Impact Of Implementation Of Balanced Business Score Card (BBSC) On Organizational Effectiveness: A Case Study Of Bharat Sanchar Nigam Ltd. (BSNL)

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INTRODUCTION

Achieving excellence is, since ages, a driving force for every organization. Few can doubt the scale and complexity of issues that organizations face if they are to be successful in the 21st century. To achieve this success, business leaders will have to address emerging global issues such as electronic commerce, industry convergence, worldwide alliances, virtual organizations and corporate citizenship. But even more importantly, they will need to find new ways to excel at the fundamentals of business: leadership, management, strategy and implementation, irrespective of the area of operation.

ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce. Organizations are under growing pressure to demonstrate effective management, provide greater accountability, and accomplish more with fewer resources to improve their effectiveness.

LITERATURE REVIEW ON ORGANIZATIONAL EFFECTIVENESS

Since organization and management science emerged in the early 1900s in conjunction with the industrial revolution, an evolution has occurred in concepts about the nature and function of organizations and the criteria for organizational effectiveness. The early management literature assumed that organizations were fairly generic. For example, **Drucker (1985:17)** described management as "a generic function, which faces the same basic tasks in every country and, essentially, in every society." Although there is some variation in the functional tasks identified by the different **management theorists (Barnard 1938; Dessler 1982; Drucker 1985; Stoner 1978; Davis et al. 1992)**, all assumed a core set of management functions applicable to all organizations.**These generic functions included: Defining mission and establishing purpose and goals, Leading and motivating, Strategizing and planning, Structuring, organizing, and designing, Controlling and establishing roles and authorities, Setting performance standards and value expectations, Staffing, developing, and managing human resources, Budgeting and allocating resources, Evaluating, learning, and improving, Managing external relations**.

MALCOLM BALDRIGE QUALITY AWARD

Interestingly, one of the most widely used tools for assessing organizational effectiveness, the Malcolm Baldrige Quality Award (1999), still reflects this basic, generic approach. The seven Baldrige performance criteria (leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process focus, and business results) capture the critical organization/management functions identified in the early literature, albeit in slightly different groupings.There was growing recognition that focusing on generic functions could mask the fact that there were, indeed, differing views and aspects of organizational effectiveness. Different functions and different attributes within each of the functions needed to be emphasized as organizations faced different internal and external challenges. **Quinn And Rohrbaugh (1983)** noted that different conceptualizations of organizational effectiveness

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were associated with four common organizational perspectives, which they categorized as: **(1)** The human relations model; **(2)** The open systems model; **(3)** The rational goal model (closed systems perspective); and **(4)** The internal process model (closed system perspective). Using multivariate analysis, they found three "value dimensions" that underlay these different and seemingly conflicting conceptualizations of organizational effectiveness:

☸ Organization structure, which distinguishes between organizational flexibility/adaptability and control/stability.

☸ Organizational focus, which distinguishes between an internal and an external orientation.

☸ The means-ends continuum, which distinguishes between an emphasis on outcome objectives or the means by which these objectives are to be achieved, such as processes and/or important causal attributes.

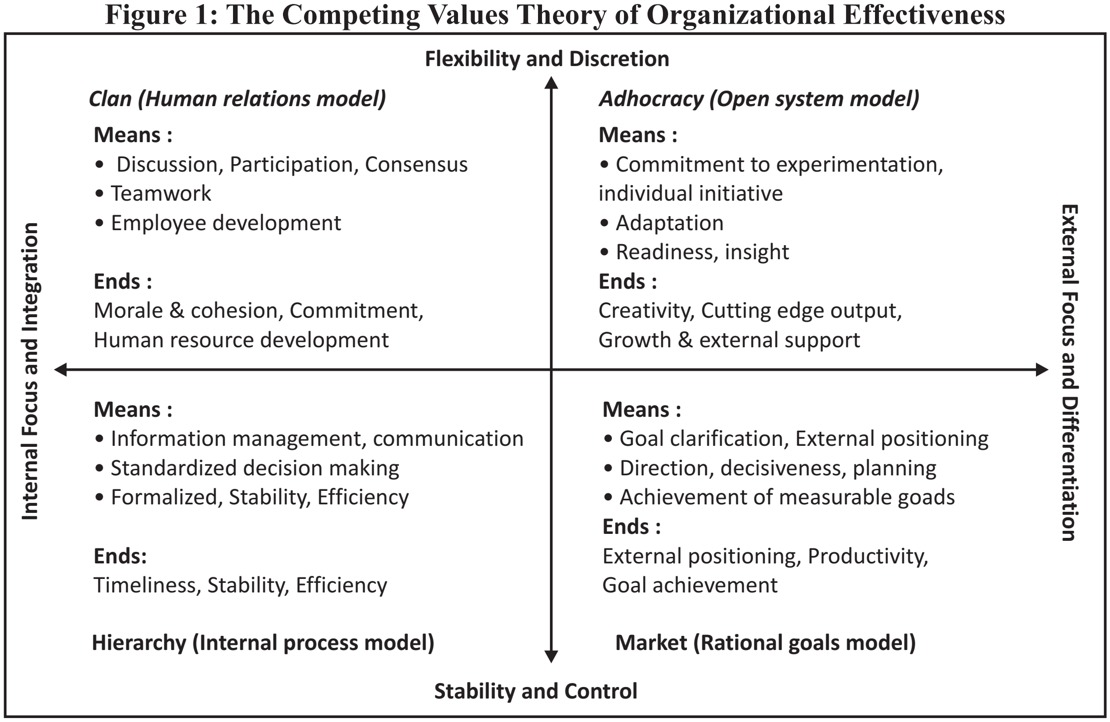
Rohrbaugh (1983), Quinn and Rohbaugh (1983), and Quinn (1988) noted that organizations were likely to experience tension among organizational effectiveness attributes for example, all organizations have a need for some level of stability as well as a need to be flexible and adaptable; a need for control and discipline as well as a need to allow some degree of freedom and autonomy; a need for rational formal structures and non-rational informal relations. They concluded that effectiveness depended upon the ability of an organization, and its managers, to strike the right balance among these critical attributes, as required by the organization's objectives and situation. This framework is illustrated in Figure 1. **Jordan et al. (1999)** applied this model to U.S. national laboratories in studying what scientists value in their work environments. **Thompson (1967)** employed an alternative strategy and attempted to reconcile these conflicting views of organizational effectiveness by distinguishing three organizational levels:

☸ **The Technical Level**, that part of the organization carrying on the productive function

☸ **The Managerial Level**, comprising of those activities relating to the control of the production function.

☸ **The Institutional Level**, consisting of those activities relating the organization to the larger community and institutional sectors.

Figure 1: The Competing Values Theory of Organizational Effectiveness



Source : Quinn (1988) and Rohrbaugh (1983)

Specifically, there are three organizational issues that, according to **Towers Perrin-ISR's research**, link to business effectiveness:

☸ **Organizational Alignment** both within the senior leadership team and among leadership, business strategy, and culture;

☸ **Leadership Capability**, which refers to the organization's overall capacity to lead; and

❁ **Engagement**, employees' connection to the organization through their heads, their hands, and their hearts.
These three dimensions, when considered in the proper context of the country or industry in which the organization operates, can be the key to achieve the next level of business performance.

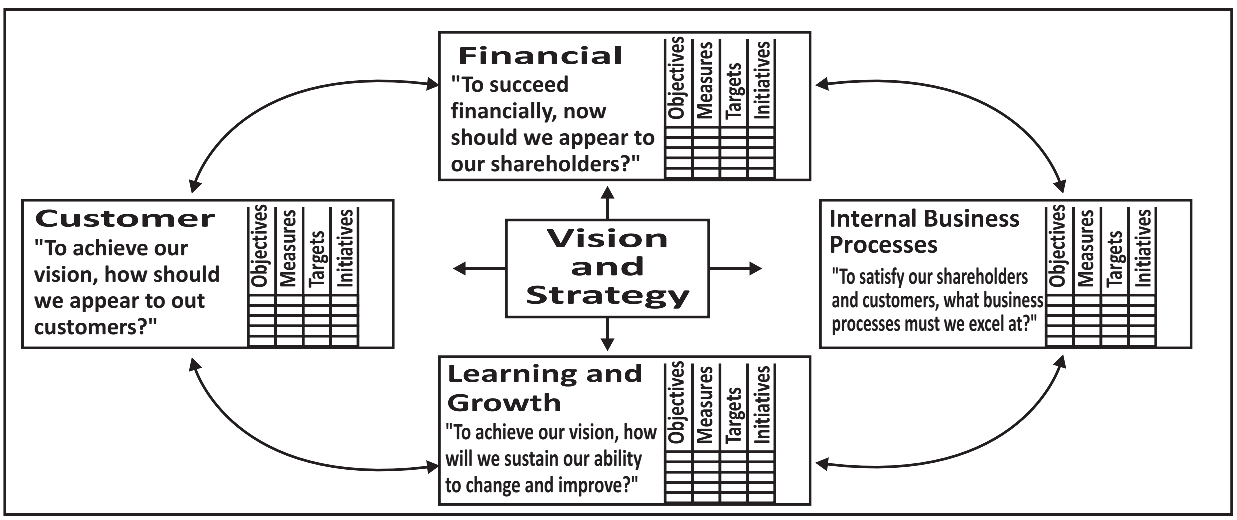
BALANCED SCORECARD AND ORGANIZATIONAL EFFECTIVENESS

One of the hot trends in management today is the balanced scorecard. Though empirical research and many success stories show that strategic measurement can work wonders, there are also many cases where scorecards simply did not work. The most balanced perspective is that these tools work well, when they are well implemented and can have strong impact on Organizational Effectiveness

❁ WHAT IS A BALANCED SCORECARD?

A new approach to strategic management was developed in the early 1990's by **Drs. Robert Kaplan (Harvard Business School) and David Norton**. They named this system the **'Balanced Scorecard'**. (Fig. 2) Recognizing some of the weaknesses and vagueness of previous management approaches, the balanced scorecard approach provides a clear prescription as to what companies should measure in order to 'balance' the financial perspective. A balanced scorecard is a central list of numbers, which show each key part of an organization's success, such as financials, people, operations, suppliers, customers, and support systems. The numbers should measure not just important outcomes, but also the factors, which influence, or drive, those outcomes.**The balanced scorecard is a *management system* (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise.**

Figure 2: Balanced Scorecard (Drs. Robert Kaplan (Harvard Business School) and David Norton)



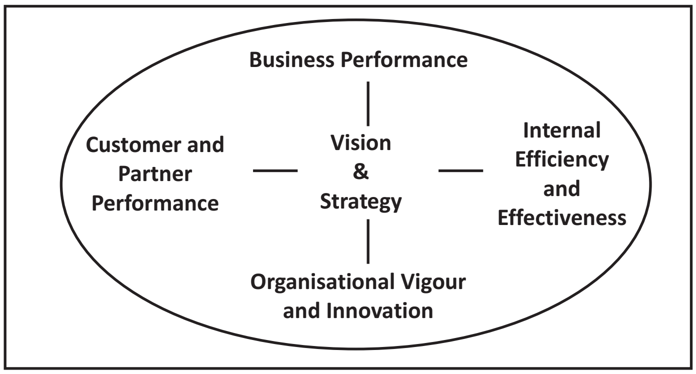
The balanced scorecard suggests that we view the organization from **Four** perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives:
❁ The Learning and Growth Perspective.
❁ The Business Process Perspective.
❁ The Customer Perspective .
❁ The Financial Perspective (Shown in Fig.1).
The basic philosophy of the balanced scorecard is that people will focus on what you measure. Thus, the balanced scorecard does its magic by focusing the organization on the issues which the leadership team decides are key to its success. It does this more through the process of implementing the scorecard than through the actual paper or numbers - so a human solution is the key. Simply buying expensive software won't provide the full benefit.

There are other benefits - stronger communication (through the cascading and measurement tracking processes), warning of strengths and opportunities ahead (from watching key indicators), less "information overload" (from focusing only on the most important measures), and greater alignment (from agreement on key objectives), to name a few.

FEEDBACK LOOP (PRINCIPLE RESEARCHERS KAPLAN AND NORTON)

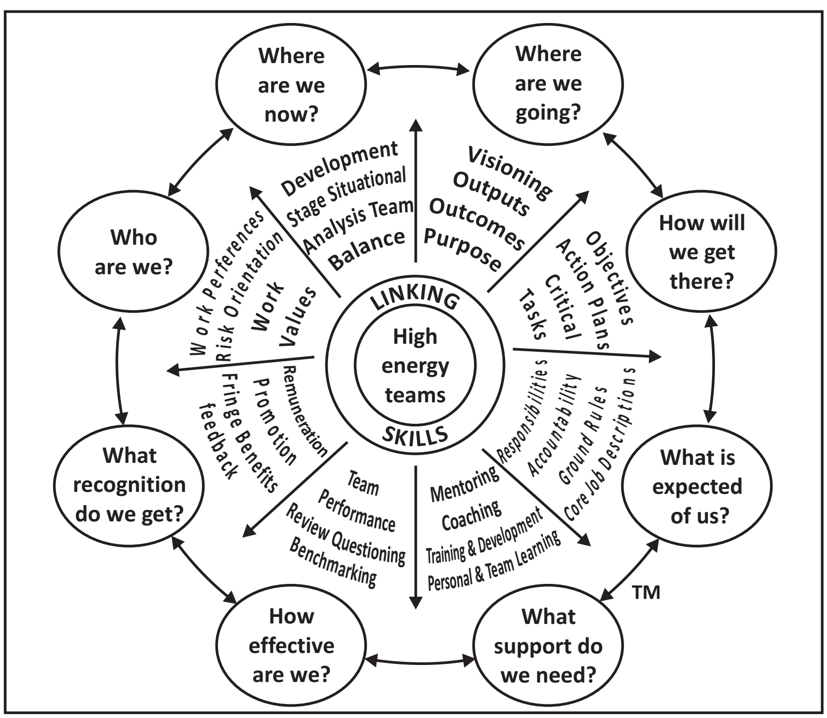
In the area of setting and monitoring targets for senior management teams, Kaplan and Norton suggested that what was needed to measure performance was a structured methodology for continually linking an organization's Vision, Strategies & Objectives with a set of predefined, quantifiable measurements. In a means-end chain the performance of each team (and each individual member) needs to accumulate into the goal achievement for the organisation. Taken to its natural conclusion, each team needs to consider targets and feedback methods in the areas covered in the Figure 3 below.

Figure 3: The Balanced Scorecard Feedback Loop



It is only by covering what Kaplan and Norton call the balanced scorecard that teams can ensure that they are stretched in all the key areas. Such a notion helps a team cover the right breadth and depth, plus it enables them to regularly check progress thereby strengthening the link between planned versus actual performance, and team member expectations of performance.

Figure 4: The High-Energy Team Model (Dick McCann)



HIGH ENERGY TEAMS (PRINCIPLE RESEARCHER DICK MCCANN)

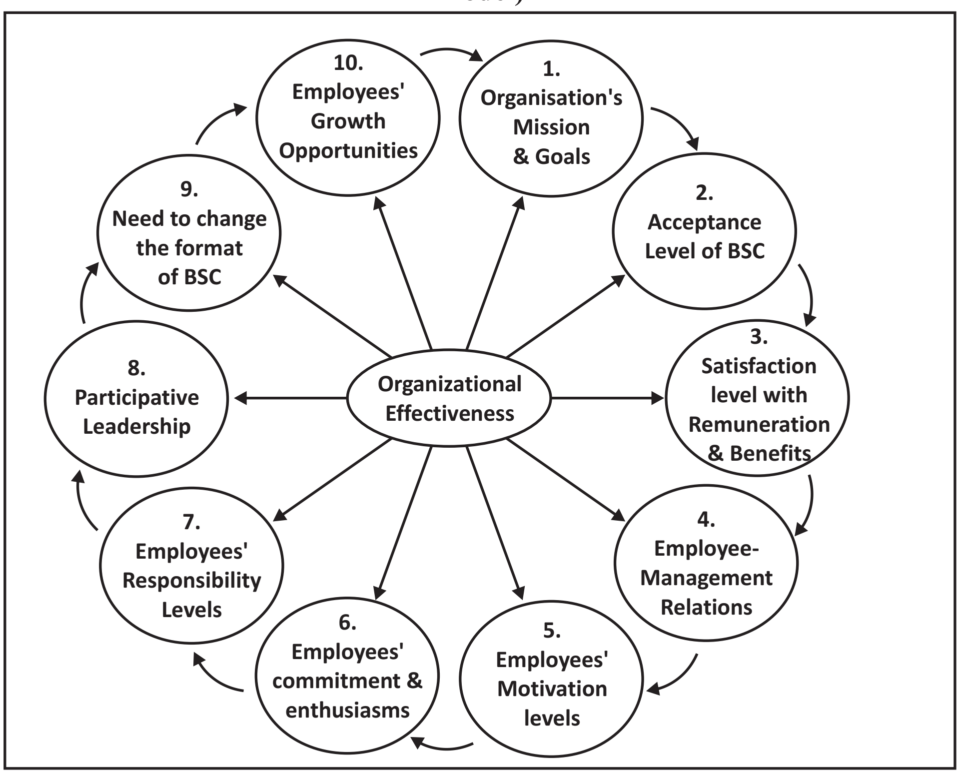
Dick McCann in his research has uncovered a powerful development process or sequence for teams to go through that effectively will 'stretch' them because it energizes them. In practice, the sequence can be varied to fit a series of modular team development workshops. Where to focus the team's development can also be diagnosed via the Strategic Team Development Profile.The key idea is that a team should ask itself eight fundamental questions about itself. By asking these questions and agreeing answers to them, the team will develop a 'stretched' position. Even if only some of the more important questions (to that team) are used as workshop agendas, then the desired effect will derive. So High-Energy Teams are created when the following model sequence is applied**: (Fig. 4)**

This model focuses on the questions like - Who are we?,Where are we now?, Where are we going? , How will we get there?, What is expected of us? ,What support do we need? ,How effective are we? ,What recognition do we get?, The processes that ensure all eight questions are integrated and coordinated are known as 'Linking'. Team members and particularly the team leader need to be effective at a whole range of Linking Skills. This model can be highly effective to attain Organizational Effectiveness, if adopted with the underlying principle of **Balanced Scorecard (Feedback Loop).**

RESEARCH MODEL

The Balanced Scorecard (Feedback Loop) by Kaplan & Norton and the High-Energy Team Model by Dick McCann have been taken as the Research Model base for creating a new Model named Organisational Effectiveness Model Makkar & Kumar (Fig.5) for Bharat Sanchar Nigam Ltd. (BSNL). This model attempts to link Balanced Scorecard and Organizational Effectiveness.

Figure: 5 Organizational Effectiveness Model (Makkar & Kumar)
(Based on the Balanced Scorecard (Feedback Loop) by Kaplan & Norton and the High-Energy Team Model)



METHODOLOGY

The study is based on primary data collection with a sample size of 108 respondents working in Bharat Sanchar Nigam Ltd. (BSNL) in National Capital Region of New Delhi, India. The questionnaire has been developed using

Organizational Effectiveness Model by Makkar & Kumar (Fig. 5) The questionnaire used for the sample survey was a structured and non-disguised questionnaire and consisted of two major sections. **The first section intended to capture the opinion regarding balanced business scorecard, the second section captured the employee satisfaction; the employee motivation, employee commitment as well as organizational commitment**. A five point Likert scale was used to capture the employees' responses ranging from strongly agree to strongly disagree. The different statements regarding opinion of balanced business scorecard and its effect on individual as well as organizational performance were generated based on literature review as well as expert opinion in an iterative manner. It could be therefore said that the itemized scale in this case actually asks the respondents to rank their opinions in a decreasing order of importance. Data analysis was done using SPSS software. The statistical analysis method employed was Factor Analysis.

DATA COLLECTION

The study entailed data collection with the help of a well designed, structured questionnaire from middle level managers working for many years in BSNL. Data was collected by personally contacting the respondents and explaining in detail about the survey. A total of 120 customers from different areas were contacted and 108 correctly completed questionnaires were obtained from all the employees, the break-up of which is given in **Table 1.**

Table 1: Descriptive Profile of Respondents (n=108)

Age	18-25	0%
	26-35	2%
	36-45	68%
	46-55	28%
	>56	2%
Gender	Male	99%
	Female	1%

DATA ANALYSIS

❁**Factor Analysis For Impact Of Balanced Business Scorecard (BSC) On The Middle Level Employees At BSNL:** Factor analysis was performed to identify the key dimensions regarding Organizational Effectiveness affected by the implementation of **Balanced Business Scorecard (BSC)** amongst the middle level employees at BSNL. The respondent-ratings were subject to principal axis factoring with varimax rotation to reduce potential multi-collinearity among the items and to improve reliability on the data [see Table 4: Cumulative Frequency]. Varimax rotation (with Kaiser Normalization was converged in ten iterations. Thirty seven items were reduced to ten orthogonal factor dimensions which explained 61.712% of the overall variance [Table 5: Factor Matrix] indicating that the variance of original values was well captured by these ten factors. The ten factors and their components is given in [Table 6-Rotated Component Matrix].

RELIABILITY OF DATA

❁**Kaiser-Meyer-Olkin :** Measure of sampling adequate is 0.601.Index for comparing the magnitudes of the observed co-relation coefficient to the magnitude of the partial correlation coefficients. Large value for the KMO measure indicates factor analysis of the variables. KMO >= 0.5 is acceptable.

❁**Bartlett's Test Of Sphericity :** Strength of relationship among variables is strong. It presents good idea to proceed a factor analysis for the data.

H_o: Variables in the population correlation matrix are uncorrelated.

H_1: Variables in the population correlation matrix are correlated.

Approx. Chi-square : 1336.979
Degree of Freedom : 666
Significance : 0.0000

The observed significance level is 0.0000. It is small enough to reject the hypothesis.Therefore, $\mathbf{H_1}$ is accepted i.e. variables in the population correlation matrix are correlated.

COMMUNALITY- COMMON FACTOR VARIANCE

Communality of each statement refers to the variance being shared or common by other statements. With reference to

Table 2: Communalities : Extraction Method: Principal Component Analysis

	Initial	Extraction
The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition.	1.000	.671
I own the targets given to me under BSC and can relate to them.	1.000	.650
I was consulted by my supervisors before finalization of my targets under BSC.	1.000	.744
I consult my subordinates before finalization of their targets under BSC.	1.000	.754
I accept the targets given to me under BSC.	1.000	.568
I feel quality of present BSC is good enough.	1.000	.674
If given opportunity, I would like to change BSC thoroughly.	1.000	.720
BSC is just another MIS statement.	1.000	.500
BSC is a tool to implement BSNL strategies.	1.000	.714
Achievements of BSC will help in my personal growth.	1.000	.656
Overall, how do you feel about the benefits you receive from this company?	1.000	.613
Personnel policies in this company usually make sense to me.	1.000	.672
I find it difficult to understand this organisation's benefit programme.	1.000	.707
From what I hear, our benefits are as good as or better than the benefits in other organisations.	1.000	.800
From what I hear, our pay is as good as or better than other organisations.	1.000	.884
Compared with other people working here, I think I am paid fairly.	1.000	.703
I am satisfied with the priorities & directions of my department.	1.000	.634
The decisions company management makes concerning employees are usually fair.	1.000	.505
There is sufficient contact between management and employees in this organisation.	1.000	.698
Company management provides a clear sense of direction.	1.000	.688
Management is generally respected by employees.	1.000	.614
In my opinion, employees new to my department are given a clear understanding of what is expected of them.	1.000	.675
There is adequate opportunity for employees to learn about available job openings.	1.000	.725
In my opinion, the company does a good job of promoting the most competent people.	1.000	.738
I am motivated to stay at the BSNL because of benefits package.	1.000	.622
My supervisor makes me feel like an important team member.	1.000	.826
I am encouraged to think independently.	1.000	.746
I am responsible for setting my own goals.	1.000	.617
I have a better idea of my job responsibilities after implementation of BSC.	1.000	.722
I am confident I can achieve my personal career objectives with this company.	1.000	.699
Managers in this organization are held accountable for their performance.	1.000	.646
I am made to feel like a part of the management team.	1.000	.761
I feel I have been sufficiently well trained to deal effectively with our clients/customers.	1.000	.690
The longer you work for this company, the more you feel a part of the Organization.	1.000	.588
I am doing something I consider really worthwhile in my job.	1.000	.697
I can see myself having a future in my present job.	1.000	.770
BSNL is a family friendly place to work.	1.000	.608

the first statement, the extraction is 0.671 which indicates that 67.1% of the variance is being shared or common to other statements (Refer to **Table 2**).

Table 3 : Total Variance Explained

Statement	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition.	5.048	13.645	13.645	5.048	13.645	13.645	3.115	8.419	8.419
I own the targets given to me under BSC and can relate to them.	3.71	10.028	23.673	3.71	10.028	23.673	2.861	7.732	16.151
I was consulted by my supervisor before finalization of my targets under BSC.	2.971	8.029	31.701	2.971	8.029	31.701	2.851	7.675	24.407
I consult my subordinates before finalization of their targets under BSC.	2.012	5.439	37.14	2.012	5.439	37.14	2.67	7.214	31.721
I accept the targets given to me under BSC.	1.973	5.333	42.473	1.973	5.333	42.473	1.968	5.318	37.039
I feel quality of present BSC is good enough.	1.822	4.924	47.397	1.822	4.924	47.397	1.895	5.105	42.144
If given opportunity, I would like to change BSC thoroughly.	1.541	4.165	51.562	1.541	4.165	51.562	1.883	5.086	47.23
BSC is just another MIS statement.	1.434	3.875	55.437	1.434	3.875	55.437	1.872	5.059	52.289
BSC is a tool to implement BSNL strategies.	1.405	3.796	59.233	1.405	3.796	59.233	1.753	4.866	57.155
Achievements of BSC will help in my personal growth.	1.234	2.479	61.712	1.234	2.479	61.712	1.688	4.557	61.712
Overall, how do you feel about the benefits you receive from this company?	0.993	2.379	65.583						
Personnel policies in this company usually make sense to me.	0.988	2.321	68.374						
I find it difficult to understand this organisation's benefit programme.	0.977	2.243	71.014						
From what I hear, our benefits are as good as or better than the benefits in other organisations.	0.935	2.231	73.54						
From what I hear, our pay is as good as or better than other organisations	0.869	2.228	75.889						
Compared with other people working here, I think I am paid fairly.	0.795	2.148	78.036						
I am satisfied with the priorities & directions of my department.	0.778	2.102	80.138						

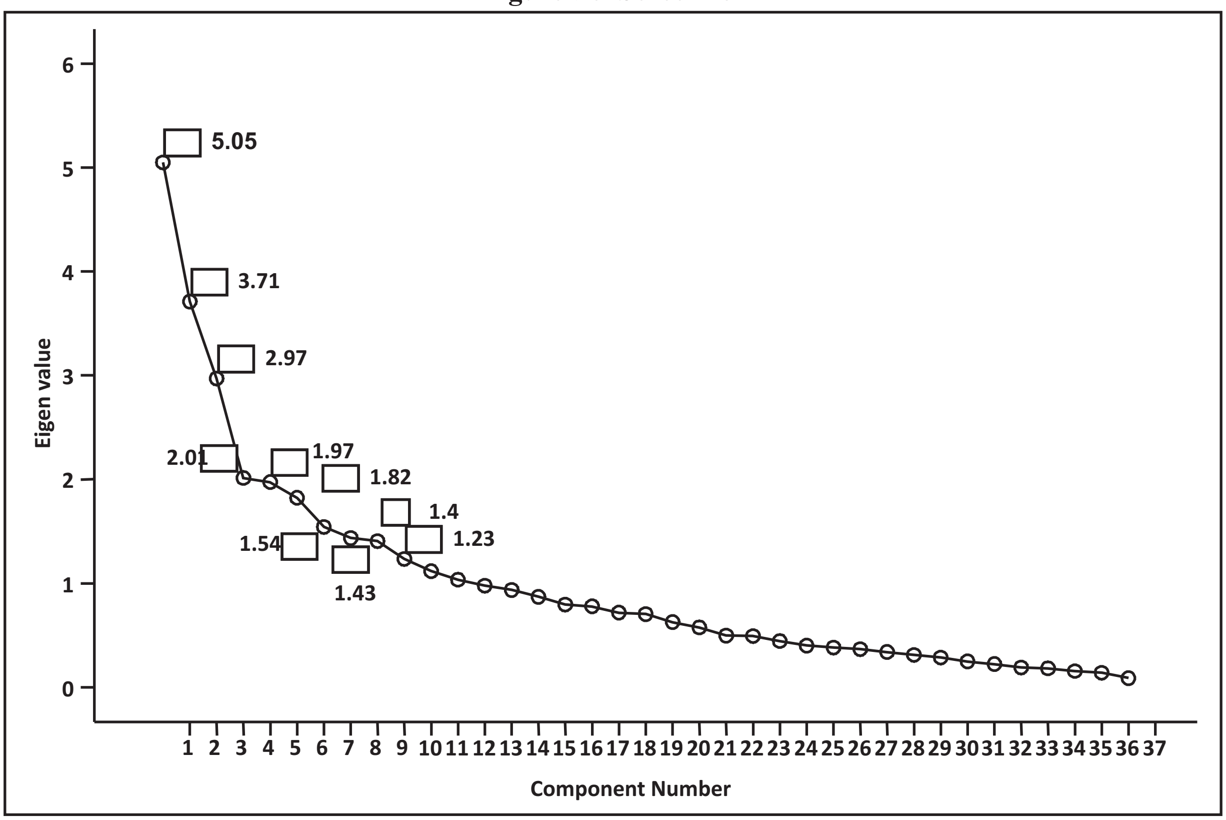
The decisions company management makes concerning employees are usually fair.	0.717	1.937	82.076						
There is sufficient contact between management and employees in this organisation.	0.703	1.901	83.977						
Company management provides a clear sense of direction.	0.626	1.692	85.669						
Management is generally respected by employees.	0.575	1.553	87.222						
In my opinion, employees new to my department are given a clear understanding of what is expected of them.	0.496	1.34	88.563						
There is adequate opportunity for employees to learn about available job openings.	0.492	1.33	89.893						
In my opinion, the company does a good job of promoting the most competent people.	0.443	1.198	91.09						
I am motivated to stay at the BSNL because of benefits package.	0.4	1.08	92.171						
My supervisor makes me feel like an important team member.	0.381	1.029	93.2						
I am encouraged to think independently.	0.366	0.99	94.19						
I am responsible for setting my own goals	0.338	0.913	95.104						
I have a better idea of my job responsibilities after implementation of BSC.	0.309	0.836	95.939						
I am confident I can achieve my personal career objectives with this company.	0.285	0.77	96.71						
Managers in this organization are held accountable for their performance.	0.248	0.67	97.38						
I am made to feel like a part of the management team.	0.221	0.598	97.978						
I feel I have been sufficiently well trained to deal effectively with our clients/customers.	0.189	0.512	98.49						
The longer you work for this company, the more you feel a part of the Organization.	0.18	0.487	98.977						
I am doing something I consider really worthwhile in my job.	0.154	0.416	99.393						
I can see myself having a future in my present job.	0.138	0.373	99.766						
BSNL is a family friendly place to work.	0.087	0.234	100						

❁**Eigen Value**: Indicates the amount of variance in the original variables accounted by each components. The total initial variance in the components will be 37. The extracted 10 components are contributing 61.712 % of cumulative variance [Refer to **Table 3: Total Variance Explained]**.

Table 4: Cumulative Frequency

Component		Cumulative Frequency
Component 1	Explain a variance of 3.115, which is 8.419 % of the total variance of 37	8.419%
Component 2	Explain a variance of 2.861, which is 7.732 % of the total variance of 37	16.151%
Component 3	Explain a variance of 2.851, which is 7.675% of the total variance of 37	24.407%
Component 4	Explain a variance of 2.670, which is 7.214% of the total variance of 37	31.721%
Component 5	Explain a variance of 1.968, which is 5.318% of the total variance of 37	37.039%
Component 6	Explain a variance of 1.895, which is 5.105% of the total variance of 37	42.144%
Component 7	Explain a variance of 1.883, which is 5.086% of the total variance of 37	47.230%
Component 8	Explain a variance of 1.872, which is 5.059% of the total variance of 37	52.289%
Component 9	Explain a variance of 1.753, which is 4.866% of the total variance of 37	57.155%
Component 10	Explain a variance of 1.688, which is 4.557% of the total variance of 37	61.712%

Figure : 6 Scree Plot



❁**Factor Matrix:** This Table reports the factor loadings for each variable on the unrotated components or factors. (Refer to Table 5: Factor Matrix).

Extraction Method: Principal Component Analysis & 10 components are extracted. Each number represents the correlation between the item and the unrotated factor. This correlation helps to formulate an interpretation of the factors or components. This is done by looking for a common thread among the variables that have large loadings for a

Table 5 : Factor Matrix

	Component									
	1	2	3	4	5	6	7	8	9	10
The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition.	0.3974549	0.2617938	0.5661528			0.1644398		0.1508605		
I own the targets given to me under BSC and can relate to them.	0.1781254	0.2988832	0.5452237	0.122021		0.2747753	-0.1727827	0.2253922	-0.1435755	
I was consulted by my supervisors before finalization of my targets under BSC.		0.2905208	0.3237811		0.4520786	-0.1887317	-0.2789689	0.1567835	0.4503306	
I consult my subordinates before finalization of their targets under BSC.	0.1484953	0.1114254	0.2248877		0.6518097		0.1594104		0.4126834	-0.1961366
I accept the targets given to me under BSC.	0.1677073	0.2290415	0.6257263				-0.1091875		0.1129915	
I feel quality of present BSC is good enough.	0.2587462		0.5931766		-0.2442846					
If given opportunity, I would like to change BSC thoroughly.	-0.1769155		-0.1415651	-0.2114878	0.3704372	0.4537372	0.2679676	-0.1030133	0.1318712	0.3877428
BSC is just another MIS statement.	-0.2009358	0.2445378	-0.2653012	-0.2177655	0.2607307		0.1433152	-0.1299177	0.1642234	0.2911445
BSC is a tool to implement BSNL strategies.	0.2264887	0.1052475	0.6172178	0.1004438	-0.1366066		0.1668805			0.1820663
Achievements of BSC will help in my personal growth.	0.1822108	0.1620289	0.4828978	0.1580647	-0.2590179	0.2457149	0.1691311	-0.2656963	-0.1147696	0.2667229
Overall, how do you feel about the benefits you receive from this company?	0.4308796	0.1243477		-0.2265071	-0.3915574			-0.2458676	0.2476752	
Personnel policies in this company usually make sense to me.	0.2676079			0.1510188	-0.1019114	-0.5457015		-0.3632993	0.161037	0.2154052
I find it difficult to understand this organisation's benefit programme.			-0.1048931	0.1207872	0.1569435		-0.3666261	0.5583238	-0.2519281	0.2845912
From what I hear, our benefits are as good as or better than the benefits in other organisations.	0.5267152	0.1442488		-0.5884453		-0.1304407		0.2717127		0.1585789
From what I hear, our pay is as good as or better than other organisations.	0.6363399	0.1252346	-0.1197974	-0.6136097				0.1413162	-0.1543082	0.1270745
Compared with other people working here, I think I am paid fairly.	0.5422419	0.1141436	-0.1166197	-0.3441462						
I am satisfied with the priorities & directions of my department.	0.6371606	0.1099052		0.1364627		0.1995297	0.2124452			-0.2460679
The decisions company management makes concerning employees are usually fair.	-0.2713064	0.4689985				-0.312728		-0.1085092	-0.2759783	
There is sufficient contact between management and employees in this organisation.	-0.2825116	0.577526			0.2650778	-0.2591841		-0.1434876	-0.2520816	-0.2049896

Company management provides a clear sense of direction.	-0.1328538	0.6811755		-0.119577	0.2731364		0.1170041	-0.2297373	-0.1945466	
Management is generally respected by employees.	-0.1180048	0.5080422			0.2241534	-0.1239643	-0.1922044	-0.1933133	-0.3574424	
In my opinion, employees new to my department are given a clear understanding of what is expected of them.	-0.1993924	0.6694464	-0.2144815	-0.1481564		0.2485482		-0.1341084		
There is adequate opportunity for employees to learn about available job openings.	-0.3298728	0.5032757	-0.167729		-0.1485969	0.3322646	-0.2619616	0.1010717	0.2760343	-0.156532
In my opinion, the company does a good job of promoting the most competent people.	-0.2096466	0.4405566	-0.1369436	0.3165153		0.1533623	0.1956404	0.1629669		0.2645185
I am motivated to stay at the BSNL because of benefits package	-0.2023776	0.4450602	-0.1702041	0.1694246	-0.1924816				0.2477771	0.428344
My supervisor makes me feel like an important team member	-0.3549649	0.3368381		-0.3870693	-0.3622521	-0.2772853		0.2191898	0.1724296	-0.1108993
I am encouraged to think independently	-0.3112376	0.5366522			-0.4750129	-0.151996		0.1650242	0.1814871	-0.1058815
I am responsible for setting my own goals	-0.2289507	0.3965301			-0.2116979	0.3622266	0.220803	0.2903793		-0.2330535
I have a better idea of my job responsibilities after implementation of BSC.	0.2568777	0.1037043		0.4710575		-0.2601595	0.4163188	0.2024503	0.2665487	
I am confident I can achieve my personal career objectives with this company.	0.4544285		-0.4861422	0.3491349					-0.1606808	
Managers in this organization are held accountable for their performance.	0.4816017	0.2324841			0.2185445	-0.3871982		0.2883851		0.1218387
I am made to feel like a part of the management team.	0.4541206				0.1645227		0.5865879	0.2720973	-0.1214026	-0.1651534
I feel I have been sufficiently well trained to deal effectively with our clients/customers	0.5062038	0.2541651	-0.1318132	-0.1883188		0.2624655		-0.1433711	0.12643	-0.3910459
The longer you work for this company, the more you feel a part of the Organization.	0.5645091	0.2206653		0.3002435			-0.2679851		-0.1642032	
I am doing something I consider really worthwhile in my job.	0.6623074		-0.2019263		0.120947	0.3305608		-0.2274754		
I can see myself having a future in my present job	0.5898773	0.1706331	-0.4306712	0.2845336			-0.1725072			
BSNL is a family friendly place to work	0.421882	0.2706558	-0.2438247	0.1335259			-0.4121923		0.2696783	
Extraction Method: Principal Component Analysis										
a	10 components extracted.									

Table 6 : Rotated Component Matrix

	Component									
	1	2	3	4	5	6	7	8	9	10
The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition		0.634849	0.245422				-0.18234	0.25405	-0.24137	0.183297
I own the targets given to me under BSC and can relate to them		0.603724			0.290632		-0.21167	0.172373	-0.1886	
I was consulted by my supervisors before finalization of my targets under BSC		0.14587		0.108358				0.810039		
I consult my subordinates before finalization of their targets under BSC						0.262479	-0.16769	0.768339	0.161083	
I accept the targets given to me under BSC		0.610592		0.106742	-0.13038	-0.11171	0.161624	0.32372		-0.10336
I feel quality of present BSC is good enough	-0.14866	0.624877	0.12535		0.180906				-0.11951	-0.31315
If given opportunity, I would like to change BSC thoroughly							-0.11167		0.79939	
BSC is just another MIS statement		-0.20431		0.19032	0.114336			0.112438	0.591622	
BSC is a tool to implement BSNL strategies		0.742326			-0.28279	0.116448	0.18725			
Achievements of BSC will help in my personal growth		0.732082						-0.22914	0.148627	
Overall, how do you feel about the benefits you receive from this company?	0.150641	0.122689	0.484965	-0.1319	0.148165					
Personnel policies in this company usually make sense to me	0.181349	0.725686		0.121964	-0.2873					
I find it difficult to understand this organisation's benefit programme.										
From what I hear, our benefits are as good as or better than the benefits in other organisations.	0.142662		0.78393			0.134928	0.202218		0.137478	-0.20681
From what I hear, our pay is as good as or better than other organisations	0.185174		0.880598		-0.10197	0.121354				-0.16776
Compared with other people working here, I think I am paid fairly.	0.163494		0.728311				-0.23264		-0.14269	0.178919
I am satisfied with the priorities & directions of my department	0.395981	0.190032	0.235011		0.235885	0.374727	-0.29564		-0.10695	-0.12701
The decisions company management makes concerning employees are usually fair.	-0.12509			0.623372			0.111772		-0.13552	0.153483
There is sufficient contact between management and employees in this organisation.	-0.16818			0.785407				0.158009		

Company management provides a clear sense of direction.				0.731888				0.115611	0.217917	0.192683
Management is generally respected by employees.	0.178636		-0.10114	0.723736						-0.11193
In my opinion, employees new to my department are given a clear understanding of what is expected of them.				0.491597	0.483911		0.108098		0.363924	0.153774
There is adequate opportunity for employees to learn about available job openings.	0.132371		-0.15893	0.145208	0.689071	-0.28461	0.211681	0.13665		0.165681
In my opinion, the company does a good job of promoting the most competent people.			-0.10052	0.207653	0.129372	0.102814				0.778802
I am motivated to stay at the BSNL because of benefits package				0.105211	0.154625		0.215271		0.207796	0.630384
My supervisor makes me feel like an important team member	-0.15388		0.108851	0.138242	0.116253		0.856753			
I am encouraged to think independently		0.104943		0.208528	0.376204		0.682393			0.201938
I am responsible for setting my own goals				0.128181	0.67868	0.203732	0.163174	-0.12676		
I have a better idea of my job responsibilities after implementation of BSC.			-0.10146	-0.11883	0.128465	0.641535		0.14873	-0.13342	0.237053
I am confident I can achieve my personal career objectives with this company.	0.608497	-0.15325				0.375509		-0.24465		
Managers in this organization are held accountable for their performance.	0.19366		0.423256	0.115527	-0.23304	0.375411		0.282644	-0.18308	0.275103
I am made to feel like a part of the management team.	0.151112		0.184473			0.808312				
I feel I have been sufficiently well trained to deal effectively with our clients/customers	0.478941		0.362672		0.20657		-0.10438	0.187276		
The longer you work for this company, the more you feel a part of the Organization.	0.610843	0.156695	0.128288	0.178182	-0.13246		-0.21606		-0.24001	
I am doing something I consider really worthwhile in my job.	0.656462	0.119804	0.234953	-0.11604		0.11155	-0.24126		0.212194	
I can see myself having a future in my present job	0.839436					0.165437				
BSNL is a family friendly place to work	0.675681		0.134478		0.152254	-0.15691		0.163069		

particular factor or component. It is possible to see items with large loadings on several of the unrotated factors, which makes interpretation difficult. In these cases, it can be helpful to examine a rotated solution **[Refer to Table 6: Rotated Component Matrix].**

Extraction Method: Principal Component Analysis Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 10 iterations.

Table 7: Naming the Factors

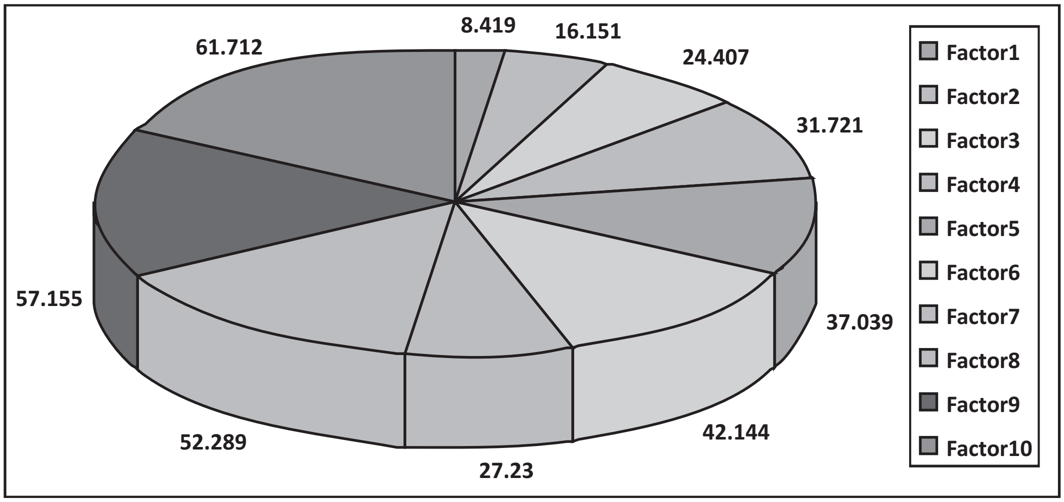
Factor 1: Organisation's Mission & Goals • I am satisfied with the priorities & directions of my department • I am made to feel like a part of the management team. • I am doing something I consider really worthwhile in my job. • I can see myself having a future in my present job • BSNL is a family friendly place to work
Factor 2: Acceptance level of BSC • The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition • I own the targets given to me under BSC and can relate to them • I accept the targets given to me under BSC • I feel quality of present BSC is good enough • BSC is a tool to implement BSNL strategies • Achievements of BSC will help in my personal growth
Factor 3: Satisfaction level with Remuneration & Benefits • From what I hear, our benefits are as good as or better than the benefits in other organisations. • From what I hear, our pay is as good as or better than other organizations • Compared with other people working here, I think I am paid fairly. • I feel I have been sufficiently well trained to deal effectively with our clients/customers • Personnel policies in this company usually make sense to me • Overall, how do you feel about the benefits you receive from this company
Factor 4: Employee- Management Relations • The decisions company management makes concerning employees are usually fair. • There is sufficient contact between management and employees in this organisation. • Company management provides a clear sense of direction. • Management is generally respected by employees. • In my opinion, employees new to my department are given a clear understanding of what is expected of them.
Factor 5: Employees' Motivation Levels • There is adequate opportunity for employees to learn about available job openings. • I am motivated to stay at BSNL because of benefits package • I am confident I can achieve my personal career objectives with this company.
Factor 6: Employees' Commitment & Enthusiasm • Managers in this organization are held accountable for their performance. • The longer you work for this company, the more you feel to be a part of the Organization.
Factor 7: Employees' Responsibility Levels • I am responsible for setting my own goals • I have a better idea of my job responsibilities after implementation of BSC.
Factor 8: Participative Leadership • I was consulted by my supervisors before finalization of my targets under BSC • I consult my subordinates before finalization of their targets under BSC
Factor 9: Need to change the format of BSC • If given opportunity, I would like to change BSC thoroughly • BSC is just another MIS statement
Factor 10: Employees' Growth Opportunities • In my opinion, the company does a good job of promoting the most competent people. • My supervisor makes me feel like an important team member • I am encouraged to think independently

Table 8 : Component Score Coefficient Matrix

	Component									
	1	2	3	4	5	6	7	8	9	10
The targets given in Balanced Business Scorecard (BSC) help BSNL meet competition	-0.0486534	0.1815318	0.0955192	-0.0426134	0.0640299	-0.0445721	-0.1132701	0.0905329	-0.131247	0.1751489
I own the targets given to me under BSC and can relate to them	-0.0529907	0.1884217	0.0516652	0.0133008	0.1840105	-0.0485708	-0.1633703	0.0406161	-0.1029689	0.0288629
I was consulted by my supervisors before finalization of my targets under BSC	0.034367	-0.000795	-0.0316646	-0.0378821	0.0019062	-0.0703164	0.0699235	0.4502453	0.0282622	-0.0233026
I consult my subordinates before finalization of their targets under BSC	-0.0319076	-0.053948	-0.0606408	-0.0150612	0.037466	0.149363	-0.0580193	0.4291419	0.0888096	-0.0688031
I accept the targets given to me under BSC	0.0570136	0.2124704	-0.0396579	0.0209202	-0.1127488	-0.0758568	0.1503679	0.1274086	0.0248806	-0.0672295
I feel quality of present BSC is good enough	-0.1149894	0.2099289	0.0272628	-0.0062822	0.1824051	0.0583652	-0.0620985	-0.0389147	0.0064978	-0.2244708
If given opportunity, I would like to change BSC thoroughly	-0.0002277	0.0696421	-0.0019998	-0.0759863	-0.0396999	0.0148731	-0.0436279	0.0143013	0.5086925	0.0568238
BSC is just another MIS statement	-0.0494248	-0.0432803	0.051674	0.0265554	0.0319252	-0.0017827	-0.0500438	0.0609956	0.3623413	0.0044687
BSC is a tool to implement BSNL strategies	0.0740402	0.3075774	-0.0877684	-0.0327524	-0.2393127	0.0559641	0.2129032	-0.0562125	0.0707873	0.0878899
Achievements of BSC will help in my personal growth	0.0352095	0.3192991	-0.0905087	0.010119	-0.0372932	0.0014671	-0.0214451	-0.1979073	0.1849011	0.0112383
Overall, how do you feel about the benefits you receive from this company?	-0.046493	0.008056	0.1347346	-0.0677469	0.1289528	-0.0455548	-0.0098722	-0.0319248	0.0222391	-0.0201084
Personnel policies in this company usually make sense to me	0.0291301	-0.0026465	-0.0382778	0.0724558	-0.1424785	-0.0528068	-0.0151583	0.026553	0.0340696	-0.0212303
I find it difficult to understand this organisation's benefit programme.	0.0337136	0.0126628	0.0577531	-0.0252006	0.0586932	-0.0147814	-0.0323538	0.0039493	0.0210923	-0.0139273
From what I hear, our benefits are as good as or better than the benefits in other organisations.	-0.033262	0.0142974	0.3005998	-0.0152736	-0.0343351	0.0455411	0.1650169	0.0008649	0.1205167	-0.1129803
From what I hear, our pay is as good as or better than other organisations	-0.0496052	-0.0015633	0.3453393	0.0193012	-0.0458984	0.0141946	0.0697138	-0.0616039	0.0786447	-0.0579436
Compared with other people working here, I think I am paid fairly.	-0.0952416	-0.0595018	0.3393107	-0.0065555	0.0306514	-0.143278	-0.190777	-0.0444572	-0.1285541	0.2258309
I am satisfied with the priorities & directions of my department	0.0453476	0.0244269	0.0085781	0.0103448	0.2004499	0.1603183	-0.1500898	-0.0503321	-0.0531582	-0.0972867
The decisions company management makes concerning employees are usually fair.	-0.067705	-0.0373931	0.0310238	0.2642167	-0.0146646	-0.0040597	-0.0494975	-0.0809409	-0.124934	0.0235508
There is sufficient contact between management and employees in this organisation.	-0.0743962	-0.0392039	0.0054804	0.3339389	-0.0235901	0.0665613	-0.0581631	0.031475	-0.0847577	-0.0488311

Company management provides a clear sense of direction.	0.0030652	0.0259746	0.0386994	0.2843633	-0.0807347	0.0056262	-0.0255986	-0.0047231	0.0886994	0.0460005
Management is generally respected by employees.	0.1147451	0.0233241	-0.0807751	0.336238	-0.0517483	-0.0299612	-0.0233919	-0.0547826	0.0150441	-0.201013
In my opinion, employees new to my department are given a clear understanding of what is expected of them.	0.0160136	0.0128235	0.0469392	0.1421107	0.1918331	-0.032465	-0.040874	-0.0658004	0.1805255	-0.0198243
There is adequate opportunity for employees to learn about available job openings.	0.0900926	-0.0416771	-0.0537472	-0.0535636	0.3484025	-0.1377447	0.0372643	0.114906	-0.0175971	-0.0069281
In my opinion, the company does a good job of promoting the most competent people.	-0.0119807	0.0297999	0.0177475	-0.0072758	-0.0530686	0.0482795	-0.0494129	-0.0550277	-0.017271	0.5146985
I am motivated to stay at the BSNL because of benefits package	0.0038526	0.0349067	0.0135825	-0.0771634	-0.0176272	-0.0662575	0.0458118	-0.0096961	0.1293929	0.390691
My supervisor makes me feel like an important team member	0.0258554	-0.0162041	0.057527	-0.0302689	-0.0410728	0.0116588	0.5075195	0.023523	-0.0461156	-0.0418504
I am encouraged to think independently	0.0218963	0.0469434	-0.0351312	-0.0204006	0.1177803	0.0819973	0.3563863	-0.0174801	-0.0682992	0.021862
I am responsible for setting my own goals	-0.0422951	0.0120589	-0.010512	-0.0149989	0.3671164	0.1809031	0.0297484	-0.06093	-0.0117429	-0.0584867
I have a better idea of my job responsibilities after implementation of BSC.	-0.0734176	-0.0484396	-0.0765063	-0.0921758	0.1315406	0.3556515	-0.0398169	0.1058581	-0.0524281	0.1250766
I am confident I can achieve my personal career objectives with this company.	0.2042124	-0.0268271	-0.0892951	0.0469998	-0.0052687	0.1679482	0.0129609	-0.1438045	0.0726658	-0.0827271
Managers in this organization are held accountable for their performance.	-0.0420028	-0.0618003	0.1654851	0.0306625	-0.1365343	0.1509126	0.0031904	0.1319716	-0.1111237	0.2249313
I am made to feel like a part of the management team.	-0.013551	0.0135611	-0.0039453	0.0266149	-0.0329293	0.4716303	0.099689	-0.0138004	0.045337	-0.0721217
I feel I have been sufficiently well trained to deal effectively with our clients/customers	0.1447768	-0.0638911	0.0721425	0.0206145	0.1189789	-0.0812607	-0.0268815	0.1088603	-0.108058	-0.0470284
The longer you work for this company, the more you feel a part of the Organization.	0.2109303	0.0322249	-0.0380825	0.1118801	-0.093888	-0.060766	-0.0745181	-0.0104846	-0.1246171	0.0323481
I am doing something I consider really worthwhile in my job.	0.2358471	0.0510887	-0.0287754	-0.0248376	-0.0350807	-0.0193058	-0.0344357	-0.016574	0.1625292	-0.0386571
I can see myself having a future in my present job	0.3385295	-0.021215	-0.0994853	-0.0200268	-0.0626698	0.0104698	0.136115	-0.0268369	-0.0149015	0.0004639
BSNL is a family friendly place to work	0.2771488	-0.0030305	-0.0358915	-0.0963901	0.0553034	-0.1692638	0.1054183	0.1104843	0.0022675	0.025954

Fig. 7



From the **[Table 8 of Component Score Coefficient Matrix] ,** we can obtain the quantifiable data of each factor. The coefficients between the statements and the factors are taken according to the statement affecting the factor (on the basis of Table 7) .

CONCLUSIONS AND RECOMMENDATIONS

Since use of the balanced business scorecard (BBSC) in general is still at a nascent stage in BSNL, it is important for the company to be able to understand the different factors affecting the extent to which BBSC can be used as a tool for achieving Corporate Strategies and enhancing Organisational Effectiveness.

As per the **Organizational Effectiveness Model (Fig. 5),** the different components of Organizational Effectiveness are - **Organization's Mission & Goals, Acceptance Level of BSC, Satisfaction level with Remuneration & Benefits, Employee- Management Relations, Employees' Motivation Levels, Employees' Commitment & Enthusiasms, Employees' Responsibility Levels, Participative Leadership, Need to change the format of BSC, Employees' Growth Opportunities.**

The factor analysis results indicate that :-

☸ The clarity of **Organisation's Mission & Goals** is on very positive side which indicates that organisational belongingness is very high amongst BSNL Employees. They are in general satisfied with the priorities & directions of their department. They are made to feel like a part of the management team. They are doing something they consider really worthwhile in their job. BSNL is a family friendly place to work.

☸ **Acceptance Level of BBSC Is Very Good :** Employees feel that targets given in Balanced Business Scorecard (BSC) would help BSNL meet competition. They not only own the targets given to them under BSC but also relate to them. They accept the targets given to them positively under BSC. They feel quality of present BSC is good enough and agree that BSC is a tool to implement BSNL strategies. They are confident that achievements of BSC will help in their personal growth

☸ **Employees Are Satisfied With Remuneration And Benefits :** There is a good relation between management and employees and there is feeling of fairness, friendliness and mutual relationship within the organisation.

☸ **Employee motivation and confidence level is average :** There is an average level of **Employees' Commitment Enthusiasms** of employees.

☸ There is need to increase the participation and mutual consultation while setting Key Performance Indicator (KPIs) & Key Result Area (KRAs) and targets in BBSC.

☸ Officers are feeling the need for more consultation and change the BBSC. The **Participative Leadership** lacks somehow.

☸ Results also indicate that **Employees' Growth Opportunities** are lacking and company is failing in rewarding the competence.

Overall, the impact of **Balanced Business Scorecard (BSC)** is on a positive note amongst the employees of BSNL which subsequently has positive impact on organisational effectiveness. The opinion of employees for balanced business scorecard is very good and it has a deep impact on Employee Motivation, Employee Satisfaction as well as on employee and organisational commitment.

Organisational Effectiveness of any organisation in general depends on various factors like **Organisation's Mission & Goals, Satisfaction level with Remuneration & Benefits, Employee- Management Relations, Employees' Motivation Levels, Employees' Commitment & Enthusiasms, Employees' Responsibility Levels, Participative Leadership, Employees' Growth Opportunities**. If the organisations will focus on these mentioned factors, effectiveness level can be enhanced. Subsequently, the HR policies of the organisations may be framed based on these factors, which may lead to higher employee involvement levels and productivity. Still, Indian organisations have a long way to go to adopt Balanced Business Scorecard (BSC) and implement it for increasing organizational effectiveness.

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