A Survey on Practice and Challenges of Balanced Score Card in Higher Education Institutions:
A Case study on Selected Public Universities in Ethiopia

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ABSTRACT:
The purpose of this study is to assess the practice and challenges of BSC encountered by public higher education institutions as a strategic management tool in implementing their strategic plans. In this research, the researchers used both quantitative and qualitative research approaches in its successful accomplishment. The quantitative frames will be made use of in gathering the necessary data from respondents with closed ended questionnaires and document analysis. A total of 380 questionnaires were distributed to the four public universities: Gondar University, Debre Markos University, Bahir Dar University and Wollo University with an equal distribution of 95 respondents. The descriptive statistical tools mostly mean was used to analyze the data collected from the closed ended questionnaires and some document analysis was used. Based on the findings obtained from respondents, it was concluded that BSC is not implemented properly rather it is practiced partially by few employees of the universities in few colleges/schools/faculties/institutions. Respondents raised many challenges for the partial implementation of scorecard such as limited understanding of BSC, lack of training, lack of effective communication, lack of support from top management, etc. To alleviate this problem, the top management of the universities should create awareness, provide training, establish effective communication system, and support the employees for the implementation of the strategy of their university using BSC.

Keywords: BSC, Public University, Challenges, Strategic Management, Benefits

INTRODUCTION
It is unconditional responsibility for Higher Education Institutions to produce competent, capable and confidential citizens for a nation. The fundamental mission of HEIs is the advancement of excellence in education; the creation, development and improvement of knowledge. Fulfilling this mission requires integrated faculties, engaged professionals, continuous research works, effective communications and public support. However, the current need in education transformation, diversity in the demand of students as well as the ever changing technology put a great burden on these institutions in line with carrying out their very responsibility, Bourne, (2005:17)

By whatever the circumstances, universities and colleges will continue to be the centre of excellence and are responsible to build strong citizen that transform the nation towards prosperity. As a result, governments and societies are exerting mounting pressures on
higher educational institutions to become active, creative and innovative, dynamic, responsive, demand-driven, quality conscious, result-oriented, efficient and effective so that they can play a significant role in transforming their societies. In this regard, a number of policy makers and academics are strongly criticizing the relevance and quality of educational programs offered by some traditional institutions. These circumstances do force educational institutions to manage themselves strategically and innovatively rather than traditionally (i.e. in business as usual mode). They need to define their future direction (vision, mission and goals) clearly and craft appropriate strategy to reach the desired destination successfully. As the saying goes, organizations without clear direction are considered as a ship without a rudder, whose fate is either getting crushed with a curved stone or going nowhere even if its public support , Alvaro, (2006:484)

Increasing competition, both in the public and private sectors raises the interest in measuring performance to better allocate resources (Jordan & Mortensen, 1997; Juhl & Christensen, 2008). Many organizations concentrated their efforts on designing and implementing adequate organizational performance measurement systems to manage and improve their quality. The efficient management of public universities also requires the use of various instruments. The BSC can be used as a tool for coordinating the activities of the academic and non-academic departments of a university and the mechanisms of budgeting and target agreements (Kuper, 2010: 234).

The complexity of the global events and the rapidly changing technology especially in the higher education institutions makes it critical managing universities and other education institutions today to analyze several areas of performance simultaneously. The balanced scorecard can help universities and other higher education institutions to utilize intangible assets they need for future growth. It should be viewed as a complement rather than a replacement for traditional financial assessment measures. The balanced scorecard technique enables university to link long-term strategic planning to short-term, tactical actions. Its implementation provides a critical linkage between financial and operational measures on customer satisfaction, internal processes and the organization's innovation and improvement activities. The basis for the thought and the attempt to use the balanced score card in Higher Institutions is repeated failure in accomplishing their strategic plans and the inability of such institutions to transform themselves to modernity by applying the traditional financial assessment measures (Kaplan and Norton, 2007: 238).

To ameliorate such unnecessary failure of implementing a strategic plan, experts recommend putting in place a new way of communicating strategy to the end-user, i.e. applying the Balanced Scorecard (BSC) approach. With BSC, strategy reaches everyone in a language that makes sense. When strategy is expressed in terms of measurements and targets, the employee can relate to what must happen. This leads to much better execution of strategy. Not only does BSC transform how the strategic plan is expressed, but it also pulls everything together. This is the so-called “cause and effect” relationship or linking of all elements together. For example, if you want strong financial results, you must have great customer service. If you want great customer service, you must have excellent business processes in place (such as Customer Relations Management). If you want great business processes, you must have the right people, knowledge, and systems (intellectual capital). Thus, as part of their strategic management processes, HEIs must identify strategic objectives and measure their performances (process outcomes) from different perspectives: Finance, Customer, internal processes and growth.

The specific questions include:
- Is the practice of such universities in the right track to implement the BSC effectively?
- What are the challenges faced by such universities in implementing the BSC effectively?
- What are the principles that should govern the successful carrying out of the balanced score card?
- What solutions are necessitated and recommended to the institutions for the successful implementation of the Balanced Scorecard?
The main purpose of the study is to assess the practice and challenges of BSC encountered by public higher education institutions as a strategic management tool in implementing their strategic plans.

CONCEPTUAL MODEL
The Development of the concept of BSC in Higher Education Institutions

The wealth of the nation depends more on its people, management and government, than on its natural resources. Education helps to enhance the knowledge base of the nation and therefore it plays a vital role in shaping the future of the nations. Emerging global trends, new economic challenges, the rapid growth of information technology (IT) and the requirement for multilingual proficiencies are some of the challenges that developing countries have to face. The role of education, especially business education in building workforce and management capable enough to cope with these challenges, has placed business education in a much sharper focus than ever before. Nowadays strategic thought and strategy-based actions, enables organizations to cope with and successfully adapt to the future environment. Strategic plans depict the route from the present position to the future desirable position described by the vision and help the organization to improve its performance by better acquaintance of the environment. These are the main reasons why the evaluation of competitive environment of the organization and its strategic position is necessary in strategic planning process. In today’s knowledge-based economy, higher education institutions as the centers for developing human resource play an essential role in countries’ economic growth and development. So strategic planning has got a vital importance for such institutions and leads them to better future by adapting to the education environment, Kaplan and Norton, (2001:17).

The wide acceptance of the use of BSC in Higher Education institutions represented both by increasing the number of students enrolled as by the growth of HEI’s number, contributed to the changes of the levels of quality of services offered by these organizations, which made the management process of HEI’s more complex requiring new strategies to overcome this complexity. In this scenario, many managers have chosen to use the BSC (Lima et al. 2012) to provide tools that allow a more solid management of the educational system. To this end, the fundamental principles by BSC, namely the joint strategy of action, mission and performance in the systematic way, is not new in the context of the HEI’s. The first evidence of the use of this tool dating back to the 1990s at US universities (Niven, 2011). The BSC application need in this environment has intensified as these institutions have become increasingly accountable for the results of the services offered to society. However, as highlighted, Niven (2006), historically, the performance indicators adopted by the HEI’s did not present a holistic picture of the situation of the institution. These indicators showed unable to articulate the dimensions of the organization in the management point of view, which implied the neglect of aspects such as vision and strategic direction of the institution.

BSC is effectively used in manufacturing, service and governmental organizations. In spite of BSC usages in industry sector is well documented, and very little research has been reported regarding the adaptation or application of the BSC in the education sector, Amaratunga and Baldry used BSC in measurement of higher education sector performance. Then they confirmed the relation between performance measurement and performance quality based on BSC model. An example is that Delker (2003) develops BSC model for the California State University, in his thesis in order to get the Master of Business Administration Degree. In this thesis the BSC measures for university appraisal are evolved and implemented.

Even, in the education sector, the BSC is based on balanced set of measures covering financial, customer, innovation and learning process areas to manage effectively and to translate the institutions mission and strategy into a comprehensive set of performance measures that enables the institution to track the education system while simultaneously monitoring their progress in building the capabilities that generate future growth. In contrast to financial performance measurement systems, the BSC “puts strategy and vision, not control at the center. It establishes goals but
assumes people will adopt whatever behaviors and take whatever actions are necessary to arrive at the goals” (Kaplan & Norton, 1992).

Nevertheless the concept of BSC has been widely adopted and used in the business sector, followed by the public sector; the education sector has not embraced the BSC widely. A thorough review of the literature yielded few significant publications, as pointed out by Karathanos, (2005). While, Cullen et al. (2003) proposed that a balanced scorecard be used in educational institutions for reinforcement of the importance of managing rather than just monitoring performance, Sutherland (2000) reported that the Rossier School of Education at the University of Southern California adopted the Balanced Scorecard approach to assess its academic program and planning process. Also, Chang & Chow (1999) reported that responses in a survey of 69 accounting department heads were generally supportive of the balanced scorecard’s applicability and benefits to accounting programs that laid strong base to the development of the concept of BSC in Higher Education Institutions.

**Theories in the Balanced Score Card**

**Initial Theory**

The BSC model was developed by Robert Kaplan and David Norton as the result of a study conducted in the early 90’s in twelve American companies with the aim of increasing the effectiveness level of their performance evaluation models through a new model based on financial and non-financial indicators (Kaplan; Norton, 1992). Thus, their belief is that the existing methods to evaluate the company’s performance were obsolete and could lead companies to make wrong decisions, harming their capacity to create future economic value, led the authors to highlight the need of analyzing the company’s capacity to generate value from intangible assets, not considered by traditional systems, and to reduce the focus on short term objectives. With such purpose, they have introduced the BSC as a new performance measurement system that, based on multiple integrated and correlated dimensions, was capable of providing the management with a balanced and global view of the organization, and of its strategic areas: financial, customers, internal processes and learning, and growth. In 1993, Kaplan and Norton published an article in which they show the experiences lived through the adoption of the BSC by different types of companies (actually, Rockwater, Apple Computer, Advanced Micro Devices and FMC Corporation), and recommended managers to select a limited number of critical indicators for each perspective. Furthermore, they highlight that the BSC was not a worksheet that can be universally applied to all companies, but that should be adjusted to the needs and features of different markets, organizations, strategies and environments (Kaplan; Norton, 2003). Three years later, the initially proposed model was enhanced by some American and Canadian companies pioneers in the use of the BSC (such as, for instance, Analog Device, Bell South, Apple, EDS, General Electric, HP and Shell Canada), as well as by the academic community, highlighting new potentialities for the organizational strategy management (Chosley 2007). In the following years, Kaplan and Norton have followed up the organizations that have adopted the BSC, verifying that they were getting innovative results in relatively short periods, thanks to the alignment of all organizational resources and their connection to the strategy. Besides, such authors have evidenced that management teams were describing their strategies through explicit cause-effect relations reflected in strategic maps (Kaplan; Norton, 2004).

**Contingency Theories**

Different authors have observed the public and private organizations concern in responding to changes produced in their environment, by introducing new instruments and techniques of Management Accountability, such as the BSC. Such introduction was mainly influenced by contextual and institutional factors. This has contributed to the fact that many authors have adopted a contingent focus and/or institutional focus as theoretical reference benchmark to address the BSC study (James, 2008). Considering this background, we have the opinion that both theories (institutional and of contingencies) provide the appropriate benchmark to fundament our own empirical study. Our choice is justified by the fact that the Institutional and Contingencies Theories are the main theoretical approaches that sustain the
studies trying to explain the determinants of use of different Management Accountability practices in the organizations (Geiger; Ittner, 1996). In regard to this, Scott (2007) has observed that the explanations of both theories, when separately applied; offer an incomplete understanding of the different roles performed by different Management Accountability practices used in contemporary organizations. Therefore, such author suggests that both theories could be jointly used to better understand the instrumental and symbolic role performed by such practices. In this same line, Araújo (1999) and C. Aibar Guzmán (2001) state that, although deriving from different epistemological assumptions, both theories could be used in a supplementary manner, because both intend to understand and analyze the causes explaining the features of the Management Accountability systems. Based on the aforementioned, on one side, we consider that the contingent approach provides the adequate framework to explain the contextual factors, internal and external, that influence the adoption and implementation of the BSC. On the other hand, the postulates of the Institutional Theory help us to identify the impact of institutional pressures on the adoption of the BSC in Portuguese public and private organizations. In brief, the Institutional Theory provides elements to understand why the BSC has or has not been adopted by an organization, while the Contingencies Theory shows the technical reasons through which the BSC is kept or not analyzing the degree of competitive efficiency provided by it (Norton and Kaplan, 1992).

**Review of Empirical Studies**

In the past decades, the BSC has become a relevant investigation topic, and consequently various empirical studies have been conducted, in which the different aspects of the BSC were analyzed, such as how the implementation process of this management tool has occurred, its features, determinant factors of its implementation and utilization, the reasons for adopting and/or abandoning it, the difficulties and advantages resulting from its implementation, among others. We present a review of empirical studies developed by different authors about the experiences of BSC implementation in different countries as follows.

In regard to private organizations, Bisch and Pfeiffer (2003) have conducted a study to obtain empirical evidence about the use of the BSC in German language. Determinant Factors of the Implementation of the Balanced Scorecard in Portugal: empirical evidence in public and private organizations, observing the empirical evidence of the relation between the organization size and the use of the BSC. It has been observed that limited liability companies use the BSC less, and those companies whose capital is mostly controlled by big companies and that export to certain markets use the BSC more. On the other hand, Bedford et al. (2008) have conducted a study in Australian companies, observing that the BSC offers more benefits when connected to the incentives and rewards system, is applied in various levels within the organization, and the cause-effect logic is used amongst the measures. Nijsen (2011) have obtained empirical evidence of the association between the BSC implementation and the existence of dynamic and turbulent environments, that bigger companies are more prone to adopt the BSC, and that its receptivity is positively influenced by the prior adoption of similar instruments. In turn, Hendricks et a.(2012) have observed that there is an association between the perceived environment uncertainty and the BSC implementation, and Machado(2013) has observed, in a study conducted with the aim of examining the BSC rates of utilization and divulgation in Portuguese industrial SMES, that the degree of knowledge and utilization of the BSC is reduced, and that the knowledge of this method is associated to the individual characteristics of the staff responsible for the management accountability (educational level and age), and the organization size. In regard to public non-profit organizations, Chan (2004) has observed that big local governments have adopted more the BSC than the government of small municipalities. On the other hand, within the scope of the study conducted in Finnish local governments, Chalaris et al. (2014) has observed that the decision to adopt the CMI was influenced by mimetic, rational and normative aspects. In turn, Greiling(2010), in a study conducted in non-profit German organizations, has concluded that most of the analyzed organizations is at the initial phase of the BSC implementation process, and such tool
is not yet enough adapted to the different requirements of such organizations. In regard to hospitals, Chanand Ho (2000) and Yap et al. (2005) have observed the small rate of the BSC implementation in hospitals, and a high propensity to use it in larger hospitals and in hospitals affiliated to teaching institutions. On the other hand, Kollberg and Chalaris et al. (2014) have observed that the BSC has the potential to contribute to a better implementation of the strategy from the measurement and monitoring of results in sanitary organizations, thus improving the internal capabilities, and supporting the organization development, but its effective adoption requires the adaptation of the generic instrument to the specific realities of the industry.

**Perspectives in the Balanced Score Card**

**Financial:** In the government arena, the “financial” perspective differs from that of the traditional private sector. Private sector financial objectives generally represent clear long range targets for profit-seeking organizations, operating in a purely commercial environment. Financial considerations for public organizations have an enabling or a constraining role, but will rarely be the primary objective for business systems. Success for public organizations should be measured by how effectively and efficiently they meet the needs of their constituencies. Therefore, in the government, the financial perspective emphasizes cost efficiency, i.e., the ability to deliver maximum value to the customer (Umashankar, 2007).

**Customer:** This perspective captures the ability of the organization to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction. In the governmental model, the principal driver of performance is different than in the strictly commercial environment; namely, customers and stakeholders take preeminence over financial results. In general, public organizations have a different, perhaps greater, stewardship/fiduciary responsibility and focus than do private sector entities (Kaplan, et al, 2006).

**Internal Business Processes:** This perspective focuses on the internal business results that lead to financial success and satisfied customers. To meet organizational objectives and customers’ expectations, organizations must identify the key business processes at which they must excel. Key processes are monitored to ensure that outcomes will be satisfactory. Internal business processes are the mechanisms through which performance expectations are achieved (Broom, 2009:24).

**Learning and Growth:** This perspective looks at the ability of employees, the quality of information systems, and the effects of organizational alignment in supporting accomplishment of organizational goals. Processes will only succeed if adequately skilled and motivated employees, supplied with accurate and timely information, are driving them. This perspective takes on increased importance in organizations, like those of the PEA members that are undergoing radical change. In order to meet changing requirements and customer expectations, employees may be asked to take on dramatically new responsibilities, and may require skills, capabilities, technologies, and organizational designs that were not available before. The interlinked coordination of these perspectives are diagrammatically demonstrated in figure 1.

![Figure 1: Conceptual Framework of Balanced Score Card (BSC)](source: Kaplan and Norton (2005))
Challenges of Using Balance Score Card in Strategy Implementation

The BSC has its own drawbacks. The criticisms levied on the concept target different theories which have developed surrounding the BSC concept. To begin with, it is argued that the concept is not new. The notion that BSC is a new management System is contemptuous. Because, the French for example used the tableau de Bord which is widely considered to be a similar concept to BSC long before the BSC was introduced. Also, the idea that BSC could be used in all type of businesses is disputed too. Some of the major challenges using the balance score card in strategy implementation are:

Management style (Thomson, 2013) are mostly concerned with the managers’ role in Strategy implementation process. They state that organizational change and culture change must be the leader’s top priority. The authors argue that if the companies’ managers see the need for change, and give this change top priority and use the necessary time, the organization will change. Thomson (2013) says that in all organizations, at all levels, there exists a natural resistance to change. Social relationships are more strongly weighted than economical factors. The employees feel threatened by changes and the unknown and they may be concerned with losing their jobs or status. This is also valid for the top management. Few management groups can handle both to establish strategies for the current situation, and at the same time, create acceptance or culture for change in the organization. The Balanced Scorecard is not a tool for imposing a strategy created at the top of the organization or a stick to beat people with. It is actually a tool to allow people to both participate in the strategy process and create objectives and measures that reflect their business area’s efforts to support the broader corporate strategy. The balance score card could fail if the management style is highly centralized with a top-down style of management. For it to succeed the management should decentralize the management style and allow participation of workers who are at the ground.

Lack of integration, (Kaplan and Norton, 2006) claim that the first barrier occurs when the organization can not translate its vision and strategy into terms that can be understood and acted upon. Where fundamental disagreement exists about how to translate the vision and mission statement into action, the consequence is suboptimal use of efforts. With lack of consensus and clarity, different groups will work after different agendas according to their own interpretation of the vision and strategy. Their efforts are neither integrated, nor cumulative, since they are not linked coherently to an overall strategy. The Balanced Scorecard isn’t another stand-alone project or system. It is the performance management and monitoring system, integrating typically a range of disparate systems, measures and monitoring approaches. Therefore, for its successful implementations, all areas have to work together as part of a unified whole,Epistem,(2009:45).

How to Implement the BSC in Education

The argument that the concept of BSC to more significantly be implemented in Business organizations produces a special care for HEIs to think and rethink about the effective employment of the concept in such institutions. Many scholars are not far away from this care and is worth considering some necessary steps or measures to effectively apply the Balanced Score Card in Education, Chesley,(2009:365).

Step 1--- Develop an organizational frame work (perspective areas) in the way that can translate the vision of the institution in to action

Step 2---- Link and communicate this frame work to functional units (departments and other units to align their objectives to the established frame work and apply them in reaching the long term and operational plans thereby.

Step 3--- Start the academic planning with the unit and priorities, resources and visible actions that facilitate the next operation.

Step 4---Establish feedback, accountability, and flexibility and measurement systems

Step 5---Develop internal and external benchmarks for key performance indicators.

Besides, implementing continuous promotion and developments of teachers and administrators as well as motivational measures are an integral part of the effective implementation of the BSC. The institution needs to ask the following guiding questions periodically for
the entire development of itself together with the application of the concept.

✓ What is the contribution of the university to the creation of knowledge
✓ How effectively does the university transfer knowledge to students
✓ How well does the institution broaden and strengthen its community
✓ How well does the university manage and control its key human resources

Adapting BSC in the Ethiopian Higher Education Institutions

All types of organizations irrespective of their mission are currently re-conceptualizing measurement indices to come up with relevant excellence indicators. Accordingly, higher education institutions world-over are facing the challenges of being centers of excellence for teaching, research, training and consultancy services. Such pressures also do prevail in the Ethiopian HEIs. The fact that the Ethiopian (Tilaye, 2010) prompters of peace, stability and democratic ideals in the country; and facilitators of the country’s engage themselves in research and consultancy services, it becomes worth thinking and rethinking how well the necessary policy changes can be carried out.

To that end, government has launched massive civil service reform programs throughout the country as of 2002; all public institutions are compelled to re-engineer their service to become responsive, efficient and effective. To show its firm conviction and dedication towards institutional excellence, the Ethiopian Government has issued a new proclamation for higher education institutions in 2009. The proclamation pays special emphasis to the roles of HEIs in transforming the Ethiopian society by serving as centers of academic excellence, institutional transformation and technological transfer; shapers of youth behavior and human talent competitiveness in a global setting. As a result, public HEIs across the country are facing the challenges of restructuring and reforming themselves so that they provide quality education and bring up graduates who become fruitful members of their societies.

As in business, in higher education there are acceptable conventions of measuring excellence. As opposed to accounting-based measures dominantly used in businesses, HEIs have historically emphasized academic measures. In particular, measurement in HEIs has generally focused on quantifiable academic indicators, such as student and faculty demographics, faculty-student ratios, enrollment (by sex, ethnicity and program level), graduation rates, dropout rates, repetition rates, grade point average, class rank, faculty teaching loads and instructional contact hours, and other similar factors (MOE, 2007).

However, these traditional measures of institutional performance fail to provide a comprehensive list of indicators that help to assess the academic excellence of the institution. In view of this, Ruben (2009) points out that the traditional indicators of HEIs performance do not embrace some of the key success factors for an institution, nor do they capture the institution’s mission, vision, or strategic directions. In addition, the traditional indicators have failed to integrate lagging indicators and leading indicators in a way they add value to the performance measurement of HEIs. For example, measures such as student grade-point average (GPA) or standardized test score capture “input”—the capabilities students bring with them to a given institution—but often not the value the institution adds through its effective teaching-and-learning process, nor “outputs”, or benefits derived.

All these are traditional indicators and are not a full guarantee to measure the capability of the university to provide quality education in general and the students in particular. This condition necessitates all public universities in Ethiopia to think aligned and balanced growth in the capacity of the institution and its students and thereby excel in shaping good citizen to the nation. This is possible by searching change implementation measures such as BSC and implementing it as a tool for strategic measures and control device (Tilaye, 2010::22).

RESEARCH METHOD
Description of the Study Area

This paper was mainly conducted to investigate the practice and challenge of balanced score card in selected Universities in basically located at Debre Markos, Wollo, Bahir Dar and Gonder.
Research Design

This study was conducted on the practice and challenge of BSC implementation in selected Public Universities. The study is descriptive type which has enabled the researchers to assess and describe the existing challenges during the implementation. Researchers adopted a survey design to gather the enquired input for this study which enables/facilitates the collection of original data necessary to realize the research objectives and is also appropriate in collecting useful data that could be quantified and reported as a representation of the real situation or characteristic in the study population. A survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, researchers could generalize or make claim about the population (Creswell, 2003).

Sampling Technique and Sample Size

To obtain the required size of sample for the study, academic and administrative staffs, department heads and deans were used as a subject of study. Purposive sampling was used to incorporate deans and administrators and simple random sampling for academic and administrative staffs.

A total of 380 questionnaires were distributed to the four public universities: Gondar University, Debre Markos University, Bahir Dar University and Wollo University with an equal distribution of 95 respondents.

The sample size is determined using the following formula: assumed that the error term is 5%.

\[ n = \frac{N \cdot \frac{1}{N} \cdot \left(e^2\right)}{1 + \frac{N \cdot \frac{1}{N} \cdot \left(e^2\right)}} = \frac{8000 \cdot 1 + 8000 \cdot (0.05^2)}{1 + 8000 \cdot (0.05^2)} = 380 \]

Data sources and data Collection Instruments

This study was conducted to investigate the practice and challenge of BSC in selected Universities using survey data. Both primary and secondary data were used in this research. Primary data have been obtained from academic and administrative staffs via survey interview and questionnaire.

Methods of Data Analysis

The descriptive statistical tools mostly mean was used to analyze the data collected by closed ended questionnaires and some document analysis was used. The data gathered qualitatively was inferred and interpreted independently by inductive reasoning. The analysis and interpretation of the data was also supported by mean value of the respondents and it is presented by tables.

RESULTS AND DISCUSSION

In this section of the project, the data collected is analyzed and presented using descriptive statistics on statistical package for social science (SPSS) simple and understandable manner. For simplicity and clarity purpose, both the results and discussions are presented side by side.

Data Sample Information

A total of 380 questionnaires were distributed at the selected Public Universities in Ethiopia (Gonder, Bahir Dar, Debre Markos and Wollo University). All the distributed questionnaires were returned, which researchers used as an input data for analysis to present the findings and draw conclusion. Further the data analysis was performed to reach the findings. Therefore the analysis's, results and discussions were presented as follows (table 1).

As table 1 shows, BSC is not completely implemented in higher education institutions as the mean result of the respondents indicated as 4.09 which mean using the analogy method they replied a disagreed response regard to the complete implementation of the BSC. But BSC is implemented in higher education institutions to some extent as stated by the respondents mean value of 1.85 which implies a strongly agreed response using analogy method.

In table 1, BSC is not implemented by all employees of the organization as the mean value of respondents showed as 3.97 which indicates a disagreed response of respondents using the analogy method of expressions. The universities strategic plan is not based on the four perspectives of the BSC as the respondents mean value reveals as 4.10 which implies that respondents replied a disagreed response. From the standard deviation result one can understand that the amount is small value so there is a slight deviation among the respondents response in each item which means their response is consistently for each item. So if the university’s
plan is not based on the four perspectives of the BSC, it is not communicable for the employees to cascade and implement the BSC in their respective departments. But the strategic plan should consider the BSC perspective. BSC should be aligned with the strategic plan of an organization.

Most employees of the universities did not understand the concept of BSC because the mean result of the respondents indicated in table 2 is 3.93 which means a disagree response using the analogy method. But for the purpose of introducing and implementing the BSC, organizations even hire outside consultants (Niven, 2005 and 2006; Olve et al., 2003). Because providing precious information and knowledge about the BSC and creating awareness to employees can assist and guide the organization for the successful implementation.

Both the managers and employees of the organization must first be able to arrive at common understanding and formulate a good strategy and then design the tools to allow them to execute it.

For item 2 in table 2, the mean value (3.82) of the respondents indicated training is not provided for all employees about the concept of BSC. The result indicates a disagree response using analogy method of analysis. However, training and close supervision is important for the successful implementation of BSC in an organization. If a company wants to implement the Balanced Scorecard properly and reap all the benefits that BSC may bring, people should first learn about it. Niven (2006) noted that organizations, after deciding to implement the Balanced Scorecard, conceive that it can be done without much learning.

### Table 1: Practice of BSC in higher education institutions

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Mean value</th>
<th>Std dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>In our university, BSC is applied completely.</td>
<td>4.09</td>
<td>0.73</td>
</tr>
<tr>
<td>2</td>
<td>In our university, BSC is slightly applied.</td>
<td>1.85</td>
<td>1.21</td>
</tr>
<tr>
<td>3</td>
<td>BSC is implemented by every employee of our university.</td>
<td>3.97</td>
<td>0.71</td>
</tr>
<tr>
<td>4</td>
<td>The strategic plan of our University is based on the four perspectives of BSC.</td>
<td>4.10</td>
<td>0.65</td>
</tr>
<tr>
<td></td>
<td>Grand mean and Std Dev.</td>
<td>3.5</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Source: Survey on 2016

### Table 2: Challenges of BSC in higher educational institutions

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Mean value</th>
<th>Std dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I clearly understand and apply BSC</td>
<td>3.93</td>
<td>0.73</td>
</tr>
<tr>
<td>2</td>
<td>Training is provided to all employees about the concept of BSC</td>
<td>3.82</td>
<td>0.87</td>
</tr>
<tr>
<td>3</td>
<td>There is effective communication systems</td>
<td>3.79</td>
<td>0.89</td>
</tr>
<tr>
<td>4</td>
<td>There is support from top management</td>
<td>3.90</td>
<td>0.77</td>
</tr>
<tr>
<td>5</td>
<td>There is clear strategic outcome, performance drivers and performance indicators</td>
<td>3.96</td>
<td>0.74</td>
</tr>
<tr>
<td>6</td>
<td>BSC is cascaded by all members of the universities</td>
<td>3.81</td>
<td>0.89</td>
</tr>
<tr>
<td>7</td>
<td>I am interested and committed to implement BSC</td>
<td>3.92</td>
<td>0.73</td>
</tr>
<tr>
<td>8</td>
<td>BSC is only applicable in other organizations other than higher education institutions</td>
<td>1.93</td>
<td>0.59</td>
</tr>
<tr>
<td></td>
<td>Grand mean and Std Dev.</td>
<td>3.88</td>
<td>1.01</td>
</tr>
</tbody>
</table>

Source: Survey on 2016
Indeed, a lack of education of top management and members in charge of building the BSC will certainly be a big minus. If those who are supposed to promote and stand behind the initiative do not fully understand what they are trying to transfer to others, how can someone else trust them? According to Niven (2006) if they do not appear self-assured and, at the same time, if they do not seem very knowledgeable, skepticism about the initiative will grow.

Regard to item 3 in table 2, there is no effective communication in the universities as the respondents disagreed about the presence of smooth and effective communication. Its mean value is 3.79 this is approximately 4 using the analogy technique. However, the Balanced Scorecard is a tool to facilitate communication within the process of translating the strategy. If the BSC is used only as a tool for measuring and monitoring performance in the dimensions incorporated in it, without implementing the related process, this will restrict the effectiveness of the Scorecard and it is more likely to fail (Olve et al., 2003; Davis, 1996; Hasan and Tibbit, 2000 as stated by Othman et al., 2006).

As the mean value (3.90) reveals, respondents replied disagreed; there is no support from the top management for the successful implementation of the BSC in the universities. As Niven (2005) argues that if top management does not support the BSC initiative, and, more importantly, does not appreciate its role in solving real-life problems, the BSC will show mediocre results and will probably fail. Top management should stand behind such an initiative since the BSC is a tool for executing the universities strategy and should explain to the other members of the firm why the BSC is so important.

In table 2, respondents agreed that there is no clear strategic outcome and performance drivers formulated based on the strategy map as the mean value (3.96) indicated above. The Scorecard has its roots in the organization’s strategy which should align the organization from top to bottom and guide all action and decisions towards the organizational aims (Niven, 2006). Othman (2009a) points out that to make the Balanced Scorecard work properly; managers must recognize that this is possible only if a well thought-out strategy has been formulated and the main idea in the BSC is to understand the organization’s strategy as a causal model of its performance goals. To depict the strategy, a tool called the strategy map is incorporated in the Balanced Scorecard. Othman (2009a) also recognizes that some of the reasons for confusion and contention in developing key performance indicators are the absence or poor development of a strategy map. Without a strategy map there can be no agreement on what the most appropriate key performance indicators are in each perspective. Further, there will be no clear responsibility for the key performance indicators.

For item 6 in the above, the mean result of the practice of BSC by all employees of the universities, as shown in table 2, is 3.81 implying that BSC is only implemented by few members of the universities. But the Scorecard is a tool which should improve communication within an organization and it should cover the whole members of the organization. As Olve et al (2003) stated many initiatives have been unsuccessful because employees have not recognized the need to address the Balanced Scorecard to all the points where the organization logic, ambitions, and achieved performance are discussed. Niven (2006) stressed that any successful strategy implementation must be understood and acted on at every level and every member of the organization because the Balanced Scorecard which aspires to be a tool to implement strategy should strive to do the same. Niven (2006) and Olve et al. (2003) further discussed the importance of cascading which means driving the BSC concept down into the organization and giving all employees the opportunity to demonstrate how their daily activities contribute to the organization strategy.

Table 2 also indicated the mean result of 3.92 which imply that the sample respondents replied disagree. Employees of the universities are not interested to implement BSC. The essence of any BSC initiative is to lead people throughout the organization to implement the strategy. There is no predefined plan or template for all organizations that shows how to build a Balanced Scorecard. Every organization must be taken as a separate case which means that the BSC must be developed and used according to the company’s organizational needs and characteristics. Because if those employees are
not interested for the tool, there is no chance that they will find the right path to do this (Niven, 2006).

For the last item in table 2, the mean value is 1.93 (a strongly agreed answer), this indicates that respondents questioned the applicability of BSC in universities. The standard deviation of the respondents’ response shows that the value is small which implies that the response for each item is almost similar and consistent. But as Norton and Kaplan (1992) noted, the balanced scorecard is a strategic planning and management system that can be applied in any organizations whether it is business/industry, government, and nonprofit organizations worldwide to align the activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance. It also enables executives to truly execute their strategies.

Most of the respondents agreed that BSC does not help the implementation of the strategy of the universities because it is not implemented properly by all employees in the university. But Niven (2006) stated that if BSC is once implemented, it is a guide for all employees which encourages change to execute the strategy and meet objectives. Niven stressed that the purpose of the Balanced Scorecard is to translate the strategy into terms that are meaningful for the organization members in their everyday activities.

From table 3, the mean result shows that respondents disagreed on the use of the BSC to share the vision, discuss on the strategy and communicate smoothly.

But scholars such as Olve et al. (2003) conclude that many benefits of Balanced Scorecards are achievable only if the Scorecards are seen as a tool to:

- inspire dialogue and communication;
- picture the strategy;
- Share the strategy aims; and assist the implementation of the strategic aims through discussions and through a view from different perspectives.

The mean result indicated that the respondents disagreed on the use of BSC to simplify their duties and responsibilities. Niven (2006) asserted that the Balanced Scorecard, once implemented, should represent the starting point of performance management where strategy, and certainly not financial control, used to clarify and simplify what is expected of employees in an organization and leads the firm in its direction.

According to the sample respondents BSC does not help the organization to know the performance of the employees as the mean result reveals 3.9 which indicates a disagree response of the respondents using the analogy technique. But BSC is a performance management tool that used to measure and identifies the performance of each employee in an organization and it is implemented based on key performance indicators (Olve et al., 2003).

For item 5 in table 3, the mean value is (1.89). This implies that respondents strongly agreed that the balanced scorecard is used in their universities as a strategic planning and management system and used to monitor employee performance against strategic goals.

For the last item in table 3, as the mean value (3.99) shows, respondents disagreed that BSC does not integrate different functions in their universities. But Norton and Kaplan (1992) emphasized that BSC is used to make cross-functional integration, customer-supplier partnerships, global scale, continuous improvement, and team rather than individual accountability. By combining the financial, customer, internal process and innovation, and organizational learning perspectives, the balanced scorecard helps managers understand, at least implicitly, many interrelationships. This understanding can help managers transcend traditional notions about functional barriers and ultimately lead to improved decision making and problem solving. The balanced scorecard keeps companies looking—and moving—forward instead of backward.
Table 3: Use of BSC for performance of employees

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Mean value</th>
<th>Std dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BSC helps to implement strategies of the institution</td>
<td>4.06</td>
<td>0.68</td>
</tr>
<tr>
<td>2</td>
<td>BSC is used to share the vision, discuss on the strategy and communicate smoothly</td>
<td>3.93</td>
<td>0.78</td>
</tr>
<tr>
<td>3</td>
<td>BSC is used to simplify our duties and responsibilities</td>
<td>3.85</td>
<td>0.82</td>
</tr>
<tr>
<td>4</td>
<td>BSC is used to know the performance of each employees</td>
<td>3.86</td>
<td>0.84</td>
</tr>
<tr>
<td>5</td>
<td>BSC is used as a measurement and monitoring device</td>
<td>1.89</td>
<td>0.64</td>
</tr>
<tr>
<td>6</td>
<td>BSC helps to integrate different functions</td>
<td>3.99</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>Grand mean and Std dev.</td>
<td>3.60</td>
<td>1.07</td>
</tr>
</tbody>
</table>

Source: Survey on 2016

CONCLUSION
From the analysis and discussion of data, BSC is not well practiced in the Universities so it is hard to say whether it was one of the priorities of the management and measurement device. The application of BSC in the sample universities is encountered by different challenges. These challenges are listed below in the following manner.

**Challenge 1: Limited Understanding of the Balanced Scorecard**
Most employees of the university did not understand the concept of BSC because the mean result of the respondents indicated a disagreed response using the analogy method. But Niven (2005) and Olve et al. (2003) stressed that for the purpose of introducing and implementing the BSC, organizations even hire outside consultants to 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 common understanding and formulate a good strategy and then design the tools to allow them to execute it.

**Challenge 2: Lack of Training about the Concept of BSC**
Provision of training about BSC for all employees of the universities is very crucial for the successful implementation. Indeed, the problems and difficulties encountered could have resulted from the limited knowledge of the BSC evident in the Universities. The absence of thorough understanding of the BSC and its characteristics harmed the initiative from its beginning. Some employees of the Universities who are in charge of implementing the BSC in did not understand its essence as a tool of management strategy. Due to this lack of basic knowledge, Universities never maximally employed the concept or gained the benefits that could be derived from it.

**Challenge 3: Poor Communication Systems**
The level of communication regarding the BSC initiative was not at an enviable level. It is occurred only within few position holders in the universities in 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 the organization. According to the respondents, the absence of a good IT solution, together with the lack of BSC knowledge, was the biggest problem which halted the initiative.

**Challenge 4: Lack of Support from Top Management**
According to respondents BSC is used to report their performance to the top level managers in a sense top managers use the report to measure and monitor performance of employees. But what the top manager measure is what he/she gets without supporting the employees. Norton and Kaplan (1992) stressed that the top management of an organization should understand, support and communicate to
employees continuously about BSC that means to achieve goals on cycle time, quality, productivity, and cost, managers must devise measures that are influenced by employees’ actions. Since much of the action takes place at the department and workstation levels, top managers need to decompose overall cycle time and correct information to all employees. That way, the measures link top management’s judgment about key internal processes and competencies to the actions taken by individuals that affect overall corporate objectives. This linkage ensures that employees at lower levels in the organization have clear targets for actions, decisions, and improvement activities that will contribute to the company’s overall mission.

Challenge 5: Lack of clear strategic outcome, performance drivers and performance indicators
According to respondents, it is hard to say whether the BSC initiative was placed as one of the priorities. The level of knowledge about the BSC was very low and the initiative was perceived rather as: “let’s try to do something and see what we get”. It was always referred to as a tool for monitoring performances. When the BSC took its first shape, the members noticed that the top of the firm was increasingly losing its determination to proceed with the development.

Challenge 6: Lack of cascading BSC by all members of the universities
The people involved in the implementation of BSC were few members of colleges, faculties, schools and top level officials of the universities. But BSC is not only the task of few members and few departments of the Universities, depending on the perspective for which they had responsibility, implementing and attempting to create the measures is crucial but this never happened.

Challenge 7: Lack of Interest and commitment to implement
Lack of knowledge caused the gradual loss of confidence in the concept and interest. The employees, affected by these losses, lost their initial enthusiasm. This little commitment toward the Balanced Scorecard by the employees of the University resulted lose of motivation.

Challenge 8: Perception problem and lack of alignment with the strategic plan
Most employees believed that BSC is only applied in other organizations other than universities. They respond that BSC is used to measure and monitor performance mainly of for reporting purpose which means employees prepare a report based on BSC with the alignment of the strategy of the universities. According to the respondents, the strategy was not the starting point for the BSC initiative in the selected universities. 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. In such circumstances, the metrics were developed without a strong link to logically connect them. When employees only developing the metrics for the assigned perspective, they missed the opportunity to find out how each metric would relate to others. Without a chain of cause-and-effect relationships created by means of 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 universities.

Evidence from the review of documents associated with the BSC implementation shows that indicators were introduced in the BSC for different individual segments of Universities which would be displayed weekly, monthly, quarterly, or annually. They would be compared with the previous year, the budget, and benchmarked with the other employees in different colleges, schools, faculties. Furthermore, indicators were displayed at three levels in the Universities: top management level, at the middle level (dean, vice dean) and at the department level. There were between six and nine measures per perspective and they were not linked. Furthermore, there was no visible distinction between performance outcomes and performance drivers and this was not done in all members of the universities.
performance. Even if the Balanced Scorecard used in this way will never be maximally employed, as a performance measurement tool it can still be useful. Consequently, the Balanced Scorecard was a performance monitoring system which combined many measures which did not relate to each other. The employees, realizing that there was no benefit in using a new tool requiring additional efforts and resources just to monitor and report performance, abandoned the initiative.

RECOMMENDATIONS
Based on the data analysis and conclusions of the study, the researchers forward the following recommendations for the concerned body.

Balanced scorecard is applicable in any organizations whether it is profitable, none profitable, government or private and thus, higher education institution is not unique. It is a performance management system that appropriately can be used to improve the accountability of higher education institution. BSC can help universities to translate the vision, mission and strategy into a series of performance indicators that can drive change towards better improvement. However, universities still need to visualize precisely the strategy map according to its own characteristics and strategy. Each university needs to identify specific key success factors in order to be leading in accordance with its vision. In the implementation of the strategy, the top management of universities should solve the challenges that hinder the implementation of the BSC as raised by the employees. The challenges can be minimized 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 universities.

REFERENCES