Challenges and Achievements of Balanced Scorecard in Oromia Regional State: A Systematic Literature Review

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Abstract

The purpose of this study is to conduct systematic reviews of existing empirical literature to synthesize and summarize BSC implementation achievements, challenges, opportunities, lessons, and gaps and thus suggest some policy options. A systematic literature review approach was applied in this study. Accordingly, a comprehensive search for relevant studies in the area of BSC was conducted to identify, appraise and synthesize in line with the objectives of the reviews. About 15 published and 2 unpublished research works were consulted. Recently published works, the relevance of the studies to the Oromia public sectors, the journal's reputation, the BSC implementation, adoption, challenges, practices, BSC issues, BSC design, and application, etc. from employees, management, and stakeholders' perspectives were used as the protocol to identify and select studies for the systematic reviews. The selected studies are heterogeneous in methodology and design, but an attempt was made to extract the same core information against predetermined study objectives. The reviewing of different BSC research papers shows that even if BSC implementation faces challenges in general, some success factors were registered after the implementation of BSC in some public sectors in Oromia Regional such as a shift in mindset from a routine-tasks oriented operation towards a strategic oriented performance management system. Due to the implementation of a balanced scorecard, the organizations' performance was measured from citizens, financial, internal process and learning and development perspectives and evaluation system were improved and strategic objectives of the organizations were linked to the objectives of departments, teams, and individuals. In contrast, the lack of linking performance with rewards and high turnover rate, lack of support from the top management, problems in cascading BSC, setting a clear strategy, performance drivers and indicators, and reforms driven by political ideology were established as an outstanding challenge in the BSC implementation process. The studies have several implications for decision-makers and practitioners. The mechanisms through which change tools are consistently put into practice and become the culture of the organization need to be introduced. Actors should carefully consider the political climate and local circumstances while developing civil service reform strategies. An approach that combines competitive entry, stronger assessments of actual skills, and greater learning opportunities are imperative to upgrade civil servants' competencies and enhance performance. To achieve the desired goal and sustain the BSC initiative, it should be contextualized, demand-driven, and fit to the real needs of the organization (tailor-made approach), empowering the local units, simplifying reform tools, conducting an impact assessment on the reform initiatives and continuous training and communication are advised as a path forward.

Keywords: *BSC, Reform, Public Sector, Achievements, Challenges, Systematic Review*

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1. Introduction

1.1 Background of the Study

Administrative reforms in public bureaucracy are the central engine for modernizing the public service delivery system. In Africa, however, reforms are rarely taking place despite the increasing taxpayers' demand for change. In Africa, governance is largely typified by expansion, patronage, and authoritarian rule. Bureaucratic rationality is also compromised by the high degree of centralization in decision-making by the political executive (Getachew & Common, 2006). Until recently, the case of the Ethiopian civil service system was not different. However, over the last few years, there have been a series of political, economic, and social reforms taking place. The hereto undergoing reforms are largely triggered by the influence of the New Public Management (NPM) to respond to economic, social, political, and technological factors, which made the old ways of public sector management irrelevant (Markos, 2013).

Among one of these reforms adapted to the Ethiopian civil service system was the balanced scorecard (BSC). BSC was first introduced by David Norton and Robert S. Kaplan in a 1992 article in Harvard *Business Review* (Kaplan & Norton, 1992). The article was based on a multi-company research project to study performance measurement in companies whose intangible assets played a central role in value creation (Nolan Norton Institute, 1991). Norton and Kaplan believed that if companies were to improve the management of their intangible assets, they had to integrate the measurement of intangible assets into their management systems. The Balanced Scorecard (BSC)is a carefully selected set of quantifiable measures derived from an organization's strategy and is a management tool with three main elements namely; measurement system, strategic management system, and communication (Bremser and Barsky 2004).

BSC provides a logical connection between the vision, mission, and strategic objectives with the desired results in terms of customer and stakeholder needs, financial, internal processes, and capacity building (learning and growth) which are linked through cause-and-effect relationships. It enables companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they need for future growth (Kaplan & Norton, 1996). They argued that the Balanced Scorecard is a set of measures that gives top managers a fast but comprehensive view of the business. In addition to this, (Kaplan and Norton, 1992) have found out that, BSC is a management tool to measure work performance in an organization.

In Ethiopia, BSC adopted and implemented in all federal and regional public service organizations as a reform tool which is for planning and performance management since 2010 according to the Ethiopia Civil Service

Commission report of 2020. Concerning this, several studies have been conducted to see the achievement and challenges of BSC implementation in Ethiopia. Due to the implementation of a Balanced scorecard, the organizational performance was measured by citizens, financial, and internal processes and learning and development perspectives and evaluation system were improved and strategic objectives of the organizations were linked to the objectives of departments, teams, and individuals (Assefa Abu, 2020).In the same vein, Ethiopia in general, and the Oromia Regional State, in particular balanced scorecard, have been taking bold steps to realize an effective and efficient performance management system in the civil service offices. On the contrary, civil servants viewed the reform agenda including BSC as a political ideology and not for organizational efficiency and effectiveness (Bobe et al, 2017).

Despite studies, in Oromia Regional State Context, there is scant literature to document the key achievements, challenges/post-implementation gaps, and the lessons drawn from implementation. Therefore, this particular study tries to make a systematic review of existing literature on the current status, of the Balanced Scorecard, identify challenges that may be encountered, success stories gained, and gaps observed in the implementation process in past research studies (published and unpublished)in the Regional.

1.2 Statement of the Problem

Kaplan and Norton (2010) believed that measurement was as fundamental to managers as it was for scientists. If companies were to improve the management of their intangible assets, they had to integrate the measurement of intangible assets into their management systems. In the present era of emerging intense global competition, organizations are facing increasingly knowledgeable and demanding customers and activist shareholders which have changed the competitive environment from competition based on the ability to invest in and manage physical assets to competition based on knowledge and the ability to exploit intangible and soft assets (Ghosh and Mukherjee, 2006). In response to this change, Balanced Scorecard shows you a way to make strategy actionable. As a framework for action, it can be updated and creates a renewable methodology and framework (Mohan Nair, 2004).

According to Chan (2004) as cited in (Rainer L. and Louisa Vu, 2015) the benefit of BSC outweighs its cost if it is implemented thoroughly. However, this implementation process is expensive, time-consuming, and subject to uncertainty. More importantly, the implementation of a balanced scorecard in selected bureaus faced a lack of leadership support and commitment, a lack of capacity building, poor communication, low information communication technology skills, and poor monitoring and evaluation (Assefa Abu, 2020).

Nevertheless, there have been positive achievements, but the leaders and organizers of the change initiatives have not yet fully discharged their responsibilities of using strategic measures and customer service standards as performance measurement and management tools. Moreover, the actions taken in monitoring and evaluation are not satisfactory (Jemal Abagissa, 2018) More importantly, a Balanced Scorecard added three additional perspectives covering the operating aspects of an organization which exhibits not only the current position of the enterprise but also how it is progressing (Ghosh and Mukherjee, 2006).

Based on the theoretical and empirical literature work, certain duplication of effort and lack of integration and applications of research results have been identified. It showed that there are many ways in which countries reform their civil service and ensure professionalism in the civil service. However, these measures and efforts are dissimilar in different countries. Experiences in Ethiopia tell the same story for efforts did not bring the set civil service targets.

Most of the studies focused on primary data and conduct research independently to identify problems and scale up good points of its implementation. In the same case, in the country or Oromia regional context, there are several pieces of research done to evaluate achievements and challenges of a Balanced Scorecard at the national as well as regional level. Thus, the realistic achievements and challenges of the balanced scorecard and its status in the study in its regional context need to be recognized and further synthesized through thematic analysis of past studies to summarize and conclude achievement, challenges, opportunities, lessons, and gaps so that enhanced policy revisions would be possible. Therefore, this study is conducted to fill these and related gaps by systematically reviewing past research results on Balanced Scorecard Achievements, Challenges Post-Implementation Gaps in Oromia Regional State.

1.3 Research Questions

A study has drawn the following research questions:

1. What are achievements attained so far in Balanced Scorecard reforms implementations in Oromia Regional State Sector Bureaus?

2. What are the challenges or implementation gaps faced in the course of implementation of the Balanced Scorecard in Oromia Regional State Sector Bureaus?

3. What are the policy implications and alternative recommendations of Balanced Scorecard reviews in transforming Oromia Regional State Civil Service?

1.4 The Objective of the Study

The general objective of the study is to investigate the state, achievements, challenges, and post-implementation gaps of the Balanced Scorecard reform Program in Oromia Regional State Sector Bureaus.

The specific objectives are:

1. To highlight experiences of the Oromia Regional State in the implementation achievements of Balanced Scorecard reform.

2. To review documents and analyze existing empirical literature on the challenges/implementation gap facing the effective implementation of the Balanced Scorecard reform programs in Oromia Regional State, and

3. To articulate the policy implications and alternative recommendations to improve the current Balanced Scorecard challenges in Oromia Regional State Civil Service.

1.5 . Significance of the Study

The study is important in the sense that it will put into perspective the achievements, challenges, and policy implications of adopting and using BSC in Ethiopia public service organizations, the case of Oromia Regional state. The study is of particular significance to policymakers and public servants to understand issues related to BSC adoption and implementation achievements, challenges, and their policy implications in the Oromia Regional state, of Ethiopia. It also sighted potential research areas on these issues related to BSC for future research/project that will help to develop Ethiopian literature in the areas of Balanced Scorecard and related issues and turn contributes to public service transformation and its practices in the region.

This study will be helpful for different organizations by providing adequate information about the benefits of implementing BSC and the challenges to implement it. It will also provide information for academic purposes i.e., it will give alarming awareness for universities and colleges to focus on BSC in their research activities and provision of training for the enhancement of performance management system in public service institutions to achieve the developmental objective, citizen satisfaction, and institutional transformation in the country. In addition, this study will help to indicate a permanent contact/advisory committee establishment in Oromia Regional State to

follow up the BSC implementation, and problem identification, and to indicate an area of improvement throughout the region per the Furthermore, this study could be a good indicator for decision-makers to identify the gap between the expected benefits of the balanced scorecard and the existing benefits that the institutions are getting and also it could fill the current gaps in practical literature for further studies, by providing guidelines to leaders for the effective use of leadership actions and positively contributes to the effective implementation of scorecard.

Chapter Two: Review of Related Literature

2.1. Introduction

In this literature review, the researchers intend to examine and review various views of scholars and researchers on every related concept to this topic of discussion. It also included the background about the concept of a Balanced Scorecard (BSC), BSC implemented and achieved by Oromia Regional State public service organizations, the researchers also investigates the challenges fronting the implementation and improvement of BSC in the regional public institutions.

2.2. Theoretical Review

2.2.1. Evolution and Background of Balanced Scorecard

In recent times, there has been accelerated change globally and locally brought about by technological advances, greater decentralization, political dynamics, and good governance. These dynamisms emanated from technological

public service reform objective in consultation with policymakers.

innovation, political dynamics, and public pressure to redefine the role of the state or the development of supranational institutions and global economic relations. The ramifications of these changes influenced the government to look into achieving better governance through effective service delivery, ensuring transparency, accountability, and the rule of law. It is agreed that civil Service is the operational arm of the government charged with the implementation and administration of public policy (Assefa, 1996), and must keep pace with the rate of changes in time to meet the aspirations of the people. Public administration refers to the aggregate machinery (policies, rules, procedures, systems, organizational structures, personnel, etc.) funded by the state budget and in charge of the management and direction of the affairs of the executive body. It is the interaction with other stakeholders in the state, society, and external environment. It is also referring to the management and implementation of the whole set of public activities dealing with the implementation of laws, regulations, and decisions of the government and the management of public service affairs. Civil service reform is a result of a credible government's interest in improving the performance of civil service institutions; and it is a deliberate change for the design and delivery of public services (Boyne, 2000). Civil service

reform intends to improve the effectiveness and performance of civil service and to ensure affordability and sustainability over time (Kassa, 2009).

Balanced Scorecard was first introduced by two scholars Robert Kaplan, a professor at Harvard University, and David Norton, a consultant also from the Boston area. In 1990, Kaplan and Norton led a research study of a dozen companies exploring new methods of performance measurement which has since become a critical business tool for thousands of organizations around the globe.(Paul R. Niven, 2002). The Balanced Scorecard supplemented traditional financial measures with criteria that measured performance from three additional perspectives—those of customers, internal business process, and learning and growth (Kaplan and Norton, 1996).

The reason why we need to implement Balanced Scorecards is justified by different scholars. For instance, according to Kaplan and Norton (1996), if we can't measure our processes, we can't manage our processes. If we can't manage our processes, we can't improve our processes. If we can't improve our processes, we can't meet or exceed our customers' expectations. What gets measured gets done. Measurement is the core of the Balanced Scorecard-BSC. Similarly, the quote from Lord Kelvin as cited in Paul R. Niven (2002), emphasizes the purpose of measurement, "When you can measure what you

are speaking about, and express it in numbers, you know something about it; but when you cannot measure it when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind."

To ensure their survival and growth in this neck-to-neck racing business environment, organizations need to measure their performance from time to time and make the necessary adjustments depending on circumstantial factors. Measuring organizational performance strongly affects the behavior of people from within and outside of an organization. The measurement system employed by the organization needs to be holistic one that is derived from its strategy and capabilities (Kaplan and Norton, 1992).

According to Ruben (1999) as cited in Tilaye, (2010) one of the defining themes of contemporary organizational theory is the emphasis on information and measurement for assessing, tracking, and promoting organizational excellence. Almost all company managers do not doubt to believe in the necessity of measuring organizational performance. The problem, however, arises when it comes to what should be measured and how it should be measured. Traditionally, for-profit organizations have measured their performances using a financial accounting model that emphasizes profitability, return on investment, sales growth, cash flow, or economic value added. More importantly, as

indicated in Mohan Nair (2004), BSC attempts to move businesses from monitoring to measurement; from measurement to management and from management to direction setting.

2.2.2. Concept of Balanced Scorecard

Balanced Scorecard is a performance 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 Norton1996). It is also defined by Balanced Scorecard Institution as a strategic planning and management system that is used extensively in business and industry, government, and nonprofits organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals (BSC institute 2015).

According to (Niven, 2006) as cited in Assefa (2020), defined BSC a "Balanced Scorecard is a carefully selected set of quantifiable measures derived from an organization's strategy, that measures selected for the scorecard represent a tool for leaders to use in communicating to employees and external stakeholders. Similarly, BSC is defined as the outcomes and performance drivers by which the organization will achieve its mission and strategic objectives in the eyes of financial, customer, internal process, and internal growth and development perspective" There are several authors whose

work deal with BSC method in the strategic business management and with identification of problems emergency through its implementation in business (De Waal, 2013).

In addition to this, BSC is not a measurement system per se; it is a directional tool for translating strategy into action at all levels of the organization. At its root is the principle of motivated action—that is, granting the individuals and teams within the organization the ability to know that their actions feed a strategic focus every day (Mohan Nair, 2004). Similarly, Balanced Scorecard is to balance; internal and external factors, leading and lagging indicators, financial and non-financial measures, organizational silos and the overall corporation, and finance with operational priorities.

2.2.3. Balanced Scorecard Perspectives

Managers using a balanced scorecard do not have to rely on short-term financial measures as the sole indicator of the company's performance. The scorecard lets them introduce four new management processes that, separately and in combination, contribute to linking long-term strategic objectives with short-term actions (Kaplan and Norton, 1996). In the for-profit sector, companies have recognized that financial metrics by themselves are inadequate for measuring and managing their performances (Kaplan 2001). Kaplan and Norton (1992, 1996) complemented the financial perspective with the other three perspectives: the customer, the internal process, and learning and growth. For-profit-seeking corporations, the financial

perspective provides clear long-run objectives   (Kaplan 2001).

Figure 1: Translating Vision and Strategy: Four Perspectives
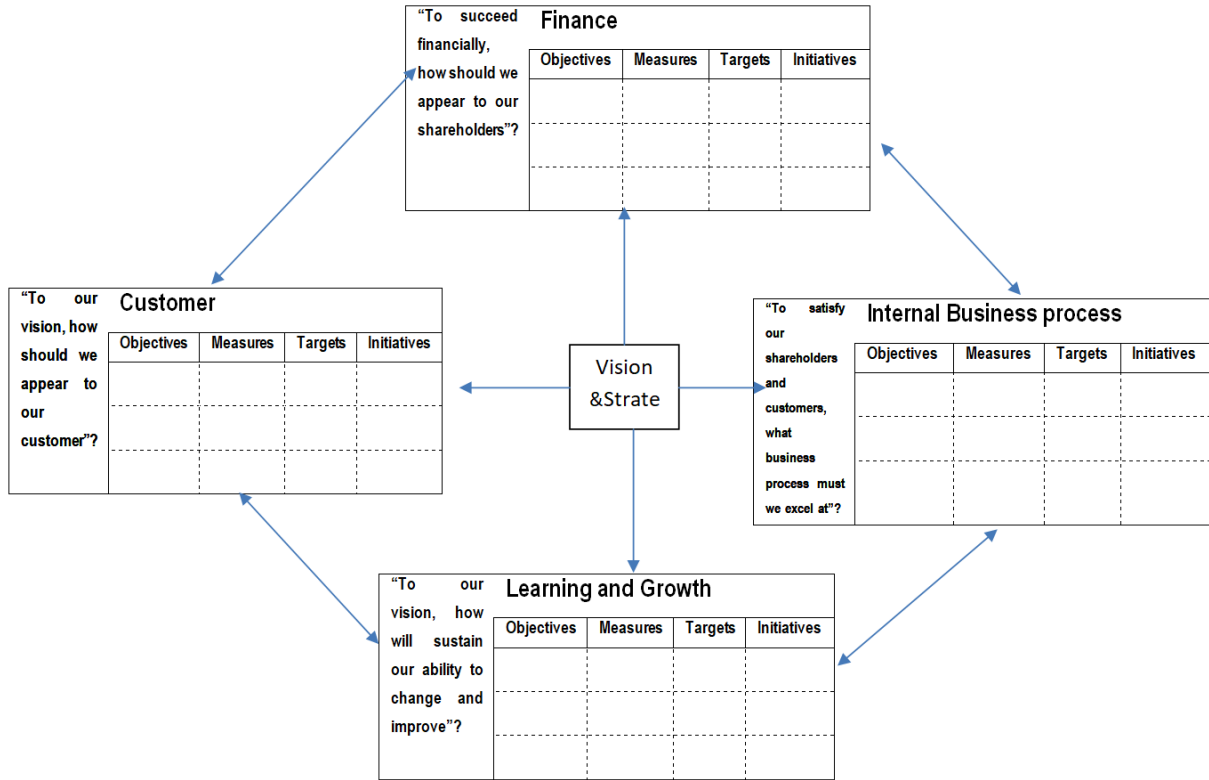
Source: Robert S. Kaplan (2010), Harvard Business Review, Conceptual Foundation of Balanced Scorecard.

i.   Financial Perspective

What financial goals need to be achieved to realize your strategic themes and objectives? In a profit-pursuing business, this financial perspective is more overused and overanalyzed. The revenues, both recurring and new, subscription-based or otherwise, margins, and expenses are very important to an organization seeking to achieve its goals (Mohan Nair, 2004). Financial performance measures indicate whether the company's strategy, implementation, and execution are contributing to bottom-line improvement. Typical financial goals have to do with profitability, growth, and shareholders' value. Survival was measured by cash flow, success by quarterly sales growth and operating income by division, and prosperity by increased market share by segment and return on equity (Kaplan and Norton, 1992).

According to Paul R. Niven (2006), 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.

ii. Customer perspective

As depicted in Kaplan and Norton (1996), in the customer perspective of the Balanced Scorecard, managers identify the customer and market segments in which the business unit will compete and the measures of the business unit's performance in these targeted segments. The core outcome measures of this perspective include customer satisfaction, customer retention, new customer acquisition, customer profitability, and market and account share in targeted segments. But the customer perspective should also include specific measures of the value propositions that the company will deliver to customers in targeted market segments.

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 important in meeting customers 'demands (Kaplan and Norton, 2002). 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 from 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?

iii. Internal business process perspective

The internal business process perspective of the BSC mainly emphasizes that organizations must control important working conditions or inner processes that may create value for 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 to provide values to attract and retain clients of the market (Kaplan and Norton, 1996). As indicated by Kaplan and Norton (1992), the internal measures for the balanced scorecard should stem from the business processes that have the greatest impact on customer satisfaction factors that affect cycle time, quality, employee skill, and productivity, for example.

Internal business process perspective measures for operations stressed low cost, consistent quality, reductions of asst downtime, and elimination of environmental, safety, and health-threatening incidents. Most of these measures are related to cost reduction and productivity themes from the financial perspective. According to Kaplan and Norton (2001), it is to enhance the buying experiences of customers by developing new ways of doing things by a direct link with customer objectives and supporting new win-win relationships with customers. In addition to processes aimed at improving customer objectives, included several objectives and measures in its internal business process perspectives for its operations.

iv. Learning and Growth Perspective

This perspective is the basis for all other perspectives and serves to remind the practitioner that the basis for all other results in the internal, customer, and financial perspectives are found in the learning and growth of the people. A company's ability to innovate improves and learns ties directly to the company's value. That is, is only through the ability to launch new products, create more value for customers, and improve operating efficiencies continually can a company penetrate new markets and increase revenues and margins; in short, grow and thereby increase shareholder value (Kaplan and Norton, 1991).

According to Mohan Nair (2004), learning and growth issues include the following: Training and development of key managers and would-be managers in certain skills, access to information among teams within various silos of the organization, and employee satisfaction and motivation measures. This is measurable and linked to the other productivity measures. Intense global competition requires that companies continually improve their capabilities for delivering value to customers and shareholders. Organizational learning and growth come from three principal sources: people, systems, and organizational procedures (Kaplan and Norton, 1996).

Chapter Three: The Study Methodology
A systematic literature review approach was applied in this study. The systematic review literature study method was selected because it

serves the purpose that combining findings from different studies can highlight new and/or core findings that facilitate rational decision-making. Accordingly, a comprehensive search for relevant studies in the area of BSC was conducted to identify, appraise and synthesize in line with the objectives of the reviews previously specified. An attempt was made to collect relevant empirical evidence in the BSC area that fits pre-specified eligibility criteria such as recently published works, relevance of the studies to the public sector reforms, journal's reputation, relevance of the study to Ethiopian context/local studies, etc.

To answer the research questions and conduct the systematic reviews, 15 published and 2 unpublished research works were consulted. As eligibility criteria, the objectives of the studies were also considered for the paper selection. The BSC implementation, adoption, challenges, practices, BSC issues, BSC design, application, etc. from employees, management, and stakeholders' perspectives were used as the protocol to identify and select studies for the systematic reviews.

The selected studies are heterogeneous in methodology and design, but an attempt was made to extract the same core information from predetermined study objectives. Some of the studies are qualitative in design, quantitative, and mixed methods approaches. Semi-structured interviews, questionnaires, and documentary

evidence were used by the researchers to obtain a comprehensive picture of how BSC has been introduced, designed, and executed. Such an approach allowed for uncovering the disparity of the ways the BSC was introduced and implemented in different sectors/organizations and also helped to identify achievements and bottlenecks concerning the BSC reform initiative.

The research works were published in reputable journals/databases like Emerald Publishing, International Journal of African and Asian Studies, Management Studies and Economic Systems, European Journal of Business and Management, Africa's public service delivery & performance review, Global Journal of Management and Business Research, and IOSR

Chapter Four: Systematic Analysis of the Empirical Literature

This research was carried out by reviewing BSC research papers concerning public service. The paper offered a systematic empirical literature review of the achievement and challenges of BSC implementation in Public Service. The papers were obtained from internet searching and all of them are country origin. To make sure the search is optimized, some criteria were used. These criteria are: studies displaying a link between BSC implementation achievement, challenges, and gaps, the publication date was as recent as 2021 to 2010, and papers that focus on Public Sector are selected for this study.

(Journal of Business and Management), etc. Their publication date was as recent as 2021 to 2010 and these helped as inclusion/exclusion criteria.

As mentioned above the study was limited to a systematic review of literature technique, which relied largely on analysis and synthesis of the secondary data from available literature. The relevant sources from published research works including (Jemal A., 2018), (Esayas D., 2020), (Devadoss S. et.al, 2021), (Belete J., 2017), (Assefa A., 2020), (Tolla B., 2015), (Worku M., 2019), (Temam G., 2016), (Nigist K., 2017), (Nigussie D., 2010), (World Bank, 2018) (Jemal A., 2019) and relevant unpublished papers from Oromia Public services, Ethiopian Civil Service University and Federal Public service were consulted as sources for the systematic reviews.

4.1.   The BSC Implementation Achievements

The reviewing of different BSC research papers shows that even if BSC implementation faces challenges in general, some success factors were registered after the implementation of BSC in some public sectors in Ethiopia in general and in Oromia Regional State in particular. Some of the achievements that are evidenced in different public sectors of the country are:

- It brings strategy into action, crate clarity in role expectations, and allows aligning different matrices to get a balanced view of the four perspectives.

- The BSC also enabled the achievement of enhanced strategic alignment by shaping employees' way of thinking about their role in the context of sector-wide strategic goals.

- It facilitated performance reviews at the level of responsibility and enabled the enhancement of the quality of performance reporting in some public sectors.

- In some public organizations, implementing the BSC tool resulted in improvement of performance measurement and evaluation system of organizational performance.

- There was a shift in mindset from a routine-tasks-oriented operation towards a strategic-oriented performance management system. Understanding the necessity of objective measurement and thinking in terms of serving the customer were among the positive mental gains from the reforms.

- As a result of the cumulative efforts of ongoing reform, there were significant improvements in terms of orientation towards serving the customer, although offering quality service to a demanding public remained an outstanding challenge.

- The training given at the regional head office level was perceived better as compared to the training given for sector offices at the regional town level. Also,

the training did not go deep enough to create a shared understanding and technical mastery of the use of BSC tools among the team members.

- Due to the implementation of a balanced scorecard, the organization's performance was measured from citizens, financial, internal process and learning and development perspectives and evaluation system were improved and strategic objectives of the organizations were linked to the objectives of departments, teams, and individuals.

4.2.   The BSC Implementation Challenges

We used Buchanan, Fitzgerald, Ketley, Gollop, Jones, Lamont, & Whitby, (2005) framework to structure our systematic reviews because it investigates success/challenge factors of BSC implementations at the Macro level (political, contextual, etc. factors), the Meso level (substance, organizational, etc. factors), as well as at the Micro (individual, managerial, leadership, etc. factors). From the appraisal and synthesis of different research works selected for the systematic reviews, it was identified that the application of BSC in organizations is encountered different challenges. Based on Buchanan et al. (2005) frame factors, we evaluate these implementation challenges of BSC as follows:

i.   Individual factors

Limited understanding, misunderstanding of the concept of the reform, lack of competent and skilled workers and managers, and lack of interest and commitment were identified as major challenges of BSC implementation. The training provided on BSC did not go deep enough to create a shared understanding and technical mastery of the use of BSC tools among the team members. Frequent turnovers of trained BSC employees and instances of assigning the wrong person for training were suggested as critical challenges, particularly in regional towns.

Most employees in the organizations covered in the studies did not understand the concept of BSC. But Niven (2005) and Olve et al. (2003) stressed that when introducing and implementing the BSC, organizations should create awareness and common understanding among employees of the organization which means both the managers and employees of the organization must first be able to arrive at a common understanding and formulate a good strategy and then design the tools to allow them to execute it.

It was learned from the studies that the reform implementers, as well as the organizational leaders, were not able to exhibit the required level of commitment to implement the reform programs to the expected level. From the employees' part, there is a lack of readiness in terms of skill and competency toward BSC implementation. Lack of knowledge caused the gradual loss of confidence in the concept and interest.

ii.   Organizational factors

Lack of adequate training which equip employees with new process and poor communication system were reported as major challenges in the studies. The provision of training about BSC for all employees of the organizations is very crucial for successful implementation. Indeed, the problems and difficulties encountered could have resulted from the limited knowledge of the BSC evident in the organizations addressed in the studies. The absence of a thorough understanding of the BSC and its characteristics harmed the initiative from its beginning. Some employees who are in charge of implementing the BSC did not understand its essence as a tool of management strategy. Due to this lack of basic knowledge, organizations never maximally employed the concept or gained the benefits that could be derived from it.

The level of communication regarding the BSC initiative was not at a desirable level. It has occurred only within a few position holders in the organizations in the forms of printed materials and a report is as such enough. It was very hard to imagine that these means of communication would be enough if the BSC was to be an initiative extended throughout the whole

members of the organizations. The studies identified the absence of a good IT solution, together with the lack of BSC knowledge, was the biggest problem that halted the initiative in the organizations.

Other problems associated with BSC implementation are failure to execute BSC in an organized manner, poor information management, focusing on short-term results, activities, and inputs rather than long term-results such as outcomes and impacts, problems of aligning strategy with the day-to-day activities in many organizations of the regional state. Moreover, the action taken in monitoring and evaluation is not as such satisfactory. The feedback did not go beyond awareness creation, and the feedback is not being consistently utilized as input for any administrative and corrective measures.

iii. Contextual factors

Lack of linking performance with rewards and high turnover rate were also established as challenges of BSC in the studies. The problems in setting performance measurements and linking performance with reward systems are hindering the effectiveness of the BSC in some organizations. A reward system is still a remote distance in all public sectors due mainly to a lack of keeping consistent individual scorecard records among other factors. It has also been found that no impact assessment had been conducted on the fruits of the civil service reform initiatives.

iv. Leadership/Managerial Factors

The studies established a lack of support from the top management as an outstanding challenge in the BSC implementation process. There is a lack of leadership commitment and support concerning awareness creation for employees. Besides, the top management tends to focus on strategy formulation than strategic implementation. Norton and Kaplan (1992) stressed that the top management of an organization should understand, support and communicate to employees continuously about BSC, i.e., how to achieve goals on time, work quality, productivity, and cost that are influenced by employees' actions. This helps employees at lower levels in the organization to set clear targets for actions, decisions, and improvements that will contribute to the organization's overall mission.

Poor leadership was also manifested in the absence of strong regular monitoring and evaluation system. Hence, efforts need to be made for measuring long-term results such as outcomes and impacts, and the achievement of results should be linked with the rewards. There is also a need to reward successful performers and at the same time, those who fail to achieve the results need to be accountable.

v. Substance Factors

Problems in cascading BSC, setting a clear strategy, performance drivers, and indicators were also reported challenges. Designing a performance management system that strongly issues each employee's task from the strategic performance goals and measuring each

employee's task both objectively and scientifically to make them accountable for the results are outstanding challenges even years after implementing the reform tool that was intended to improve performance management and measurement. The strategic performance plans, out of which other performance-related goals, targets, and measures are issued particularly at regional town levels, were not based on the baseline surveys of their respective sector organizations. The poor setting of measurement indicators and targets for employees and poor linking of the performance appraisal result with the reward system and recognition were reported as major challenges.

BSC is used to measure and monitor performance mainly for reporting purposes. The strategy was not the starting point for the BSC initiative in some organizations. The perception of the BSC as a monitoring rather than a strategic management tool made the employees involved concentrate more on how to present performance rather than on how to leverage performance. The concern was on developing metrics without the strategy behind them. Without a chain of cause-and-effect relationships created utilizing a strategy map, the selected measures were merely a batch of ordinary measures with no potential to contribute to the achievement of the objectives of the organizations

Furthermore, there was a problem of cascading BSC in the organizations. Despite the government's strong intention and commitment to reform the public sector, the approach remained top-down, and the level of preparation and support from the leadership was low. On top of this, the reform monitoring and the evaluation system were not systematic and tended to be sporadic (irregular) in their approach.

The problem of identifying and executing sector-based strategies and failure to apply them for planning and reporting were reported as challenges of BSC implementation. In addition, information obtained from the studies reveals that public sectors in the region do not regularly measure results based on the BSC framework and hence performance is not properly measured. In some organizations, results are not properly measured due to the ambiguity of goals, and false results are reported. Strategic results are not identified to know to what extent the public benefited. Due to the failure of properly implementing BSC, it became difficult to differentiate best-performing organizations from low-performing ones, and supporting, rewarding and sanctioning are impossible.

vi.   Political Factors

BSC was perceived as driven by political ideology. The studies argue that the organizations adopted BSC as a part of broader public-sector reforms driven by political ideology. While the political ideology facilitated

BSC adoption for trans-organizational use, it provided little organizational discretion to integrate financial administration and human resource management practices into the BSC framework. Further, inadequate piloting of information system use for the anticipated BSC model, originating from the top-down approach followed in the BSC implementation, inhibited implementation of the BSC with a balanced emphasis between the planning and performance monitoring roles of the BSC.

It has been found that the BSC as a reform program was top-down, lacking the required ownership from the side of lower-level leadership and employees. As a result, it was not popular and did not enjoy a reasonable level of commitment at the bottom of the hierarchy where the reform efforts were to be brought down on the ground for implementation and institutionalization. It was also reported that the reform agents as well as the process owners in the implementation endeavors were assigned not based on merit but on political commitment. Such a lack of commitment to merit discouraged those experts with the required capabilities to make ends meet, casting a shadow on the successful implementation of the reform efforts. In addition, it has been found that the essence and strategies of the reform efforts were modeled on those of other countries and put into implementation in Ethiopia for all the sectors without doing the required adjustment and customization on the ground. Also, the reform efforts were not able to offer incentives related

to both the implementation and post-implementation phases.

4.3. Synthesis of Recommendations Presented in the Research Works

The following recommendations were extracted and synthesized from the papers selected for the systematic review activity.

The balanced scorecard is applicable in any organization whether it is profitable, non-profitable, government, or private organizations. It is a performance management system that appropriately can be used to improve the accountability of organizations. BSC can help organizations to translate the vision, mission, and strategy into a series of performance indicators that can drive change toward better improvement. However, organizations still need to visualize precisely the strategy map according to their characteristics and strategy. Organizations need to identify specific key success factors to achieve their vision. In the implementation of the strategy, the top management of organizations should solve the challenges that hinder the implementation of the BSC by creating awareness and building a positive attitude through training about BSC, improving the communication systems through the use of technology, formulating a strategic map, communicating the key performance indicators, aligning the BSC with the strategy, and cascading the BSC to all levels and all employees of the organizations.

Without creating awareness and understanding of the concepts and objectives of BSC, it will be difficult for both the management and employees to internalize the concept and accomplish its desired objectives. Improving the awareness level of both existing and newly entrant staff members through training and education by experts, consultants, and in collaboration with concerned institutions like the Bureau of Civil Service to bridge the knowledge, attitude, and skill gap was recommended by the authors.

To implement a balanced scorecard, there shall be positive competition among the staff member. A clear guideline should be developed and made clear for employees. The organizations should use the BSC framework to align individual, team, and process-level accomplishments to the reward system. This enables organizations to establish a ground for competition and best performance through motivation, recognition, and incentive.

The ownership and involvement of top management is critical at all levels. However, the implementation of the BSC should not only be left to the management but it needs the participation of all staff. Mechanisms should be devised to enhance the overall process and system automation to reduce the paper works and delays in BSC implementation. A proper automation system has to be in place to properly measure individual and institutional

achievements and this has to be linked to a rewards system that motivates the best achievers. It is also imperative to draw a boundary between spoils systems and merit systems in the public sector while simultaneously working towards instilling professional values in the public sector. The proper design of performance measures based on baseline survey data is required followed by sufficient training to be provided at all levels. It is recommended that the organizations have to increase employee participation, revise the cascaded objectives, automate BSC and organize discussion as well as awareness creation programs.

Finally, the organizations should periodically evaluate their status in implementing the reform tools and resulting outcomes in achieving the organizational mission. In doing so, the missing elements should continuously be improved so that the full impact of the reform can be realized and radical change can be achieved. Timely corrective measures have to be introduced based on the outcomes of a consultative dialogue that involves performance management experts, BSC teams, top management, and key employees from all sectors.

Chapter Five: Conclusion

Our findings have several suggestions for decision-makers and practitioners implementing a BSC. We summarize them as follows:

1. A tailor-made approach is more appropriate. It was learned from the studies that no

visible improvements have been registered in most organizations as a result of the BSC reform initiatives. Therefore, it is important that for the BSC as reform efforts to meet their objectives reform plans be made for each sector and organization on a case-by-case basis, instead of deploying a one-size-fits-all style campaign, and that benchmarking efforts be adjusted for context. It has further been suggested that reform efforts be incentivized in a bid to minimize resistance and enhance motivation to get used to the new endeavor.

2. Simplify reform tools: Simple Interventions are more likely to be implemented sustainably. The BSC is a good tool in principle but remains difficult to use effectively, and in practice, the process of target setting, monitoring, and performance assessments remains challenging. There appears to be some scope for simplification on the one hand and for atomization on the other. Therefore, BSC tool designers and implementers should customize the model of the BSC to sustain and improve the reform tools.

3. Conduct an impact assessment on the reform initiatives. It has been found that no impact assessment had been conducted on the fruits of the civil service reform. Hence, it is important to conduct an impact assessment on the BSC implementation as a performance management framework to measure its effectiveness and judge the significance of changes brought about by this tool.

4. Continuous training and communication can increase employee commitment and reduce resistance. The success of change initiatives is dependent on employee acceptance (Meir, Ben, & Schuppan, 2013). Training and communication about change initiatives can increase employee commitment and reduce resistance (Oskooee, 2017). Therefore, communication and employee acceptance can have a positive effect on the success of change initiatives, like the BSC implementation, which can increase workforce morale, develop a spirit of cooperation among employees at all levels of the organization, assist in building a high-performance culture, and improve communication and visibility between senior leaders and lower-level employees.

5. There is a need to institutionalize the reform initiatives. The execution of any change tools like BSC should not only be left to the high-level officials and reform agents. It should be embodied in the core structure and every process or unit manager should follow up, evaluate and support the subordinates in the change implementations process. This is the main mechanism through which change tools are consistently put into practice and become the culture of the organization.

6. The local context and the political environment should be well thought-out by actors when designing a civil service reform

program such as BSC. The particular most significant variable to consider when designing a civil service reform program is the local context and political will of the government in which the reform is taking place. Therefore, the local context and the political will of the government should be vastly well thought-out by the actors or practitioners of civil service reform designers and implementers at a larger level. Regardless of the specific reforms required (e.g. BSC, BPR, institutional framework, etc), practitioners can craft their approach to maximize their effectiveness.

7. An approach that combines competitive entry, stronger assessments of actual skills, and greater learning opportunities are imperative to upgrade civil servants' competencies and enhance performance. The lessons resulting from the reviewed research revealed that the focus of BSC systems on linking performance to incentives has not only been unsuccessful but also it has weakened the benefits that civil servants and their managers get from the target-setting and assessment portion of performance management. Thus, an approach that combines competitive entry, stronger assessments of actual skills, and greater learning opportunities can put into an upgrade of civil servants' competencies, as well as contribute to performance enhancement and incentive. Moreover, the provision of sufficient training and learning

opportunities for civil servants should be a primary consideration. Staff should be more widely confident to scale up their skills, knowledge, and competencies.

8. To achieve the desired goal and sustain the BSC initiative, it should be contextualized, demand-driven, and fit the real needs of the organization. From some of the research papers reviewed it is possible for one to conclude that most of the strategies pursued by public service to reform is western oriented. Because of this, the implementation of BSC in most public services in the Region has not been able to achieve their desired outcomes owing to political, historical, economic, institutional, cultural, and other environmental constraints. Therefore, to achieve the desired goal and sustain the BSC initiative, it should be contextualized, demand-driven, and fit the real needs of the organization.

9. Empowering the local units helps to achieve the goals of BSC. Public sector managers and political leaders need to focus on empowering lower-level units, departments, and employees so that self-active and responsible employees, managers, and units can be created. Since Balanced Scorecard (BSC) is a comprehensive reform tool and it focuses on measurement, its implementation should be given attention and the objectives set in the BSC should be revised and a few Key Performance Indicators should be

identified, managed, and measured. This could also help to link performance and pay.

10. Finally, this paper recommends the need for future research to refine and enrich the understanding of BSC use in the country in general and in the Region in particular. In this regard, the use of the BSC as a tool for public policy implementation across several organizations necessitates further research to understand how the framing of the BSC develops in this background. Future BSC research of a comparative nature, within the Region across sectors or Regions in the country, could also augment understanding of the tool concerning the possible contribution of the BSC to organizational performance.

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