make decisions helps officials place the measures in the appropriate dimension. Organizations need a champion of the balanced scorecard to enhance the likelihood of success. The city manager of Charlotte embraced that role, believing that the management tool would aid in meeting the city's needs for better performance and greater accountability.

However, Charlotte (2007) did not adopt the new management tool simply as another way to measure and report performance. It embraced the tool within the larger framework of new public management, which was partially being driven by the reinventing government movement of the early 1990s. The mayor and the council strongly supported this change in organizational philosophy, which included cost reduction, innovation, and reduction of hierarchy.

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Robert Kaplan (1996) and David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. While the phrase balanced scorecard was coined in the early 1990s, the roots of this type of approach are deep, and include the pioneering work of General Electric on performance measurement reporting in the 1950s and the work of French process engineers (who created the Tableau de Bord - literally, a "dashboard" of performance measures) in the early part of the 20th century. (Itami, 1996).

The Balanced Scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. The "new" balanced scorecard transforms an organization's strategic plan from an attractive but passive document into the "marching orders" for the organization on a daily basis. It provides a framework that not only

provides performance measurements but helps planners identify what should be done and measured. It enables executives to truly execute their strategies. (Viswesvaran & Schmidt, 1996)

This new approach to strategic management was first detailed in a series of articles and books by Drs. Kaplan and Norton. Recognizing some of the weaknesses and vagueness of previous management approaches, the balanced scorecard approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective. The balanced scorecard is a management system (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise. (Otiey, 1999)

"The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation." (Kaplan and Norton, 1996).

2.2.2 Features of a good balance scorecard

A Good Balance Scorecard possesses the following essential feature: It tells the story of a company's strategy, articulating a sequence of cause and effect relationships. It helps to communicate the strategy to all members of the organization by translating the strategy into a coherent and linked set of understandable and measurable operation targets. A balanced scorecard emphasizes non-financial measures as a part of a program to achieve future financial performance. The balanced scorecard limits the number of measures identifying only the most critical areas. The purpose is to focus management's attention on measures that most affect the implementation of strategy and the balanced scorecard highlights less than optimal tradeoffs that managers may make when they fail to consider operational and financial measures together.

2.2.3 Key elements of balance scorecard success

Balanced Scorecard initiatives have a mixed track record. However, when we study organizations that have had success, we notice several recurring themes. These provide six lessons for success for all balanced scorecard practitioners. Understand that the balanced scorecard is part of a bigger process that starts with strategy. The balanced scorecard framework forms one (key) component in an integrated business performance management process that revolves around business strategy. This process is really a system where the balanced scorecard plays a critical role in translating business strategy into measurable action. With this in mind, successful BSC organizations define a solid business strategy prior to BSC development. While this may appear obvious to BSC practitioners, many "war stories" exist about organizations that threw themselves into a measurement initiative without spending time on strategy first. Generally, the result of these initiatives is sub-optimization with results that may or may not support business strategy achievement. When cascaded from strategy, the BSC framework provides an important connection between strategic business performance and individual employee performance. In addition, the BSC helps close the feedback loop in the business-performance management system by providing a means for the business to: monitor and actively manage progress towards the achievement of business strategy, further explore and understand the cause and effect relationships within the business, and manage/change business strategy dynamically based on internal insights or shifts in the external operating environment. (Kaplan, and Norton, 1995)

Visible and genuine senior leadership involvement is critical to the success of any BSC initiative. That is, you must secure hands-on executive participation in balanced scorecard development, implementation, and management. Commitment at the top is so important that successful BSC organizations treat it as a "show stopper"- focusing on resolving support issues before moving forward. The issue of gaining leadership support is the most frequent concern faced by new balanced scorecard practitioners. Most BSC journeys don't begin with executive support from the start - very frequently, the push for a balanced scorecard initiative begins at a grassroots level. The key to "selling" the BSC to executives is to take an individualized approach. That is, first look for the burning platform or key business improvement opportunity that could be addressed by the successful application of a business performance management approach like the balanced

scorecard. Then, complete your BSC research (note: there is information out there that can help support your situation!) and build a balanced scorecard business case that clearly demonstrates the benefits required to solve your organization's critical business issue. Keep at it until the executives in your organization get the message. (Hides, Irani, Polychronakis and Shar, 2000).

A balanced scorecard vision or philosophy is simply a clear statement that describes what your BSC will look like, how it will operate, how it will be built, and how the organization will use it. When created early in the balanced scorecard development process, your BSC vision provides a valuable touchstone going forward providing focus and facilitating quick consensus when critical balanced scorecard decisions are required. (Hendricks, Menor, and Wiedman, 2004)

Maximize balanced scorecard utilization by fully deploying it at all levels of the organization. Successful BSC organizations make their balanced scorecard widely available so that everyone can "make strategy their job." Fully deploying a balanced scorecard across an organization helps develop strategic awareness amongst employees. This is important because successful strategy implementation requires the active contribution of every employee as they make decisions in their day to day work - decisions that can either contribute to or take away from the business strategy. Many business leaders voice concerns about sharing their business strategy so broadly across the organization. Worries include the disclosure of critical strategic information to competitors. While these are valid concerns, successful BSC organizations know that the benefits of a broad deployment philosophy and in building employee satisfaction and loyalty levels far outweigh the risk of serious information leaks. (Pandey, 2005)

To support BSC implementation and its ongoing use, successful BSC organizations view communication and education on their business strategy and the balanced scorecard as an important internal marketing campaign. As a result, few of these organizations use only a single mode of communication to do the job. In fact, they use almost every type of communication method available, from general communication modes (e.g. large group meetings and mass distribution e-mails) to those that are very personalized with customized messages (e.g. face to face discussions) to ensure communication success. (Pineno, 2007)

Successful BSC organizations deepen alignment by mirroring their balanced scorecard framework and categories in as many business activities as possible: reward and recognition

programs, individual goal plan formats, incentive compensation plan formats, strategic plan categories and format, and almost anything else they can think of! They maximize alignment with the balanced scorecard until it becomes so integral to the business that it is automatic and embedded in everyday work. (Hendricks, Menor and Wiedman, 2004),

2.2.4 Benefits of balance scorecard success

The discussion of whether a company should use a Balanced Scorecard or a more traditional financial control system will probably continue for a long time. All systems have their benefits and disadvantages, and for the Balanced Scorecard, Ross (1999) has tried to summarize some of the scorecard's characteristics compared to financial control systems.

Table 2.1 A comparison of FCS and BSC

	Financial	BSC
Reliability	High	Medium
Ease of use	High	Low
Comprehensivetiess	Low	High
Time and effort required to develop	Low	High
Comparability	Medium	Low

Source: Roos, 1999

Major benefits include increased structure and shared objectives; these often lead to greater financial return. It allows organizations to become more functional and enabled. For specific programs, a balanced scorecard can raise the profile of key projects, which can help with funding and internal support. It's also possible to use the strategic map that a balanced scorecard approach creates to help guide programs toward success. In addition to measuring the performance of an organization, business units or departments within an organization can also use a balanced scorecard framework to link strategy to key operating activities and performance. (Keeping & Levy, 2000).

It's particularly useful for developing performance measures for departments that have a unique mission and strategic objectives like an internal audit. (Libby, Salterio & Webb, 2004).

Communicating strategic messages. The Balanced Scorecard clarifies organizational goals, that is, what the organization as a whole is expected to accomplish, and measures the degree of success in attaining these goals (Bergendahl & Dagas, 1997; Olve, 1997).

Long-term planning and control is a desirable element for most companies, and it is provided for in the Balanced Scorecard since the scorecard enables long-term planning by establishing several future-oriented, progressive key measures (Bergendahl & Dagas, 1997; Olve, 1997; Sundin, 1998).

2.3 Empirical Review

Researchers have pointed out that the BSC is a management concept that may increase organizational performance by supporting the implementation of an organization's strategy (De Geuser, Mooraj, & Oyon, 2009). Yet, it has proved difficult to document a strong relationship between BSC use and performance (Braam & Nijssen, 2004; Davis & Albright, 2004; De Geuser et al., 2009). To a large extent, the jury is still out on whether BSC increases performance. There are many variables mediating and moderating the relationship between BSC use and performance. It is believable that the effects of BSC use are related to how the concept is interpreted, understood, and in turn implemented (cf. Braam & Nijssen, 2004). For example, an organization that interprets and implements the BSC as a performance measurement system is likely to experience different effects than an organization that interprets and implements it as a strategic management system (Braam & Nijssen, 2004). Therefore, there is a reason to believe that there is a close relationship between how the BSC is implemented and the associated performance effects (Braam & Nijssen, 2004; Davis & Albright, 2004). Use of the BSC which balances and supports the organization's strategy can improve its competitive position and performance, while BSC use which does not have a good fit with the organization's strategy may have an opposite effect and may reduce performance (Braam & Nijssen, 2004; Davis & Albright, 2004; De Geuser et al., 2009). Lucianetti (2010) finds that the use of strategy maps gives organizations increased performance. Organizations that have a full process related to the

development of strategy maps will typically have a better fit between the BSC and their strategy. One example of BSC use which may lead to decreased performance is the use of a large number of unrelated performance indicators (Madsen & Steinheim, 2014c).

2.3.5 Performance appraisal process

Bull (2007) identified three dimensions, upon which the performance could be measured: efficiency, effectiveness, and efficacy. The choice of the relevant measurement dimensions is dependent on the strategy is chosen. According to Decenzo & Robbins (2005), performance appraisal has six stages which begin with the establishment of performance standards in accordance with the organization's strategic goals. These should evolve out of the company's strategic direction-and, more specifically, the job analysis and the job description. These performance standards also are clear and objective enough to be understood and measured. Too often, these standards are articulated in ambiguous phrases that tell us little, such as a full day's work or a good job. What is a full day's work or a good job? The expectations a supervisor has in terms of work performance by his/her employees must be clear enough in his/her mind so that he/she will be able to, at some later date, communicate these expectations to his/her employees, mutually agree to specific job performance measures, and appraise their performance against these established standards. Once performance standards are established, next it is necessary to communicate these expectations; it should not be part of the employees' job to guess what is expected of them. Too many jobs have vague performance standards, and the problem is compounded when these standards are in isolation and do not involve the employee. It is important to note that communication is a two street: the mere transference of information from the supervisor to the employee regarding expectations is not communication. The third step in the appraisal process is the measurement of performance. To determine what actual performance is, it is necessary to acquire information about it. We should be concerned with how we measure and what we measure.

Four common sources of information are frequently used by managers regarding how to measure actual performance: personal observation, statistical reports, oral reports, and written reports. Each of its strengths and weaknesses; however, a combination of them increases both the number of input sources and the probability of receiving reliable information. What we measure is

probably more critical to the evaluation process than how we measure, since the selection of the wrong criteria can result in serious, dysfunctional consequences. And what we measure determines, to a great extent, what people in the organization will attempt to excel at. The criteria we measure must represent performance as it was mutually seen in the first steps of the appraisal process.

The fourth step in the appraisal process is the comparison of actual performance with standards. The point of this step is to note deviations between standards and actual performance so that we can proceed to the fifth step in the process-the discussion of the appraisal with the employee. The sixth step in the appraisal is the identification of corrective action where necessary. Corrective action can be of two types; one is immediate and deals predominantly with symptoms, and the other is basic and delves into causes. Immediate corrective action is often described as „putting out fires“, where basic corrective action gets to the source of deviation and seems to adjust the differences permanently.

2.4 Overview of Ethio telecom BSC governance

The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. The “new” balanced scorecard transforms an organization’s strategic plan from an attractive but passive document into the “filing orders” for the organization on a daily basis. It provides a framework that only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies.

Thus, Ethio Telecom has deployed BSc methodology as an integrated framework to define strategic, annual and individual plan and used it as a platform for performance measurement and monitoring system. Moreover, it is also used as a communication tool at all levels.

2.4.1 Objective of BSC in Ethio telecom

The main purpose of deploying BSc in Ethio Telecom is:

- ❖ To align the vision and mission of the company with the day to day operation.
- ❖ To focus on the strategic objectives of the company.
- ❖ To measure Ethio performance through the non-financial and financial measure.

- ❖ To mobilize employees of the company towards strategic objectives and initiatives to boost the performance of the company.
- ❖ To increase organizational accountability.

2.4.2 Performance measurement

Performance management is a review of Ethio Telecom’s performance on a fixed period of interval towards its strategic goal. The need to review the balanced scorecard strategic planning and management system is to improve and make modifications to organization planning assumptions, strategy, objectives, performance measures and targets, strategic initiatives, and budget.

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

Ethio Telecom define five performance execution levels, including its colorings (for an individual as well as work units) starting from poor up to outstanding.

Table 5.2 performance execution levels



Source: Ethio Telecom BSc governance document

2.4.3 Individual performance evaluation

For all employee’s individual performance evaluations will be done on a semiannual basis (every end of December and the end of June).

An employee’s BSc implementation shall be evaluated by a higher immediate supervisor whereas the approval shall be the next supervisor of the evaluator.

- The individual performances are evaluated in BSc as follows: -

- Individual performances shall be evaluated by their immediate supervisor as per the above timeline.
- An individual shall get points from 100% by comparing the results of the KPI defined to evaluate each activity and the target was given for them.
- The result of each KPI achieved from 100% shall be multiplied by the weight assigned to it and show the performance of the individual in that specific KPI.
- The sum of the result of KPI's that define a specific goal shall show the performance of an individual in that specific goal.
- The sum of the results of each activity shall show the result of the BSc performance of an individual.
- The employee individual performance evaluation result shall be reviewed by him/her and immediate supervisors and validated by the next level supervisor.
- BSc individual performance evaluation result will have a 70% share on individual performance evaluation. And, the result shall be integrated with the overall employee performance evaluation as per HR policy.

2.4.4 Role of Employees

When deploying BSc in Ethio Telecom as planning, communication, and management system, there are different actors that shall be engaged for the successful design and implementation of this tool. And employees are participated by: -

- ❖ Discuss and agree on the BSc individual plan.
- ❖ Perform BSc personal goals as per Ethio Telecom rules and regulations.
- ❖ Document personal performance records
- ❖ Actively raise ideas and receive feedback on plan development, performance review, and evaluation. (Ethio telecom, 2016).

CHAPTER THREE

3. Research Methodology

This chapter discusses methods used in undertaking this study from the collection of data from respondents to the methods applied to analyze the collected data. Research design, sample and sampling technique, an instrument of data collection, data collection procedure and finally data analysis technique are discussed in this specific chapter.

3.1 Description of the study area

As the researcher is working on to assess the implementation of BSC and its challenges in performance appraisal, therefore, the study area is takes placed at enterprise office located at Churchill road.

3.2 Research approach

As BSC is mainly objective in its nature the majority of evaluation is undertaken based on number, but there are scenarios were subjectivity are must in employee evaluation, due to the nature of the data collected for the research and to achieve the specific and general objectives of the study, a mixed research approach which involves the use of quantitative and qualitative technique were used to analyze the collected data. According to Creswell (2003), the use of both approaches is tandem so that the overall strength of the study is greater than either qualitative or quantitative research.

3.3 Research Design

To accomplish the study objective and to answer the stated research questions, descriptive statistics were employed. Descriptive statistics such as frequency, percentage, mean and standard deviation were used to assess the implementation of BSC and its challenges in performance appraisal.

3.4 Sample and Sampling Techniques

This study collected data from enterprise division so the total number of the population under the study includes 170 staff of the enterprise division.

To manage easily and collect needed information and managed data the researcher used non-probability sampling technique. As Saunders (2009) explained; non probability sampling provides a range of alternative techniques to select samples based on your subjective judgment. Thus, to determine the sample size subjectively as per the information types gathered, the researcher employed purposive sampling technique. Hence the researcher aimed to use purposive or judgmental sampling enables to use judgmental to select cases that best help to answer the research question(s) and to meet objectives.

The organization has five hierarchical levels. They are chief Officers, officers, managers, supervisors, and staff. The first four levels are classified as management group whereas the last one level is categorized as a non-management group. Therefore, to be representative the sampling considered both groups. The sample size is 119 respondents out of a target population of 170 enterprise division staff. To select the sample, the study, used the formulae sited by Mugenda (2003). The formula to find the sample size is:

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

Where; N= population size

e= Tolerance at desired level of confidence, take 0.05 at 95% confidence level

n= sample size.

How the formula is used is shown below?

$$n = \frac{170}{1+0.3}$$

$$n = 119$$

3.5 Data gathering tools

Enterprise Division is a division where valuable data regarding the topic of study can be obtained. The researcher used both primary and secondary sources of data to get valuable information.

3.5.1. Primary Data

Primary data are those that are gathered for a specific purpose or for a specific research project.

3.5.1.1 Questionnaire

The questioner adapted with modification with Gizeadis (2016) and Hiwot (2014). Among the different primary data collection methods, the Questionnaire is used in this study. The questionnaire provided an efficient way of collecting responses from a large sample. The Questionnaires are designed in a Five-point Likert-scale rating scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree). The questionnaire basically has three parts. The first part of the questionnaire deals with demographic information which helps to know respondents attribute like sex, position, working experience and educational background of the respondents, the second part of the questionnaire is about the challenges of implementing BSC which is vital and helpful to answer the research questions and finally open-ended questions regarding the topic which helps to get detail data about the study.

3.5.1.2 Interview

Concerning the Semi-structured interview areas of interest have been predetermined and the key questions to be asked or information to be gathered have been already known. The interview question adapted from Wubamlak (2016) and Hiwot(2014).

3.5.2 Secondary Data

In this study, secondary data were collected from organizational reports such as company Dash Board report, Ethio-Telecom BSC implementation document, system reports, processes, and employment records.

3.6 Data collection procedures

During the full-scale survey, the questionnaire is administered to the target population through personal contact by the researcher and collaborators, who helped in data collection. Respondents are kindly requested to fill the questionnaire.

The primary data collected by distributing a questionnaire to the selected employees, key managers asked via interview to collect supportive and valuable information, and also the researcher gathered the secondary data by officially requesting from the company documents & process.

3.7 Ethical consideration

The study will be in line with the organizations' policy in relation to any intellectual property rights of the organization. It could not be ethical to access some confidential documents of the organization. So, the organization's code of ethics will take into account without significantly compromising the findings of the study. It may not be ethical to ask employees to fill a questionnaire while they are at their work duty. Therefore, a longer time (one to three days) given to respondents so that either took the questionnaire to their home or used their break time. All the collected data will be confidential for both the participants (the data that they give based instruments) and the company (some confidential document). The whole research project is undertaking in accordance with the consent and willingness of every participant.

3.8 Data Analysis

To analyze the collected data this study used descriptive statistics by computing the data through statistical package for social science (SPSS 20). This program is used to analyze the statistics by measuring the central tendency and to measure the distribution of the data. So After completion of inserting the questioner data in the computer, interpreted by this program by using frequency and percentage. For the data collected by semi-structured interview questions and open-ended questions, interpreted it manually.

3.9 Reliability Test

Cronbach's alpha is used in this study to assess the internal consistency of the research instrument, which is a developed questionnaire. Cronbach's α (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted as a number between 0 and 1. A Benchmark alpha of 0.70 was set as an acceptable measure of reliability (Raynaldo, 1999). Cronbach's alpha coefficient indicates the consistency of responses to items.

The following table shows the SPSS result on the Cronbach Alpha.

Table 3.1 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.880	34

Source: Survey Result (2019)

As indicated in the above table, the Cronbach Alpha test implies that the instrument's internal consistency as 88% which is above the acceptable percentage.

CHAPTER FOUR

4 Data Analysis and Discussion

This chapter presents the findings of the study based on the data collected through the survey. By using different statistical methods findings will be presented and interpreted. By doing so, the identified research questions will be answered in this chapter.

4.1 Presentation of Respondents Background

To present background characteristics of respondents, percentage and tabulation are used.

Table 4.1 respondent’s background

Variable	Classification	Frequency	Percent
Employees gender	Male	77	71.30%
	Female	31	28.70%
	Total	108	100%
Age group	21-25	16	14.80%
	26-35	69	63.90%
	36-40	16	14.80%
	above 41	7	6.50%
	Total	108	100%
Educational status	Below Diploma	0	0%
	Diploma	0	0%
	Degree	65	60.20%
	Masters and above	43	39.80%
	Total	108	100%
Work experience	less than or equal to 4 years	20	18.50%
	5 up to 9 years	59	54.60%
	10 up to 14 years	19	17.60%
	15 and above years	10	9.30%
	Total	108	100%
position they have in the organization	Staff	55	50.93%
	Supervisor	24	22.23%
	Specialist	24	22.23%
	Managers	5	4.61%
	Total	108	100.00%

Source: Survey Result (2019)

As shown in table 4.1. above, out of 108 respondents regarding gender, the majority of the respondents (71.30%) are male and 28.70% are females. Since the majority of them are male employees, we can say that the gender balance is tending towards male staffs.

As shown in Table 4.1, concerning age group, out of 108 respondents, 14.80% were between 21-25 years of age, 63.90 % were at 26–35, 14.80% were at 36-40 and 6.50% were 41 and above years of age. From this we can say that enterprise division of the company is populated with active work age. Since the age group is more of young staffs they can easily understand and accept a new evaluation system.

Table 4.1, concerning education level also indicates out of 108 participants all of them have first degree and above level of education and none of them are diplomas and below diploma. Majorities (60.20%) of the respondents were BA/BSC holders and the remaining 39.80% of the participants were postgraduates. This shows that the workforce is educated and attained a minimum university level of education. So they can easily be trained to enhance individual and/or corporate performance levels regarding BSC implementation.

As shown by table 4.1 above, regarding work experience, about 18.50% of the respondents have worked 0–4 years, 54.60 %, 5-9 years, 17.60 %, 10-14 years and the remaining 9.30% have work experience of 14 and above years. Therefore, the workforce of the company is a mixture of new entrants and experienced employees and has the possibility to get the advantage of both.

Finally, as shown in table 4.1 for respondent's level within the company, majorities (73.16%) of the respondents were from non-management employees and 26.84% of the respondents were from the management group.

4.2 Presentation of level of agreement regarding BSC implementation

Based on survey result Almost all of the respondents have participated in meeting with their supervisor to discuss their work/ task and performance appraisal system since ethio telecom started a balanced scorecard implementation. This shows that to solve any complaint related to performance appraisal making discussions with their immediate supervisors have benefited so staff should do this on time and supervisors also do this trend continues to solve or reduce staff complain of performance appraisal.

Also, the opinion of the staff is not accepted most of the time by their immediate supervisor. As discussed above all of the respondents make discussion with their supervisors but the below response shows most of the time the idea of the staff is not acceptable. This leads disagreement between the staff and the supervisors and this is one of the big challenges for the organization in the effective implementation BSC.

The other request respondents were asked was BSC implementation in ethio telecom can enhance your effort towards the achievements of the company's strategy and majority 59% of the respondent's response shows that their effort enhances the achievement of company's strategies and 25% and 16% of the respondents said no and they are not sure about this issue. From this, we can understand that BSC implementation enhances the employee's effort to achieve the company strategy.

To support the above issue the other question the respondents of the study asked were that whether they are satisfied by BSC implementation in their company and the loin share of their response shows that they are not satisfied and the respondents state different reasons for this like BSC most of the time focused on countable/objective/ factors, does not consider the weakness of the company (Resource shortage) rather focus only on employees, when the plan is cascaded or assigned to different stakeholders in the company, it is not equally distributed between divisions this creates bias and the parameter(criteria) does not consider the working environment.

4.2.1. Concepts of BSC

Before Implementing any evaluation system companies must work on creating awareness and teach concepts about the evaluation system to its staff. This is also showed in the collected data below.

TABLE 4.2 CONCEPTS OF BALANCED SCORE CARD (BSC)

1. Concepts of balanced scorecard (BSC)	SD	D	N	A	SA	Mean	St.d
1.1 BSC links short-term operational performance with long-term strategies objectives.	4.63 %	9.26 %	12.03 %	55.57 %	18.51 %	3.74	1.02
1.2 BSC creates the ability for management to translate a generic vision into strategy that can build consensus and commitment throughout the company.	0.00 %	4.63 %	11.12 %	57.41 %	26.85 %	4.06	0.75
1.3 The division /company has used the balanced score card to set, track and achieve its key business strategy and objective.	3.70 %	6.48 %	17.59 %	37.03 %	35.20 %	3.94	1.06
1.4 BSC rolls down the company's vision from corporate to division, from division to teams, down to individual employees.	0.00 %	4.63 %	15.74 %	60.19 %	19.44 %	3.94	0.73
Average mean and St. deviation						3.92	0.89

Source: Survey Result (2019)

As shown in table 4.2 regarding BSC links short-term operational performance with long-term strategies objectives, 74.08% of the respondents agree and 13.89% disagree on this issue this leads to come up with BSC link the short term operational performance with the long term strategic objectives so organization can know their current status and helps to take corrective action if the plan is not met.

The other issue raised for the respondents of this study were BSC creates the ability for management to translate a generic vision into strategy that can build consensus and commitment throughout the company the highest shares of response show that 57.41% and 26.85% agree and

strongly agree on this issue and the remaining 4.63% and 11.12 % of the respondents disagree and neutral respectively. None of them strongly disagree on this issue. Hence, it shows that BSC implementation can help to create and translate a generic vision into a strategy that can build consensus and commitment throughout the company. This leads the company to achieve its strategic objective in a specified period of time.

In Addition to what has been raised before, the respondents were asked the division /company has used the balanced scorecard to set, track and achieve its key business strategy and objective, the response concerning this show 57.41% and 26.85% of the respondents agree and strongly agree respectively and none of the respondents strongly disagree. From this, we can conclude that since BSC is one of performance evaluation tool, it helps the organization as well as the division to know the current status whether the plan is achieved based on the planed time or not.

With similar fashion, the researcher has raised a question BSC rolls down the company's vision from corporate to division, from division to teams, down to individual employees. A high share of the respondents 60.19% and 19.44% of the respondents agree and strongly agree and none of them strongly disagree from this we can conclude that ethio telecom plan BSC first at company level then cascade to divisions, teams and finally individual level.

As shown in Table 4.2 above, the respondents overall mean rating regarding the concept of BSC was 3.92 implies that the respondents have knowledge about BSC were high (because this result lied 3.41-4.2) And standard deviation lies between 1.06 and 0.89 which shows most of the respondents' response was not far from the mean. For the remaining items, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (3.41-4.20). All items under this category were high this response clearly indicates that the staffs have clearly know the concept of BSC.

4.2.2 Top management support

For any company to implement any new evaluation system, support and commitment of the top management play a vital role. This issue is also noticed by some of the below variables.

TABLE 4.3 TOP MANAGEMENT SUPPORT

Top management support	SD	D	N	A	SA	Mean	St.d
2.1. The top management of the division took the initiative to implement the balanced scorecard.	8.34%	13.89 %	19.44 %	37.96 %	20.37 %	3.481 5	1.2034 3
2.2. There was full support from the top management of the division when it was decided to start the BSC implementation	8.34%	19.44 %	16.67 %	33.33 %	22.22 %	3.416 7	1.2614
2.3. The top management of the Division periodically monitors the progress of the balanced score card implementation	7.40%	22.23 %	11.12 %	27.77 %	31.48 %	3.537	1.3355 4
2.4. Top management are always willing to hear staffs complain concerning performance appraisal	12.03 %	37.04 %	16.67 %	34.26 %	0.00%	2.731 5	1.0643 5
Average mean and St. deviation						3.29	1.22

Source: Survey Result (2019)

As shown in table 4.3 to support this, issue the study asked the top management of the division took the initiative to implement the balanced scorecard the response shows that 37.96% and 20.37% of the respondents agree and strongly agree on this issue and the remaining 13.89%, 19.44%, and 8.34% disagree, neutral and strongly disagree respectively this indicate that top management of the division shows initiatives in BSC implementation.

Still focusing on top management the other question raised was there was full support from the top management of the division when it was decided to start the BSC implementation, lion share of the respondents agree (33.33%) and strongly agree (22.22%) this indicates that more than 50% of the response shows that there is full support from top management of the division and this can be one of the big benefits for the company because without support of top management the company cannot achieve its objective in any aspect.

To strengthen the above mentioned points the other question raised was the top management of the Division periodically monitors the progress of the balanced scorecard implementation, the result shows that 31.48% and 27.77% of the respondents have positive response on this issue but still around 30% of the respondents believe that top management of the Division was not periodically monitoring the progress of the balanced scorecard. Having this evidence in mind though top management of the division periodically monitors the performance progress, still, some of the top management was not doing this.

With similar fashion, the other issue raised was Top management is always willing to hear staffs complain concerning performance appraisal, the obtained result clearly shows that 37.04%, 12.03% and 34.26% of the respondents disagree, strongly disagree and agree respectively and none of the respondents strongly agree on this issue. Hence, from this fact, we can conclude that the top management of the division was not willing to hear staff complain concerning performance appraisal. this is one of the big challenges for the organization and which creates dissatisfaction of the staff.

As shown in the table 4.3 above , the respondents overall mean rating regarding Top management support in BSC implementation were average (3.29) And standard deviation lies between 1.33 and 1.06 which shows some of the respondents response was not far from the mean except The top management of the Division periodically monitors the progress of the balanced scorecard implementation, The top management of the division took the initiative to implement the balanced scorecard and There was full support from the top management of the division when it was decided to start the BSC implementation, this three-variable have the highest standard deviation which indicates that the individual response was a little over 1 point away from the mean. For the remaining item, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (2.61-3.4). All top management support under this category was average except Top management is always willing to hear staff complain concerning performance appraisal. This response clearly indicates that; the staff is not satisfied with the support of the top management or top management are not supporting the staff at the expected level.

4.2.3. Balanced scorecard education and training

The sixth step on approaches of Balance score card and application of BSC in various sector/ context of industry. is to provide training for everyone in the organization.

Table 4.4 Balanced scorecard education and training

Balanced scorecard education and training	SD	D	N	A	SA	Mean	St.d
the organization is providing formal training related to balanced scorecard cascading system	4.63%	17.60%	17.60%	25.92%	34.25%	3.68	1.24
The company has provided me a training that equipped me with a sufficient knowledge about the concept and meaning of the balanced score card	3.70%	22.22%	11.12%	38.89%	24.07%	3.57	1.19
I have understood the alignment of my work unit's objective with the division level objective of ethio telecom	0.92%	8.34%	13.89%	56.48%	20.37%	3.87	0.87
The division has provided me a training to design my own personal score card in alignment to the team score card	14.82%	37.03%	11.12%	34.25%	2.78%	2.73	1.16
Average mean and St. deviation						3.46	1.12

Source: Survey Result (2019)

Regarding the organization is providing formal training related to balanced scorecard cascading system the highest shares of response 60.17% have a positive response and around 22.23% of the respondents said they didn't get formal training related to balanced scorecard cascading system. Based on this finding we can conclude that the organization delivered formal training to its staff about BSC cascading.

With similar fashion, the other issue raised was the company has provided training that equipped me with sufficient knowledge about the concept and meaning of the balanced scorecard 38.89% and 24.07% of the respondents agree and strongly agree on this issue. less than 26% of the respondents have disagreed on this issue based on this finding we can conclude that the company provides enough and detailed training to its staff on, concepts and meanings of the balanced scorecard.

Related with the training part the other issue raised were how they understood the alignment of my work unit's objective with the division level objective of ethio telecom, the response shows that 56.48% and 20.37% of the deponents agree and strongly agree on this issue and less than 1% of the respondents strongly disagree with this we can conclude that the staffs understand their work unit's objective with the division level objective of ethio telecom.

To strengthen the above-mentioned points, the other question raised was whether the division has provided training to design their own personal scorecard in alignment to the team scorecard. The lion shares of the response 37.03% and 14.82% of the response shows disagree and strongly disagree on this issue 37.03% of the respondents have positive response on this issue from this we can conclude that most staffs do not get a training on how to design their own personal scorecard in alignment to the team scorecard, moreover their personal scorecard was planned by their division.

As shown in Table 4.4 above, the respondents overall mean rating regarding balanced scorecard education and training was 3.46 implies that balanced scorecard education and training were high (because this result lied 3.41-4.2). And standard deviation lies between 1.24 and 0.87 which shows most of the respondent's response was a few far from the mean except I have understood the alignment of my work unit's objective with the division level objective of ethio telecom the remaining three variables have the highest standard deviation which indicates that the individual response was a little over 1 point away from the mean. For the remaining item, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (3.87-2.73). All Balanced scorecard education and training under this category were high except The division has provided me training to design my own personal scorecard in alignment to the team scorecard. This response clearly indicates that; the company has not delivered training for the staff how to design my own personal scorecard in alignment to the team scorecard.

4.2.4 Resource availability

To achieve any work or objective the availability of enough resources takes the highest share. To support this study asked the below questions.

Table 4.5 Resource availability

Resource availability	SD	D	N	A	SA	mean	st.d
all resources are available to achieve the target	54.63 %	33.34 %	9.25 %	2.78 %	0.00 %	1.601 9	0.7726 6
all resources are assigned timely	44.45 %	50.93 %	3.70 %	0.92 %	0.00 %	1.611 1	0.6088 6
when there is a problem related to resource shortage the concerned body solve it timely	42.59 %	50.00 %	2.78 %	4.63 %	0.00 %	1.694 4	0.7420 4
when there is a system problem it will consider during performance evaluation	62.97 %	32.40 %	2.78 %	1.85 %	0.00 %	1.435 2	0.6452 3
Average mean and St. deviation						1.59	0.69

Source: Survey Result (2019)

Regarding all resources are available to achieve the target, loin share of the response 54.63% and 33.34% strongly disagree and disagree and none of them strongly agree. Having this fact in mind we can conclude that there are no enough resources available to achieve the target and this is one of the big problems because without the availability of resources it is difficult to achieve the target.

To support the above issue the other question raised was all resources are assigned timely the response clearly indicates that 44.45% and 50.93% strongly disagree and disagree respectively and none of them strongly agree. From this, we can conclude that the resource that is necessary to achieve the objective or the target was not assigned timely and this can be one of the big challenges for not achieving the target timely.

Still focusing on resource availability the other issue raised was when there is a problem related to resource shortage the concerned body solve it timely, the response shows 42.59% and 50% of the respondents strongly disagree and disagree respectively and none of them strongly agree. From this, we can conclude that when there is a problem related to a shortage of resources unless

the concerned body solves the resource shortage timely, this leads to not to achieve the target on time.

Lastly but not least the other issue raised here is when there is a system problem, will it be considered during a performance evaluation, the response shows 62.97% and 32.40% of the respondents strongly disagree and disagree respectively and none of them strongly agree. From this, we can conclude that the performance evaluation system of the company doesn't consider the problem in relation to system interruption which has a great impact on staff performance results.

As shown in Table 4.5 above, the respondents overall mean rating regarding Resource availability in BSC implementation was 1.59 implies that Resource availability was very low (because this result lied 1 -1.8). And standard deviation lies between 0.77 and 0.60 which shows most of the respondents' response was not far from the mean. For all items under this category, the standard deviation is less than one and the individual response did not deviate at all from the mean.

Respondent's answers show the mean lied (1 -1.8). All Resource availability under this category were very low or the respondents are not agreeing with the availability of resources. This response clearly indicates that there is not enough amount of resources to achieve the BSC objective or target.

4.2.5. Performance measurement

Performance measurement is the key to regulating the effectiveness of a built facility in a comprehensive manner. Amaratunga, Baldry, and Sarshar (2000) argue that performance measurement is vital to an organization as it provides much-needed direction to management for decision making. Performance measurement extends opportunities to review past and present functioning and to derive future strategies for the successful operation of the organization and for the fulfilment of its strategic goals (Lebas, 1995, Lavy, Garcia & Dixit, 2010).

Table 4.6 Performance measurement

Performance measurement	SD	D	N	A	SA	Mean	St.d
The right objective/activity/ measures are identified.	12.96%	22.23%	13.89%	37.96%	12.96%	3.16	1.2764
Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives.	15.75%	50.00%	9.25%	24.08%	0.92%	2.44	1.0531 1
Each measure weighted based on their importance	15.75%	56.48%	9.26%	13.89%	4.62%	2.35	1.0529 4
Measurement data sources are clearly stated	9.25%	48.14%	15.74%	20.38%	6.49%	2.67	1.1022 5
The data collected on measurement validated by authorized bodies.	0.93%	3.70%	14.81%	55.56%	25.00%	4	0.7971 9

Source: Survey Result (2019)

Concerning the right objective/activity/ measures are identified the response shows that 37.96% and 12.96% of the respondents agree and strongly agree respectively on this issue and the remaining 12.96%, 22.23%, and 13.89% strongly disagree, disagree and neutral on this issue. This indicates that for each objective or activity the measures are properly identified.

With similar fashion, the other issue raised was Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives the response shows that 50% and 15.75% of the respondents disagree and strongly disagree respectively on this issue and only 25% of the respondents agree on this issue. Having this fact in mind Balanced Scorecards at all levels lacks sufficient key performance indicators to measure objectives. This is one of the big hindrances in BSC implementation and performance measurement.

To strengthen the above-mentioned points, the other question raised was each measure weighted based on their importance the response clearly shows that 56.48% and 15.75% disagree and strongly disagree respectively on this issue and only less than 20% agree. Hence, from this fact

we can conclude that each measure is not weighted based on their importance this also leads to bias because those parameters which need to have high value can have weighted by less value.

Regarding Measurement, data sources are clearly stated the response shows that 48.14% and 9.25% of the respondents disagree and strongly disagree and 23.38% agree on this issue. From this we can predict that to measure each activity measurement data source is not clearly stated so this also be one of the big hindrances in the performance evaluation system.

Still focusing on performance measurement the other issue raised was the data collected on measurement validated by the authorized body, the response shows 55.56% and 25% agree and strongly agree and less than 5% of the respondents disagree on this issue. Having this fact in mind performance measurement validated by the authorized body in the organization.

With similar fashion the other issue raised was for each measure baseline, target and threshold were set clearly, the response shows that 35.19% and 9.25% agree and strongly agree on the other side the remaining 33.34%, 8.34% and 13.88 disagree, strongly disagree and neutral respectively. Based on this finding for each measurement baseline, target and threshold were set.

Lastly, the other issue here raised was the organization evaluation depends on the target/plan of the balanced scorecard. The highest share of the response clearly shows 63.89% and 23.15% agree and strongly agree and less than 3% of the respondents disagree on this issue. Having this evidence in mind the organization, as well as the division evaluation, depends on BSC.

As shown in Table 4.6 above, the respondents overall mean rating regarding performance measurement was 3.10 implies that performance measurement was average (because this result lied 2.62-3.4). And standard deviation lies between 1.18 and 0.70 which shows most of the respondent's response was not far from the mean except for each measures baseline, target and threshold were set clearly, Measurement data sources are clearly stated and the right objective/activity/ measures are identified. These three variables have the highest standard deviation which indicates that the individual response was a little over 1 point away from the mean. For the remaining items, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (2.62-3.4).

All performance measurements under this category were average except The data collected on measurement validated by the authorized body. This response clearly indicates that the company can have validated the collected data by the authorized body and it is a good trend.

4.2.6 Performance monitoring

Before undertaking the final performance evaluation any organization should have a mechanism to check or to monitor continuously, the performance appraisal result and observe the progress of the staff. To support this, the study asks the respondents the below questions.

Table 4.7 Performance monitoring

performance monitoring	SD	D	N	A	SA	Mean	St.d
my immediate supervisor supports me to achieve my target in the preferred period	30.55%	40.75%	9.25%	15.75%	3.70%	2.21	1.1524 1
data about my performance is collected continuously	25.00%	40.74%	8.33%	22.23%	3.70%	2.39	1.1905 7
I perform a different task which is not in my performance plan	0.93%	9.26%	3.70%	57.40%	28.71%	4.04	0.8852 5
mechanisms exist to continuously improve performance	14.81%	39.81%	19.44%	19.45%	6.48%	2.63	1.1486 9
Average mean and St. deviation						2.82	1.09

Source: Survey Result (2019)

The first question they were asked is my immediate supervisor supports me to achieve my target in the preferred period, for this issue the response shows that 40.75% and 30.55% disagree and strongly disagree and less than 20% of the respondents agree on this issue. From this fact we can conclude that there is a lack of support and continuous follow up from respective supervisors to its staff to achieve the BSC target.

Regarding performance monitoring the other issue raised was data about my performance is collected continuously, the response showed that 40.74% and 25% disagree and strongly disagree and less than 26 % of the respondents agree. Having this evidence in mind there is a lack of collecting performance data of the staff continuously and this is one of the big problems which creates disagreement between the boss and the staff at the end of the evaluation. In addition, the staff doesn't know their current status.

With similar fashion the other issue raised was I perform a different task which are not in my performance plan, the response shows 57.40% and 28.71% agree and strongly agree on this issue and only less than 2% disagree regarding this. Hence, having the fact in mind we come up to conclude staffs are working other works which are not included on their performance plan, this can be a reason for not to achieve their plan since they are working other works which are not included in their plan.

To support the above-mentioned points, the other issue raised is mechanisms exist to continuously improve performance the response shows 39.81% and 14.81% of the respondents disagree and strongly disagree and only less than 26% of the respondents agree on this issue. This finding leads us to conclude there is no mechanism to continuous improves their performance.

As shown in Table 4.7 above, the respondents overall mean rating regarding performance monitoring was 2.82 implies that performance monitoring high (because this result lied 2.61-3.4). And standard deviation lies between 1.19and 0.88 which shows most of the respondent's response was a few far from the mean except I perform a different task which are not in my performance plan the other three variables has the highest standard deviation which indicates that the individual response was a little over 1 point away from the mean. For the remaining item, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (2.61-3.4). All performance monitoring under this category was low except I perform a different task which are not in my performance plan. This response clearly indicates that staff is performed other works that are not included under their performance plan.

4.2.6 Performance evaluation

An employee performance evaluation serves as a means for management to evaluate and provides feedback on employee job performance, including steps to improve on their deficiencies as needed. The feedback mechanism serves as a means of identifying their strengths and weaknesses (Roberson & Stewart, 2006; Schraeder, Becton & Portis, 2007).

Some scholars posit that to improve employees' performance it is important to identify the areas of improvement and weaknesses through feedback and assistance which assures the employee's

involvement, improvement, and commitment to improving his or her performance (Macey et al, 2009). To support this the below questions raised related to performance evaluation.

Table 4.8 Performance evaluation

Performance evaluation	SD	D	N	A	SA	Mean	St.d
performance is evaluated continuously	18.52%	24.07%	2.78%	31.49%	23.14%	3.1667	1.48827
performance progress monitored periodically before formal evaluation	54.63%	24.07%	2.78%	14.82%	3.70%	1.8889	1.22538
Evaluation takes place in Open and transparent two-way- communication.	18.51%	33.34%	5.56%	42.59%	0.00%	2.7222	1.19839
performance evaluation objective are maintained in evaluating individual performance	4.62%	58.33%	15.74%	17.59%	3.70%	2.5741	0.95901
feedback is given after performance appraisal is performed	13.89%	34.25%	11.12%	25.00%	15.74%	2.9444	1.33839

Source: Survey Result (2019)

Regarding performance is evaluated continuously the response shows that 31.49% and 23.14% of the respondents agree and strongly agree respectively and 18.52% and 24.07% strongly disagree and disagree respectively regarding. This leads us to conclude there is continuous performance evaluation, most of the time two times per year.

Still focusing on performance evaluation the other issue raised was Performance progress monitored periodically before formal evaluation the responses of the respondent 54.62% and 24.07% strongly disagree and disagree respectively and the remaining less than 20% of the respondents agree on this issue from this we can conclude that performance progress is not monitored continuously before formal evaluation made this leads not to know the performance continuously.

To support the above issue the other question raised was evaluation takes place in open and transparent two-way- communication, the responses shows that 42.59% ,33.34% and 18.51% agree, disagree and strongly disagree respectively and none of them strongly agree with this we

can conclude that there is still communication a gap and moreover lack of uniformity when undertaking evaluation, but since 42.59% of the respondents agree on this issue there must be knowledge sharing between the management to make evaluation in an open and transparent way.

Regarding Performance, evaluation objective is maintained in evaluating individual performance the response shows more than 60% and less than 23% disagree and agree respectively. Hence, having this evidence in mind we can conclude performance evaluation objectives is not kept while evaluating individual performances.

With similar fashion the other issue raised was feedback is given after performance appraisal is performed 34.25% and 13.89% disagree and strongly disagree and 25% and 15.74% agree and strongly agree respectively. From this finding we can conclude that there is still a lack of giving the right feedback after performance appraisal, in addition, this can be one of the big problems since employees are not getting the feedback they did not know their gap and they did not improve their performance.

To strengthen the above-mentioned points, the other question raised was the boss influence on evaluation is reduced the loin share of response 51.85% shows disagree and less than 32% agree on this regard. Based on this fact there is still a boss influence in performance evaluation this also leads to bias during evaluating staff.

The other issue raised was there is a Reward for those who performed above standard, the response shows 58% of the respondents disagree and less than 34% of the respondents agree, based on this we can conclude that there is lack of rewarding for those staffs who performed above the targets and which can decrease their motivation.

As shown in Table 4.8, the respondents overall mean rating regarding Performance evaluation was 2.70 implies that Performance evaluation was low (because this result lied 2.61-3.4). And standard deviation lies between 1.4 and 0.95 which shows most of the respondent's response was a few far from the mean except performance evaluation objective are maintained in evaluating individual performance the remaining variable has the highest standard deviation which indicates that the individual response was a little over 1 point away from the mean. For the remaining one item, the standard deviation is less than one and the individual response did not deviate at all from the mean. Respondent's answers show the mean lied (2.61-3.4)). All Performance

evaluation was low except performance is evaluated continuously. This response clearly indicates that there is a big challenge in performance evaluation and it can be one of the big hindrances in BSC implementation.

Chapter Five

5 Summary, Conclusion and Recommendation

This chapter contains conclusions and recommendations that come out of the research findings and objectives. The research has generated several findings. That can support the company to take some corrective action to use this evaluation tool effectively and efficiently.

5.1 Summary

- The gender balance of the enterprise division is tending to male employees. This division is populated with an active age group this can be a benefit for the organization since they are interested to accept the new evaluation system. The division is populated with educated staffs that have a minimum of degree so this is a great benefit for the organization to train them about the BSC evaluation tool. The employees are a combination of new entrants and existing staff this can help the organization to get benefit from both and the new entrants can share experience from the existing staff.
- The staffs make discussion with their respective supervisor to discuss their work/ task and performance appraisal system since ethio telecom started balanced scorecard implementation. Even if the staff discussed performance appraisal with their supervisors most of the time their idea is not acceptable. This leads disagreement between the staff and the supervisors and this is one of the big challenges for the organization since supervisors are not accepting the staff's response. In addition, staff believes that BSC implementation in ethio telecom can enhance their effort towards the achievements of the company's strategy. Most of the staffs are not satisfied by BSC implementation and the respondents state different reasons for this like BSC most of the time focused on countable factors, does not consider accountability of the company regarding resource availability rather focus only on employees' side, when the plan is

given it is not equally distributed between divisions this creates unfairness and the parameter (criteria) does not consider the working environment.

- The staff has awareness about BSC implementation and concepts. They believe that BSC links short-term operational performance with long –term strategies and it creates the ability for management to translate a generic vision into a strategy that can build consensus and commitment throughout the company. Division, as well as the company, has used the balanced scorecard to set, track and achieve its key business strategy and objective. The organization used BSC rolls down the company’s vision from corporate to division, from division to teams, down to individual employees and used up bottom approach.
- For any company to implement any new evaluation system support and commitment of the top management play a vital role and top management of the division took the initiative to implement the balanced scorecard and there is full support from the management. Top management of the Division periodically monitors the progress of the balanced scorecard but it is not at the expected level and there is a gap on some of the top management they didn’t periodically monitor the progress. Top management of the division is not willing to hear staff complain concerning performance appraisal this is one of the big challenges for the organization and which creates dissatisfaction of the staff.
- Before implementing BSC the organization provided formal training related to the balanced scorecard cascading system, concept and meaning of the balanced scorecard. But the division has not provided training to design their own personal scorecard in alignment to the team scorecard. The staff took the training only once before implementing BSC but the organization as well the division is not delivered training by identifying or assessing gaps.
- To achieve any work or objective the availability of enough resource take the highest share but the finding clearly shows that there is not enough resource available to achieve the target. In addition, the resource that is necessary to achieve the objective or the target is not assigned timely and this can be one of the big challenges for not achieving the target timely. The finding shows that when there is a problem related to a

shortage of resource the concerned body will not solve timely and any system problem or other problems which hinders not to achieve the target were not considered during performance evaluation.

- Concerning performance measurement for each objective or activity, the measures are properly identified. Each measure is not weighted based on their importance this also leads to dissatisfaction because those parameters which need to have high value have weighted by less value. Performance measurement validated by the authorized body in the organization. The organization, as well as the division evaluation, depends on BSC.
- There is a lack of support from respective supervisors to its staff to achieve the BSC target. Their performance is not monitored continuously rather evaluation made twice per year. In addition, the staff is working other works which are not included on their performance plan this also has an impact not to achieve their target since they are working other works which are not included in their target. There is no mechanism to continuously improve their performance.
- Performance progress is not monitored continuously before formal evaluation made this leads not to know the performance continuously. Evaluation is not taking place in Open and transparent two-way- communication and there is still lack of giving the right feedback after performance appraisal, in addition, this can be one of the big problems since employees are not getting the feedback they did not know their gap and they did not improve their performance.

5.2. Recommendation

- The good trend the division has is that staffs are Making discussion with their respective supervisors about performance appraisal so this is a wonderful habit the division should continue this but while making discussion the superiors are not accepting the opinion of the staffs so this should be improved because without accepting other opinion-making discussion is valueless. Plus, without support and commitment of top management achieving target becomes difficult so the top management should listen to the complaints of the staffs as well as there must be random checking mechanism weather performance evaluate properly or not.
- To minimize the training gap, the company should continuously train its staffs since there is lack of delivering enough amount and depth of training that is a big problem for not understanding the science of BSC at the expected level. So to overcome this, since the company has its own training center which can deliver training, continuous on the job and off-job training must be delivered for the staff based on their training needs.
- The other big challenge in the implementation process of BSC is that shortage of resource to achieve the target. So as ethio telecom is a big company, before validating the plan the organization should check its resources in addition top management should interfere to assign the needed resources to achieve the target.
- Concerning performance measurement, the weight to items is not given based on their importance, so this should be checked continuously before validating the final target since the performance is validated by an authorized body. In addition, there should be a discussion with the staffs about the importance and the weight before validating the plan.
- supervisors should continuously support and follow up their staff to achieve the BSC target and supervisors should also monitor the performance of their staff continuously at least on monthly bases. In addition, when staff works other works that are not included in their performance plan the supervisors should consider it, similarly, when there are known problems (like system problem shortage of resource) it should be considered in performance evaluation. Performance of the staffs should be evaluated in Open and

transparent two-way- communication and supervisors should give the right and on-time feedback to its staffs.

5.3 Limitation and a further area of study

The study has some limitations. First, it was limited to enterprise division out of the available divisions, geographically it is limited to Addis Ababa. Time was the other major constraint to gather more information in the specific area of the study. Further studies should be conducted in this area by considering all the divisions and outside Addis Ababa also.

References

Liz, Murby & Stathis, Gould. (2002) Effective Performance Management with the Balanced Scorecard Technical Report. London; the Chartered Institute of Management Accountant.

Armstrong, M. (2009). A handbook of personnel management practice. 11th Ed. London: Kogan Page Ltd

Brown, M.G. (2000). Winning Score: How to Design and Implement Organizational Score Cards, Productivity Press, New York, NY.

Bull, R. (2007). Performance Measurement. Financial management, London, Iss.: Nov., pp. 33-34.

DeCenzo, D.A. & Robbins, S.P. (2005). Human resource management: concepts & practices. 4th Ed. New York.

Dragan, P. (2010). Barriers to the Successful Implementation of the Balanced Scorecard - the Case of Plava Laguna J.S.C.

ethio telecom. (2014). <http://ethiopia-stamps.com/wp-content/uploads/20140513-Ethio-Telecom.pdf>. Retrieved November 18, 2016, from ethio telecom.et: ethiopia-stamps.com/wp-content/uploads/20140513-Ethio-Telecom.pdf

ethio telecom quality and process division. (2016). Ethio Balanced scorecard (BSC) governance.

Gizeaddis, B. (2016). Challenge of BSC cascading system in selected Federal Civil Service Organization.

Gomez Mejia. Luis, R.Balkin, David, B, and Cardy, Robert L (2001). Human resource, Pearson Edition.

Hiwot, H. (2014). Challenge of BSC implementation in commercial bank of Ethiopia.

- Hopf et.al, (2000). Guide to a Balanced Scorecard Performance Management Methodology.
<https://www.devex.com/news/reconsidering-civil-service-reform-in-ethiopia-81470>(accessed 7th April 2019)
- Kaplan, R.S. and Norton, D.P. (1996). Linking the Balanced Scorecard to Strategy, California Management Review, vol. 39, no. 1.
- Kaplan, R.S. and Norton, D.P. (1996). 'Using the Balanced Scorecard as A Strategic Management System,' Harvard Business Review, January-February
- Kaplan R.S and Norton, D. P (1992): The Balanced Scorecard Measurement that Drives Performance, Harvard Business Review. Vol.1.
- KPI expert reports (2009). bscdesigner.com/bsc-four-perspectives.htm (accessed 11th April 2019)
- Liz, M. & Gould, S. (2005). Effective Performance Management with the Balanced Scorecard. Technical Report the Chartered Institute of Management Accountants. London.
- Longenecker (1997). Why managerial performance appraisals are ineffective: Causes and Lessons. Career Development International, Vol.2, 5, pp. 212- 218.
- Mathis, R. L. Jackson J. H. (1997). Human Resource Management 8th ed. New York: West Publishing Company.
- Mugenda, A. G. and Mugenda, O.M. (2003). Research Methods; Qualitative and Quantitative Approaches. Nairobi: Kenya Acts Press
- Niven, P. (2006): Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results, 2nd ed., John Wiley & Sons, New York.
- Niven, P. (2005). Balanced Scorecard Diagnostics: Maintaining Maximizing. John Wiley & Sons, New Jersey.
- Rigby, D. and Bilodeau, B. (2009): Management Tools and Trends 2009, Bain&Companyhttp://www.bain.com/management_tools/Management_Tools_and_Trends_2009_Global_Results.pdf. (Accessed on 05 May 2019).

Sue, G. (2013). Challenges in Implementing Enterprise Resource Planning (ERP) system in Large Organizations: Similarities and Differences between Corporate and University Environment. Composite Information System Laboratory, 5 – 25.

Waal, A. (2007). Is performance management applicable in developing countries? The case of a Tanzanian college.vol. 2, no. 1.

Wiese, D.F. and Buckley, M.R. (1998). The evolution of the performance appraisal process“ Journal of Management History.

Wubamlak, M. (2016). Assessment of BSC implementation practice and its challenges on the procurements department.

Yong, B. F. (1996). Inflation of subordinates“ performance ratings: Main and interactive effects of Rater Negative Affectivity, Documentation of Work Behavior, and Appraisal visibility. Journal of Organizational Behavior, Vol.20, No.4. (Jul. 1999), pp.431-444.

APPENDICES

Appendix A

Dear Respondents,

This questionnaire is designed with the aim of gathering information for the study on “Assessment of the Implementation of Balanced Score Card /BSC/and Its Challenges in Performance Appraisal in Ethio telecom case of enterprise division” for the partial fulfillment of the requirement of Master in Human Resource Management. I would be delighted if you help me in filling this questionnaire. Your response is highly crucial for the success of this study. I want to assure you that your response is kept confidential and the output is for academic purposes.

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

1. Gender Male Female

2. Age Group

A. ≤ 25 B. 26-35

C. 36-40 D. 41 and above

3. Educational status

A. Diploma B. BA/BSC

C. Masters and above D. Other please specify _____

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

A. < 4 B. 5 – 9

C. 10 –14

D. 15 and above

5. Your position in the organization

A. Staff

B. Supervisor

C. Specialist

D. Manager

Part II please respond on the following questions to indicate your level of agreement with each of the identified issue associated with the implementation of balanced scorecard. And put tick (√) mark in the box in front of the item of your choice.

6. Have you ever been participated in meeting with your supervisor to discuss about your work/ task and performance appraisal system since ethio telecom started balanced scorecard implementation?

1. Yes

2. No

7. If your response to question No 6 is yes, how often is your opinion accepted by your boss?

Always

ometimes

er

8. As you know, balanced scorecard is implemented in ethio telecom; do you think this will enhance your effort towards the achievements of the company's strategy?

1. Yes

2. No

3 Not sure

9. If your response to question No-8 is no why do you think it doesn't succeed? Please explain

.....

.....

.....

10. Are you satisfied with balanced scorecard as performance evaluation system in ethio telecom?

1. Yes 2. No

11. If your answer is no for Question No 10 what do you think the reason is? Please explain

Part III

Kindly indicate how much you agree or disagree with the following statements concerning BSC implementation and performance evaluation and put (√) mark on your choice.

1. Concepts of balanced score card (BSC)		Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
1.1	BSC links short-term operational performance with long-term strategies objectives.					
1.2	BSC creates the ability for management to translate a generic vision into strategy that can build consensus and commitment throughout the company.					
1.3	The division /company has used the balanced score card to set,					

	track and achieve its key business strategy and objective.					
1.4	BSC rolls down the company's vision from corporate to division, from division to teams, down to individual employees.					
2. Top management support						
2.1	The top management of the division took the initiative to implement the balanced scorecard.					
2.2	There was full support from the top management of the division when it was decided to start the BSC implementation					
2.3	The top management of the divisions periodically monitors the progress of the balanced score card implementation					
2.4	Top management are always willing to hear staffs complain to concerning performance appraisal					
3. Balanced scorecard education and training		Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
3.1	The organization is providing formal training related to balanced scorecard cascading system					
3.2	The company has provided me a training that equipped me with a sufficient knowledge about the concept and meaning of the balanced score card					
3.3	I have understood the alignment of my work unit's objective with the					

	division level objective of ethio telecom					
3.4	The division has provided me a training to design my own personal score card in alignment to the team score card					
4. Resource availability		Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
4.1	All resources are available to achieve the target					
4.2	All resources are assigned timely					
4.3	When there is a problem related to resource shortage the concerned body solve it timely					
4.4	When there is a system problem it will take into account during performance evaluation					
5 performance measurement		Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
5.1	The right objective/activity/measures are identified.					
5.2	Balanced Scorecards at all levels have sufficient key performance indicators to measure objectives.					
5.3	Each measure weighted based on their importance					
5.4	Measurement data sources are clearly stated					
5.5	The data collected on measurement validated by authorized body.					
5.5	For each measures baseline, target					

6	and threshold were set clearly.					
5.7	The organization evaluation depends on the target/plan of balance scorecard.					
6.	performance monitoring	Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
6.1	My immediate supervisor supports me to achieve my target in perforce period					
6.2	Data about my performance is collected continuously					
6.3	I perform different task which are not in my performance plan					
6.4	Mechanisms exist to continuously improve performance					
7	Performance evaluation	Strongly agree (5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly disagree(1)
7.1	Performance is evaluated continuously					
7.2	Performance progress monitored periodically before formal evaluation					
7.3	Evaluation takes place in Open and transparent two-way-communication.					
7.4	Performance evaluation objective are maintained in evaluating individual performance					
7.5	Feedback is given after performance appraisal is performed					
7.6	There is Reward for those who performed above standard.					

8. If there is any issue which is not addressed concerning BSC implementation and performance appraisal please write below?

Appendix B

Addis Ababa University School of Commerce

Department of Human Resource Management: MA Degree Human Resource Management

Interview Questions for managers

- 1) Can you elaborate the major activities accomplished to properly put into practice the Balanced Scorecard?
- 2) Is enough training provided about BSC implementation and do employees have appropriate awareness about BSC?
- 3) Is the BSC system improved continuously based on a periodic assessment?
- 4) What are the challenges faced in the Balanced Scorecard measurement/evaluation system?
- 5) What measures should be taken to overcome the above problem?
- 6) Did BSC solve the challenges of the previous performance measurement tools?
- 7) Is there enough resource available to achieve the target if not what kind of action will do to improve this?
- 8) What improvements can be recommended concerning the BSC implementation process in the enterprise department?