St. Mary's University
School of Graduate Studies

PRACTICES AND CHALLENGES OF BALANCED SCORECARD IMPLEMENTATION AT ETHIOPIAN WATER WORKS CONSTRUCTION ENTERPRISE

By:

SABA ATAKILTE

JUNE, 2016

ADDIS ABABA, ETHIOPIA

..

PRACTICES AND CHALLENGES OF BALANCED SCORECARDIMPLEMENTATION AT ETHIOPIAN WATER WORKS CONSTRUCTION ENTERPRISE

BY:
SABA ATAKILTE
ID. No SGS/0233/2005B

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLEMENT OF THE REQUIREMENTNTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

JUNE, 2016

ADDIS ABABA, ETHIOPIA

..

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES
MBA PROGRAM FACULTY OF BUSINESS

PRACTICES AND CHALLENGES OF BALANCED SCORECARD IMPLEMENTATION AT ETHIOPIAN WATER WORKS CONSTRUCTION ENTERPRISE

BY
SABA ATAKILTE
ID. N<u>o</u> SGS/0233/2005B

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies	**Signature**	**Date**

Research Advisor	**Signature**	**Date**

External Examiner	**Signature**	**Date**

Internal Examiner	**Signature**	**Date**

..

Table of contents

..

..

..

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor, Solomon Markos (PHD), and all sources of materials used for the thesis have been duly acknowledged.

I further confirm that the thesis has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Master of Business Administration [MBA]

June, 2016

Saba Atakilte
Name   Signature and Date

..

..

ENDORSEMENT

This is to certify that this project work, **"Practices and Challenges of Balanced Score Card Implementation at Ethiopian Water Works Construction Enterprise (EWWCE)"** undertaken by Saba Atakilte for the partial fulfillment of Master's of Business Administration [MBA] at St. Mary University, is an original work and not submitted earlier for any degree either at this University or any other University.

Research Advisor

_____

Solomon Markos (PhD)

ACKNOWLEDGEMENT

Acronyms/Abbreviations

BSC – Balanced Score Card

BoFED - Bureau of Finance and Economic Development

CSRP – Civil Service Reform Program

EWWCE - Ethiopian Water Works Construction Enterprise

HRM- Human Resource Management

KPI- Key Performance Indicators

MCS – Ministry of Civil Service

PBSMS- Performance Based Strategic Management System

PSCAP - Public Sector Capacity Building Support Program

PSIP - Performance and Service Delivery Improvement Policy

SPSS – Statistical Package for Social Science

List of Figures

List of Tables

Abstract

The objective of this study assesses the practicalities and challenges of BSC implementation in public sectors in the Case of EWWCE enterprises. In order to assess the implementation status, the study has been conducted by designing five-point Likert scale questionnaires and semi-structured interview questions.

The descriptive research design was employed by using quantitative and qualitative data from both primary and secondary sources and then, both were analyzed by using SPSS version 20.0 software and qualitative techniques.

The total sample size of the questionnaires is 155 involving managers and non-management employees of EWWCE. In this case, the study adopted probability sampling, particularly the stratified random sampling technique based on the size of positions hold (management and non-management) in each department (as strata) to select 155 sample size, whereas in the case of semi structured interview the study adopted purposive sampling technique to select 4 respondents who have the working knowledge of the system.

Accordingly, the findings reveal that in the enterprise, there was practically of BSC. But the implementation is not based on the system. Based on the findings the study proposes to the enterprise to conduct intensive awareness creation on how to produce relevant and sufficient KPI so as to capture full range of the objectives, to assign measurement data validation body to each measurement criteria so as to reduces clearly communication between higher level scorecard to lower levels and furthermore, to attach visibly the reward-system with performance result to effectively take advantage of the Balanced Scorecard system.

Key words: Balanced scorecard, Challenges, practices, implementation

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The Balance Scorecard (BSC) is one of the most popular performance management systems in the world since its initiation by Kaplan and Norton (1996). The Balanced Scorecard is a performance management system that can be used in any size organization to align vision and mission with customer requirements and day-to-day activities, manage and evaluate business strategy, monitor operation efficiency improvements, to build organizational capacity, and communicate progress to all employees (Rohm, 2014).

The Civil Service Reform program (CSRP), as one of the National Capacity Building Program, initiated in 1997 in the response to weak administrative system that challenges encountered in the public services delivery system clearly important for overall development of the country. It is also a national program, ministry is undertaking by the government in terms of utilizing both human and financial resources (Minisrty of Civil Service, 2013).

As a part of civil service reform, balanced scorecard (BSC) is used to plan, implement, monitor and measure the performance of all actors involved in the implementation of the goals and objectives of the country. It is an integrated approach to strategic plan, implement, and measure the performance of all actors involved. Because of its strategic approach, balanced set of measures and strategic alignment, BSC has been taken as the most important tool to be implemented in almost all government institutions throughout the country (Minisrty of Civil Service, 2013)

According to the study made by (Getachew and Common, 2006), the most recent reform phase began in September 2001, with the launch of the Public Sector Capacity Building Support Program (PSCAP), which also revived the CSRP. The Government has moved quickly to prepare the CSRP for its "full implementation" across all regions and levels of government. Pilot studies and special programs on performance and service delivery improvements in selected Ministries, Agencies, and Bureaus have been initiated. These include; the establishment of focal

points responsible for reform implementation across level of government; a series of workshops undertaken to sensitize the political leadership and civil servants across the country; and the launch of a "special program" of Performance and Service Delivery Improvement Policy (PSDIP) in priority Ministries, Agencies, and Bureaus designed to deepen the implementation of performance management. PSDIP, along with other reform program areas, have promoted Business Process Reengineering (BPR) as a key management initiative, particularly in those ministries that interface directly with the private sector. Based on the National Civil Service Reform, Ethiopian Water Works Construction has started to build and implement Strategic Management Based Performance Management system. The Strategic based management tools and system is BSC. Ethiopian Water Works Construction Enterprise (EWWCE) is one of the public sectors in the country. Accordingly, the enterprise decided works have to be measured through BSC and its implementation had started in 2011.

The most popular approach in current management thinking is the use of a 'Balanced Scorecard consisting of a variety of indicators financial and non- financial. It emphasizes the need to provide management with a set of information which covers all relevant areas of performance in an objective and unbiased fashion. The information provided may be both financial and non-financial and cover areas such as profitability, customer satisfaction, internal efficiency and innovation (BPP Learning Media , 2012).

In Cognizant of its importance, the enterprise has started to implement BSC in 2011. However, BSC is not fully understood and has been implemented poorly. The Practice of Balanced Scorecard in EWWCE started after a training given by Management Institute of Ethiopia on BSC implementation to all its management member and senior staffs. Since then it evaluates its employees using the balanced scorecard performance management. The evaluation involves the following procedures:

Performance agreement

The performance agreement is signing between the supervisor and the subordinate. Here a consensus is reached concerning the expectations as to the detail of the work to be performed, criteria for evaluation and monitoring issues. The detail work of the employee is cascaded from the work unit or section of the employee, whereas the activities of the work unit are cascaded

from the activity of the department and that of which is obtained from the organizational activities.

Rating of the activities.

The BSC appraisal invites different individuals and is completed by the staff, his/ her peer, line departments (customers) and finally checked and approved by supervisor.

It is the duty of the administration and change manager to facilitate and follow the proper implementation of the appraisal from beginning to end. The employee being with his/her immediate manger will decide the peers, subordinates and the stakeholders to participate in the ratings.

Evaluation/review/ of the ratings

A committee consisting of the administration and program managers will review the evaluation for further management decision and staff development subject. The decision could be rewarding the outstanding performer, demotion/reorientation and short courses for skill acquisition. The manual of the organization indicates that supervisors have to monitor their subordinates each week on Monday good morning session, monthly review session and rating will be made two times per year. Employee appraisal therefore is expected to be completed one as of June and December, in the middle and the end of the fiscal year respectively. However, the usual practice shows some gaps:

In reviewing records-staff fills the performance evaluation forms and submits it to their supervisors, the supervisor hands over to the head administration and Change management department head, where it is finally documented at head office. Hence, for the last four years the organization hasn't reviewed the employees' performance records.

In Automation -The performance evaluations were not automated, they are just in hard copies documented in the staff file. No further measures are taken based on the evaluation result. Therefore, Promotions and demotions if any have no relation with the performance evaluation.

This research examined the practices and challenges of BSC implementation at Ethiopian Water Works Construction Enterprise.

1.2 .Statement of the Problem

Many organizations have been using the balanced scorecard (BSC) as performance measurement tools and techniques to implement at all levels of operation, a number of them have encountered different problems when trying to implement the concept in their business and measure employee performance. The majorities have either implemented the BSC but without any significant improvement in performance of employees or they have given up in the implementation process itself (Pujas, 2010)

Most recently many Public sectors in the country started to implement BSC. Among the Public sectors which started implementing BSC, EWWCE is one of the public sector that on the way of implementing the Balance Score Card processes. Thus, due to many factors such as financial constraint, organizational factors, lack of top management commitment, resistance to change because of negatively understanding BSC result of employees in the organization and limited capacity was found to be difficult to align strategic objectives with the practical implementation of the enterprise.

What makes the implementation of BSC and measure employee performance so difficult? A literature review and different case studies were used to identify reasons for failure. Taking this as a foundation, it has been assessed if there is any relation between the many reasons discovered by researchers and the reasons identified as causing the BSC implementation in EWWCE. The objective is to analyze the possible factors affecting the implementation of BSC and employee performance to bring recommendations for future BSC implementation to overcome these barriers and to promote its advantageous use(Pujas D., 2010).

Some of the empirical study of the factors affecting the implementation of the BSC and Employee performance are performance measurement practices in public sectors (Domanovic et al, 2012), problems in implementation of BSC (Madsen.& Stenheim, 2014), implementation of the BSC in assessing the performance of public sector (Saeed, 2012), barriers to the successful implementation of BSC (Pujas, 2010), application of performance BSC in the government performance appraisal (Jiang and Liu, 2014), factors affecting the implementation of BSC (Gitonga & Nyambegera, 2015) and measuring performance in public sector (Ngomuo and Wang, 2015) are some empirical study on the factors affecting the implementation of BSC and employee performance in Public sectors.

1.3 Research Questions

To systematically address the stated problem, the study raised the following research questions:-

1. How is the practice of BSC in EWWCE?
2. How is the EWWCE employee's attitude and awareness towards BSC?
3. What are the challenges in the implementation of the BSC as performance in EWWCE?
4. How is the success of BSC implementation with respect to BSC perspectives? This study investigates the reasons for the technical delay that prevent the successful implementation of the Balanced Scorecard. A number of studies and cases were investigated to identify this problem. Then, the reasons behind the failure of the BSC effective implementation in Ethiopian Water Works Enterprise. The results of the study further used as a basis for recommendations for a future BSC resourcefulness in the enterprise.

1.4. Objectives of the Study
1.4.1 General Objectives of the Study

The main objective of the study is to assess the implementation of BSC in EWWCE with a case reference of Addis Ababa headquarter for the past four years and to identify the major challenges meet during the implementation process and to forward possible recommendations

1.4.2 Specific Objectives of the Study

The specific objectives of the study are to:

➢ Identify and examine the extent of BSC practices in EWWCE.
➢ Assess the awareness level and attitude of employees in EWWCE towards BSC.
➢ Investigate the challenges associated with implementation of BSC.
➢ Evaluate the success of BSC implementation so far with respect to the BSC perspectives.

1.5. Definition of Terms/concepts/

Balanced Scored Card – is a strategy-based performance management system that typically identifies objectives and measures for four different perspectives: the financial perspective, the customer perspective, the process perspective, and the learning and growth perspective (Kaplan & Norton, 1996)

Effectiveness: The degrees to which objectives are achieved and the extent to which targeted problems are solved. But here used as the degree to which objective of BSC implementation achieved. (Charles et al, 1998)

Enterprise: Organization either profit making or non-profit making that serves citizen. (Palmer et al, 2006)

Performance measurement: is a measurement system which incorporates financial and non-financial measurement (Kaplan & Norton, 1996).

Stakeholders: are defined as the group individuals, inside or outside the enterprise, that have a stake or can influence the organization's performance (Gareth, 2010)

1.6. Significance of the study

The significance and contribution of the study area, it will be a good indicator for decision makers to identify the gap between the expected benefits of the balanced scorecard and the existing benefits that the enterprise is getting, it is important for another researcher as an input to study about the issue. And, from a practical perspective, the findings of this study will be used as an input to top management of EWWCE and human resource managers to design their BSC practices within a strategic condition in order to improve organizational performance.

1.7. Scope of the study

Due to time and resource constrained the scope of the research is limited to assessing balanced scorecard practices and challenges of its implementation at EWWCE only, which is a Government Developmental organization with its head quarter of the enterprise it's located in northeast of Addis Ababa.

Although, there are different specific issues that will be researched in relation to BSC, this study was limited to describe the practices and challenges of BSC implementation of the enterprise and employee performance.

1.8. Organization of the Study

This research is organized into five chapters. Chapter one contains the background of the study, a statement of the problem, basic research questions, objectives of the study, definition of terms, the significance of the study, and the scope of the study.

Chapter two provides theoretical and empirical review of the literature related to the concept of the balanced scorecard, its implementation and challenges faced and which was providing information to the reader of what is already known in this area of study. Chapter three focuses on the research methodology employed, research design, sample size and sampling technique, data source and instrument of data collection method, procedure of data collection and methods of data analysis. Chapter four presents Results and Discussions. Finally, summery, conclusions, limitation of the study and recommendations are presented under fifth chapter.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

The primary purpose of this chapter is to get a hold of the theoretical and empirical understanding of the concept of the balanced scorecard. In doing this, the overall concept with the origin and meaning of the balanced scorecard is briefly stated and the over reliance of companies on financial measures is criticized. Then, the chapter briefly introduces the components of balanced scorecard and what it takes to implement it. In the final parts of the chapter, the common challenges of implementing the balanced scorecard are stated.

2.1. Theoretical Literature

2.1.1. Origin of Balanced Scored Card

The Balanced Scorecard was developed by Robert Kaplan and David Norton (Kaplan & Norton, 1992). In 1990, Kaplan and Norton led a research study of a lot of companies with the purpose of exploring the new methods of performance measurement. The importance of the study was a growing belief that financial measures of performance were ineffective for the modern business enterprise. Representatives of the study companies, along with Kaplan and Norton, we're convinced that reliance on financial measures of performance had an effect on their ability to create value. The group discussed a number of possible alternatives, but settled on the idea of a scorecard, featuring performance measures capturing activities from throughout the organization customer issues, internal business processes, employee activities, and of course shareholder concerns. Kaplan and Norton introduced the new tool the Balanced Scorecard and later summarized the concept in the first of three Harvard Business Review articles, "The Balanced Scorecard-Measures That Drive Performance." The Balanced Scorecard has been translated and effectively implemented in both the nonprofit and public sectors. Success stories are beginning to accumulate and studies suggest the Balanced Scorecard is of great benefit to both these organization types (Niven, 2006).

1.1.2 Definition of Balance Scorecard

The Balanced Scorecard (BSC) is a Performance Management system that can be used in any size organization to align vision and mission with customer requirements and day-to-day work, manage and evaluate business strategy, monitor operation efficiency improvements, build organizational capacity, and communicate progress to all employees. The scorecard allows us to measure financial and customer results, operations, and organizational capacity. This article discusses how to develop a Balanced Scorecard performance system, explores issues that organizations face in building and implementing scorecard systems, and shares lessons learned from organizations that have taken the Balanced Scorecard journey (Rohm, 2014).

2.1.3. Benefits of Balanced Scorecard

The Balanced Scorecard (BSC) provides managers with the instrumentation they need to follow the map to future competitive success. Today, organizations are competing in complex environments so that an accurate understanding of their goals and the methods for attaining those goals is vital. The Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system. The Balanced Scorecard retains an emphasis on achieving financial objectives, but also includes the performance drivers of these financial objectives. The scorecard measures organizational performance across four balanced perspectives: financial, customers, internal business processes, and learning and growth. The BSC enables companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they need for future growth. (Kaplan & Norton, 1996, p. 2)

One of the main arguments that Kaplan and Norton (Kaplan & Norton, 1996) used in favors of the balanced scorecard was that it aligned an organization's performance with its strategy. The Balanced Scorecard is more than a tactical or an operational measurement system. Innovative companies are using the scorecard as a strategic management system, to manage their strategy over their long run. They are using the measurement focus of the scorecard to accomplish critical management processes:

1. Clarify and translate vision and strategy

2. Communicate and link strategic objectives and measures

3. Plan, set targets, and align strategic initiatives

4. Enhance strategic feedback and learning (Kaplan & Norton, 1996, p. 10)

The measurement functions as an alignment between the strategy and operational action. The core question there is the selection of objectives and measures to monitor the implementation of the vision and the strategy.

As recommended by Kaplan and Norton there are a nine-step process for creating and implementing the balanced scorecard in an organization. The nine step process can be divided into two main phases, the first phase is building and maintaining BSC and the second level is the implementation of BSC. The building and maintain phases perform an overall organizational assessment or scanning the external and internal environment, identify strategic themes, define perspectives and strategic objectives, develop a strategy map, drive performance metrics and define and prioritize strategic initiatives. The second phase comprises: - automate and communicate, implement the balanced scorecard throughout the organization and collect data, evaluate, and revise (Isoraite, 2008). As cited by (Rahhal,2014), also concluded that the use of the BSC should improve managerial decision making by aligning performance measures with the goals and strategies of the firm and the firm's business units.

Figure 2.1.3.1.(Kaplan & Norton 1996, p. 11)
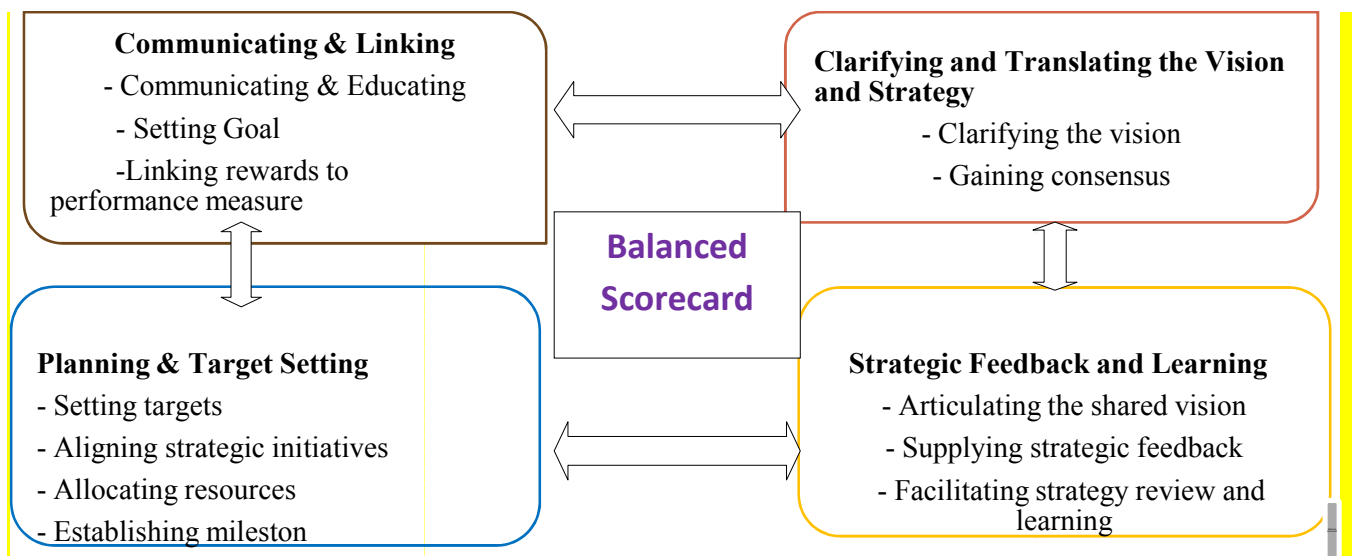
2.1.4. Balanced Scorecard Perspectives

The BSC framework makes a linkage between non-financial indicators (operational measures) and financial measures (Rahhal and Darabee, 2014) as stated by Kaplan and Norton Financial measures are lagging indicators that report on the outcomes from past actions. Exclusive reliance on financial indicators encouraged behavior that sacrificed long-term value creation for short-term performance. 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 (Jiang and Liu., 2014).

Figure 2.1.4.1.Vision and Mission (Kaplan & Norton, 1996)
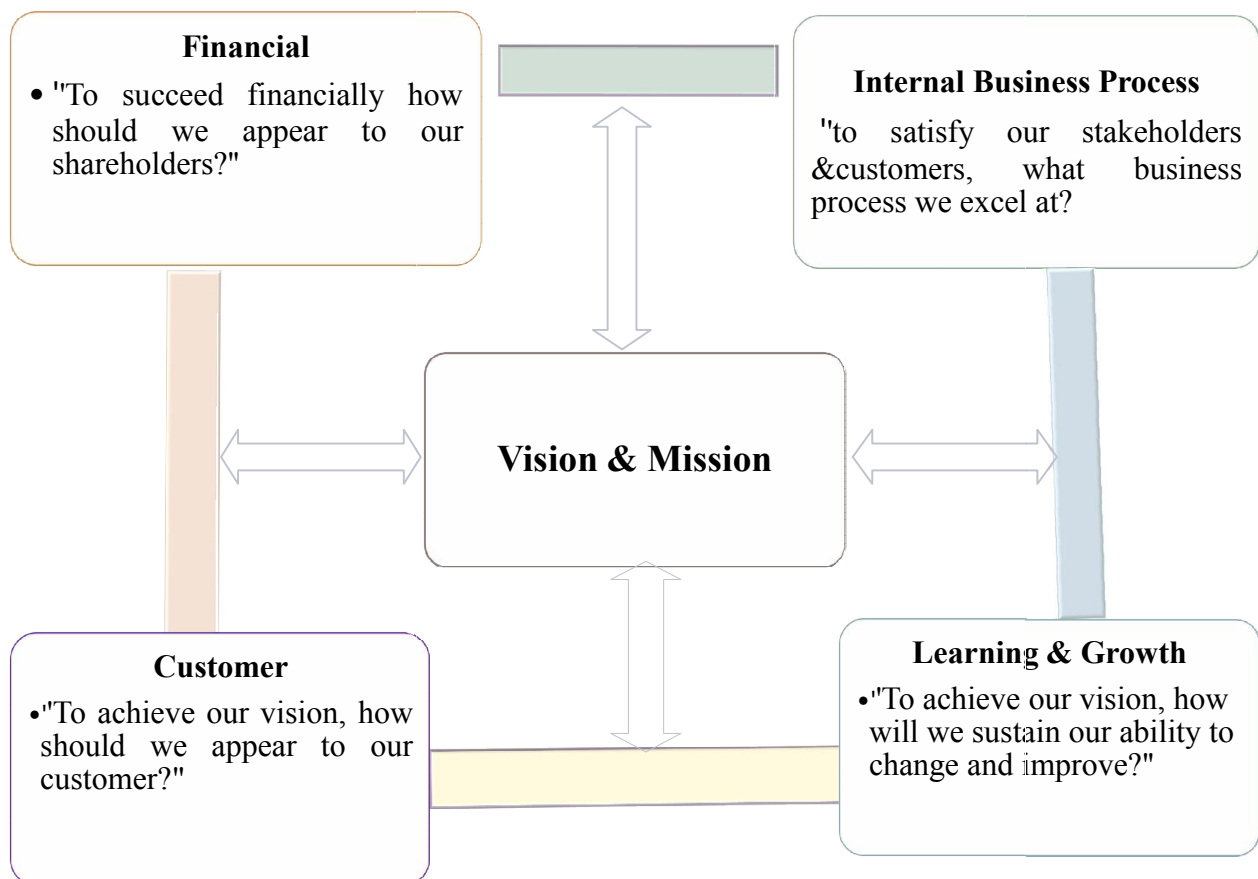
2.1.4.1 Financial Perspectives

For profit seeking organization, financial perspective provides an accountability measure between it and its owners, the shareholders. For a government agency, the financial measures are not the relevant indicators of whether the agency is delivering on the rationale for its existence (Kaplan, 1999). The financial perspective might include a maximization of funding from outside sources instead of profit, or maintenance of fiscal stability (Michael, 2008). Public Sector should start by identifying an overarching objective for their mission at the top of their scorecard. It should measure their success by how effectively and efficiently they meet the needs of their tangible objectives for their mission, customers, and constituencies. As it was stated by Kaplan financial considerations can play an enabling or constraining role, but should rarely be the primary objective. Lack of funding is a severe challenge to be overcome if strategy via the balanced scorecard is to be effectively implemented (Caudle, 2008).

2.1.4.2 . Internal Process Perspectives

Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any organization. Improving service delivery calls for a shift away from inward looking, bureaucratic systems, processes and attitudes, and a search for new ways of working which place the needs of the customer first. Kaplan and Norton (2004) argued that the cost of customer dissatisfaction is substantial. It includes the cost of replacing lost customers, recovery costs involved in satisfying displeased customers, the impact of negative word-of-mouth, poor employee morale due to working with disgruntled customers, and the cost of 'opening doors' for competitors.

Companies seldom fail because they have a wrong strategy. They fail because they lack the methods to achieve the tactics that surround a strategy. The internal perspective reminds us that the background works, driven by objectives and goals, must be in place to ensure that the customer and financial objectives are achieved (Nair, 2004). Internal processes, norms, cultures, and procedures in all departments and business units support the value proposition to the target market segments. The main condition in obtaining the desired results from process improvements is to assess the organization performance, to identify the possible problems that affect the quality of the products (Jiang and Liu, 2014).

Typically, organizations have habits that are challenging to break or change in these perspectives. In other words, their internal behaviors will sabotage their ability to meet targets with the customer and the financial perspectives. These organizations must re-tool to win, and this perspective helps them define what this retooling is. Conversely, if an organization can identify these internal characteristics and define ways to enable them, their execution arsenal can be tuned to win the customer and destroy the competition. (Nair, 2004)

2.1.4.3 Customer Perspectives

According to Sharon Caudle as cited by (Theuri & Mugambi, 2014) the customer perspective asks how an organization should appear to customers to achieve the organization's vision. Customer objectives identify customer and market segments where the business would compete and what performance would be expected for these targeted segments. The scorecard focuses on customer concerns primarily in four categories: time, quality, performance and service, and cost. These are called leading indicators. If customers are not satisfied they will eventually find other suppliers that will meet their needs. Can it look to its "immediate customers" for satisfaction and loyalty measures? Clearly not; the customers" for such organizations are the citizens at large, who benefit from effective, but fair enforcement of laws and regulations (Kaplan, 1999). As cited by Khan and Halabi in (Rahhal and Darabee, 2014) this perspective also encompasses measures such as customer satisfaction, new customer retention, new customer acquisition, customer response time, market share, and customer profitability.

2.1.4.4 Growth and learning (Capacity Building) Perspectives

Learning and growth perspective refers to building organizational capacity through educated, skilled employee and peer services; developing and enabling staff to provide high-quality, evidence-based and culturally competent services utilizing technology and efficient and effective organizational design; planning for future needs (Theuri & Mugambi, 2014). According to Marko Rillo as cited by Theuri learning and growth perspective identifies the infrastructure that the organization must build to create long-term growth and improvement. Organizational learning and growth comes from three principal sources of; people, systems, and organizational procedures. It requires businesses to invest in re-Skilling employees, enhancing information technology and systems, and aligning organizational procedures and routines. Intense global

competition also requires that companies continually improve their capabilities for delivering value to customers and shareholders. The financial, customer, and internal business process objectives on the BSC will typically reveal large gaps between existing capabilities of people, systems, and procedures and what will be required to achieve targets for breakthrough performance. To close these gaps, businesses and organizations will have to invest in re-Skilling employees, enhancing information technology and systems, and aligning organizational procedures and routines. These objectives are articulated in the learning and growth perspective of the BSC.

2.1.5. BSC and employee performance

2.1.5.1 Employee Performance

As Kaplan and Norton (1990), states that employee performance is the job related activities expected of a worker and how well those activities were executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement. An employee is an individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties.

While undertaking a multi-company research study called "Measuring Performance in the Organization of the Future" concluded that; to evaluate the organizational and employee performance in performance appraisal management processes, the BSC provides a framework of various measures to ensure the complete and balanced view of the performance of the employees, unlike the conventional approach which measures employee performance only on a few parameters like the action processes, results achieved or the financial measures. The study identified the need for an improved management control system based on an understanding of actual performance against important strategic goals. BSC therefore focuses on the measures that drive performance. (Theuri & Mugambi, 2014).

2.1.5.2. The perceived Effect of BSC on Employee Performance

As stated by Feltham and Xie in (Theuri & Mugambi, 2014) aligning incentives or linking rewards to performance through effective evaluation and performance appraisals is critical.

Consistent with the balanced scorecard concept, theoretical work on performance evaluation using multiple signals in agency settings indicates that financial measures alone may not provide the most efficient means to motivate managers to act in the manner desired by the firm's owners.

2.1.5.3. Factors Affecting the BSC implementation

Many of the people in the organization who are crucial to successful strategy implementation probably had little to do with the development of the corporate and even business strategy. Therefore, they might be entirely ignorant of the vast amount of data and work that went into the formulation process. Unless changes in mission, objectives, strategies, and policies and their importance to the company are communicated clearly for all operational managers, there can be a lot of resistance and foot-dragging. Managers might hope to influence top management into abandoning its new plans and returning to its old ways. This is one reason why involving people from all organizational levels in the formulation and implementation of strategy tends to result in better organizational performance (Wheelen & Hunger, 2012)

The balanced scorecard is the most widely applied performance management systems today (Vichore, 2013). Niven (2002) stated that as cited by Vichore suggests that government organizations experience some degree of difficulty applying the original architecture of the BSC, mainly due to the overriding financial perspective. Therefore, there are many factors which are affecting the implementation of BSC and employee performance. These factors are top management and leadership commitment, organizational factors, financial/ budget factor, align the set objectives with practical application behavioral factors and Information technology are some of them. As cited by (Madsen & Stenheim, 2014) some factors affecting the implementation of BSC are conceptual issues, social issues, technical issues and political issues.

2.1.5.4 Leadership and Top Management commitment

Leadership and top management from the top, where, the senior executive team directs the balanced scorecard effort. Leadership can align the changes and strategic initiatives with short and long-term resource allocations (Caudle, 2008). This is particularly important to ensure consistency in policy and operational objectives. Lack of commitment from central actors in the organization, such as the top management group or the project group can be a serious problem in BSC projects (Madsen.& Stenheim, 2014).

2.1.5.5. Information Technology

To assist the company's strategic discussion and learning processes, the Balanced Scorecard should be continually updated with current and operationally relevant information. Inputs are needed at all stages of a BSC initiative. Niven (2006)

2.1.5.6. Knowledge Factors

If a company wants to implement the Balanced Scorecard properly and reap all the benefits this concept may bring, people should first learn about it Niven (2006). A lack of education of top management and team members in charge of building the BSC will certainly be a big minus. If those who are supposed to promote and stand behind the initiative do not fully understand what they are trying to transfer to others, how can someone else trust them? If they do not appear self-assured and at the same time, if they do not seem very knowledgeable, skepticism about the initiative will grow (Niven, 2006). Due to limited budgets or because of the perceived simplicity Of the tool, BSC education and training are very often preserved only for high-level managers are only for project team members. The essence of any BSC initiative is to lead people throughout the organization to implement the strategy. If those people do not understand the tool in depth, there is no chance that they will find the right path to do this.

Figure 2.1.5.6.1. Conceptual framework of the study

• Financial Perspectives (Budget)
• Customer Perspectives
• Internal Process Perspectives
• Learning and growth Perspectives (Capacity Building)
• Top Management commitment
• Information Technology
• Knowledge Factors

Independent variable

understanding BSC system

• Sucesesful implementation of BSC

Dependent variable
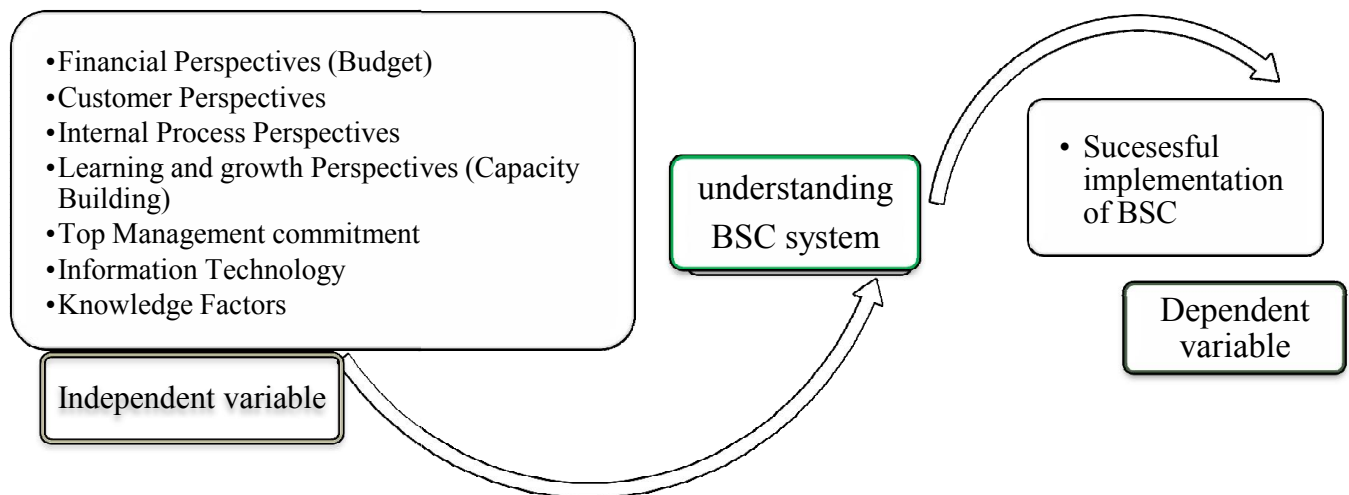
Source: Self- extracted

2.1.6. Strategy Map

As stated by Kaplan R.S and Norton, D.P.(1996) The Balanced Scorecard strategy map provides a framework to illustrate how strategy links intangible assets to value creating processes. The financial perspective describes the tangible outcomes of the strategy in traditional financial terms. The customer perspectives define the value of the proposition for targeted customers. The value proposition provides the context for the intangible assets to create value. If customers value consistent quality the skills, systems, and processes that produce and deliver quality products and services are highly valuable to the organization. If the customer values innovation and high performance, then the skills, systems, and processes that create new products and services with superior functionality take on high value. These perspectives provide desirable outcomes for the target. Both perspectives contain many lag indicators.

The learning and growth perspective identifies the intangible assets that are most important to the strategy. The objectives in this perspective, identify which jobs (the human capital), which systems (the information capital), and what kind of climate (the organizational capital) are required to support the value-creating internal processes. These perspectives are the leading indicators (Kaplan & Norton, 1996).

Figure 2.1.6.1. Strategic Planning

Measurement Indictors	Strategic Map
Customer Perspectives	Serving Public Interest → Enhancing Accountability ← Enhancing Customer Satisfaction
Financial Perspectives	Improving Economic use of Resources — Improving Budget and its Profitability
Internal Process	Planning, control, monitoring and follow up — Good Governance and Service provision — Improving Auditing and inspection — Improving Community Participation
Learning & Growth	Technological Enhancement ← Professional Development → Working Environment

2.1.7. Cause- Effect Relationship

The Balanced Scorecard relies on the concept of Strategy developed by Michael Porter (Kaplan & Norton, 1996). Kaplan and Norton assume causal relationship: measures of organizational learning and growth measures of internal business processes measured of the customer perspective, financial measures, the measures of organizational learning and growth are therefore the drivers of the measures of the internal business processes. The measures of these processes are in turn the drivers of the measures of the customer perspective, while these measures are the drivers of the financial measures.

According to Kaplan and Norton a good balanced scorecard should have an appropriate mix of outcomes (lagging indicators) and performance drivers (leading indicators of the business unit's strategy. Because Kaplan and Norton assume the following causal relationship: measures of organizational learning and growth, measures of internal business processes, measures of the customer perspective and financial measures.

The scorecard translates the vision and strategy of a business unit into objectives and measures in four different areas: the financial, customer, internal business process and learning and growth perspective. The financial perspective identifies how the company wishes to be viewed by its shareholders. The customer perspective determines how the company wishes to be viewed by its customers. The internal business process perspective describes the business processes at which the company has to be particularly adept in order to satisfy its shareholders and customers.

The organizational learning and growth perspective involves the changes and improvements which the company needs to realize if it is to make its vision come true (Molleman).

2.2. Empirical Literature

2.2.1. Challenges of Implementing the Balanced Scorecard

In their study to assess the challenges faced by organizations that implemented the balanced scorecard system, Domanovic, et al. (2011), found out very little or no company has implemented the concept of the balanced scorecard in the way the literature explains and the way it is implemented by companies in other countries. Though this was concluded from a sample of a small number, the study states that these companies were reputable companies in Serbia.

Similarly, according to Kaplan and Norton (1992), during the first couple of years of introducing the balanced scorecard in some of the companies, as the controllers and finance vice presidents of these companies took the concept back to their organizations, the project participants found that they could not implement the balanced scorecard without the involvement of the senior managers who had the most complete picture of the company's vision and priorities. This was revealing, because most existing performance measurement systems have been designed and overseen by financial experts.

As Bourne and Bourne (2007), as cited by Brunette (2010), reasons for failure of the BSC are due to the company selecting the wrong measures, and the measures selected not being relevant to those chosen to run the business. The measures are not aligned with the goals and people do not understand the system. Essentially not enough time and effort are invested in training and education; there is a lack of support from top management with no performance-review mechanism in place. The measures become dated; or measures are in conflict with the reward system; or they are not used; or they are resisted. Similarly, despite many stories of successful implementation of the balanced scorecard in large companies, Kaplan and Norton (2001), based on their experience of balanced scorecard implementation in many organizations, identify a poorly designed balanced scorecard lead to its failure in an organization.

A poor design includes:

☐ Too few measures in each perspective, leading to failure to obtain a balance between leading and lagging indicators or financial and non-financial indicators.

☐ Too many indicators without identifying the critical few: in this case, the organization will lose focus and be unable to find links between indicators.

☐ Failure of measures selected to depict the organization's strategy. This happens when an organization tries to input all its Key Performance Indicators (KPIs) into each perspective without screening to select only those measures linked to its strategy. This means the organization's strategy is not translated into action and it thus does not obtain any benefit from the balanced scorecard (Kaplan and Norton, 2001).

The other challenge, according to Bourne and Bourne (2007), as cited by Brunette (2010), is a failure to use. Without review and visible action being taken that are based on the results of the measures, commitment to the process will be lost and the scorecard will decay. Even having a high-performance BSC that is out of date can take the organization in the wrong direction unless it changes the strategy when the environment changes. Similar Performance measures need to be realigned as failure to do this will result in the strategy being focused on one or more aspects, and the employees being guided to focus on others. In addition to this, if a company wants to implement the balanced scorecard properly and reap all the benefits, people should first learn about   it.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter presents details of the research design and methodology. It discusses the research technique used in the study and the reasons for selecting such a technique. This includes the research design, sample size and sampling technique, data source and collection method, procedure of data collection.

3.1 Research Design

As Sekaran (2000), stated descriptive study is appropriate for ascertaining and describing the characteristics of the variables of interest in a specific situation. Accordingly, the study adopted descriptive research technique with a primary purpose of assessing practices of implementing balanced scorecard in the enterprise and identifying challenges meet during the implementation process. Several research approaches can be adopted for the conduct of a research study. The researcher examined the qualitative and quantitative approaches in the context of their strengths. Qualitative research has several strengths and applications.

According to Schwandt(2000), as cited, by Dahlan (2009), it is well suited for describing phenomena as they are situated and embedded in local contexts. Qualitative research has its own limitations. Its findings are not usually generalizable due to the small number of respondents, the findings are interpretive and subjective (Sekaran, 2000). Similarly quantitative research has its own strength. Its main strengths are that it generates precise, numerical data from large survey sizes. Furthermore, the findings are reliable and can be generalized and replicated in many populations (Maxwell and Delaney, 2004).

A combination of qualitative and quantitative approaches can build on the strengths and minimize the weaknesses of both (Dahlan, 2009). Similarly Saunders, Lewis, & Thornhill (2009), argue that mixed methods are useful if they provide better opportunities to answer research questions and allow for evaluating the extent to which the research findings can be trusted. This research therefore used mixed approaches in a complimentary manner.

3.2. Data Sources and Instruments of Data Collection

The source of data for the study was respondents. The study had used both primary and secondary data sources. The researcher used primary data that were collected from the employees and management members through questionnaire and interview. The secondary data were gathered from writing document like enterprise's strategic plans, Civil Service reform document, magazine, newspapers and EWWCE annual and quarterly report and evaluation, performance appraisal document, BSC and Performance based Management study and evaluation data, BPR document of the enterprise. Besides, a variety of books, published and unpublished government documents, electronic journals, websites and reports were used as secondary data sources.

The Likert 5 scale method was preferred in order to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate. The questionnaire statements were developed and evaluated on a 1-5 Likert scale, where '1' indicates strongly disagree with the statement, '2' disagree, '3' neutral, '4' agree and '5' refers to strongly agree with the statement.

Also, the interview was conducted with Corporate Human Resource Management work process Manager, Change management Work process Manager, Planning and Monitoring Work process Manager and Organizational development sub Work process manager were interviewed (see appendixes A and B).

3.3. Sample and Sampling Techniques

A sampling design is the selection of an appropriate sample to minimize the gap between the values obtained from the sample and the population (Dahlan, 2009). Sampling is essential in conducting a survey to measure the characteristics of all elements of a population. Therefore, guided by research objectives and questions, the researcher gave full attention to the target population and the sampling method for deciding on the size composition of the sample.

The target populations for the survey questionnaire includes management members/case team coordinators, sub work process managers, work process managers/ and employees/expertise/ of EWWCE at the head quarter.

The organization has 2030 employees working on eleven Projects located in different parts of the country, which operate in Dam and Irrigation, Dry port, Water Diversion, Road, Building Construction and in water supply projects, including the central equipment maintenance and workshop, supplies, administration and control services which is located at Kality South of Addis Ababa. As information from the HRM department out of which 1677 are males and the remaining 353 employees are females. The number of employees working in head office is 300 at the time research were conducted. Sample can be determined using census, imitating a sample size of similar studies, using published tables and application of formula to calculate a sample size. Accordingly, this study will apply (Cochran, 1977) formula of sample size determination to determine the sample size of the study. Hence, the sample size of the study will be calculated as:-

$$n = \frac{z^2 pq}{e^2}$$

n=minimum sample size required,

p=is the estimated variance in the population = 50%

e=the margin of sampling error tolerated = 5%

z=confidence level = 1.96 for 95% confidence

q=1-p

$$n = \frac{1.96^2 * 0.5 * 0.5}{0.05^2} = 385$$

$$n=385$$

Since, the source population has been less than 10000 it was necessary to find the adjusted sample size - n_f.

$$n_f = \frac{n}{1 + \frac{n}{N}} \qquad where,$$

n_f = Adjusted sample size

n=minimum sample size

N= Total source population (300)

$$n = \frac{385}{1 + \frac{385}{300}} = 168 + 10\% \text{ of non-respondents (assumption of the investigator)}$$
$$n_f = 184$$

In order to select sample participants, by taking into account. The purposes of the research the researcher selected for probability sampling, particularly stratified random sampling as shown in table 3.1.

Table 3.1. The distribution of department, total population and sample questionnaires returned

Department name	Total population		Number of questionnaires returned	
	Non-management	Management	Non-management	Management
A	45	10	19	3
B	15	2	9	2
C	12	2	4	1
D	17	5	10	2
E	35	6	17	2
F	13	2	8	1
G	30	5	19	2
H	10	1	5	1
I	21	3	12	2
J	14	2	8	1
K	5	1	2	1
L	22	2	13	2
M	18	2	9	1
Total	257	43	134	21

According to Saunders et al. (2009), stratified random sampling is a modification of random sampling in which the researcher divides the population into two or more relevant and significant strata based on one or more attributes. A random sample is then produced from each of the strata. Dividing the population into a series of relevant strata means that the researcher ensures that each of the strata is represented proportionally within the sample. The sample is stratified based on the proportion of the size of employees and managerial position in each department. This aims to ensure balanced representation within the sample. Thus, each department is represented equally in the sample. Table 3.1 reports the distribution of the department and the number of sample questionnaires returned.

As shown in table 3.1.A total of 155 apart from additional 29 questionnaires were distributed among departments. In general out of the 184 questionnaires sent out, 155 were completed and returned. According to Issac and Micael (1995), 155 is representative up to 1000 population at 95% confidence level.

In order to select sample participants in the case of the interview, the chosen method is non-probability sampling or purposive sampling. According to Maxwell (2004), purposive sampling is a non-probability sampling technique that uses judgment and deliberate effort to pick individuals who meet specific criteria of the study. As Maxwell stated this sampling technique is appropriate for at least three reasons. It selects cases that are especially informative for the specific study, and it is also relevant to conduct case study analysis to find important individuals and/or groups that are important for the study. Accordingly the researcher selects two work process and two sub work process Managers of the EWWCE.

3.4 .Procedures of Data Collection

The researcher required permission for the enterprise and after permission was approved, the questionnaires were distributed to the respondents and their feedback was gathered. As to my research assistants, at the Head Quarter, the researcher, is working in the enterprise, had the opportunity to follow up on each and every one of the questionnaires spread out. When it was time to conduct the interview, all the interviewees were contacted and the interview was conducted by the researcher. There was no Focus Group Discussion or any other type of brainstorming sessions at all. Structured questionnaires and semi-structured interview was developed and used as data gathering methods.

3.4.1. Structured Survey Questionnaire

A structured questionnaire arranged in standardized 5-point Likert's scale was chosen because of the strengths of this method. A structured questionnaire allows all the participants to respond to the same questions, as participants are offered the same options on each statement and it provides an efficient way of collecting responses from a large sample (Saunders, Lewis, &Thornhill, 2009). Closed ended questionnaire also provides confidentiality of the respondents to enable them complete the questionnaire honestly; and its use also tends to increase the response rate (Khomba, 2011). That is why the researcher chooses a Likert scale survey questionnaire as the main instrument to gather quantitative data for this study. The survey targeted to non- management and management members in EWWCE, with the focus on practice, and challenges of balanced scorecard implementation in the enterprise, so it was necessary to adapt the questionnaire to make it as user-friendly as possible. In order to do so, the researcher prepared statements and interval settings based on the Likert style rating scales to which the participants (Non-Management and

Management members) had to respond (with the rankings signifying the degree of agreement, ranging from 1-5 Likert scale "where '1' indicates strongly disagree with the statement, '2' disagree, '3' neutral, '4' agree and '5' refers to strongly agree with the statement.

The main steps that were followed when formulating the questionnaire included the similar questionnaires that were used in previous surveys. All these conclude in the formulation of 43 questions that represent the main areas of the study.

3.4.2. Semi - Structured Interview

The semi-structured interviews are not standardized, the data are more qualitative, and the interviewer just has a list of questions that he/she would like to be answered. Depending on the interviewee and the conversation, the interviewer can regulate the order of the questions and add more questions if it is needed to investigate the topic further (Kristin, Caroline, Cecilia, & Sarah, 2009). In line with this one of the weaknesses of structured questionnaires is lack of in-depth data from participants, as the researcher does not physically interact with or even observes the participants (Khomba, 2011).

Therefore, the researcher selected interview to supplement structured survey questionnaires. This approach was chosen for this research because it allows opportunities for additional questions to get a more in-depth view. Interviewing individuals at different levels of the management within the enterprise gave a more comprehensive picture of how varying levels within the administration responded to the research in question.

The interviews were conducted in EWWCE; locations and times were chosen by the interviewees to make it more convenient for them. When conducting interviews one can increase both the validity and reliability by providing interviewers with information about the interview contents beforehand (Kristin,et.al, 2009). Accordingly, before the interview was conducted, the questions were sent, to make sure that they had the information needed and to make sure that they were prepared to questions.

3.5. Data Analysis and Presentation

The data analysis for this research was the descriptive type of data analysis. The researcher had examined the collected data in order to find constructs, ideas and patterns that can be used to describe and explain the phenomenon being studied.Descriptive statistical analysis was applied to the presentation, interpretation and discussion parts on various dimensions of the evaluation system. Frequency tables, charts, and percentages were used as appropriate to analyze, interpret, tabulate and present the result of the study. The data gathered through questionnaires were coded, entered into the computer and analyzed and presented in the form of charts, diagrams, and tables by using SPSS Statics version 20. The results of the interview questions were integrated to the responses of employees through questionnaires and were analyzed accordingly. Finally, conclusions were made based on the results/findings of the study and recommendations were forwarded on the basis of the data analyzed.

Similarly, after the interviews, the researcher went through the notes and wrote a complete, descriptive report of the study and results analyzed through narrative analysis method because of its qualitative nature. Instead of writing, interviews as a whole, the researcher summarized the important and central parts of the interview.

CHAPTER FOUR
RESULTS AND DISCUSSION

This chapter is set out the key results from the data collected to seek an appropriate answer for the basic questions raised in the statement of the problem. To collect the data, questionnaires and semi-structured interviews were conducted .The questionnaire is distributed to 184 employees; out of this 155 were completed and returned. Moreover, an interview is administered by the corporate human resource manager; organizational development manager, change management manager and planning and monitoring manager with the concerned administrator of the enterprise were presented and discussed. The output of the data is presented using tables and graphs in order to make the topic more understandable.

4.1. Demographic Information for Respondents

The first part of the questionnaire consists of the demographic information of participants. This part of questionnaire requested a limited amount of information related to personal and professional demographic characteristics of the respondents. Accordingly, the following variables are about the respondents were summarized and described in the subsequent figures. These variables include: Gender, number of year's employees worked in the organization, the highest educational level achieved and the current position in the organization.

4.1.1. Gender

The respondents were asked to mention their gender in the questionnaire. Accordingly the respondents in the study were found to be male dominated (more than 71%), as the result is shown in Figure 4.1.

Figure 4.1 Gender proportion of the respondent.
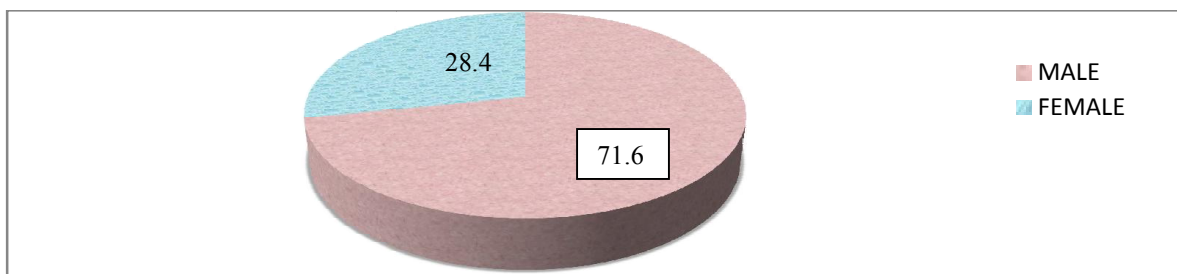
Source: Own survey, 2016

4.1.2. Work Experience

When we see the years those respondents work experience in their job. As the result shows in Figure 4.2 around 49 % are working for 6-10 years, 29.7% work for more than 10 years, and the remaining 21.3 % works for 1-5 years. From these one can deduct that more than 75 % of respondents have worked in their job for more than 5 years. The respondents are well-experienced and it's believed to reflect on BSC framework more professionally.

Figure 4.2 Work experience

21.3%

29.7%

49%

■ 1-5 year
■ 6-10 year
■ above 10 year
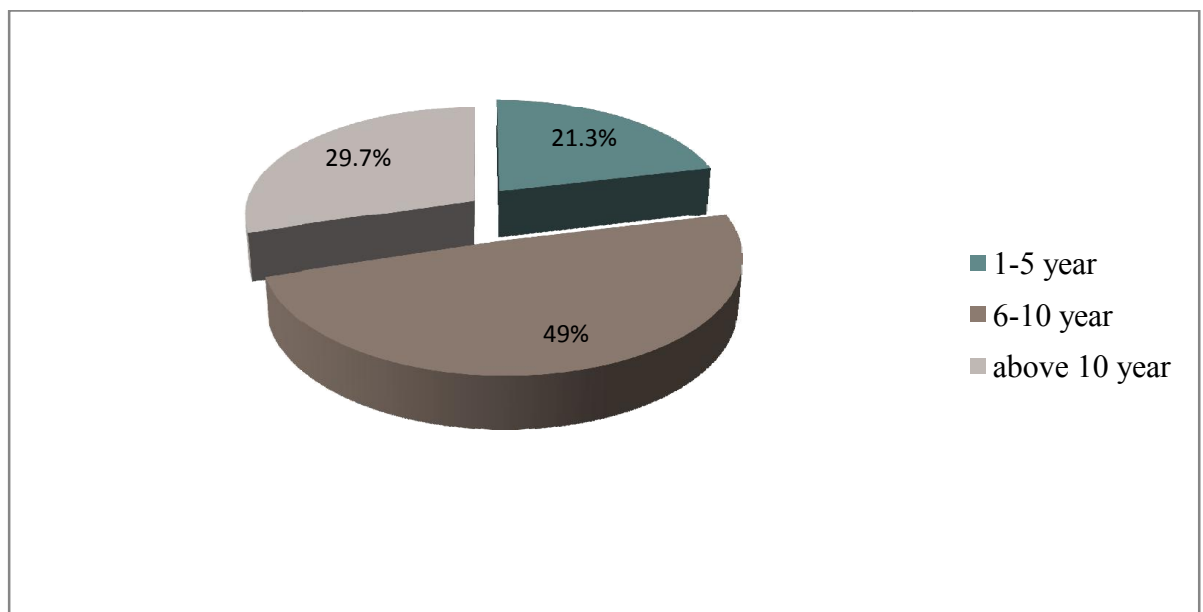
Source: Own survey, 2016

4.1.3. Academic Qualification

The respondents were similarly asked to state their academic qualification. As a result shows in Figure 4.3.

 4.5 % of the respondents have a masters degree (post graduate), 61.9 % BA degree (first degree), 30.3 % of respondents have Diploma and 3.2 % of respondents have other qualifications (like level II and level III from Technical and vocational training institute). All of the participants in the survey are literate people who have already achieved different levels of education. The respondents

are well-educated who are believed to be responsible to know about and practice issues related to the BSC.

Figure 4.3. Academic Qualification
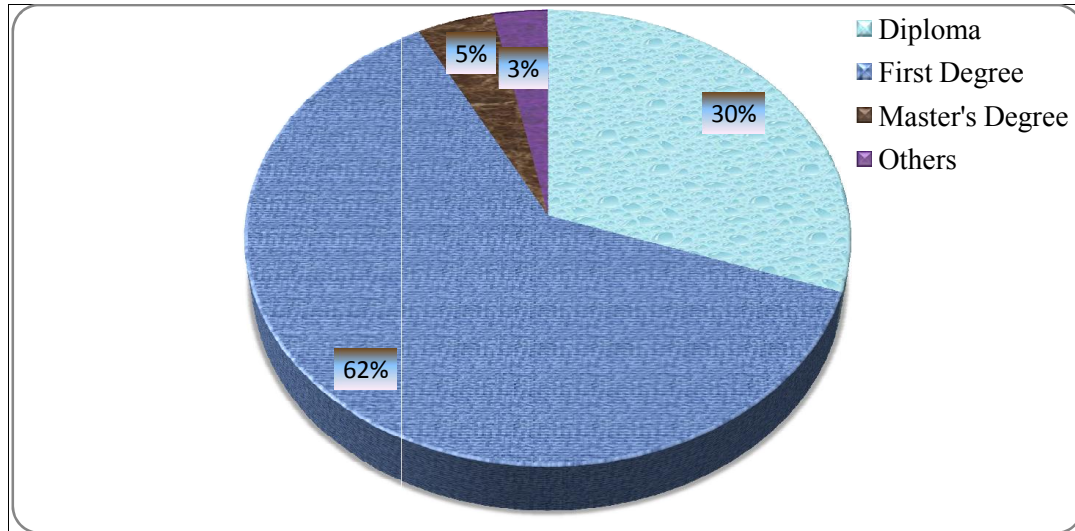
Source: Own survey, 2016

4.1.4. Organizational Positions of Respondents

Finally the respondents were asked to indicate their hierarchical position in the organization. Figure 4.4. Reveal that 13.5 % of the respondents are from the management members and the remaining 86.5 % are non-managements of the Enterprise.

Figure 4.4. Organizational Positions of Respondents

Pie chart showing:
- 13.5 Management
- 86.5 Non-Management
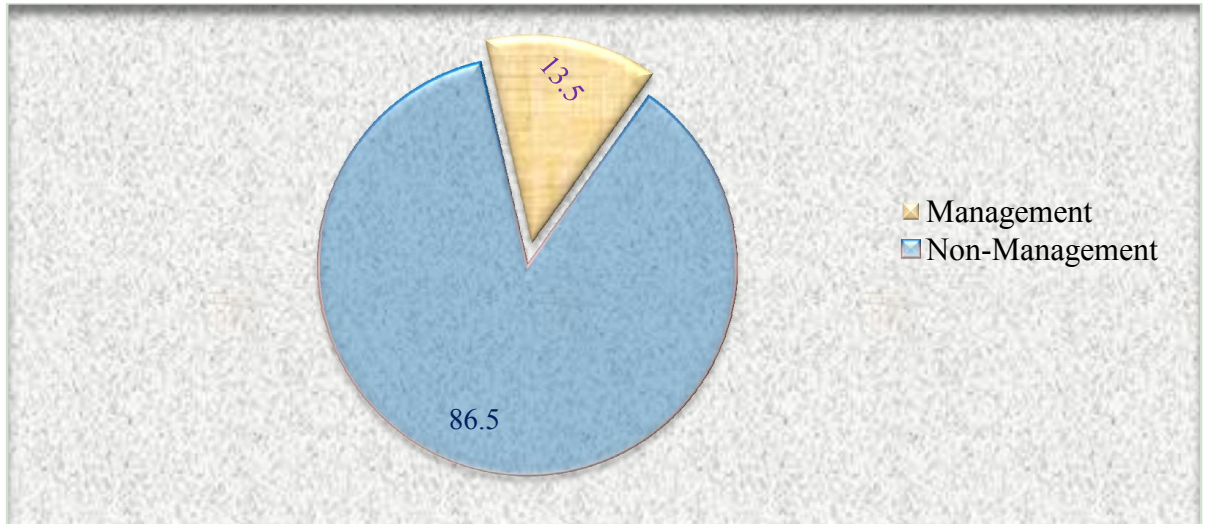
Source: Own survey, 2016

To sum up an analysis of the profile of respondents, the findings of the study presented in Table 4.1 revealed that more than 71.6% of respondents were found to be males, while the females only accounted for 28.4 % of the study subjects. This implies the respondents in the study were found to be male dominated.

All of the participants in the survey are literate people who have already achieved different levels of education. Out of the total respondents, 61.9 % of them graduated from a university or college and already earned undergraduate degrees, 4.5% received post- graduate degrees. 30.3% received the diploma and the remaining3.2% received different levels of TVET certificate. Based on these findings of the study, one can deduce that the respondents are well-educated who are believed to know about issues related BSC framework.

Table 4.1.Summary of demographic information of respondents

Variable	Categories	N	n	%
Gender	Male	155	111	71.6
	Female	155	44	28.4
Work experience	1-5 years	155	33	21.3
	6-10 years	155	76	49
	Above 10 years	155	46	29.7
Highest academic qualification	Diploma	155	47	30.3
	First Degree	155	96	61.9
	Master's Degree	155	7	4.5
	Others	155	5	3.2
Organizational position	Management	155	21	13.5
	Non-Managements	155	134	86.5

Source: Own survey, 2016

With regard to overall work experience from the total respondents around 78.7% had been employed for a period of more than 5years.

So, they had some familiarity about BSC because the enterprise, starting the system before four years ago.

Finally, with regard to organizational position findings of the study presented in Table 4.1 revealed that more than 86% of the respondents were found to be non- management/employees/, while the management only accounted for 13.5% of the study.

4.2. The Practice of Balanced Score Card in EWWCE

The questionnaire was designed by using a Likert Scale and almost all of the statements were measured on a five point scale with 1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly Agree. In addition to these four variables /BSC perspectives/that refer to the critical components of balanced scorecard implementation, namely financial perspectives, customer perspectives, internal process perspectives and learning and growth perspectives were taken to design the questionnaire and analyze the response. These variables are among the major success factors for effective implementation of the balanced scorecard system. Accordingly, frequencies, percentages and measures of central tendency (the mean score technique) were employed to investigate the variations within the questionnaire items. The information obtained from the questionnaires are summarized and discussed in the following manner.

Table 4.2 Awareness and attitude of employees towards BSC

1. Strongly disagree 2. Disagree. 3. Neutral 4. Agree 5. Strongly agree								
Item code	**Questions**		**1**	**2**	**3**	**4**	**5**	**Mean Scores**
1.1	I have a positive attitude towards Balanced Score Card implementation.	No.	18	51	29	57	18	3.27
		%	11.6	32.9	18.7	36.8	11.6	
1.2	I have a clear understanding of the concept about BSC.	No.	39	42	18	35	21	2.43
		%	25.2	27.1	11.6	22.6	13.5	
1.3	I have a commitment to implement BSC	No.	22	36	46	32	19	3.04
		%	14.2	23.2	29.7	20.6	12.3	
1.4	Training, workshop and seminar are provided to me by my organization to enlarge knowledge on BSC implementation.	No.	17	40	38	31	29	2.94
		%	11.0	25.8	24.5	20.0	18.7	
1.5	I have a sense of belonging to the organization according to strategic objectives.	No.	16	50	24	54	11	3.03
		%	10.3	32.3	15.5	34.8	7.1	
1.6	I understand to which unit/team/ my activities contribute.	No.	2	26	62	55	10	3.10
		%	1.3	16.8	40.0	35.5	6.5	
1.7	I clearly understand BSC and implement in my day to day engagement.	No.	23	81	2	38	11	2.81
		%	14.8	52.3	1.3	24.5	7.1	
1.8	My organization's strategic focus areas are well defined and understood.	No.	16	80	12	42	5	3.20
		%	10.3	51.6	7.7	27.1	3.2	
Aggregate mean score								**2.98**

As can be seen from the above given table, around 57 (36.8%) of the respondents seem to agree a positive attitude towards Balanced Score Card implementation. This implies that more respondents have a base to implement a BSC system in the enterprise this statement has been encouragingly representing a level of agreement, need to continue up to successful implementation of BSC while, another 51 (32.9%) of the participants are disagreeing with the concept and need to improve their attitude towards a system. On the other hand, about 29 (18.7%) of respondents a neutral coloring to the idea and 18 (11.6%) are looking respectively to have strongly agreed and strongly disagree with the idea.

As to the question of a clear understanding of a BSC concept about 42 (27.1%) of respondent are disagree with the statement. Whereas, 39 (25.2%) of the participants strongly disagree with the statement and 18 (11.6%) of them are neutral the remaining respondents 35 (22.6%) and 21 (13.5) are agreed and strongly agree with the idea.

On the other hand,36 (23.2%) of respondents are disagreeing with the statement of a commitment to implement BSC and about 22 (14.2%) strongly disagree with the idea this shows need improvement on respondent motivation to bring a commitment of implement BSC. While about 46 (29.7%) of respondents were neutral with the statements the rest 32 (20.6) and 19 (12.3%) of participants were respectively agreed and strongly agree with the idea.

Additionally, 40 (25.8%) and 17(11.0%) of respondents disagrees and strongly disagree with the statement that providing a training, workshop and seminar expand BSC knowledge respectively. This significant number of respondents implies that the enterprise's need improvement to provide training, workshop and seminar for enlarged BSC knowledge of management and employees in the enterprise. About 38(24.5%) of respondents are uncertain to the concept. The remaining 32 (20.6%) agree and 29 (18.7%) strongly agree with the issue.

Also, 50 (32.5) high number of participants seem to disagree towards belongings according to strategic objective to the organization this implies the enterprise need improvement towards building up employees' knowledge about organizational strategic objective. On the contrary 16 (10.3%) of respondents strongly disagree with the idea. 24 (15.5%) respondents became neutral.

Besides the 54 (34.8%) of participants and 11 (7.1%) of respondents agree and strongly agree with the statements.

The sixth point in table 4.2 was awareness about activities, contributions related to a unit or team. 55 (35.5%) of participants agree with understanding to which unit or team they activities contribute and 10 (6.5%) of respondents strongly agree with the idea. Following 62 (40.0 %) were neutral while the remaining 26 (16.8) and 2(1.3%) were replies disagree and strongly disagree with the idea. Therefore, from the participant's response it is possible to say there is an awareness of the activities contribution to the next unit or team.

Another point that table 4.2 above illustrate is about implementing BSC in daily dedication have a clear understanding. Concerning this majority of participants 81 (52.3%) was replied disagree with a clear understanding to implement BSC in day to day engagement. Also 23 (14.8%) of participants were strongly disagreeing with a clear understanding to implement BSC. 2 (1.3%) of respondents were neutral to the idea and the rest 38 (24.5%) and 11 (7.1%) of respondents were replies agree and strongly agree respectively with the idea.

And, the majorities 80 (51.6%) of respondents were disagreeing and 16 (10.3%) of respondents were strongly disagreeing with the statement 'organization's strategic focus area are well defined and understood.' The remaining respondents 42 (27.1%) and 5 (3.2%) respectively were agreed and strongly agree with the idea. This implies in the enterprise improve its strategic focus areas identify strategic themes, define perspectives and strategic objectives, develop a strategy map, drive performance metrics and define and prioritize strategic initiatives.

As well, the information gathered through interviews from management bodies shows similar findings with the information obtained through a questionnaire. They state EWWCE in the building of the corporate BSC are: the organization has properly analyzed the internal weakness and strength and of the external threats and opportunity in formulating strategic plans. The corporate vision, mission and core values are well defined. The organization, attention to detail and enablers are identified after detailed analysis. Strategic themes are identified and developed which are also demonstrated that they are aligned with the organization vision & mission. The customer needs and value proposition is well identified and defined.

The major weaknesses of EWWCE in the building of the corporate BSC are absence of participation. BSC requires participatory strategic planning and development processes. However; the top management of EWWCE and the work unit which were responsible for strategic planning development (Planning and Monitoring Work Process) were only prepare strategic plan. Besides, internal staff and external customers were not properly participating in the strategic plan Development processes. These is the major challenge to bring clear awareness and attitude of employees towards BSC the documents are briefly identified and defined the system only in the paper not implemented practically and not clarified for employees. Other some challenges suggested by participants' were lack of sufficient budget for training and seminars, lack of awareness and constructive attitude, lack of commitment to implement the system.

Generally, there is a gap between the system in the case of creating awareness, cascading and alignment with individual objectives and goal. In this respect that the enterprise does not provide change management training in depth and in continuous approach. Therefore, there is the level of knowledge about the Balanced Scorecard was very low, There was very little evidence of the use of the tool and there were few opportunities to learn anything about its implementation and use, common understanding that performance measures aligned work units and performers behind common goals, but a quite lot of respondents are either misunderstood or uncertain whether the organization performance measure are aligned with the work unit and performer behind common goal or not.

So; the enterprise should provide training in depth & in continuous to bring awareness, review the work unit or individual score cards to check their alignment with respective objectives and goal, Create alignment around the organization's shared vision, to make strategy actionable to departments, and down to individuals, Develop department and individuals scorecards, aligned to corporate scorecard and strategy and Assign a responsible person to confirm the implementation of BSC according to the system and regularly.

Table 4.3.Factors affecting BSC implementation

Item code	Question		1	2	3	4	5	Mean Score
2.1	BSC is directly connected to, financial performance, customers, internal process and learning and growth, perspective in EWWCE.	No.	67	15	37	24	12	2.83
		%	43.2	9.7	23.9	15.5	7.7	
2.2	Performance Measurement in BSC system is linked to Strategic objective of my organization.	No.	23	63	30	20	19	3.06
		%	14.8	40.6	19.4	12.9	12.3	
2.3	Formal evaluation based on BSC takes place regularly or continuously.	No.	27	50	3	68	7	3.02
		%	17.4	32.3	1.9	43.9	4.5	
2.4	The result of measurement is used for decision making.	No.	55	23	12	58	7	2.70
		%	35.5	14.8	7.7	37.4	4.5	
2.5	My work process uses customer, financial, internal process, learning and growth perspectives to assure the balance in the organization strategies and measures.	No.	62	40	10	27	16	2.87
		%	40.0	25.8	6.5	17.4	10.3	
2.6	My work process score card is aligned with EWWCE's vision, mission and strategy.	No.	0	23	81	40	11	3.05
		%	0	14.8	52	25.8	7.1	
Aggregate mean score								**2.59**

With regard to factors affecting BSC implementation, as table 4.3 shows the under listed six questions were raised to the respondents. The table illustrates the respondent's response about the direct relation of BSC with four perspectives. As it was shown in the table, from the participants the large portion 67 (43.2%) of them responds strongly disagree with the idea and 15 (9.7%) of the respondents reply disagree or as practices in their enterprise have no relation with BSC's four perspectives/financial, customers, internal process and learning and growth perspectives. The remaining 37 (23.9%) of them replies neutral, Not sure whether related or not with the idea. 24 (15.5%) and 12 (7.7%) of the respondents reply agree and strongly agree respectively, with the BSC is directly connected to, financial performance, customers, internal process and learning and growth/, perspective in EWWCE. From this it is possible to identify that in the enterprise, there is a BSC implementation, but lacking four BSC perspectives, so, the enterprise improves and revised BSC format with financial, customers, internal process and learning and growth perspectives.

According to the above table, the majority of the respondents 63 (40.6%) disagrees with the idea' performance measurement is linked to organizational objectives in the enterprise. And 23 (14.8%) of participant replies strongly disagree with the idea. Whereas about 20 (12.9%) of the respondents agree with the statements mentioned above. As well as, 19 (12.3%) of participants strongly agree and 30 (19.4%) of them are neutral with the statement. As Kaplan and Morton (1996), the Balanced Scorecard translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system accordingly, the enterprise to progress performance measurement in BSC system connected to the organizational objective and to minimize affecting factor to implementing the BSC system.

Moreover, most of the respondents 68 (43.9%) disagree with the statements; evaluation takes place regularly and based on BSC. Whereas, 27 (17.4%) of the participant strongly disagree with the idea and while, 50 (32.3%) agree with the statement and 7 (4.5%) of the respondent strongly agree and 3 (1.9%) became neutral.

In the table above 4.3 the fourth point is shown about the result of measurement is used for decision making. Concerning this 58 (37.4%) of respondents agreed with the measurement result is intended for decision making. And 7 (4.5%) were replying strongly agree. Whereas 55 (35.5%) were replying strongly disagree and 23 (14.8%) were replying disagree with the idea. This implies that there is a trend of using the measurement result for decision making in the enterprise. As cited by (Rahhal,2014), the use of the BSC should improve managerial decision making by aligning performance measures with the goals and strategies of the firm and the firm's business units.

The table 4.3 also shows that to assure the balance in the organization strategies and measures uses the four BSC perspectives participant's opinions concerning. 62 (43.9%) of participants disagree with the idea. And following the 40 (25.8 %) were strongly disagreeing within their work process uses customer, financial, internal process, learning and growth perspectives to assure the balance in the organization strategies and measure. While the remaining 27 (17.4%) and 16 (10.3%) were replies agree and disagree with the idea respectively.

Therefore, from the participant's response it is possible to say there is a low or no use of customer, financial, internal process and learning and growth perspectives to assure the balance in the organization strategies and measure in the enterprise.

In responding to the interview question with regard to factors affecting BSC implementation, the managers expressed factors such as lack of positive attitude of employees that every new idea in the organization occurs, they accept as a political issue, lack of training and knowledge gap between the BSC system and the enterprises trend, low access of information technology, management and employee commitment, lack of responsible an independent office or department to control the practice of BSC accordingly. Also replies that a new management system always has a challenge; likewise BSC has faced so many challenges the major challenge of the BSC application is setting of wrong measure and target selection.

The other issue regarding challenges faced in balanced scorecard measurement system, the upper managements believes that the capacity of the measures to capture the real result of objectives was not as such at the desired level. They were in agreement about the difficulties in establishing and maintaining the proper numerical values used in measurement.

Generally, the enterprise should identify the factors affecting BSC and improve the knowledge of employees and managers through continuous training and discussion about cascading strategic objectives, simplify how to align their work process to organization's vision and mission , show how to BSC connected to financial, customer, internal process and learning and growth perspectives up to internalize it to practically and to connect with their activities in the enterprise to get the benefit from BSC.

However, starting the system is one of the strength of the enterprise. Other than simply starting BSC is only without any benefit is not advisable and its target should be improves its weakness.

Table 4.4.Management members' commitment

Item code	Question		1	2	3	4	5	Mean scores
3.1	Managers in my organization are involved in the implementation of BSC.	No.	25	72	8	43	7	2.90
		%	16.1	46.5	5.2	27.7	4.5	
3.2	Management plays an important role in the ownership of its BSC as a performance measurement system.	No.	26	76	10	30	13	2.85
		%	16.8	49.0	6.5	19.4	8.4	
3.3	Management is aware of the investment required and long term benefits of the BSC.	No.	6	59	30	53	7	2.97
		%	3.9	38.1	19.4	34.2	4.5	
3.4	Management has a high level of involvement in implementing the BSC.	No.	16	77	35	14	13	2.94
		%	10.3	49.7	22.6	9.0	8.4	
3.5	There is rewarding for those who performed above standard.	No.	44	58	12	37	4	3.13
		%	28.4	37.4	7.7	23.9	2.6	
3.6	Management is committed to providing training and resources for the implementation of the BSC.	No.	14	110	12	8	11	2.81
		%	9.0	71.0	7.7	5.2	7.1	
3.7	The management introduces BSC only for compensation (salary increment, bonus, etc.) Purpose.	No.	9	15	35	86	10	3.25
		%	5.8	9.7	22.6	55.5	6.5	
3.8	The managing members well defined the organization's vision, mission and corporate values	No.	15	97	0	36	7	2.84
		%	9.7	62.6	0	23.2	4.5	
3.9	Management is committed to providing all the required resources to implement the BSC and employee performance	No.	18	100	6	23	8	3.02
		%	11.6	64.5	3.9	14.8	5.2	
Aggregate mean score								**2.96**

The above table indicates that, the majority of the respondents 72 (46.5%) disagrees with the statements that managers involved in the implementation of BSC in the enterprise While, about 25 (16.1%) of respondents strongly disagree with the idea. The others 43 (27.7%) and 7 (4.5%) of participants agree and strongly agree with the statements respectively, and 8 (5.2%) of respondent became neutral. From this point of view the enterprise managers are not courageous in concerning to implement BSC.

Table 4.4 also shows about a role that managers play in the ownership of BSC as a performance measurement system most of respondents 76 (49%) disagree and 26 (16.8%) strongly disagree with

the statement. Whereas 30 (19.4%) were replying agree. And 23 (14.9%) participants were not sure with the management plays an important role in the control of its BSC as performance measurement. Another point that table 4.4 illustrate is about awareness of managers for the long term BSC benefit and investment required. Concerning this majority of participants 59 (8.1%) were replies disagree. And 6 (3.9%) were replies strongly disagree. The remaining 37 (23.9%) were replies agree and 53 (34.2%) were replies neutral to the statement.

According to Kaplan and Norton (1996), the balanced scorecard is the system that used to clarify and communicate strategy, aligns work units and individual goals of the strategy, link strategic objectives to long-term targets and annual budgets, identify and align strategic initiatives, perform periodic and systematic strategic reviews, and obtaining feedback to improve strategy. Hence; it is time & effort taking to build and fully implementing.

Regarding a high level of management involvement in the implementation BSC majority of participants 77 (49.7%) replies disagree. Therefore, this shows managers have low or no participation during implementation of BSC. According to Niven (2002), the senior management body of the public organizations is the champion of the balanced scorecard. Besides; middle and lower level public organization leadership have to fully commit to the involvement, conceptual understanding, communication, and serving as process owners. Without this commitment, the result is failure. Prior to BSC can be implemented, the organization's mission, vision, and strategic plan must be well-defined.

Although table 4.4 shows that, the greater part of respondents 58 (37.4%) disagree with the statements that "in the enterprise, there is a boss influence on the evaluation, and reward for those who performed above standard". Well, about 44 (28.4%) of the participant strongly disagree with the idea. On the other hand, about 37 (23.9%) of the respondents are agreeing with the statement and 12 (7.7%) of participant neutral with the idea.

The sixth point in the above table 4.4 is about management's commitment to provide training and resource for BSC achievement. As illustrated in table above 110 (71%) of participants replies disagree as the practice of training and resource providing commitment from managers. Following 14 (9%) participants respond strongly disagree with the statement stated above. However, the remaining 11 (7.1%) and 8 (5.2%) were strongly agreed and agreeing as the training and resource

make available to BSC implementation. And 12 (7.7%) of them stay neutral on this issue. This implies that inadequate training and resource is challenged to accomplish BSC system in the enterprise. According to Niven (2006),a company wants to implement the Balanced Scorecard properly and gather all the benefits this concept may bring, people should first learn about it.

Furthermore, the majority of the respondents 86 (55.5%) and 10 (6.5%) of the employee agree and strongly agree that in the enterprise BSC introduces only for compensation purpose respectively. But the other 15 (9.7%) and 9 (5.8%) disagree and strongly disagree with this idea and 35 (22.6%) of them remain silent about it. From this it is possible to conclude BSC introduced only for compensation purpose, for instance, Bonus, salary increment and others are challenging in the enterprise for the reason that BSC is not only for compensation purpose.

Additionally, the above table explains 97 (62.2%) majority of respondents disagree and 15 (9.7%) of them strongly disagree with the statement of the organization's employee even those found in the top of the hierarchy defined their Organization vision, mission and corporate value. This shows management members does not define their Organization vision, mission and corporate value. This is a challenge to implement BSC successfully in the enterprise.

On the point of management members' commitment there is a gap of knowledge between managers and systems. Also, there is a low commitment to involve in the implementation may be this manner comes from low knowledge about the issue. Accordingly, the enterprise should train managers not only employees.

Graph 4.5 Mean score on different variables across BSC practice in EWWCE
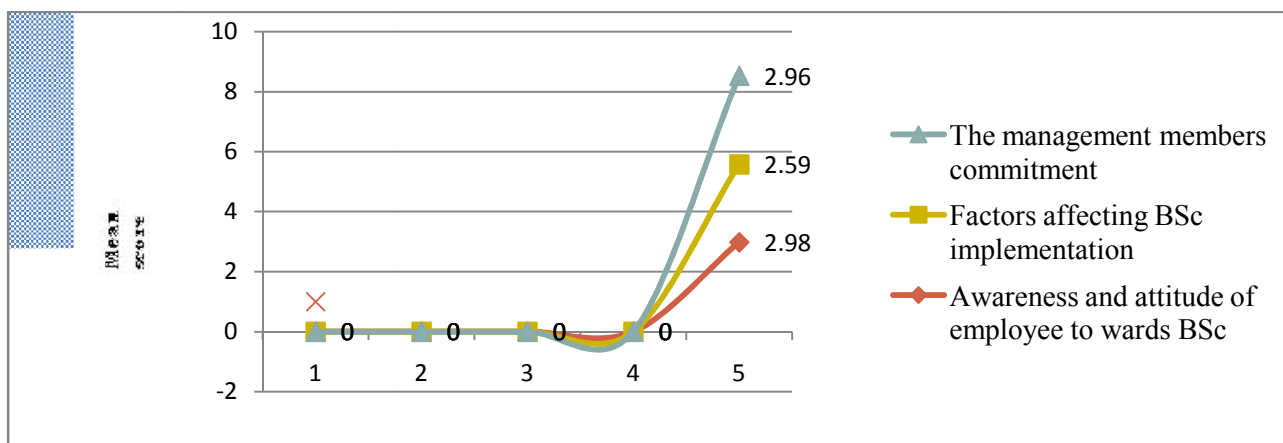
Table 4.5.Success of BSC Implementation with BSC Perspectives

Item code	Question		1	2	3	4	5	Mean scores
4.1	**Financial Perspectives**							
4.1.1	My Enterprise budget is sufficient to meet the set targets and objectives	No.	47	95	2	6	5	3.21
		%	30.3	61.5	1.3	3.9	3.2	
4.1.2	In my organization easily able to access resources required to meet objectives (IT, vehicles etc.)	No.	83	51	0	8	13	2.90
		%	53.5	32.9	0	5.2	8.4	
4.1.3	My Organization is well facilitated to meet the daily activity requirements.	No.	21	87	0	39	8	3.23
		%	13.6	56.1	0	25.2	5.2	
Aggregate mean score								**3.11**
4.2	**Customer Perspectives**							
4.2.1	The enterprise always strives to satisfy customer excellence	No.	6	119	4	20	6	3.05
		%	3.9	76.8	2.6	12.9	3.9	
4.2.2	I always know what to do when customers request arises	No.	32	93	2	22	6	3.06
		%	20.6	60	1.3	14.2	3.9	
4.2.3	There are adequate numbers of staff to serve customers	No.	31	88	0	24	12	2.83
		%	20	56.8	0	15.5	7.7	
4.2.4	Activities that lead to customer are given priority in the organization	No.	27	49	40	23	6	3.00
		%	17.4	28.6	27.4	14.8	10.3	
4.2.5	All employees can relate their work to the service of customers	No.	9	15	10	86	35	2.71
		%	5.8	9.7	6.5	55.5	22.6	
4.2.6	Our customer clearly understands the objectives of our enterprise	No.	51	38	46	16	4	3.07
		%	32.9	24.5	30.1	10.3	2.6	
Aggregate mean score								**2.95**

4.3	**Internal Process perspectives**							
4.3.1	Our enterprise is equipped with appropriate infrastructure facili	No.	13	23	28	71	20	3.40
		%	8.4	14.8	18.1	45.8	12.9	
4.3.2	Rules and regulations in our enterprise are flexible to solve problems	No.	24	83	0	41	7	2.60
		%	15.5	53.5	0	26.5	4.5	
4.3.3	Common objectives are not clearly identifiable with the organization's processes	No.	35	41	4	52	19	3.30
		%	20	29.0	2.6	35.1	10.8	
4.3.4	Lack of proper documentation of measurement data and too many formats to be filed each time	No.	16	29	0	60	50	3.33
		%	10.3	18.7	0	34.6	33.2	
4.3.5	Long process, procedure, take much time and cost to reach a final measure	No.	11	19	0	52	73	3.74
		%	7.1	.3	0	33.5	47.1	
Aggregate mean score								**3.27**
4.4.	**Learning and growth Perspectives (Capacity Building)**							
4.4.1	My educational qualification is matching the job that I do.	No.	2	4	0	97	52	4.28
		%	1.3	2.6	0	62.6	33.5	
4.4.2	My ability to relate vision, mission and objectives of the enterprise to my jobs that I do	No.	51	53	9	32	10	3.06
		%	32.9	34.2	5.5	20.5	6.5	
4.4.3	I regularly attend training sponsored by my enterprise to do my job better	No.	28	77	4	41	5	2.85
		%	17.3	49.7	2.6	26.5	3.2	
4.4.4	I understand how different department activities are to meet the office goal	No.	42	92	0	17	4	2.71
		%	27.1	59.4	0	11.0	2.3	
4.4.5	My enterprise has adequate education and training planning	No.	45	62	2	29	17	2.56
		%	29.0	40.0	1.3	18.7	11.0	
4.4.6	My office is highly innovative and creating new ways of doing thing.	No.	35	53	10	33	24	2.90
		%	22.6	34.2	6.5	21.3	15.5	
Aggregate mean score								**3.06**

The above table 4.5 illustrate that the largest part 95 (60.3%) and 47 (30.3%) of respondents disagree and strongly disagree about the sufficient budget of the enterprise to meet the set target and objectives respectively. Only 6 (3.9%) and 5 (3.2%) of the respondents were replayed agree and strongly agree with the statement. The above table also shows that more than half 83 (53.5%) of respondents strongly disagree with the statement 'in the enterprise, there is an easily access of resources required to meet objectives.' in addition 51 (32.9%) of respondents are disagreeing with the statement. On the contrary 39 (25.2%) and 8 (5.2%) of respondents agree and strongly agree with the issue Thus, it is evident that there is rigid access of resource to meet objectives. Also table 4.5illustrates the majority of the respondents about 87 (56.1%) disagree with the statements that 'the enterprise is well facilitated to meet the daily activity requirement. Well, about 21 (13.6%) of participants strongly disagree with the idea. Whereas, about 39 (25.2%) and 8 (5.2%) of respondents became agree with the statements.

In responding to the question on whether or not the enterprises always strive to satisfy customer's excellence. As table 4.5 indicates that majority 119(76.8%) of the respondents disagree that the enterprises try hard to satisfaction of customers superiority in relation to their needs and demands. However; the 4 (2.6%) uncertain, 20 (12.9%) agree and the rest 6 (3.9%) is strongly agreed. The data indicate that masses of respondents are disagreeing regarding customer satisfaction that the enterprises always struggle to expand its customer's number. Thus the finding indicates that EWWCE identify its customer, but not constantly and was not a hard struggle to satisfied customer. While, in the above table 4.5 shows that, the largest part of respondents 93 (60%) and 32 (20.6%) were replies disagree and strongly disagree with the statement that 'knowing what to do when customers request occur' respectively. In contrast, 22 (14.2%) of respondents state agree and 6 (3.9%) of them strongly agree with the idea. Tables 4.5 points up whether or not there are adequate numbers of staff to serve customers. The majority of respondents 88 (56.8%) and 31 (20%) were disagreeing and strongly disagree with sufficient number of staff to serve customers respectively. Then again, 24 (15.5%) and 12 (7.7%) of respondents agree and strongly agree to the statement with sufficient number of staff to serve customers respectively. Additionally, the above table explains 51 (32.9%) majority of respondents strongly disagree and 38 (24.5%) of them disagree with the statement of the 'customer clearly understand the objectives of the enterprise. However, 46 (30.1%) of respondents' stays neutral and 16 (10.3%) of them agree and 4 (2.6%) of them strongly agree with this situation.

Table 4.5 also illustrates the question on whether or not the enterprise prepared with appropriate infrastructure facility, about 71 (45.8%) of the respondents agree with the idea and 20 (12.9%) of respondents strongly agree with the idea. The remaining 23 (14.8%) and 13 (8.4%) of respondents disagree and strongly disagree with the idea and 28 (18.1%) of them become neutral. Moreover, the majority 83 (53.5%) of the participants disagrees and 24 (15.5%) of them strongly disagree with the idea' Rules and regulations in the enterprise is flexible and solve problems' however, about 41 (26.5%) of respondents agree with the statements. This means that in the enterprise rule and regulations do not solve problems and not flexed sufficiently. It implies in the enterprise, there is a challenge of an internal process.

Furthermore, the majority of the respondents about 52(35%) and 19(10.8%) agree and strongly agree with the statements 'common objectives are not clearly identifiable with the enterprise's process' respectively. On the other hand, about 41 (29%) and 35 (20%) of the participants disagree and strongly disagree with the statements respectively. As respondent response it is possible to say there are not common objectives clearly identifiable with the enterprise's objectives. Table 4.5 also shows that the largest part 110 (71%) of respondents agree with the statement about the lack of appropriate documents of measurement and too many formats to be filed each time.29 (18.7%) and 16 (10.3%) of respondents disagree and strongly disagree with the statement respectively. This implies that in the enterprise, there no systematic records of measurement and organized format to be filed.

Additionally, Table 4.5 illustrates about capacity building or learning and growth perspectives. To indicate this majority 97 (62.6%) and 52 (33.5%) of respondents agree and strongly agree with the statements 'my educational qualification is matching the job that I do'. Only 4 (2.6%) and 2 (1.3%) of respondents disagree and strongly disagree with the statement. As shown in table 4.5 for the question the enterprise has good training and development program regularly to do a better job; out of 155 participants 77 (49.7%) and 28 (17.3%) of them disagree and strongly disagree with the question respectively while 41 (26.5%) and 5 (3.2%) of respondents agree and strongly agree respectively. From this it is possible to assume that in the enterprise training program which help employees to upgrade skill and performance is poor.

As it is possible to observe in the above table, about 92(59.4%) and 42 (27.1%) of participant disagree and strongly disagree with the idea that 'I understand how different department activities are to meet the enterprise's goal respectively. Whereas, about 21 (13.3%) agree with the statements. A further analysis showed about 53 (34.2%) of the respondent strongly disagree with the statements' our enterprise is highly innovative and creating new ways of doing things'. Whereas, about 35 (22.6%) of the respondent disagree and the rest of the participants 33 (21.3%) of them reply agree, 24 (15.5%) became strongly agree and 10 (6.5%) getting neutral.

In responding to the interview question the managers stated that the understanding has been a long crossing, where there has been a lot of discussions and sometimes even hard to come to terms with issues like the different perspectives (organizational capacity, internal business process, financial, customer and organizational mission perspective) and what belongs to what. And also how to find links among these perspectives, on top of that how to establish a balance. Similarly, inefficiencies of measures in numbers to hold faces of the objectives (lead and lag) were factors mentioned as challenges in this idea.

So, the enterprise should improve the capacity of employees and managers, especially in customer perspectives. On the other hand, the enterprise's strength is starting to implement a system, but as mentioned on figure 4.5 were implied there would be more effort on learning and growth perspective and financial perspectives.

Figure 4.5 BSC implementation with financial, customer, internal process and learning and growth perspectives practices
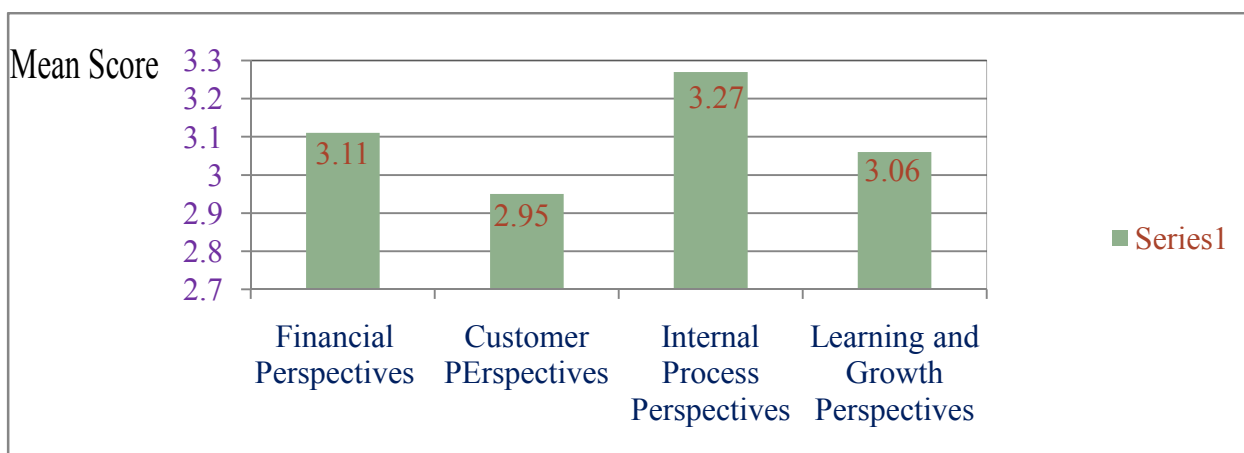
Accordingly, as table 4.5 shows, a minimum mean score of 2.95(less than the mean score of three) on the sufficiency of measures to represent each objective at customer perspectives and the maximum mean score of 3.27(greater than the mean score of three) on internal process perspectives frequency of data collection were registered. In this variable apart from "sufficiency of Financial perspectives and Learning and growth perspectives to measure objectives, and assignment of measurement data validation body" which scored a mean score of (3.11 and 3.06) respectively, this variable has been encouragingly representing level of agreement.

Similarly, on "BSC perspectives data validation" the survey responses reveals that internal process perspectives mean score (3.27) is relatively higher than Financial perspectives mean score (3.11).Also Learning and growth perspectives mean score (3.06) is relatively higher than Customer perspectives mean score (2.95). This implies that the Enterprise's balanced scorecard implementation, data validation practice needs improvement on customer perspectives of the enterprise scorecards.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMANDATIONS

In the previous chapter, analysis and interpretation of the study were made based on the data obtained through questionnaires distributed to 155 respondents and an interview conducted with purposefully selected 4managers of the enterprise. Based on the analysis and interpretation, the following summary, conclusions are made and recommendations are forwarded.

5.1. Summary

The demographic characteristics of the respondents revealed that most of the respondents were male, and while the remaining were female.

The respondents' work experience in the enterprise mainly lies between 1-5, 6-10 and followed by above 10 years of experience respectively. Education wise, the majority of the respondents had first degree, diploma and masters' degree respectively.

Accordingly, the analysis was conducted by taking each variable. Each variable has three to nine questions that are suitably designed to measure the status of the variable and subsequently the survey analysis was made. In addition to this, the managers were interviewed by designing semi-structured interview questions. Non-probability, purposive sampling has been adopted to select respondents who have the working knowledge of the balanced scorecard system. Based on the interview, how the system was being implemented, and the varied challenges have been gathered. Furthermore, secondary data have been referred. The major findings of the study results summarized as follows

Based on the analysis, it has been managed to summarize the following findings:

- ➢ Regarding to Awareness and attitude of employees towards BSC, the majority of respondents argued that they have weak awareness, confusing understanding and negative attitude to implement BSC that comes from lack of sufficient training and seminar that provided by the enterprise Therefore, more than (50%) of the respondent disagreed with the idea that request to assess their awareness towards BSC such as, 'their commitment, their

positive attitude, and their clear understanding of BSC concepts their organizational strategic focus area'. However, the analysis in dates that the majority of respondents have a sense of belongingness to the organization and they understand to which unit their activities contribute.

➢ The important strengths of the organization, the higher management confirms that BSC structure phases include the beginning uses the strategic map to link strategic objectives and results to vision, and vision also linked to strategic theme. The strategic map is serving as tool of linking all perspectives with strategic objectives. The strategic map has properly aligned strategic objectives throughout four perspectives such as financial, customer, internal process and learning and growth. All objectives are linked with cause-and –effect relations. The initiatives are properly identifying and linking with objectives and perspectives. The initiatives are identified, prioritizing with widely applicable standard criteria and properly linked with vision, mission and objectives. The major weaknesses of EWWCE in the building of the corporate BSC are: internal staff and external customer are not properly participating in the strategic plan development processes and lack of creating awareness to cascade into lower levels rather than put a structured document.

➢ With regard to BSC implementation affecting factors, respondents of the enterprise argued that there is not a direct relation of BSC to financial performance, customers, internal process and learning and growth perspectives in the enterprise, lower level work units & individual scorecards are not properly aligned to corporate level scorecard and strategy. To state the major problems; corporate level strategies and objectives are not contextually agree to, lower level objectives and measures are delinked from corporate level scorecard objectives and measures and weakness measurement using the four perspectives of BSC.

➢ Most of the respondents indicated that there is a lack of management commitment and inadequate involvement to implement BSC and to create knowledge through providing training and seminars, during measurement processes the enterprise has postponed attachment of scorecard result with reward.

➢ The majority of participants believe in the significance of conducting performance measurement with BSC tool in the enterprise and also they are not happy with the way it is

implemented with the four BSC perspectives /financial or budget, customer, internal process and learning and growth/ in the organization, and most of the managers in the enterprise are not happy to explain BSC perspectives with their relation and how to connect with daily activities, to fill and approve the performance evaluation of the employees and to giving feedback for their rating usually due to the related problems raised by employees.

➢ The strategic map is not properly serving as tool of educating and communicating the internal staff and external customers about the organization strategy. The performance measures combination, allocation and weighting are not logical. They are not keeping the balance between leading (performance drives) and lagging (outcome measures) and that may bring an adverse effect in the total achievability of BSC system.

5.2. Conclusion

Generally, the objective of the study was to assess the practice and the challenges of BSC implementation and to identify the major related to it. And based on that general objective, the researcher had specifically laid out some specific objective.

Those said specific objectives of the research were to assess the awareness level and attitude of employees towards BSC, to investigate the challenges associated with implementation of BSC, to provide recommendation on the factors of BSC implementation and employee performance measurement, to evaluate the success of BSC implementation so far with respect to the BSC perspectives. The researcher had employed descriptive survey method because the study intended to find out how the employees perceived and interpreted the problems they encountered in implementing the BSC program. This method helped the researcher to highlight the problems and major gaps in performance evaluation program of the enterprise.

One of the enterprise's strengths is to have a commitment to start BSC implementation and the enterprise building of the corporate BSC such as properly analyzed the internal weakness and strength and of the external threats and opportunity in formulating strategic plans. The corporate vision, mission and core values are well defined. The organization pains and enablers are identified

after detailed analysis. Strategic themes are identified and developed which are also demonstrated that they are aligned with the organization vision & mission.

However, employees and a few managers of the enterprise are not aware and lack of knowledge about BSC to implement and not internalized the organization strategic objective and corporate value with performers to relate their daily activities and how to relate with four perspectives indicate of strategic focus area, the strategic map is not properly serving as tool of educating and communicating, the internal staff and external customers about the organization strategy, adequate budget is not designated for some critical initiatives that can bring organization changes. Managers and employees of the organization should be trained on the performance evaluation process with BSC Perspectives and on relevant skills required to implement the system effectively.

Factors affecting BSC implementation are not clearly defined and are not objective-oriented in the enterprise to explain for performers. There are no day-to-day discussions about BSC in the enterprise and to help employees understand what is expected of them. Management members do not discuss every aspect of the BSC practices with the staff members in the enterprise. The top management of EWWCE was not involved in the introducing the concept & theory BSC to the enterprise, beginning the program with drafting and executing change management strategy and plan, organizing and executing a communications strategy, resourcing and training, monitoring and evaluating its implementation, the organization's work units and individuals score card are not linked with recognition and incentive scheme. The incentive compensation scheme of individuals and work units are not linked with the achievement of scorecard objectives and outcome. The individual performance evaluation is undertaken without appropriately captured and organized performance data. As the evaluation is conducted without the support of accurate data; the outcome is misleading and inappropriate to use for reward or corrective action, lack of focal Human resource person, the existence of human resource manager in organizing creates a favorable environment for employees to be managed well and to properly implement the organizations human resource policy. Though EWWCE started implementing BSC before four years, no significant contribution is seen from the performance management of the organization using the balanced scorecard. This set free from failure to further automate the ratings and present in the form of reports to the management to serve as a base for employee development programs due to lack of focal personnel. Moreover, unable to assign a focal human resource person, the management so far is silent to the so what of

the each year performance evaluations as usual .This could be either due to the work load or considering the value of BSC as trend of the time.

BSC helps the employee and the organization in order to enhance their knowledge in regards to their organizations' vision, mission and objectives; it also enhances the knowledge of effective time management, commitment to work, having responsibility for their work. Besides EWWCE performance measurement from four angles or balancing the organization performance from four major perspectives is not properly related and clearly identified.

Finally, there are some critical characteristics that need improvements a further reap the full benefit of the system from these three varied points of view. These are assignment of measurement data, validating body, enhancing and sustainability, ensuring clear communication of a higher level /tier/ final scorecard to lower level, apparent attachment of reward for those who performed above standard.

Generally, it seems safe to conclude that though the enterprise has been implementing the balanced scorecard system in a way that the literature proposes. However, the improvement areas identified in the study have made the enterprise not to take the full benefit of the balanced scorecard system.

5.3. Limitation of the study

Ethiopian water works construction enterprise has eleven Projects, which operate in Dam and Irrigation, Dry port, Water Diversion, Road, Building Construction and in water supply projects at different parts of the country. Due to its number of branches and geographical dispersion, the study is limited to the thirteen work process and sub work process found at head office.

There were also external variables that discourage the smooth implementation of the research. For instance, lack of cooperation of the respondents and their commitment to complete filling the questionnaires, lack of sufficient time by the researcher and lack of interviewees' cooperation to give their time to provide the researcher with the relevant information. In addition, as BSC is a new subject and it is a recent phenomenon in Ethiopian organization context, there are no adequate reference books and materials are found or lack of up-to-date literature.

5.4. Recommendations

On the basis of finding and conclusions reached, the following recommendations are forwarded in order to improve the BSC practice of Ethiopian Water Works Construction Enterprise.

☞ In order to design an effective BSC performance system in the enterprise, since the BSC planning requires a collaborative effort, involvement of both managers and employees of EWWCE is highly advisable. The performance plan with the BSC system should include expected tasks, its behavior, tasks or deliverables to be completed, expected results and measures or standards that should be used to evaluate BSC employee performance.

☞ It should also include identification of training that will help the employees grow in skills, knowledge, and competencies related to BSC their daily activities

☞ And effective communication must be part of the BSC planning process prior to any evaluation to set the standards by which employees' BSC results should judge according to the actual performance of the employees in the enterprise.

☞ EWWCE's managers should ask employees for their suggestions for addressing the issue and offer their suggestions if necessary, which means employees, should, agree on a specific plan of action, document the action plan and attach to evaluate to BSC system.

☞ Managers should play their role of coaching which help them to demonstrate skills and to give the employee feedback. There has to be ongoing feedback and coaching throughout the BSC cycle. A good communication skill on the BSC implementing, together with the ability to deliver honest feedback, is crucial.

☞ In order to bring the objectives, clarity and objectivity in the enterprise regarding BSC evaluation, the organized struggle to develop a system whereby the BSC evaluation criteria based on financial, customer, internal process and learning and growth perspectives jointly determined by both supervisors (raters) and employees (rates).

☞ According to the findings of the study, the BSC evaluation results of the enterprise are not properly linked to individual training, development and rewards. In order to alleviate this problem, the results of BSC evaluation should be used as a base for initiation of training and development.

Besides, unless the BSC evaluation results are backed by employees training and seminar to aware about the system, understood and define strategic objectives and cascade to lower level tires also back by different types of rewards for the best performers, employees cannot be motivated to improve and sustain their performance.

References

Bourne, M., & Neely, A. (2003). Implementing Performance Measurement Systems: a literature review. International journal of Business Performance Management, 5, 1-24.

Brunette, Z. (2010, November 8). Balanced Scorecard development of a strategic business unit. MA thesis. Potchefstroom, North-West, South Africa: Potchefstroom campus. 06, 2015

BPP Learning Media. (2012). Performance Management. London: BPP Learning Media Ltd.

Caudle, S. (2008). The Balanced Scorecard: A Strategic Tool in Implementing Homeland Security Strategies. Homeland Security Affairs, iv (3), 1-17. Retrieved 06 05, 2015, from www.hsaj.

Charles T. Horngren, Gary L. Sundem & William O. Stratton (1998). Introduction to Management Accounting 10th edition

Cochran, W. G. (1977). Sampling Techinques (3rd Ed.). New York, USA: John Wiley & Sons Inc. Retrieved 9 2014, 19

Dahlan, A. N. (2009, August). The Critical Success Factors for the Effective Performance of Malaysian Government Linked Companies. MA thesis. Malaysian: Southern Cross University.

Domanovic V. Bogićevic J & Savovic S. . (2012). Problems and perspectives of balanced scorecard implementation in Serbia. Domanovic V. Bogićevic J & Savovic S. 2012 Problems and perspectivAfrican Journal of Business Management, 6 (23), 6818-6831.

Gareth Jones (2010). Organizational theory, design and change. 6th edition, Texas University.

Gitonga J.M. & Nyambegera S. M. (2015). Factors Affecting Implementation of the Balanced Scorecard in Public Institutions in Kenya: Lessons from Kenya Wildlife Services. Research journal's Journal of Management, 3 (3), 1-19. Retrieved 04 14, 2015

Getachew Hailemariam and Richard Common. (2006). Civil Service Reform in Ethiopia: Success in two ministries. Jimma University, pp. 1-26.

Isoraite M. (2008). The Balanced Scorecard Method: From Theory to Practice. Intellectual Economics, 1 (3), 18-28. Retrieved 3 19, 2015

Jiang, D and Liu Z. (2014). Research on Application of Balanced Scorecard in the Government Performance Appraisal. Open Journal of Social Sciences, 91-96. Retrieved 10 29, 2014

Kaplan, R. &Norton, D. (1992). Using Balanced Scorecard as a Strategic Management System. Harvard Business Review, 1-14.

Kaplan, R. &Norton, D. (2001). The Strategic Focued Organization: How Balanced Scorecard, companies thrive in the new business Environment. Boston, Massachusetts: Harvard Business School Press.

Kaplan, R. &Norton, D. (2004). Strategy Maps: Converting Intangible Assets into Tangible Outcomes. Boston, Massachusetts: Harvard Business School Publishing Corporation.

Kaplan, R. &Norton, D. (2008). The Execution Premium: Linking Strategy to Operations. Boston, Massachusetts: Harvard Business School Publishing Corporation.

Kaplan, R. S. (1999). The Balanced Scorecard for for Public Sector Organization. Harvard Business Review, 1-5. Retrieved 03 23, 2015

Khomba, J. K. (2011, May). Redesigning the Balanced Scorecard Model: An African Perspective. MA thesis. Pretoria, South Africa: University of Pretoria.

Kristin, G., Caroline, S., Cecilia, S., & Sarah, S. (2009, June). Application of the Balanced. Paper within Management. Jonkoping, Sweeden: Jonkoping International Business School.

Madsen, D. & Stenheim T. (2014). Perceived problems associated with the implementation of the

balanced scorecard: evidence from Scandinavia. Problems and Perspectives in Management, 12 (1), 121-131. Retrieved 07 16, 2015

Maxwell, S., & Delaney, H. (2004). Designing experiments and analyzing data: A modelcomparison perspective (2nd Ed.). Mahwah, NJ: Lawrence Erlbaum Associates

Ministry of Civil Service. (2013). The Civil Service Reform Program in Ethiopia. Addis Ababa: Minisrty of Civil Service.

Molleman, B. (N.d.). The challenge of implementing the Balanced Scorecard.

Nair, M. (2004). Essentials of Balanced Scorecard. New Jersey: John Wiley & Sons, Inc. Retrieved 10 30, 2014

Ngomuo S.I. and Wang, M. (2015). Measuring Performance in Public Sector Organizations:

Evidence from Local Government Authorities in Tanzania. European Journal of Business and

Management, 184-194. Retrieved 04 14, 2015

Niven, P. R. (2006). Balanced Scored Card Step-by-Step Maximizing Performance and Maintaining

Results. (2nd, Ed.) New Jersey: John Wiley & Sons, Inc. Retrieved 10 22, 2014

Palmer, Richard Denford & Gin Akin (2006). Managing Organizational Change pp 92

Pujas D. (2010, January). Barriers to the Successful Implementation of the Balanced Scorecard - the

Case of Plava Laguna J.S.C. Master thesis for Obtaining the Degree Master of Business
Administration Tourism Management. Vienna.

Rahhal Akram. & Darabee F,. (2014). Adoption of Balanced Scorecard (BSC) in Palestinian
Corporations. SCI-Afric Journal of Science, 193-203. Retrieved 03 23, 2015

Rohm, H. (N.d.). Performance Measurement in action. Perform, 2 (2), 1-8. Retrieved 12 23, 2014

Saeed K., M. T. (2012). Reviewing the Role of Implementation of the Balanced Scorecard in
Assessing the Performance of Public Sector. Institute of Interdisciplinary Business
Research, 4 (2), 890-896.

Saunders, M., Lewis P and Thornhill. (2009). Research Methods for Business Students (5 Ed.).
London, England: Library of Congress Cataloging-in-Publication Data. Retrieved 2015,
fromwww.pearsoned.co.uk

Sekaran, U. (2000). Research Methods for Business: A Skill Building Approach. New York: John
Wiley.

Theuri F. & F. Mugambi. (2014). Institutionalizing the Balanced Scorecard to Enhance Employee
Performance: Lessons from the Cooperative Bank of Kenya. International Journal of Social
Science and Project Planning Management, 1 (1), 1-12. Retrieved 11 11, 2014

Vichore S. (2013). Balanced Scorecard:Adoption for Government & Non Profit Organization.
Research Journal of Social Science and Management,2 (12), 122-132. Retrieved 03 24, 2015

Wheelen T. & Hunger J. David. (2012). Strategic Management and Business Policy: toward Global
Sustainability (13 Ed.). New Jersey: Pearson Education, Inc.

APPENDIX   A

St. Mary's University

School of Graduate Studies
MBA Program

Questionnaire to be filled by non-management (employees) and management

Dear Respondents,

I am a post graduate student at St. Mary's University, completing my Masters of Business Administration. A final requirement of this degree is to complete a thesis for which I am conducting a research entitled Practices and challenge of BSC implementation at Ethiopian Water Works Construction Enterprise. I would be grateful for your cooperation in completing this questionnaire to collect primary data for my project. I can assure you that the information you provide to me will be confidential and, is merely for the purpose of completing my degree requirement.

If you require any further information, want feedback on the study or need to contact the researcher about any aspect of this study; please do not hesitate to do so through the e-mail address given hereunder.

Saba Atakilte
E-mail address   atakiltesaba@gmail.com

Thank you for your cooperation.

Part One

General Background of Respondents (Demographic Information)

1. Gender

Male ☐   Female ☐

2. Year of service in EWWCE

1 – 5 years ☐   6 – 10 years ☐   Above 10 years ☐

3. Educational Background

Diploma ☐   First Degree ☐

Master's Degree ☐   Others (specify………………………..

3. Position you hold.

Management ☐

Non-management/experts/ ☐

Part Two

Please indicate how much you agree or disagree with each of the following statements by marking the number that best represents your opinion and rate the level of implementation of BSC and based on the five points strongly disagree to strongly agree

(1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree)

No.	Questions	1	2	3	4	5
1	**Awareness and attitude of employees towards BSC**					
1.1	I have a positive attitude towards Balanced Score Card implementation.					
1.2	I have a clear understanding of the concept about BSC.					
1.3	I have a commitment to implement BSC					
1.4	Training, workshop and seminar are provided to me by my organization to enlarge knowledge on BSC implementation					
1.5	I have a sense of belonging to the organization according to strategic objectives.					
1.6	I understand to which unit/team/objective/ my activities contribute					
1.7	I clearly understand BSC and implement in my day to day engagement					
1.8	My organization's strategic focus areas are well defined and understood.					
2	**Factors affecting BSC implementation**	1	2	3	4	5
2.1	BSC is directly connected to, financial performance, customers, internal process and learning and growth/, perspective in EWWCE					
2.2	Performance Measurement in BSC system is linked to Strategic objective of my organization					
2.3	Formal evaluation based on BSC takes place regularly or continuously					

2.4	The result of measurement is used for decision making.					
2.5	My work process uses customer, financial, internal process, Learning and growth perspectives to assure the balance in the organization strategies and measures					
2.6	My work process score card is aligned with EWWCE's vision, mission and strategy.					
3	**Management members' commitment**	**1**	**2**	**3**	**4**	**5**
3.1	Managers in my organization are involved in the implementation of BSC.					
3.2	Management plays an important role in the ownership of its BSC as a performance measurement system.					
3.3	Management is aware of the investment required and long term benefits of the BSC.					
3.4	Management has a high level of involvement in implementing the BSC.					
3.5	There is reward for those who performed above standard					
3.6	Management is committed to providing training and resources for the implementation of the BSC.					
3.7	The management introduces BSC only for compensation (salary increment, bonus, etc.) Purpose.					
3.8	The managing members well defined the organization's vision, mission and corporate values					
3.9	Management is committed to providing all the required resources to implement the BSC and employee performance					
4	**Success of BSC Implementation with BSC Perspectives**					
4.1	**Financial Perspectives (budget)**	**1**	**2**	**3**	**4**	**5**
4.1.1	My Enterprise budget is sufficient to meet the set targets and objectives					

4.1.2	In my organization easily able to access resources required to meet objectives (IT, vehicles etc.)					
4.1.3	My Organization is well facilitated to meet the daily activity requirements.					
4.2	**Customer Perspectives**	**1**	**2**	**3**	**4**	**5**
4.2.1	The enterprise always strives to satisfy customer excellence					
4.2.2	I always know what to do when customers request arises					
4.2.3	There are adequate numbers of staff to serve customers					
4.2.4	Activities that lead to customer are given priority in the organization					
4.2.5	All employees can relate their work to the service of customers					
4.2.6	Our customer clearly understands the objectives of our enterprise					
4.3	**Internal Process perspectives**	**1**	**2**	**3**	**4**	**5**
4.3.1	Our enterprise is equipped with appropriate infrastructure facility					
4.3.2	Rules and regulations in our enterprise are flexible to solve problems					
4.3.3	Common objectives are not clearly identifiable with the organization's processes					
4.3.4	Lack of proper documentation of measurement data and too many formats to be filed each time					
4.3.5	Long process, procedure, take much time and cost to reach a final measure					
4.4	**Learning and growth Perspectives (Capacity Building)**	**1**	**2**	**3**	**4**	**5**
4.4.1	My educational qualification is matching the job that I do					
4.4.2	My ability to relate vision, mission and objectives of the enterprise to my jobs that I do					
4.4.3	I regularly attend training sponsored by my enterprise to do my job better					
4.4.4	I understand how different department activities are to meet the office goal					
4.4.5	My enterprise has adequate education and training planning					
4.4.6	My office is highly innovative and creating new ways of doing things					

APPENDIX – B

St. Mary's University

School of Graduate Studies

MBA Program

Interview Questions /management members/

1 Did BSC solve the challenges of the previous measurement tools?

2. In your organization who is responsible for the implementation of BSC and performance measurement?

3. Has your work process periodically reviewed the work process, progress towards its strategic objective?

4. What are the strategic objectives of EWWCE?

5. What are factors which affect the implementation of BSC in your organization?

6. What are the challenges faced in balanced scorecard measurement system?

7. What improvements did you want to achieve with the implementation?