



**St. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION**

**CHALLENGES TO THE SUCCESSFUL IMPLEMENTATION OF
BALANCED SCORE CARD AS PERFORMANCE MANAGEMENT
SYSTEM-THE CASE OF ALERT HOSPITAL**

By: -MIHRET HUSSIEN

**DECEMBER 2020, SMU
ADDIS ABABA**

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By: -MIHRET HUSSIEN

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ADDIS ABABA**

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ABSTRACT

The main purpose of the study was to assess the overall implementation and challenges faced while implementing BSC as a tool of performance management system in the case of All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center/ALERT/. The assessment attempted to examine the extent in the effectiveness of BSC planning, its implementation and its achievement, identifying major challenge encountered by ALERT and mechanism or strategies in place to ease the implementation. Descriptive survey method was employed to conduct this study. With regard to sampling the respondent of the study were conveniently stratified by the organization as management and non-management staff that was major source of the data. Then 260 management and non-management staffs were selected by those who are with Diploma and above sampling techniques. To attain the objectives, the study were employed both quantitative & qualitative research approaches. The entire closed end questions were analyzed quantitatively using the Frequency, Percentages, Average Mean, Standard deviation, Besides, the data obtained from closed-ended questions, interviews, observation and document analysis were transcribed to supplement the quantitative data. In order to assess its effectiveness in performance management, the study utilized the four perspectives of the BSC. Based on these the data was computed in SPSS and analyzed. The finding revealed that, majority of the common implementation challenges such as limited understanding of BSC, lack of executive sponsorship, lack of BSC education and training, inadequate IT support, inadequate project team and organizational participation, inadequate key performance indicators (KPIs) and lack of planning and communication were observed in the stated organization at different level. However, lack of formal BSC education and training, lack of planning and communication, lack of organizational participation and inadequate IT support were the major challenges identified. The study advised the organization to conduct intensive awareness creation activities, ensure organizational level participation, develop strong implementation and monitoring mechanism and back the system with relevant IT system to effectively take advantage of the Balanced Scorecard system.

Key words: *Balanced scorecard, Performance measurement*

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List of Acronyms and/or Abbreviations

ALERT	All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center
BSC	Balanced Score Card
BPR	Business Process Reengineering
CSRП	Civil Service Reform Program
FMOH	Federal Ministry of Health
GoE	Government of Ethiopia
IT	Information Technology
MBO	Management by objective
MLI	Ministerial Leadership Initiative for Global Health
MoCB	Ministry of Capacity Building
MoCS	Ministry of Civil Service
MoFED	Ministry of Finance and Economic Development
NPLs	None Performing Loans
PEST	Political, Economic, Social and Technological
PSCBP	Public Sector Capacity Building Program
SWOT	Strength, Weakness, Opportunity, and Threat
SPM	Strategic Planning and Management
SPSS	Statistical Package for Social Science

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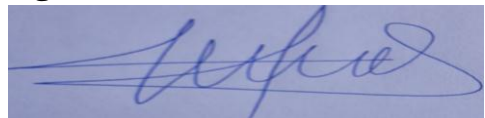
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DECLARATION

I hereby declare that this submission is my own work towards the Masters of Business Administration prepared under the guidance of Melaku Girma (PhD) and that, to the best of my knowledge, it contains neither material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgment has been made in the text.

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Signature

CHAPTER ONE

INTRODUCTION

The focus of this chapter for the overall study gives an outline specifically stating the statement of the problem which motivated the researcher combined with research questions. The chapter also delimits the scope and significance of the study.

1.1 Background of the Study

Organizations in today's change filled, highly competitive environment must give significant time, energy, and human and financial resources to measuring their performance in achieving strategic goals. Most do just that, but despite the substantial effort and related costs, many are dissatisfied with their measurement efforts (Niven, 2006).

Performance measurement system enables informed decisions to be made and actions to be taken because it quantifies the efficiency and effectiveness of past actions through the acquisition, collation, sorting, analysis and interpretation of appropriate data (Kermally, 1997).

It is clear that the rules of the game for business have changed materially over the last decade. Or, at the very least, the rules of the game are in the process of radical change. Success for organizations today is measured very differently than it was yesterday. Of course financial performance is still essential. Delivering profit growth or enhancing shareholder value is still at the top of every executive's agenda, but it is now widely recognized that delivering financial performance alone is insufficient. Even more importantly, it is now generally accepted that the level of financial performance achieved today is a function of decisions made 6–18 months or even longer (Kermally, 1997).

According to Norton and Kaplan (1992) during 1980s, many executives were convinced that traditional measures of financial performance didn't let them manage effectively and wanted to replace them with operational measures. Arguing that executives should track both financial and operational metrics, Norton and Kaplan suggested four sets of parameters, which finally leads to the birth of the Balanced Scorecard.

The Balanced Scorecard is a set of measures that gives top managers a fast but comprehensive view of the business. In addition to the traditional financial measures that tell the results of actions already taken, the balanced scorecard accompanies other operational measures on customer

satisfaction, internal processes, and the organization's innovation measures that are drivers of future financial performance (Norton and Kaplan, 1992).

In addition to this, these authors have found out that apart from being a tool of performance management, the BSC 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 (Norton and Kaplan, 1996).

Regardless of these benefits that are promised by the balanced scorecard, empirical studies show that there are challenges of implementation. According to Pujas (2010) common challenges of implementation of BSC are limited understanding of BSC, lack of executive sponsorship, lack of BSC education and training, inadequate IT support, inadequate project team, not involving the whole organization, inadequate key performance indicators (KPIs) and lack of planning and communication.

The Ethiopian public sector organizations had been trying to implement various modern management systems and tools since 1995 such as, "Result-oriented Performance Evaluation Method", Business Process Reengineering (BPR), Balanced Scorecard (BSC) and kaizen in order to improve efficiency (Adebabay, 2011).

In 2007, the FMOH boarded on a journey to transform its strategic planning and management processes by adopting the Balanced Scorecard (BSC) as their framework. Extensive work has been done at the leadership level to inculcate the sector with the concepts of balanced scorecard and to link day-to-day activities with the organization's long term direction. (Zemetis, 2009).

In cognizance of the salience of this tool, former Minister has applied the BSC approach as director of the Tigray Regional Health Bureau. The Federal Ministry of Health (FMOH) was convinced that with adequate adaptation, the BSC approach could deliver significantly improved performance throughout the health system. In 2007 the FMOH became the first ministerial office of the Government of Ethiopia (GoE) to apply the BSC approach, although it is the intent of the ministry of capacity building that BSC approach be used government wide (Ethiopia Balanced Scorecard Overview, 2010).

The Ethiopia's Health Sector regulatory organizations exist at various tiers. In other words, the structure of the sector is made of the Federal Ministry of Health (FMOH), Federal Health

Directorates and Agencies, Regional Health Bureaus, Woreda Zone offices, Woredas (an administrative district unit), and individual health facilities including federal and regional hospitals, health centers, and health posts.

Therefore, this study assessed the overall implementation of the balanced scorecard system as a performance measurement, strategic management and communication system in the health center of Ethiopia, at All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center/ALERT/. Currently the center has 1,342 permanent and 40 contract total 1,382 employees.

1.2 Statement of the Problem

The Ethiopian government has given high emphasis and dedication towards institutional excellence; building on earlier efforts to establish strategic planning norms and an employee result-oriented performance appraisal system, the federal government introduced the BSC in 2010 (Menwuyelet Fentie, 2014).

At present, almost all public institutions are undertaking Balanced Scorecard (BSC) as a strategic planning and management tools to measure work performance of any organization. Among the effects for public sector reform is the efforts to improve public sector services, through process improvement. The reforming aimed at promotion of efficiency (cost effectiveness) and provision of effective service to the public. In addition many large companies use a performance measurement system. Companies that start with a performance measurement system face difficulties with implementation Molleman (2007). Adaption of balanced score card would be beneficial but the implementation would be challenging (Stewart & Carpenter-Hubin, 2001, cited by Hiwot T. 2015).

Much of the empirical literature on BSC concerns, it is estimated that 70% of BSC implementation has failed Atkinson (2006). Dragan (2010) on his thesis conclude that although many different organizations are using the BSC as a management technique to implement corporate strategy, a number of them have encountered different problems when trying to introduce the BSC and implement it. The majority have either implemented the BSC but without any significant improvement in performance, or they have given up in the implementation the process itself.

Numerous organizations develop good strategies, develop good action plans, consider organizational structure, take a close look at their human resource needs, fund their strategies through their annual business plan, and develop a plan to monitor and control their strategies and tactics. And yet they still fail to successfully implement those strategies and tactics. The reason, most often, is they lack linkage (Birnbaum, B., 2007, cited by Hiwot T. 2015). Linkage involves tying together all the activities of the organization to make sure that all of the organizational resources are rowing in the same direction. Problems often encountered in strategic plans include lack of accuracy of the plans, inconsistency in objectives and inadequate rewards for efforts expended in the planning process. The leadership style to be followed, leader's and manager's commitment, measurement error in performance, employee motivation and communication problems are also the main challenges to BSC implementation for successful organizational performance.

Many of the studies focus on the motivation for adopting BSC, nature of performance indicators, and the perceive benefits. However, studies on the implementation of BSC in public sector organizations are erratic. Moreover, though there are some evidences about the achievements and challenges of implementing the BSC at the national level, from the informal interviews conducted and personal observation, still little is known about the achievements and challenges of the change initiatives at the ALERT Hospital.

This study, therefore, seeks to assess the extent of BSC implementation, its success and challenges and will recommend appropriate solutions to the problems faced in the implementation in the ALERT Hospital.

1.3 Basic Research Questions

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

- ▶ How is Balanced Scorecard being implemented in ALERT compared to the standard literature?
- ▶ What are the major achievements gained and challenges confronted in the implementation of BSC?

- What are the key factors that influence effective implementation of BSC in this organization?

1.4 Objective of the Study

1.4.1 General Objective

The general objective of the study is to examine the overall practices of implementing balanced scorecard in ALERT and sort out challenges faced during implementation.

1.4.2 Specific Objective

The specific objectives of the study will be to:

- To assess the challenges of implementing BSC in the ALERT.
- To evaluate how the balanced scorecard is implemented in the ALERT and evaluate the key success factors for effective implementation.
- To reveal possible recommendations for the implementation challenges identified.

1.5 Significance of the Study

The following are the major significances of the study:

- It will serve as an input for the process owners and employees in ALERT to re-examine how much they were effective in implementing BSC towards improving organizational performance.
- It provides important information about the main challenges and problems encountered in the implementation of balanced scorecard with possible suggestions to take corrective actions in the future.
- It will serve as a benchmark for those organizations who did not fully implement balanced scorecard.
- It helps the researcher to acquire knowledge and practical experience about balanced scorecard.
- Moreover, the researcher also believes that this study can potentially serve as a stepping stone for the future research in this area.

1.6 Scope of the study

The scope of the study was bounded to assessing the implementation gaps and challenges faced by the case of All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center/ALERT/.

The study conducted the survey on employees and management of the stated organization which is found in Addis Ababa, Ethiopia. The study assessed the implementation status of the system till May 31, 2020.

1.7 Limitations of the Study

The major limitation of the study was lack of relevant empirical literature. Lack of cooperation among some individuals and organizations in providing data required for the study. Some of the questionnaires were not returned back due to different reasons. Furthermore, shortage of accessibility of relevant documents that clearly shows the overall implementation of the balanced scorecard system in the organization was also among the major challenges.

1.8 Definition of Terms

Performance measurement is a complex issue that normally incorporates at least four disciplines: economics, management, accounting and information technology (Tagen, 2004).

Balanced Scorecard: is a management tool that enables an organization to translate its vision and strategy into a tangible set of performance measures. However, it is more than a measuring device (Kaplan and Norton, 1996).

Balanced Score Card Perspectives- refers to category of performance objectives or measures in is in balanced scorecard and in most organization choose the four standard perspectives such as; financial, customer, internal process, learning and growth (Kaplan and Norton, 1996).

Cascade: The process of developing aligned scorecards throughout an organization each level of the organization will develop scorecards based on the objectives and measure. It can influence from the scorecard of the group to which they report (Kaplan and Norton, 1996).

Lag Measure (Performance Measures): are measures focusing on results at the end of a time period. They normally characterize historical performance and are easy to identify and capture (Niven, 2006).

Lagging indicators: measures that represent the consequences of actions previously taken, which it also referred to as lag-indicators. They frequently focus on results time and characterize

historical performance. Employee satisfaction may be considered a lag indicator. A good balanced scorecard must contain a mix of lag and lead indicators (Kaplan and Norton, 1996b).

ALERT: All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center.

1.9 Organization of the Study

The paper was organized in five chapters. The first chapter presents the introductory part consisting of the background of the study, statement of the problem, research questions, objectives of the study, definition of terms, significance of the study, and scope of the study.

The rest of the paper was organized as follows: Chapter two presents empirical and theoretical review of the literature related to the concept of balanced scorecard, its implementation and challenges faced; Chapter three provides research design and methods employed in the analysis; Chapter four contains the data presentation, analysis and interpretation; and Chapter five gives the conclusion and recommendations. A reference of related literature that was referred while writing the paper and appendices are included after chapter five.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The main purpose of this chapter is to present the theoretical and empirical understanding of the concept of the balanced scorecard. After a short introduction of the concept and its origin, the evolution of the Balanced Scorecard is described and what it takes to implement it. In the final parts of the chapter, the key success factors of implementing the balanced scorecard and the conceptual framework of the study is stated.

2.4 Theoretical Literature Review

2.4.1 Brief Overview of Performance Measurement

Every organization should measure, monitor and analyze its performance. Performance is defined as an accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed (Bierbusse & Siesfeld, 1997). Performance measurement is a complex issue that normally incorporates at least four disciplines: economics, management, accounting and information technology (Tagen, 2004).

Performance measurement can be defined as the process of quantifying the efficiency and effectiveness of action (Neely, Gregory & Platts, 2005). The function of measurement is to develop a method for generating a class of information that will be useful in a wide variety of problems and situations. Performance measurement is a mystery, complex, frustrating, difficult, challenging, and important, abused and misused (Sidrova & Isik, 2010).

The main objective of PPMS is to provide comprehensive and timely information on the performance of business processes. This information can be used to communicate goals and current performance of a business process directly to the process team, to improve resource allocation and process output regarding quantity and quality, to give early warning signals, to make a diagnosis of the weaknesses of a business process, to decide whether corrective actions are needed and to assess the impact of actions taken (Kueng, 1998).

Kaplan and Norton (2001) began by arguing that an organization's measurement system strongly affects the behavior of managers and employees. They went on to say that "traditional financial accounting measures, like return-on-investment, can give misleading signals for continuous improvement and innovation." To counter the tendency to rely too heavily on financial accounting measures, Kaplan and Norton argued that senior executives should establish a scorecard that takes multiple measures into account (Tupa, 2010).

Kaplan and Norton divide measures into four categories of perspective (Sinclair & Zairi, 1995). The four perspectives of the Scorecard approach, thus, represent one of the most prominent inventions of these frameworks which significantly transformed organizational performance measurement systems. Probably the most well-known approach to performance measurement is the Balanced Business Scorecard (BSC), proposed by Kaplan and Norton (2001).

2.4.2 The Origins of the Balanced Scorecard

The Balanced Scorecard was developed by Robert Kaplan, a Harvard University professor, and David Norton, a consultant from the area of Boston. In 1990 they started research in several companies with the aim of exploring new methods of performance measurement. Traditionally, industries had been relying mainly on financial measures to indicate performance. Many criticisms arose about using only financial measures to track organization performance. In their study, Kaplan and Norton argue that financial measures were too one sided and not relevant to many levels in the organization and that reliance only on financial measures may affect the ability of organizations to create value (Niven, 2006).

Kaplan and Norton (1992) argue that focusing exclusively on financial performance measurements worked well in the era of industrialization, but in the era where new competences were emerging, financial measurements are not enough. Niven (2006) indicated some criticism of the excessive use of financial measures:

- **The rising importance of intangible assets.** Traditional financial measures are not designed to capture the aspects or performances of customers, suppliers, employees, company culture, quality, and opportunities for learning and innovations. Performances of these intangible assets should be measured because they represent the operational drivers for future financial performance.

- **No predictive power for the future.** Even if financial measures are an excellent summary of past achievements, they are not able to show the right path for future activities and events.
- **They do not represent cross-functional and team-work activities.** A great deal of business value is created by the collective efforts of different functional areas. Financial statements, on the other hand, represent individual achievements of different functional areas summarized in the overall company picture. They are not able to track the various relationships which continuously develop within an organization in different functional areas.
- **Short-term view.** Focusing only on financial measurements may harm long-term success. In contrast to activities which bring results in the long term such as research and development, employee training, or customer relationships, cost reductions may lead to temporally better financial results but threaten future development and the creation of long-term value.
- **They do not involve all levels of an organization.** To effectively perform their daily activities, all employees need performance information. Financial measures often involve information from all levels summarized in high-level financial statements. Data presented in such a manner may not be very useful because very often they do not reach all the levels of the organization and its employees.

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

- How do customers see the business? Customer Perspective
- What is it important to excel in? Internal Process Perspective

- Can the business continue to improve ability and create value? Learning and Growth Perspective
- How do shareholders see the business? Financial Perspective.

2.4.3 The Concept of Balanced Scorecard

Balanced scorecard is a management tool that enables an organization to translate its vision and strategy into a tangible set of performance measures. However, it is more than a measuring device (Kaplan and Norton 1996).

It is a strategic planning and management system that is used in business and industry, government, and nonprofits organizations to align business activities to the vision and strategy of the organization improve internal and external communications, and monitor organization performance against strategic goals. The balanced scorecard was developed by Robert Kaplan, an accounting professor at Harvard University, and David Norton, a consultant in Boston. In 1990s, Kaplan and Norton led a research study of a dozen companies exploring new methods of performance measurement. The drive for the study was a growing belief that financial measures of performance were ineffective for the modern business enterprise. They 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 concern (BSC institute 2015).

The key claims success by Kaplan and Norton (1996) are that the BSC demonstrates link to strategy, cause and effect relationships and balance between BSC metrics. They also stated that the BSC is used as a communication tool, a measurement tool or a strategic management tool (Kaplan and Norton 2001). A key conclusion of the research was that in order to be successful, a company has to address long term issues and not simply rely on producing good short term results. Kaplan and Norton argue that financial measures were too one sided and not relevant to many levels in the organization and that reliance only on financial measures may affect the ability of organizations to create value (Niven, 2006).

Moreover, Kaplan and Norton (1999) argue that focusing exclusively on financial performance measurements worked well in the area of industrialization, but in the era where new trends are emerging, financial measurements are not enough. Kaplan and Norton (1992) made an analog

with an airplane cockpit. They explain that for the complex task of navigating a pilot, the pilot should rely on a number of indicators and instruments to reach the destination safely, and efficiently. He needs detailed information about fuel, air speed, pressure, altitude, destination, and other indicators that summarize the current and predicted environments. Relying only on one instrument could be fatal. The same can be said for organization. Managers should recognize the need to track performance in several areas.

Thus, the Balanced Scorecard (BSC) is specific tool that allows managers to define and implement a set of financial and nonfinancial indicators in a balanced way to assess an organization's performance from four viewpoints. The balanced scorecard should therefore provide answer to four basic questions that look at the business from four important perspectives (Kaplan and Norton, 1992). These are customer perspective, internal perspective, financial perspective and learning. The details are discussed below.

2.4.4 Balanced Scorecard Perspectives

With the BSC framework, four categories of measures are identified in order to achieve balance between the financial and non-financial, between internal and external and between current performance and future performance (Kaplan et al., 1992).

Kaplan and Norton do not disregard the traditional need for financial data. Timely and accurate funding data will always be a priority, and managers will do whatever necessary to provide it. In fact, often there is more than enough handling and processing of financial data. With the implementation of a corporate database, it is hoped that more of the processing can be centralized and automated. However, the point is that the current emphasis on financials leads to the “unbalanced” situation with regard to other perspectives. Balanced Scorecard concept offers to look at an organization’s strategy from the following points of view (perspectives).

2.4.4.1 Financial Perspective

► *How Do We Look to Share Holders?*

Financial measures indicate whether the company’s strategy implementation and execution are contributing to the bottom line improvement (Kaplan and Norton, 1992, p.77). According to Paul R.Niven (2006), the Financial Perspective focuses on measures which have the goal of enhancing shareholder value. Possible performance measures under this perspective are derived

from the objectives of revenue growth and productivity which include profitability, cost/unit, revenue growth, asset utilization etc.

Niven (2006), also states that focusing resources, energy, and capabilities on customer satisfaction, quality, knowledge, and other factors in the rest of the perspectives without incorporating indicators showing the financial returns of an organization may produce little added value.

2.4.4.2 Customer Perspective

► *How Do Customers See Us?*

The customer dimension of the Scorecard contains several core or general measures which include high degree of satisfaction of clients, customer retention, attraction (acquisition) of new clients and market share etc.

According to Kaplan and Norton (1996a), the objective of an organization with this perspective is to identify the customer and market segments in which the organization will compete and, accordingly, the measures to track related performances. This enables an organization to identify and focus on factors that are really important in meeting customers 'demands.

Niven (2006) also notes that to achieve positive financial results, organizations need to create and deliver products and services which customers perceive as adding value to them. He remarks that the measures in the customer perspective should answer three basic questions: What are our target groups of customers? What do they expect or demand from us? What would the value proposition for us be in serving them?

According to Kaplan and Norton (2000), the value proposition may be chosen within three differentiators:

- Operational excellence – focus on low price and convenience;
- Product leadership – offer the best product in the market;
- Customer intimacy – focus on long-term customer relationship through a deep knowledge of their needs.

Niven (2006), also states that the most common measures for this perspective include: customer satisfaction, customer loyalty, and market share.

2.4.4.3 Internal Business Process perspective

► *What Must We Excel at?*

The internal business process perspective of the BSC mainly emphasizes that organizations must control important working conditions or inner process that may create value to customers and shareholders. For an organization to be effective in performance, the internal working process and systems should be as excellent as possible in assisting operational units provide values to attract and retain clients of the market.

Kaplan and Norton (1992), presume that great customer performance is the result of processes, decisions, and actions which managers need to focus on in order to satisfy customers' needs. This perspective measures the business processes that have the greatest impact on customer satisfaction. Niven(2006) highlighted that this perspective measures an organization's performance with respect to speed (on-time delivery, process cycle time, customer response time etc), quality (continual improvement, rework, repair and scrap, process capability etc), Measures of cost (costs of waste, cost per transaction etc) and other measures (floor space utilization, forecasting and planning accuracy etc).

2.4.4.4 Learning and growth perspective

► *Can We Continue to improve and Create Value?*

Internal measure for the scorecard should stem from the business processes that have the greatest impact on customer satisfaction factors that affect cycle time, quality, employee skills and productivity (Kaplan and Norton, 1992, p.75). This perspective answers the fundamental question to achieve our targets and accomplish core activities, how must we learn, communicate & work together?' and it is the foundation up on which the balanced scorecard is built.

Niven (2006), notes that measures of the Learning and Growth perspective are the enablers of the other perspectives. It also emphasizes that knowledge, employee skills and satisfaction, the availability of information and adequate tools are frequently the source of growth and therefore the most common measures of this perspective.

Organizational learning and growth come from three principal sources: people, systems, and organizational procedures...businesses will have to invest in reskilling employees, enhancing information technology and systems, and aligning organizational procedures and routines (Kaplan and Norton, 1996, pp.28-29).

Figure 1: Balanced Scorecard Framework/The Four Perspectives of BSC/



Source: Robert S. Kaplan and David P. Norton (1996)

2.4.5 The Steps of Building and Implementing Balanced Scorecard

There are nine steps to build and implement BSC successfully in an organization as designed by Kaplan and Norton (1996). The first six steps are the building (designing) steps and the last three steps are the implementation stages of BSC.

Organizational Assessment: as the first step of building balanced scorecard process is the process of conducting organizational assessment of its vision, mission and SWOT analysis so as to determine how ready the organization for embarking balanced scorecard journey.

Developing Strategy: Strategy represents the broad priorities adopted by the organization in recognition of its operating environment and pursuit of its mission. All performance objectives and measures should align with organizational strategy.

Strategic Objectives: Objectives are concise statement of what the organization must do well in each of the four perspectives in order to execute its unique strategy objectives are organization's continuous improvement activities, which should link to organizational strategic themes, perspectives and strategic results.

Strategic Maps: A balanced scorecard strategy map is generic architecture for describing a strategy. The strategy map describes the process for transforming intangible assets in to tangible customer and outcomes. It provides executive with a framework for describing and managing strategy in a knowledge economy. A strategy map helps organizations to see their strategies in a cohesive, integrated and systematic way. The strategy specifies general directions and priorities. Translating the strategy in to action is the next step. Strategy maps provide the tools to translate general strategic statements into specific hypothesis, objectives, measures and targets.

Performance Measures: The balanced scorecard translates an organization's mission and strategy in to a comprehensive set of performance measures that provides the framework for strategic measurement and management system. The balanced scorecard measures organizational performance across the four perspectives: financial, customers, internal business and learning and growth.

Strategic Initiatives: are the specific programs, activities, projects, or actions you will embark on to help ensuring you meet or exceed your performance targets. Initiatives are designed to close the gap between current performance and that embodied in the stretch targets established .The targets is your mind for the performance measure, and to get there, you need to determine what investments and in initiatives are necessary to guarantee a positive outcome.

Software and Automation: Software and automation involves automating the balanced scorecard system, and consists of analyzing software options and user requirements to make the most cost-effective software choice for today and to meet enterprise performance information requirements in the future. Automating your balanced Scorecard provides a number of benefits and maximizes its use as measurement system, strategic management system, and communication tool. The advanced analytics and

decision support provided by even the simplest Scorecard software allow organizations to perform intricate evaluations of performance and critically examine the relationships to among their performance measures. Automation also supports true organization-wide deployment of the tool.

Cascading: the scorecard means driving it down into the organization and giving all employees the opportunity to demonstrate how their day-to-day activities contribute to the company's strategy. Strategic alignment of a business unit must take place in multiple directions. Cascading creates a line of sight from the employee on the shop floor back to the executive boardroom.

Evaluation: Evaluation is the last step of balanced scorecard implementation which concerns with the ability to determine progress made toward the goals or targets set. The assessment ability is monitoring functions that simply tracks activities (and their results) it may be as simple as a lot to do list or as complicated as plan of action with milestones.

2.4.6 Success Factors of Balanced Scorecard Implementation

Regardless of all the popular benefits that are promised by the balanced scorecard, empirical studies, such as Pujas(2010), show that the following are key success factors of BSC implementation.

- **Balanced Scorecard Concept Clarity:** refers to the failure to understand what exactly the Balanced Scorecard is and what its implementation involves.
- **Executive Sponsorship:** represents the support of the top management of the organization during the development and implementation of the system.
- **BSC Education and Training:** like any system, the implementation of the balanced scorecard, requires the creation of sufficient awareness which obviously requires conducting continuous training and education.
- **Adequate IT Support:** According to Niven (2006), the problem of gathering and entering data into the Balanced Scorecard is emphasized during the implementation process. To overcome such problem and smooth the implementation process, the system should be supported by an appropriate IT system.

- **Effective Project Team:** To create a Balanced Scorecard that is capable of implementing the company strategy, linking individuals, creating new behavior and enhancing communication, a team of people is needed. Many ambitious initiatives have failed just because they were led by ineffective teams.
- **Participation:** According to Pujas (2010), during the implementation process, if the importance of employee involvement is not understood, the organization may miss the opportunity to benefit from the employees' knowledge that is directly related to the areas in which they exert influence.
- **Adequate Key Performance Indicators (KPIs):** refers to the measurement of the strategic objectives of the balanced scorecard. The decision about what metrics to incorporate in the balanced scorecard is perceived as one of the most difficult parts of the initiative (Niven, 2006). Therefore, due consideration should be made by the implementer while designing the scorecard.
- **Planning and Communication:** similar to any system, the implementation of the balanced scorecard system requires a precise development plan to guide the selected team during the BSC journey. Without a formal plan showing the implementation path in advance, there is the risk of confusion.

Finally, the researcher presupposes that if such success factors are well addressed in the stated hospital, the overall implementation of the balanced scorecard system, as their performance measurement and strategic management system would be successful.

2.2 Empirical Literature Review

2.2.1 Brief Overview of BSC in Africa

Over the past decades, many African countries have reformed their public sector to improve efficiency, accountability and good governance as part of their efforts to improve service delivery & performance. Virtually every country in the region (Africa) has undergone some kind of civil service reform program (Van, W., 2001, p.84).

Currently most organizations in Africa have adopted BSC for their organizational performance measurement and management system to cope with the firm global and local competition. Use of the Balanced Scorecard is growing rapidly on the continent of Africa (BSI Africa, 2015).

However, there are contradicting arguments about the effectiveness of BSC implementation with African context. Some argue that as this initiative tool is originated in a developed country in milieu of the advanced N. American & Western World business settings, it doesn't fit African existing culture.

According to Kamwachale (2011), the socio-cultural disparities between the African and the Western settings is quite wide in that the African framework is humanist, inclusive, socialist, community based in nature and stakeholder oriented, whereas the Western framework is exclusive and shareholder centered. He also argues that, because the current BSC model is developed to fit the Western socio-cultural framework which is based on maximization of shareholders' wealth, it contradicts the African inclusive and stakeholder oriented governance. Thus, he stresses, it is not ideal and helpful to an organization operating in African environment; to implement the BSC effectively in African organizations, it should incorporate suppliers, government, competitors, community and environmental concerns.

However, others argue that failure in implementation of BSC in some African organizations is due to lack of government and management commitment in addressing the basic requirements of BSC right from project initiation and throughout the implementation process in a continuous & consistent manner. Yet there are sufficient evidences (eg. Kaplan, 2010, Nivev, 2006) that BSC promotes significant improvements and enhances efficient resource allocation and utilization, improved work culture and system, enhanced customer satisfaction, and in general greater organizational performance if it is properly implemented and gets on time support, commitment and continuous monitoring from government and management at all levels regardless of level of advancement or cultural aspects of a nation or a continent.

2.2.2 Brief Background of BSC in Ethiopia

Changes in the socioeconomic and political landscape in Ethiopia have resulted in changes in management of public institutions. The quests for efficiency, accountability, and transparency have forced institutions to adopt organizational strategies and management structures that are popular in business organizations. To this effect, Ethiopia has introduced a range of approaches that broadly fall into the category of "New Public Management". The main successive reform tools include Business Process Reengineering (BPR), BSC and the Citizen Charters. Building on

earlier efforts to establish strategic planning norms and an employee result-oriented performance appraisal system, the federal government introduced the BSC in 2010 (Menwuyelet Fentie,2014).

The BSC is being used as a planning, change management, and communication tool, and is also considered as an opportunity to embed strategic management principles into the plan. The BSC incorporates the higher-level goals identified by the country's Growth and Transformation Plan (GTP) and tries to operationalize these goals. According to Menwuyelet (2014),three reasons are cited as rationales to implement BSC in Ethiopian Federal civil service organizations, namely:

- To have better performance evaluation system in civil service organizations
- To put in practice the Federal Civil Servants" proclamation no. 515/99 (proclamation for administration of Ethiopian Federal Civil Service employees)
- To focus on strategies and link the day to day activities to strategies with well-balanced and multi perspective performance evaluation system.

A ministry or agency provides a highest expression of tangible and identifiable results that the government expects, below the Ministry or Agency level, the results are further cascaded down to process teams and individual members of staff. BSC set targets for output and interventions for which measures or indicators are set. As of 2012, the civil service's "Individual Employee Performance Management and Measurement" directive was incorporated into the BSC. The management of individual performance is now being addressed through a system of individual performance agreements that are linked to team and organizational targets derived from the four dimensions of the BSC. These include: i) finance, ii) learning and growth; iii) client/customer satisfaction, and iv) processes (time volume, frequency).The first set of annual performance agreements for individuals were signed in July 2012.Currently 60 percent of the score is allocated towards achieving the agreed upon specific tasks and goals, while 40 percent is dedicated to attitude or behavioral aspects (this can also be seen as a reaction to earlier criticism of assessments introduced by the BPR that were seen as overemphasizing „attitudes“). Thus, the BSC seeks to create direct links between employees" performance and the strategy of an organization towards its clients/citizens, budget, internal processes, and learning and Journal of Public Administration, Finance and Law growth. Both employee and organization performance reviews are carried out twice a year, in December and June.

2.2.3 Significance of BSC in the Health Sector

The Ethiopian Federal Ministry of Health (FMOH) has made great strides in creating a culture of planning. From strategic to operational planning, members of the health sector at large appreciate the value of planning their work and working their plans. In 2007, the FMOH embarked on a journey to transform its strategic planning and management processes by adopting the Balanced Scorecard (BSC) as their framework. Extensive work has been done at the leadership level to inculcate the sector with the concepts of balanced scorecard and to link day-to-day activity with the organization's long term direction. However, an assessment of the current state of BSC implementation within the sector has revealed that, in order to evolve the FMOH BSC into a truly strategic system and for the Sector to full realize the benefits of a best practice BSC system, significant changes in both the FMOH BSC structure and leadership action must be carried out (Rahel, 2010).

Piloting the balanced scorecard to a division of the Health Sector was perceived to lower the risk of implementation and provide proof of concept to the Ministry Leadership. FMOH decided to send three additional Health Sector employees from the Capacity Building section to Balanced Scorecard Institute training courses in 2006 in preparation for piloting the process to the Federal Ministry of Health (FMOH). For almost two and a half years, Minister Dr.Tedros and his three colleagues led efforts to develop a strategic balanced scorecard for Federal Ministry of Health (FMOH), a division of the Health Sector, with varying levels of success. Realizing their initial FMOH scorecard had too many strategic themes and strategic objectives, FMOH leveraged its participation in the Bill & Melinda Gates-funded Ministerial Leadership Initiative for Global Health to engage the Balanced Scorecard Institute to facilitate the process for the FMOH pilot and provide additional training. From August 2009 to September 2010, with assistance of the Institute, the initial FMOH scorecard was simplified, refined, and recalibrated (Balanced Scorecard Institute, 2013).

After observing the impressive results that were being achieved by the recalibrated FMOH scorecard, Ministry Leadership subsequently decided to adopt an overall Health Sector scorecard. With additional project funding provided by the Bill and Melinda Gates Foundation in 2011-2013, the Ministry of Health began cascading the strategic scorecard throughout all levels of the Health Sector. The cascade work performed in 2011-2013, and the break-through

improvements that the Ethiopian Health Sector achieved as a result of improved strategic direction and alignment using the institute way. In fact, it has been such a success that the former Prime Minister of Ethiopia mandated that all Ministries in Ethiopia adopt the balanced scorecard as a strategic planning and performance management methodology (ibid).

2.3 Conceptual Framework

Balanced Scorecard is a performance measurement and strategic management tool that provides a balance between certain relatively opposing forces of strategy: short term and long term objectives; Internal and external influences; Leading and lagging indicators and measures; Financial and non-financial goals; It also aligns strategic goals with objectives, targets, and metrics and it cascades corporate strategy to all levels of the organization.

Taking these and other detailed benefits into consideration, the government has initiated the adaption and implementation of BSC in all for-profit and not-for-profit public organizations. As a result, all public financial institutions also engaged themselves in the development and implementation of BSC. Currently, ALERT hospital has finalized developing the BSC as their performance measurement system.

Though the organization established an ad hoc team to study and develop the system and adapt it to their context, the implementation process is apparently turns out to be full of challenges. From the preliminary informal observation of the student researcher, the major repeatedly shown challenges are limited awareness about the BSC, limited senior management commitment, problem of keeping the scorecard at the top, and the problem of introducing the balanced scorecard merely for compensation.

However, these challenges are not systematically sorted out and the effect and depth of each of these challenges on the implementation were not structurally studied. As a result, it is not possible to work them out and deal with them accordingly for the smooth implementation of the system.

Apart from these, the student researcher believes that the theoretical concepts of the balanced scorecard were not followed in the organization and this might be the other challenge that makes the organization unable to fully garner the benefits of adopting the system.

The student researcher believes that the implementation practices of BSC are not well studied in the nation. But knowing and closely studying the implementation practices and the obvious challenges faced will initiate decision makers to immediately address the challenges. It also helps others similar organizations take lessons for effective implementation of the same without making similar mistakes made by the already implementing organizations.

Regardless of all the popular benefits that are promised by the balanced scorecard, empirical studies, such as Pujas (2010), show that the following are key success factors of BSC implementation.

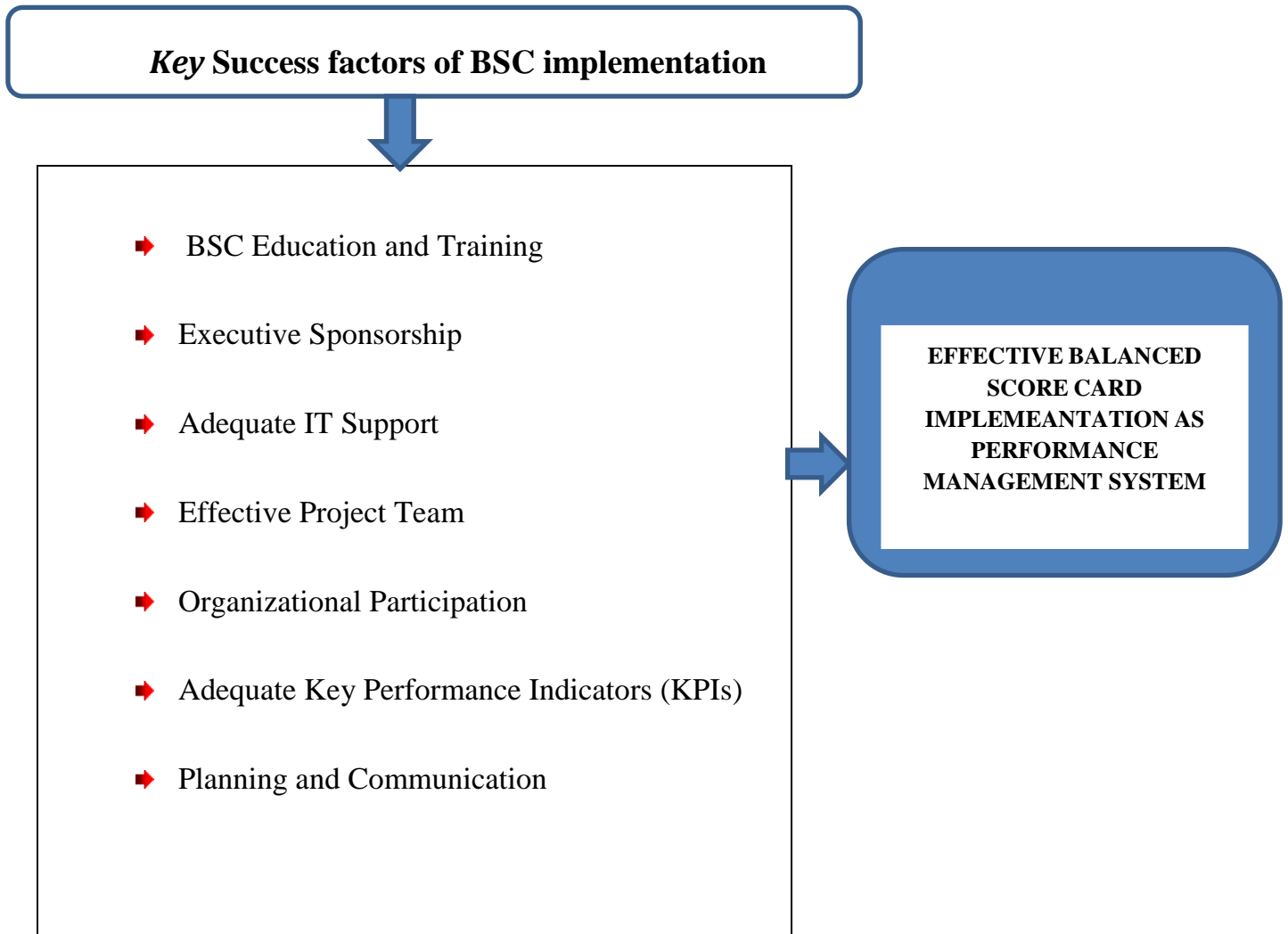
- **Balanced Scorecard Concept Clarity:** refers to the failure to understand what exactly the Balanced Scorecard is and what its implementation involves. The researcher tried to measure this challenge by designing four relevant questions that include the meaning and feature of the balanced scorecard and its implementation steps.
- **Executive Sponsorship:** represents the support of the top management of the organization during the development and implementation of the system. Five questions about the commitment and level of support of the top management were designed to measure the status of the stated challenge.
- **Lack of BSC Education and Training:** like any system, the implementation of the balanced scorecard, requires the creation of sufficient awareness which obviously requires conducting continuous training and education. The study measured the status of this challenge by designing five relevant questions and analyzing the result accordingly.
- **Inadequate IT Support:** According to Niven (2006), the problem of gathering and entering data into the Balanced Scorecard is emphasized during the implementation process. To overcome such problem and smoothen the implementation process, the system should be supported by an appropriate IT system. The existence and usage of the same has been measured by designing three relevant questions and analyzing the responses gathered.
- **Effective Project Team:** To create a Balanced Scorecard that is capable of implementing the company strategy, linking individuals, creating new behavior and enhancing communication,

a team of people is needed. Many ambitious initiatives have failed just because they were led by ineffective teams.

- **Lack of Participation:** According to Pujas (2010), during the implementation process, if the importance of employee involvement is not understood, the organization may miss the opportunity to benefit from the employees' knowledge that is directly related to the areas in which they exert influence. The level of participation has been measured by designing four relevant questions.
- **Adequate Key Performance Indicators (KPIs):** refers to the measurement of the strategic objectives of the balanced scorecard. The decision about what metrics to incorporate in the balanced scorecard is perceived as one of the most difficult parts of the initiative (Niven, 2006). Therefore, due consideration should be made by the implementer while designing the scorecard. The appropriateness of the KPI's under study is measured by designing four relevant questions in the standard likert scale questionnaire.
- **Planning and Communication:** similar to any system, the implementation of the balanced scorecard system requires a precise development plan to guide the selected team during the BSC journey. Without a formal plan showing the implementation path in advance, there is the risk of confusion. To measure the same five relevant questions with five scale likert scale were designed and analyzed.

Finally, the researcher presupposes that if such success factors are well addressed in the ALERT hospital, the overall implementation of the balanced scorecard system, as their performance measurement and strategic management system would be successful.

Figure 2. 3: Conceptual Framework



Source: Self-Extracted

CHAPTER THREE

RESEARCH DESIGN and METHODOLOGY

This chapter provides an outline of the research methodology that was used in the study. The plan of the research and the detailed tactics that assisted to answer the research questions and arrive at conclusions are presented.

3.11 Research Methodology

Best and Kahn(2006) says research can be qualitative, if it describes events and persons scientifically without the use of numerical data while quantitative research consist of research in which data can be analyzed in terms of numbers. Mixed approach is an approach, which combines both qualitative and quantitative ones. Thus, the study applied mixed approach that is quantitative and qualitative approaches as research methodology. Mixed approach helps to make investigation the effectiveness of BSC implementation on performances and to gain a better understanding by obtaining data from different sources, such as interviews and questionnaire which helps to helpful to describe and interpret the trend of events that exist and consequently helps to increase the validity, reliability of the findings and comforts data analysis. It was also aimed to better meet the objectives of the study set out under the first chapter.

3.12 Research Design

According to (Heron, 1998 as cited In Newman, 2013) a research design refers to a plan for collecting and utilizing data so that desired information can be obtained with sufficient precision. A research design is a plan according to which a researcher obtains research participants and collects information from them. This study applied descriptive research design. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group (Kothari, 1990).

The primary purpose of this study is to describe BSC as a performance management system in ALERT in light of the theoretical framework and hence it can be said that it has a descriptive nature. The major purpose of descriptive research is to describe characteristics of a certain phenomenon. This research also aims to describe the BSC as a performance management system in ALERT. Descriptive research designs describe the characteristics of objects, people, or organizations (Zikmund, Babin, Carr & Griffin, 2012:15). Descriptive research paints a picture

of the specific details of a situation, social setting, or relationship. By giving answers to who, what, when, where, and how questions.

3.13 Data Sources

In this study both primary and secondary data are collected. Relevant information to the study will be obtained both from primary and secondary sources. Primary data are those which are collected afresh and for the first time, and happen to be original in character (Kohtari, 2004). Primary data were collected from top level managers, workers and directorate of policy and planning with specific team of BSC, which are the results of questionnaires and interview.

Secondary sources are those which are made available or have been collected for other research purposes. It refers to data that are already available i.e. data which have already been collected and analyzed by someone else (Kohtari, 2004). The secondary data were collected from different published materials like report and manuals of the MOH, websites, research findings, policy documents and other relevant materials were reviewed.

3.14 Data Collection Techniques

In order to obtain relevant and adequate information the researcher used questionnaire and interview as instruments of data collection. Interview is opted for since its potential as a data collection method can be best exploited when used for the exploration of more complex and subtle phenomena (Denscombe, 2007). This plus its ability to enable the researcher gain insights into the respondents' opinions, feelings, emotions and experiences makes the interview method appropriate in this case.

Among forms of interview semi-structured interviewing method was used in this case study. Semi-structured interview involve series of open-ended questions based on the topic areas the researcher wants to cover, it gives chance to move the conversation in any direction of interest that may come and also used to ask questions which were not included in the structured interview in case new questions raised as ideas emerge through the process. The interview was conducted in the office of the respondents and followed the framework provided under the interview guide who is attached under Appendix no II.

The questionnaires were addressed in close ended form and Lykert type scale of measurement was used to determine the level of agreement or disagreement represented by numerical values ranging from one to five. Five scale formats namely strongly agree, agree, moderately agree, disagree, and strongly disagree. Close ended format is chosen as it is easier and quicker for respondents to answer, easier to compare the answers of different respondents easier to code and statistically analyze. The questionnaires distributed to the management and other employees are different as both have different roles.

3.15 Study area and population

The pools of population for this study were non-management, management and former BSC team members of ALERT. Only employees who have Diploma and above and worked for more than a year in the organization were included in the pool as recently recruited employees may not have deep knowledge of the benefits and root causes of challenges of BSC implementation in the organization as well as won't be able to see at least one cycle of the implementation of BSC. The number of employees working at ALERT who had Diploma and above and a year or more experience as of May, 2020 was 750 (of whom 90 management and 591 non-management members).

3.16 Sample and Sampling Techniques

Regarding sampling technique, Non-probability sampling, specifically purposive sampling technique is used by purposely selecting individuals and groups which the researcher believed has better access to the development and implementation of the balanced scorecard system. The study adopts purposive or non-probability sampling method. This sampling method involves purposive or deliberate selection of particular units of the universe for constituting a sample, which represents the universe.

This sampling technique is appropriate for selects cases that are especially informative for the specific study, and it is also relevant for conducting case study analysis to find important individuals and/or groups that are important for the study. As said by Maxwell (1999), purposive or judgmental sampling is a non-probability sampling technique that uses judgment and deliberate effort to pick individuals who meet specific criteria of the study.

The sample size distribution was given in the manner based on the total employees of the organization under study and the time taken by the organization in adopting the balanced scorecard system. The respondent's composition was from the management (Directors, and Team Managers/Leaders) and purposively selected non-management professional level employees. The desired sample size is 260.

This is calculated using the following sample size determination formula which was developed by Yamane Taro (1967). The reason for using this formula is that it is the most simplified and widely applied in determining sample size in such research works. A 95% confidence level and $e = 0.05$ precision are assumed for the Equation.

$$n = N / (1 + N(e)^2) \quad \text{Where}$$

N = Target population
 n = Sample size
 e = Level of precision=0.05

Given confidence level of 95% and precision rate of ± 5 percent

$$n = 750 / (1 + 750(0.05)^2) = 260$$

3.17 Data Analysis Methods

Appropriate statistical analysis such as frequencies and percentiles were used. The data analysis of the study were summarized using frequencies and percentages as well as mean and standard deviation for all variables including age, sex, working experience; years on current job/position and educational level were analyzed tried to be discussed to get meaningful information about existing practices and challenges of balanced scorecard implementation.

The data was presented using tables after collecting and sorting all relevant primary data using the data collection tools, responses were sorted, coded, computed and analyzed and presented in the form of charts, diagrams and tables using Statistical Package for Social Sciences (SPSS) version 20. Besides, the decision rules used in the analysis was average mean less than 3 was considered as low, average mean equal to 3 was considered as medium and average mean greater than 3 was considered as high throughout the study (Best and Khan, 1995 8th ed.).

3.18 Reliability

According to Nunnally and Bernstein (1994) stated in Sixholo (2011), Cronbach's alpha is used to test the reliability of the quantitative questionnaire for internal consistence. An alpha value with a lower limit of 0.7 and upper limit of 0.9 was considered acceptable. The reliability test run for the questionnaire of the study showed Cronbach's alpha of 0.87 showing an acceptable internal consistence.

3.19 Validity

Validity is the most critical criterion that indicates the degree to which an instrument measures what it is supposed to measure (Kohtari, 2004). Validity refers to the extent to which the results of the study are accurate. Findings of the study are, thus, presented based on actual results with utmost objectivity of the researcher. Further, to minimize any possible biasing effect and error, Software Package for Social Sciences (SPSS) was applied in analyzing findings of the questionnaires. The researcher also tried to assure the validity of the research instruments in close consultation, comments and recommendations of the advisor.

3.20 Ethical Considerations

The researcher made use of different data collection instruments from different sources. Utmost effort was exerted to acknowledge materials referred and the researcher takes the responsibility to keep confidentiality of respondents' opinions and unanimity of the rest of the information.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter basically provides the data analysis and discussion part of the study. The data collected from respondents was systematically presented and detail analysis of the findings from the questionnaires and interview was conducted and presented with detail interpretation.

4.1 Personal Information of Respondents

The total questionnaire distributed to the ALERT was 260. The total questionnaire filled out and returned back was 225, which is 87% response rate. Summary of demographic characteristics of respondents who filled & returned the questionnaires is tabulated as follows:

Tables-4.1.1 Personal Information of Respondents

No.	Item	Description	Frequency	%
1.	Gender	Female	107	47.6
		Male	118	52.4
		Total	225	100
2.	Age	18-27	13	5.8
		28-37	118	52.4
		38-47	71	31.6
		48-57	21	9.3
		>58	2	.9
		Total	225	100
3.	Educational Level	Diploma	24	10.7
		Bachelor Degree	116	51.6
		Masters	59	26.2
		PhD	26	11.6
		Total	225	100
4.	Year of Experience	1-5	116	51.6
		6-10	53	23.6
		11-15	48	21.3
		16-20	3	1.3
		21-25	2	.9
		>26	3	1.3
		Total	225	100

As can easily be understood from table 4.1.1 above, majority of the respondents (52.4%) were male and the remaining (47.6%) female.

Concerning age of the respondents, most of them (52.4%) fall under the range of 28-37 years, 31.6% between 38-47 years, 9.3% between 48-57 years, 5.8% between 18-27years, and the remaining .9% aged more than 58 years.

With regard to educational level of respondents, majority of them are first degree holders for 51.6% followed by second degree holders 26.2%, while the remaining were PhD and Diploma holders for 11.6% & 10.7% respectively.

Concerning the level of experience of respondents in the hospital, as indicated in the table, 51.6% of them had worked for 1 to 5 years, 23.6% for 6 to10 years, 21.3% for 11 to15 years, 1.3% for 16 to20 years and 21-25 and the remaining.9% of them had work experience of >26 years in ALERT.

4.2 Analysis of the Variables

To answer the research questions, eight variables that refer to the common challenges of balanced scorecard implementation based on the study of Pujas (2010) which are limited understanding of BSC, lack of executive sponsorship, lack of BSC education and training, inadequate IT support, inadequate project team, organizational participation, inadequate key performance indicators (KPIs) and lack of planning and communication are taken to design the questionnaire and analyse the response of employees and the management of ALERT Hospital. These variables are the major success factors for effective implementation of the balanced scorecard system as performance management tool.

The researcher for each variable has managed to design three to five questions to better represent the variable from different directions. After inserting the raw Likert scale data to SPSS 20, the researcher has analysed and summarized the responses by taking the average of the response results obtained under each variable to arrive at the average response towards the stated variable. Hereunder are the questions under each variable and the analysis of the summarized responses for the questions.

4.2.1 Concept Clarity of the Balanced Scorecard

According to Kaplan and Norton (1992), one of the key factors for the successful implementation of the balanced scorecard is to create clarity of the concept of the balanced

scorecard system weigh before starting implementation of the system. To check whether the concept is absorbed in organization, the sample respondents were asked to express their level of agreement with some basic questions about the concept of the balanced scorecard.

Tables-4.2.1 Concept Clarity of the Balanced Scorecard

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>BSC links short term operational performance with long term strategic objectives</i>	<i>N</i>	-	103	57	60	5	2.85
	<i>%</i>	-	45.8	25.3	26.7	2.2	
<i>BSC creates ability to translate vision into operational strategy</i>	<i>N</i>	2	6	44	148	25	3.84
	<i>%</i>	.9	2.7	19.6	65.8	11.1	
<i>The ALERT used BSC to set business strategies and objectives</i>	<i>N</i>	2	8	44	146	25	3.82
	<i>%</i>	.9	3.6	19.6	64.9	11.1	
<i>BSC rolls down vision from corporate to division, to individual employees</i>	<i>N</i>	3	6	44	145	27	3.83
	<i>%</i>	1.3	2.7	19.6	64.4	12	

Source: Sources: Survey Result (2020)

Our objectives.distribution and result for implementation of BSC program Av. Mean <3 Low, A v . Mean=3 Medium, A v . Mean> 3 High,

Accordingly, a minimum mean response of 2.85 and the maximum mean response of 3.84 was registered and representing a significant level of agreement. This implies that the hospital under study, the basic concept and awareness about the balanced scorecard not encouragingly created.

4.2.2 Executive Sponsorship

The Balanced Scorecard implementation effort is the crucial part. Suffice it to say that if the company’s leader is not aligned with the goals and objectives of the Balanced Scorecard and does not believe in the merits of the tool, all the efforts will be severely compromised. An executive sponsor must provide leadership for the program in both words and deeds According to Niven (2006).

The study tried to measure the opinion of the sample respondents on whether they agreed on the level of executive sponsorship in ALERT.

Tables-4.2.2 Level of Executive Sponsorship

<i>Questions</i>		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>	<i>Mean</i>
<i>Top Management of the ALERT took the initiative</i>	<i>N</i>	1	6	42	151	25	3.86
	<i>%</i>	.4	2.7	18.7	67.1	11.1	
<i>There was full support from the management</i>	<i>N</i>	0	108	57	60	0	2.78
	<i>%</i>	-	48	25.3	26.7	-	
<i>BSC is one of the priorities of the ALERT</i>	<i>N</i>	2	8	42	148	25	3.83
	<i>%</i>	.9	3.6	18.7	65.8	11.1	
<i>Top management periodically monitors progress of BSC</i>	<i>N</i>	0	114	55	56	0	2.74
	<i>%</i>	-	50.7	24.4	24.9	-	
<i>Top Management works closely with the champion</i>	<i>N</i>		113	52	60	0	2.76
	<i>%</i>		50.2	23.1	26.7	-	

Source: Sources: Survey Result (2020)

To a question presented to them with regard to Top Management of the ALERT took the initiative implementation, the respondents agreed to the management's commitment for the implementation depicting mean score of 3.86. On the other hand, minimum mean score of 2.74 was registered to the question requesting the level of Top management periodically monitors progress of BSC. This implies that the executives of the ALERT under study have not sufficiently supported the implementation process by taking the BSC as one of the priorities of the hospital. However, as they have loads of other responsibilities, there is a tendency of overlooking closely working with the BSC champion.

4.2.3 Balanced scorecard education and training

According to Niven(2007), organizations conduct awareness sessions during the time the Scorecard is declared as a measurement system featuring financial and nonfinancial measures, but little information is offered about the many refinements and difficulties of the model. Often the deceptive simplicity of the Scorecard makes people susceptible to the false notion that in-depth training is not required.

Organizations, therefore, should take the necessary time at the beginning of the implementation to develop a comprehensive Scorecard curriculum that includes background on the concept, objectives in implementing the BSC, typical problems, success stories, and practical implementation details. To measure the level of engagement of this organization in education and training, the following five questions were designed in the questionnaire distributed.

Tables-4.2.3 Balanced scorecard education and training

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>The Hospital has provided me training about the meaning of BSC</i>	N	1	6	42	151	25	2.76
	%	.4	2.7	18.7	18.7	21.8	
<i>I have been informed about corporate objectives of the ALERT.</i>	N	0	108	57	60	0	3.84
	%	-	48	25.3	26.7	-	
<i>The ALERT informed all employees to clearly understand corporate level objectives</i>	N	2	8	42	148	25	2.77
	%	.9	3.6	18.7	65.8	11.1	
<i>I understood alignment of my unit's objectives with the corporate level objectives</i>	N	0	114	55	56	0	2.79
	%	-	50.7	24.4	24.4	-	
<i>The ALERT provided me training to design my personal scorecard</i>	N	0	113	52	60	0	3.84
	%	-	50.2	23.1	26.7	-	

Source: Sources: Survey Result (2020)

The level of education and training with regard to BSC is insignificant, with a minimum mean score of 2.76 for a question presented to respondents if their hospital has provided them training that equipped them sufficient knowledge about the meaning of BSC. On the other hand, the maximum mean score of 3.84 is recorded for the question presented to the respondents if their respective hospital has provided them training to design their personal scorecard. This implies that totally, the level of training and education conducted by ALERT is not to the level that can create sufficient knowledge about the balanced scorecard and did not guide them in how to design their own scorecard.

IT Support

The Balanced Scorecard automating provides a number of benefits and maximizes its use as a measurement system, strategic management system, and communication tool. The advanced analytics and decision support provided by even the simplest scorecard software allow organizations to perform intricate evaluations of performance and critically examine the relationships among their performance measures. Automation also supports true organization wide deployment of the tool (Niven, 2006). To evaluate the opinion of the respondents with regard to the level of automation of the balanced scorecard in their respective hospital, three standard questions were included in the questionnaire on which the analysis hereunder is conducted:

Tables-4.2.4 BSC Automation

<i>Questions</i>		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>	<i>Mean</i>
<i>The ALERT's BSC is fully automated</i>	<i>N</i>	32	185	8	0	0	1.89
	<i>%</i>	14.2	82.2	3.6	-	-	
<i>BSC is supported by IT in collecting, analyzing, reporting and distributing relevant data</i>	<i>N</i>	9	194	19	3	0	2.1
	<i>%</i>	4	86.2	8.4	1.3	-	
<i>An appropriate IT system is designed to help employees to collect data</i>	<i>N</i>	4	214	6	1	0	2.01
	<i>%</i>	1.8	95.1	2.7	.4	-	

Source: Sources: Survey Result (2020)

Regarding the questions presented to the respondents if their respective hospital's balanced scorecard system is fully automated, the respondents significantly disagreed with mean score of 1.89 and with regard to the question presented to them if their hospital use other IT systems in the process of collecting, analysing the data to easily make use of the hospital's balanced scorecard system, still they are significantly disagreed to it. As shown from the table above, when the response of the above listed questions is summarized, the result shows that there is not significant deviation on the consensus that there is not any customized IT system designed or acquired to assist the overall implementation of the balanced scorecard. This implies that there is no any customized IT system being used by these hospitals in order to fully take hold of all the benefits that would be provided by the balanced scorecard system.

4.2.4 Competent Project Team

The structure of a central office for strategy implementation may seem to risk reinforcing top-down decision making and inhibiting local initiative, but it does just the opposite. A unit/team with responsibility for the implementation of new systems such as the balanced scorecard becomes a convenient focal point for ideas that percolate up through the organization Kaplan and Norton, (2005).

Performing strategy and implementing a new system usually involves making changes that only a CEO can empower, and the office which is responsible for the implementation of BSC will be most effective when it has direct access to the CEO. The consciousness of the existence of this establishment and its duties are assessed by posing the below three questions.

Table 4.2.5 Effectiveness of Dedicated Project Team

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>Establishing a devoted process ensures success of BSC implementation</i>	<i>N</i>	10	32	69	96	16	3.70
	<i>%</i>	4.4	14.2	30.7	42.7	7.1	
<i>In the ALERT, there is specific person to oversee BSC implementation</i>	<i>N</i>	5	22	78	80	40	3.56
	<i>%</i>	2.2	9.8	34.7	35.6	17.8	
<i>The process which is responsible to oversee BSC is effective</i>	<i>N</i>	14	40	103	63	5	3.02
		6.2	17.8	45.8	28	2.2	

Source: Sources: Survey Result (2020)

From the responses, we can observe that the respondents agreed to the concept of the usefulness of establishing an independent unit with mean score of 3.70. In addition, if they have awareness about the existence of this establishment in their own organization, they have loosely agreed with score of 3.56 this implies that though they have limited awareness about this independent office, still strong awareness creation should be made. On the other hand, the respondents have doubts on the effectiveness of the process/department that is established to oversee the implementation of the balanced scorecard system, depicting it with the mean score of 3.02. This implies that the establishment and functionality of these bodies is not to the level that is required for effective support of the BSC implementation.

4.2.5 Organizational Level Participation

According to Kermally,(1997) successfully balanced scorecard system implemented organizations, as their performance measurement and strategic management system have often reported that involving all employees and the management at all levels in the development and implementation of the BSC helps a lot to build a shared interest, and increases each individual's motivation to see the system succeed.

Table 4.2.6: Organizational Level Participation

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>All employees were involved in the implementation</i>	<i>N</i>	9	99	69	35	13	2.7
	<i>%</i>	4	44	30.7	156	5.8	
<i>BSC implementation was participatory</i>	<i>N</i>	16	40	76	78	15	3.16
	<i>%</i>	7.1	17.8	33.8	34.7	6.7	
<i>I was guided by my supervisor while I was designing my scorecard</i>	<i>N</i>	7	80	72	51	15	2.94
	<i>%</i>	3.1	35.6	32	22.7	6.7	
<i>Information on BSC is provided timely</i>	<i>N</i>	6	46	70	91	12	3.25
	<i>%</i>	2.7	20.4	31.1	40.4	5.3	

Source: Sources: Survey Result (2020)

As regards measuring the level of organizational participation in these public hospital, the under listed four questions were raised to the respondents, and according to their response, they significantly disagreed to the idea that all employees of the organization were involved in the implementation process of the balanced scorecard, with mean score of 2.7. Similarly, they have disagreed to the question presented to them if their supervisor’s guided them in how to design their personal scorecard, with mean score of 2.94. And with regard to the timely provision of information about the balanced scorecard, the respondents have loosely agreed with the mean score of 3.25.

4.2.6 Key Performance Indicators

Relating to the key performance indicators used in the balanced scorecards at all levels, the clarity and their relevance to measure the performance and their alignment to the respective ALERT’s strategies are measured by designing relevant questions.

Table 4.2.7: Key Performance Indicators

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>KPIs are designed based on the ALERT's mission and vision</i>	<i>N</i>	0	46	90	60	29	3.32
	<i>%</i>	-	20.4	40	26.7	12.9	
<i>At all levels there is sufficient KPIs to measure objectives</i>	<i>N</i>	17	50	81	49	28	3.10
	<i>%</i>	7.6	22.2	36	21.8	12.4	
<i>BSC complements the financial measures of past performance</i>	<i>N</i>	1	17	14	106	87	4.16
	<i>%</i>	.4	7.6	6.2	47.1	38.7	
<i>While designing BSC, Data collection method and its frequency was set</i>	<i>N</i>	16	52	64	58	35	3.20
	<i>%</i>	7.1	23.1	28.4	25.8	15.6	

Source: Sources: Survey Result (2020)

Regarding the arrangement of KPIs with the mission and vision of the organization concerning the adequacy of the respective ALERT's KPIs to measure their strategic objectives, the respondents have a neutral agreement with mean score of 3.32 and 3.20 respectively. On the other hand, for the question raised to the respondents if BSC complements the financial measures of past performance, the respondents have agreed to it with mean score of 4.16. This implies that there is a loose relationship of KPIs with the organization mission and vision and there are inadequate key performance indicators on the respective scorecards.

4.2.7 Planning and Communication

As said by Kaplan and Norton studied, it is managed to be recognized that effective balanced scorecard execution requires an effective planning and communication. This ensures that enterprise level plans are translated in to the plans of the various units and departments; executing strategic initiatives to deliver on the grand plan; and aligning employees' competency development plans, and their personal goals and incentives, with strategic objectives (Kaplan and Norton, 2005).

With reference to the level of planning and communication practices undertaken to implement the balanced scorecard, the following questions were included in the questionnaire distributed to them for which the response of the respondents is analysed hereunder.

Table 4.2.8: Planning and Communication of BSC System

Questions		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
<i>The ALERT's Strategy map is clear and understandable</i>	<i>N</i>	18	26	50	109	22	3.40
	<i>%</i>	8	11.6	22.2	48.4	9.8	
<i>BSC is better than previous measurement systems</i>	<i>N</i>	7	20	29	42	127	4.16
	<i>%</i>	3.1	8.9	12.9	18.7	56.4	
<i>BSC is relevant performance management tool for the ALERT</i>	<i>N</i>	9	58	36	71	51	3.43
	<i>%</i>	4	25.8	16	31.6	22.7	
<i>It is the right time for the ALERT to implement BSC</i>	<i>N</i>	56	55	47	40	27	2.67
	<i>%</i>	24.9	24.4	20.9	17.8	12	

Source: Sources: Survey Result (2020)

As regards the time of implementing the system is right for the respective ALERT's, their response shows that they loosely disagreed about the questions, with mean score 2.67. On the other hand, with regard to the clarity of the respective organization's strategy map and improvement of the system as compared with the previous performance measurement system, they have depicted their level of agreement with mean score of 3.40 and 4.13 respectively. This implies that communication and awareness creation activities of the organization understudy with regard to the benefit and implementation time of the system is weak.

4.3 Analysis of the Interview

As the exertion to collect information with regard to the implementation of the balanced scorecard, concerned managers of the ALERT were interviewed about the overall process they went through, the challenges they have faced and the current status currently at. Accordingly, the responses from the interview were analysed in the following manner.

The ALERT has officially started developing and implementing the balanced scorecard on August 2007. For a year and a half time since then, the organization had established a dedicated project team, composing members from every processes of the organization, in order to assess the benefit of adopting the system to the context of the organization and it has officially launched the implementation process since July 2008.

In advance of implementing the balanced scorecard, an independent office called Office of Strategic Management has been established which is accountable directly to the Director of the

ALERT. According to the Strategic Management team manager, the office has been primarily organized by having all the BSC study team members as its permanent staff. The Office of Strategic Management has been primarily dealing with enabling and monitoring the overall implementation of the balanced scorecard system as the organization's performance measurement and strategic management tool.

From the interview with the Manager, the researcher has managed to learn that the organization, after studying the system, has provided an intensive two weeks training to the overall management and has designed a corporate scorecard in balanced scorecard framework. Then the corporate scorecard has been presented to all processes of the organization and then the Executive Management Team has discussed on all corporate objectives and takes each objective on which each process has an influence on.

Accordingly, each process has designed its own scorecard and has been monitoring its performance quarterly since then. With regard to individual level scorecard, according to the manager, the hospital has been faced with difficulties of obtaining key performance indicators that can objectively measure the individual performance but it has been cascading the corporate scorecard down to the team level and measure their performance progress accordingly.

According to the Strategic Management Team Manager, the major challenges faced by the ALERT are lack of clarity of the concept of the balanced scorecard though in depth training was provided, difficulty of finding relevant KPIs, lack of active organizational level participation inability to back the system with relevant IT system.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the findings of the study are systematically summarized, relevant conclusions are drawn from the findings and the study has also tried to forward relevant recommendations.

5.1 Summary of Major Findings

The aim of this study was to assess the overall implementation and challenges faced while implementing the balanced scorecard system as a performance measurement, strategic management and communication system in the ALERT hospital and the study also tries to evaluate the challenges faced as compared to the standard literatures of the system.

Standardized questionnaire with 37 questions organized in eight themes in five-point likert scale were prepared and distributed to 260 respondents selected from the organizations under study. While taking sample, non-probability purposive sampling has been adopted to purposively select respondents who are middle level managers (directors and team managers) and senior officers who have the working knowledge of the balanced scorecard system. Of the total questionnaire, it was managed to collect 225 of them, i.e. 87% response rate.

Hence, the analysis was conducted by taking each theme which are supposedly be a common challenge for BSC implementation. Each common challenge/theme has three to five questions that are suitably designed to measure the status of the ALERT's with respect to the specific challenge and subsequent relevant analysis was made.

Along with this, the directors and managers of the dedicated department who are responsible to monitor and oversee the implementation of BSC were interviewed by designing semi-structured interview questions. Based on the interview, the current status, how the system was being implemented, and the way foreword has been gathered and analyzed.

The major findings of the study results from secondary and primary data analysis are summarized as follows:

- As to the standard literature of the system, it has been managed to learn that most of the steps and implementation requirements, except BSC automation, has been implemented by the ALERT.
- From the questionnaire distributed, it has been managed to summarize the following findings:
 - As regards creating concept clarity, executive sponsorship of ALERT, designing effective key performance indicators, establishing competent project team/dedicated process, the study has shown that the respondents have agreed to the questions presented to evaluate the degree have been practicing with regard to the stated success factors.
 - Instead, the study has shown that with regard to the formal BSC education and training, planning and communication of the overall implementation, organizational level participation in the development and implementation of the system as well as BSC automation (IT support), the respondents have strongly expressed their partial agreement to the efforts being made by their organization.

5.2 Conclusions

On the conducting the study, a literature review of the BSC, its concepts and main characteristics was conducted. Earlier studies were also used to identify the most important barriers to the successful implementation of the BSC.

The study can drive a general conclusion that with regard to how the balanced scorecard is being implemented in the ALERT, the organization have implemented the system almost in a similar manner as compared to the standard way of literature except that the automation of the system was nonexistent in the organization. The study has found out that there are different mechanisms undertaken by the organization with the intention of supporting their balanced scorecard system by IT.

The BSC implementation of key success factors have been observed by this organization though at different level. Though, with regard to creating concept clarity about the system, the organization has made an encouraging effort. Likewise, the sponsorship status of the system by their respective executives and the existence of sufficient KPIs to measure performance are also strong and the establishment of an independent office to oversee the implementation of the

system has been undertaken and its competence and efficiency in taking over the stated task is also adequate.

Instead, there are some critical success factors that should be worked on to further reap the full benefit of the system. These are enhancing BSC education and training, automating the Balanced Scorecard, sustainably ensuring the organizational level participation to further instill the BSC concept and sustain its improved implementation, and strengthen the BSC planning process and its communication to the overall employees.

In general, it appears safe to conclude that though this organization have been implementing the balanced scorecard system in a way that the literature advises, the stated challenges identified in the study have made the organization not to grasp the full benefit the balanced scorecard system.

5.3 Recommendations

According to Niven (2006), no two BSC implementations are completely alike. Further, the same author states that organizations which decided to implement the tool should do so in a way that fits the individual culture, current management processes, and readiness for such a major change initiative. Therefore, the findings, results and recommendations of this thesis cannot be generalized and taken for granted by other companies, researchers or others interested in the topic.

To deed the benefits of implementing the balanced scorecard as a performance management, strategic management and communication tool, the study proposes the following recommendations to be considered by ALERT. Based on the findings of the study and the conclusion drawn the following recommendations have been forwarded so to augment the BSC effort of the All Africa Leprosy, Tuberculosis, Training and Rehabilitation Center/ALERT/.

- ALERT should conduct intensive awareness creation activities to the employees about the meaning, benefit and the techniques of the balanced scorecard system from the balanced perspective of its nature as a strategic management system, performance measurement and strategy communication.

- Newly presented system in an organization, like BSC to be effectively implemented, should involve organizational level participation in its development and implementation.
- The executive management team of ALERT should be set effective implementation plan and monitoring mechanism and its progress should be attentively followed up.
- The not fully formed IT slowed the initiative and caused many frustrations for the system. Therefore, relevant IT-systems, BSC-software, should be implemented to facilitate and exploit the full benefits of the balanced scorecard.
- To manage the overall implementation of the balanced scorecard system should enhance their follow up systems by periodically monitoring implementation gaps and subsequently fill them by organizing awareness creation activities, and formal trainings in order impart the concept and benefit of BSC to all stakeholders.

Finally, the researcher would like to recommend future researchers to further study the effectiveness of the implementation of the BSC system and other tools in the ALERT and in all government organization and also may be better considering other possible alternative for performance management system with regard to the issue for better executions of strategic plan.

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APPENDIXES

APPENDIX- I

Questioner on Balanced Score Card (BSC)

Dear staff of ALERT,

I am a MA student in St. Mary's University interested in collecting your opinions .Thus, your thoughtful and honest responses to this questionnaire are very important. Your responses will be confidential. This questionnaire contains statements about BSC effectiveness on organizational performance in ALERT Hospital. Hence, the researcher kindly requests you to respond each item carefully.

DEMOGRAPHIC PROFILE

Answer the following questions by putting “√” mark on the box or writing on the space provided

1. Gender: Female Male
Age: 18-27 28-37 38-47 48-57 58 & above
2. Education Level
Diploma Bachelor
Masters PHD
3. How long you have been employed in ALERT?
1-5 years 6-10 years 11-15 years
16-20 years 21-25 years 26 and above years
4. Have you ever attend any training related to BSC?
Yes No I don't know
5. Have you ever have BSC planning and implementing experience?
Yes No I don't know

Answer the following questions by putting “√” mark on the box.

Rating: - 5=Strongly Agree, 4= Agree, 3=Neutral, 2=Disagree and 1=Strongly Disagree

No.	Description/Questions	Rating				
		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
1.	<i>Concept of the Balanced Scorecard (BSC)</i>					
1.1	BSC links short term operational performance with long term strategic objectives					
1.2	BSC creates ability to translate vision into operational strategy					
1.3	The ALERT used BSC to set business strategies and objectives					
1.	<i>Executive Sponsorship</i>					
2.1	BSC rolls down vision from corporate to division, to individual employees					
2.2	Top Management of the ALERT took the initiative					
2.3	There was full support from the management					
2.4	BSC is one of the priorities of the ALERT					
2.5	Top management periodically monitors progress of BSC					
2.6	Top Management works closely with the champion					
2.	<i>Balanced scorecard education and training</i>					
3.1	The Hospital has provided me training about the meaning of BSC					
3.2	I have been informed about corporate objectives of the ALERT.					

3.3	The ALERT informed all employees to clearly understand corporate level objectives					
3.4	I understood alignment of my unit's objectives with the corporate level objectives					
3.5	The ALERT provided me training to design my personal scorecard					
3.	<i>IT support</i>					
4.1	The ALERT's BSC is fully automated					
4.2	BSC is supported by IT in collecting, analyzing, reporting and distributing relevant data					
4.3	An appropriate IT system is designed to help employees to collect data					
5.	<i>Competent Project team/Dedicated Process</i>					
5.1	Establishing a devoted process ensures success of BSC implementation					
5.2	In the ALERT, there is specific person to oversee BSC implementation					
5.3	The process which is responsible to oversee BSC is effective					
6	<i>Organization Level participation</i>					
6.1	All employees were involved in the implementation					
6.2	BSC implementation was participatory					
6.3	I was guided by my supervisor while I was designing my scorecard					
6.4	Information on BSC is provided timely					
7.	<i>Key Performance Indicators</i>					
7.1	KPIs are designed based on the ALERT's					

	mission and vision					
7.2	At all levels there is sufficient KPIs to measure objectives					
7.3	BSC complements the financial measures of past performance					
7.4	While designing BSC, Data collection method and its frequency was set					
8	<i>Planning and Communication</i>					
8.1	The ALERT's Strategy map is clear and understandable					
8.2	I understand the benefits of implementing BSC					
8.3	BSC is better than previous measurement systems					
8.4	BSC is relevant performance management tool for the ALERT					
8.5	It is the right time for the ALERT to implement BSC					

APPENDIX- II

Interview Questions for managers

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