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## **BALANCED SCORECARD AND ITS DEPLOYMENT EXPERIENCE IN BSNL**

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### **ABSTRACT**

*Many big Corporations worldwide have adopted Balanced Business Scorecard as a platform for their Strategic and Performance Management System. Balanced Scorecard came into being when the businesses in mid 90's realized that the traditional measures of financial performance alone were not enough to manage effectively the present day Corporations and ensure their longevity. Implementing the Balanced Scorecard system in a privately held Corporation which had always operated in a competitive environment is one thing and installing the same into a Company such as Bharat Sanchar Nigam Ltd. (BSNL) which has been recently corporatised from a huge Government of India Department is quite another. The author in this paper has made an attempt to bring out this challenge of the BSNL management.*

*The paper describes the road map taken by BSNL in installation of Balanced Scorecard as a Performance Management System and a strategy deployment tool in the Organization. After stating the historical perspective of the organization, the paper describes how the infrastructure of Balanced Scorecard deployment was created, the various processes of Scorecard making gone through, the design of Scorecards done after making a BSNL strategy map and the basis of Scorecard parameters in immediate term. The paper further gives the communication strategy adopted in the deployment of Scorecard and the associated training part of the employees on Scorecard making. In the end, the author gives the future steps which the Organization has planned to take the Balanced Scorecard methodology forward in the Organisation by embedding it into Performance Appraisal and Incentive Systems.*

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*Keywords: Balanced Scorecard , Performance Management System , strategy*

### **Balanced Scorecard**

A new approach to strategic management was developed in the early 90s by Dr. Robert Kaplan of Harvard Business School and Dr. David Norton. The Balanced Scorecard is a management system (not only a measurement system) that enables business organizations to clarify their vision and strategy to its employees and stakeholders and translate them into action. Thus, Business organizations use Balanced Business Scorecard as strategy management tool to operationalize organizational vision and strategy. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When it is fully deployed, the Balanced Scorecard transforms strategic planning from an academic exercise into the nerve centre of an enterprise.

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**Author's note:** *The views and narration given in the article are those of the author in his personal capacity and do not reflect the view of BSNL or its policies*

According to Balanced Business Scorecard principles, an organization or a functional unit or even an individual should be viewed from following four perspectives:

1. The Financial Perspective.
2. The Customer Perspective.
3. The Business Process Perspective.
4. The Learning and Growth Perspective.

In the olden times, business organizations measured their performance only on financial parameters. But financial measures only tell the story of past events. This was good enough for industrial age companies for which investment in long term capabilities, risk management and customer relationships and internal processes were not critical for success. Only financial measures are inadequate for guiding and evaluating the modern information age companies. Today's companies must make investment in customers, employees, processes, suppliers, technology and innovation in order to create sustainable future values. The Scorecard, therefore, is a management system that involves setting performance measures along above four perspectives based on the priorities of the company's strategic goals. By requiring 4 perspectives instead of only financial perspective, the system provides a richer and more holistic view of the organization.

The financial perspective takes care of shareholders' concern. His concern is that if he is investing his money in the business, what will be his return on his investment. Hence, financial perspective concentrates on increasing revenues, profits and capacity utilization. Now, in order to increase revenue, the business must have growing customer base, which will remain loyal. Unless, there are customers there cannot be a business. Therefore, the organization must acquire and retain customers on a long-term basis. The customer perspective of scorecard is about this aspect. Effective measurement and monitoring of customer perspective of business is therefore critical. Now, in order to acquire and retain customers, any business organization will have internal processes, which should be highly efficient in servicing its customers. Thus the organisation's business processes and systems must be measured for its effectiveness. This is captured through internal business process perspective of the Scorecard. Now, in order to man these business processes with qualified and knowledgeable man power, we need to enable our people to learn and grow. These organization people must also have access to robust information system in order to efficiently run the internal processes and service customers. This dimension is taken care of by learning and growth perspective.

It has been observed that 90% of the Companies failed to execute their strategies mainly due to their inability to translate strategy into measurable objectives and lack of organizational alignment to strategy. Strategies effectively remain on papers in absence of flawless execution.

The purpose of the Balanced Scorecard is effective deployment of strategy. Performance management system gets aligned to company objectives once Balanced Scorecard is used as the basis of employee's appraisals. To ensure that strategies translate into business results, clear articulation of measurable business objectives is a pre-requisite. Cascading them down to different levels of the organization is the next step. These are the steps in implementation of the scorecard system which are employed by the organizations. A consultative and participative approach is needed to make the Scorecard implementation a broad based one. Its success will depend on involvement and inputs from all on a continuous basis. Behind all this is the basic maxim that " what gets measured is what gets done".

## **Balanced Business Scorecard in BSNL**

### ***Background***

BSNL was formed on 1<sup>st</sup> October, 2000 when Government of India decided to transfer its telecom service provision function to the newly created Central Public Sector Undertaking (PSU) Bharat Sanchar Nigam Ltd. (BSNL). The physical assets of the erstwhile Department of Telecom Services, Department of Telecom Operations and Department of Telecom were transferred along with its 4 lakh employees to the newly created central PSU. This effectively meant corporatisation of assets and people associated with telecom services of these erstwhile Government Departments into BSNL.

The need was felt by BSNL Management to institute a state of the art Performance Management System in the Company so that it could compete effectively in the market place. The Management chose Balanced Scorecard for this purpose.

Prior to corporatisation, BSNL was operating in a monopolistic environment where customers were waiting for years altogether for a telephone and the organisation was required to plan for these wait-listed telephone customers and provide them telephones upon availability of network capacity. The basic competency which was needed in the monopoly era was to first plan equipment capacity for waiting customers, procure the planned equipment and then roll out this planned telecom infrastructure. There were waiting customers who were in any case too eager to avail the long awaited service happily. They had no choice. In a way, none of the Balanced Scorecard perspective was really critical in earlier times. The organization worked in a cost plus regime where the service provider fixed the tariff as well as decided the rules on service provisioning and customer care.

However, the transformation of BSNL from a Government department to a corporate entity, de-regulation of the telecom service sector and entry of strong private players created a number of challenges. As opposed to operating in a monopolistic environment, now BSNL was pitted against very powerful private telecom service providers owned by the largest business houses of the country namely Tata, Bharti and Reliance. Earlier, the focus of the organisation was simply to increase tele-density. Now, the focus had changed to keeping the Company profitable and giving attractive returns to shareholders. Unlike in the past, the Company in order to survive was required to now focus on marketing, customer services, cost efficiency. The market profile had changed from wireline to wireless services. An urgent need was felt to shift the organisation focus from wireline to wireless service, higher efficiencies in cost of operations and improvement in organisation performance. In order to achieve its new organisation objectives, the Management decided to adopt Balanced Business Scorecard methodology for twin objectives namely (i) implementation of Company Strategy (ii) improve performance of its units and officers.

It was felt that Balanced Scorecard would make the Company profit oriented, customer centric, improve its business processes and equip/train its employees for the new business requirements. It will help in bringing performance oriented culture in the company. The organization will move from Governmental/monopolistic work culture to corporate work culture.

### **Infrastructure of Balanced Scorecard Deployment**

In February, 2006, the Company Management decided to implement Balanced Business Scorecard methodology in BSNL.

The Company's top management decided to form as a first step a Steering Committee consisting of Chairman-cum-managing Director (CMD) as Chairman and all Functional Directors

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on BSNL Board namely Director (Finance), Director (Commercial & Marketing), Director (Planning & New Services), Director (Operations) and Director (HRD). DDG (Restructuring) and his Cell was made the nodal Corporate Office Unit to assist this Steering Committee and BSNL Management in implementation and operationalisation of Balanced Scorecard and act as its secretariat. In addition to this decision of forming of a Steering Committee as the apex decision making body, the Management Committee of BSNL also formed a high level committee of senior officers of the BSNL Corporate Office who were given the task to design the Balanced Scorecards of its Circles, assign targets etc.

### **Process of Scorecard Making**

BSNL is run on geographical lines i.e. it is divided into strategic business units which are its 26 Territorial Circles generally co-inciding with the States i.e. one Circle in each State. These Territorial Circles are the bread and butter units of the Company where revenues are generated and profits are made. These are assisted by 22 other support Circles which are either regional or national in reach. The challenge for the scorecard makers of BSNL was to bring a performance oriented culture and bring in alignment of support circles and the Corporate office to the objective of territorial circles. If the scorecards could at least make every person in the organization understand in some way the organizational mission and priorities, and his own role in aiding the achievement of these, the organization would move one step closer in its journey of survival, success and growth.

### **The Benchmark Study**

To begin with, this high level committee decided to undertake field visits to the organizations which had successfully implemented Balanced Scorecard in their organisation. For this Hindustan Petroleum Corporation Ltd. (HPCL) and NTPC Ltd. were chosen. The committee Members were given quite exhaustive presentations for a day by the team of HPCL senior executives which had implemented Balanced Scorecard in HPCL. Apart from the committee members, CGM Maharashtra Circle, CGM (IT), Pune and other BSNL field officers were made part of this seminar given by HPCL. Director (HRD) of HPCL who was the Scorecard initiative Director in HPCL interacted extensively with the BSNL team throughout the day.

The committee also had one day session with NTPC on Scorecard implementation and useful learnings were taken by the team. The one day session by NTPC were done with Executive Director (Organisation Transformation) and his team at NTPC.

These visits and Scorecard learnings thereof proved quite useful for the BSNL for its own Scorecard deployment exercise.

### **Scorecard Making in Immediate Term**

It was decided to develop performance scorecards in the immediate term using the existing measures/indices as a base rather than from zero-base keeping in mind the overall organizational objectives and the need for balance among measures.

The strategic objectives in the immediate term based on a shared understanding among top management and long term plan document were seen to be:

- i. to maintain market leadership in the fixed line business,
- ii. to capture market share in new businesses such as Mobile, WLL, Internet, broadband etc
- iii. asset utilization,
- iv. employee productivity

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- v. cost control.
- vi. increasing revenues
- vii. attractive return on capital employed (ROCE)

The company scorecards would be developed in long term i.e. 3-5 years hence, based on long term strategic objectives and business plan.

#### **Elements of Balanced Scorecard deployment**

The challenge for the Scorecard initiative implementers was to design Scorecards of the Company, its various Circles, decide on the sections which will assign targets and so on. Also, BSNL Management had decided to make Scorecards of all its Group A and B Officers totalling about 50,000 in numbers. This was a huge task, never attempted in the country so far. The Committee identified a number of elements in this exercise such as follows:

- i. Divide the 46 Circles into groups say Territorial Circles consisting of one group, Telecom Maintenance Regions another group and so on.
- ii. Decide the parameters of Scorecards of each group of Circles.
- iii. Decide on the nodal units in BSNL Corporate Office which will provide the targets.
- iv. Get a Scorecard Manager appointed in each Circle Headquarter of the level of General Manager.
- v. Ask the Nodal Scorecard General Managers of the Circles to appoint Scorecard Managers of DGM level in each SSA of their respective circles.
- vi. Train the Nodal GM's, DGM's and trainers on Scorecard concepts and its deployment in BSNL.
- vii. Decide and implement a communication strategy on Balanced Scorecard deployment.

#### **BSNL Strategy Map**

The four perspectives of a Balance Scorecard have a cause and effect relationship. This goes something like this. Shareholder will invest or keep his money invested in a business if it is profitable and shall remain profitable. Profits are accrued if revenues are high and costs are much less. Revenues depend on customers. Customers are acquired and retained only if the business processes are efficient. To run the business process efficiently you need competent employees and robust information systems. All this is captured in a cause-effect relationship diagram which is called a Strategy Map in Balanced Scorecard parlance.

Following strategy map for BSNL giving this cause and effect relationship was made use of.

#### **The Scorecard and Target Finalization**

The Committee of DDGs went into extensive brainstorming sessions, studied the existing Management Information Systems (MIS) reports and held discussions with the Circle Chief General Managers and Corporate office functional heads. Scorecards were made in stages category wise keeping the Strategy map in focus. See box below for a typical territorial circle scorecard.

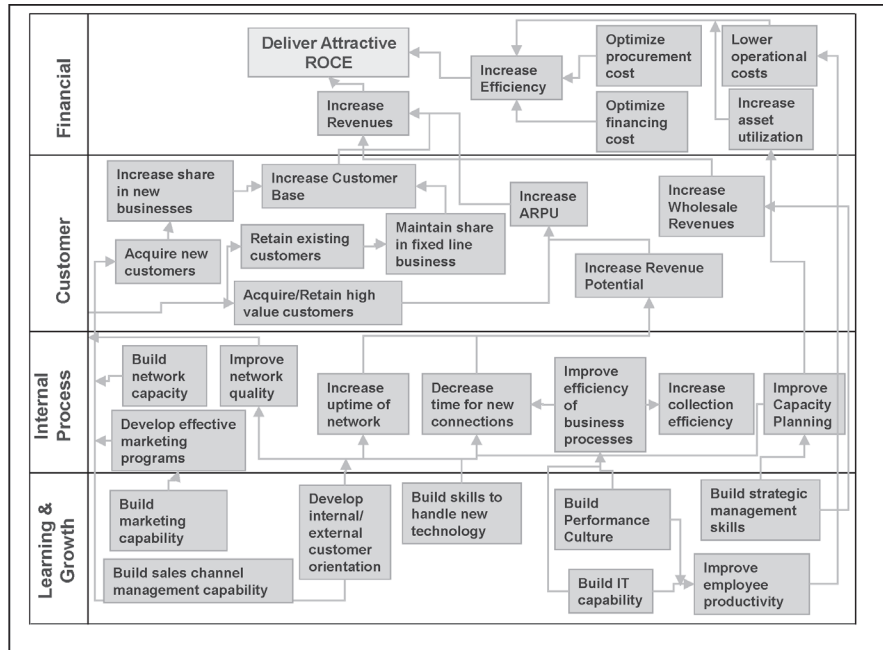


Figure 1:

All the scorecards contained a column which said “ Target Source BSNL HQ”. These were Sr Deputy Director General(Sr.DDG)/ Deputy Director General(DDG) who were made responsible to fix the 2006-07 scorecard targets within a week. Since there has been no such practice of target fixation upfront for many parameters, it required quite an effort to get them fixed. Director (HRD) took a series of meetings of the Sr. DDGs/DDGs who were responsible for giving targets relating to the Scorecard for the year 2006-07.

Table 1:

Scorecard Perspective	Performance Parameter	Weightage	Target Source BSNL HQ
Financial	Operating Ratio	12%	Budget
Financial	Return on Investment = PBIT/ Average plant in services during the year	8%	Budget
Financial	3 <sup>rd</sup> month collection efficiency(%)	5%	TR
		<b>25%</b>	
Customer	Increase in number of connections – Fixed Line	2%	LTP
Customer	Increase in number of connections – WLL	4%	SW
Customer	Increase in number of connections – GSM	16%	CMTS (Plg.)
Customer	Increase in number of connections – Internet	2%	BB
Customer	Increase in number of connections – Broadband	5%	BB
Customer	Value of ITC cards sold (Rs. Crores)	1%	Budget
Customer	Number of Metered Calls Units per subscriber - Basic services**	6%	TR

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**Table 1:**

Customer	Minutes of Usage per GSM subscriber	6%	T&C
Customer	TAX line additions	2%	TX
Customer	Revenue from PCOs (Rs Crores)	1%	TR
Customer	Net PCO addition	1%	CS
Customer	OFC RKM additions	2%	TX
		<b>48%</b>	
Internal Process	Call completion rate within circle	5%	MS
Internal Process	Faults per 100 subscribers per month	3%	MS
Internal Process	% Faults cleared within 24 hours	3%	MS
Internal Process	% Advise notes cleared within norms during the year	3%	CS
		<b>14%</b>	
Learning & Growth	CDR Project implementation**	2%	IT
Learning & Growth	HR Package implementation*	2%	IT
Learning & Growth	Call Center implementation	2%	IT
Learning & Growth	MM package implementation	2%	IT
Learning & Growth	No. of Executives trained	2%	TRG
Learning & Growth	No. of staff trained	3%	TRG
		<b>13%</b>	

### **Training in Balanced Scorecard Making & use**

The challenge for the Scorecard initiative implementers was not only to design Scorecards of BSNL Circles, assign targets etc., but also to train the employees in Scorecard making of individual officers.

### **Training of Scorecard Nodal General Managers**

BSNL Corporate Office had appointed Nodal Scorecard General Managers in each Circle Headquarter to over see the Scorecard implementation in their respective Circles. These nodal circle officers on BSC needed to be trained and hence a one day workshop was organized at the Advance Level Telecom Training Centre (ALTTC) in which they were given inputs on concepts of various perspectives of Balanced Scorecard, how these concepts have been customised into specific Scorecards of the Company, BSNL Territorial Circles and support Circles, how to implement these Scorecards through the BSC software so that the Scorecard information is inputted on line for view by the Circle Management and the Corporate Office. At the end of the workshop, a two hour session was held in which all the General Managers were divided into groups and asked to make the Scorecard of lower formations, below the CGM. The feedback received during this workshop was used to further refine the Scorecard implementation process.

### **Training of all Heads of SSA's on Scorecard making**

Training of Scorecard Nodal GMs was felt to be not enough. All the BSNL Circles were divided into four zones and similar one day workshops were held on regional basis at Delhi,

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Mumbai, Kolkata and Chennai where the Heads of Secondary Switching Areas (SSAs) and all the GMs of Circle Headquarters along with the SSA Scorecard Managers were asked to attend this one day workshop in which similar learning was imparted. This way SSA level Scorecard managers who were DGM level officers of the SSA were prepared for scorecard deployment in their SSAs.

### **Training of Trainers on Scorecard Making**

The above two steps were also not considered enough and it was decided to train a set of trainers on Scorecard making on all India basis. This was necessary as BSNL has roughly 50,000 executives for whom Scorecards were to be made. Fortunately, BSNL has got about 46 Nos. of Regional and Circle Telecom Training Centres spread throughout the country. A two day workshop on 'Train the Trainers on Balanced Scorecard' was organized at Baba Bhim Rao Ambedkar Institute of Telecom Training (BRBRAITT), Jabalpur in which all the Principals and one senior trainer from these institutes were asked to attend this workshop. They were given inputs in detail on Balanced Scorecard concept, methodology of deployment in BSNL and its roll out using the Balanced Scorecard software. The trainers were divided into groups of 8 and asked to a brainstorm among themselves and come up with various Scorecards for typical designations in the Company. All the groups were asked to make the presentations on their Scorecards to the entire group and extensive discussions took place and modification as a result of these discussions were incorporated in the final version of Scorecards.

### **Overall Benefits of Workshops**

In all these workshops, the Circle CGMs shared their experience of making the Scorecards of their functional GMs at Headquarters and Heads of SSAs of their Circle. This was found quite useful by the participants. These workshops provided a template to Circle CGMs for organizing similar workshops in their respective circles.

The officers were always divided into several groups at the end of each workshop and they were asked to make Balanced Scorecards of a number of typical officer designations in BSNL. The Sample Business Scorecard thus prepared say for example of SE(Civil), SE(Electrical), DGM (Planning) SSA, DGM (Admn), CAO(FC), Circle IFA, DGM(Planning-CMTS), DGM (Projects)Circle etc. were placed on company intranet. These were used after customization as per local requirement in the Circles.

All these workshops were inaugurated by the CMD of the Company and attended by the Circle CGMs. This greatly helped in communicating to the Company officers that the initiative has the backing of the top management.

### **Balanced Scorecard Software Design & Implementation**

While the process of making of Scorecards along with targets was under way, it was decided by the Management that Balanced Scorecards Systems must be put on line by means of suitable software so that all officers could see not only their Scorecards but also Scorecard of others. It was felt that sturdy information technology system to support the whole exercise of not only the finalization of Scorecards, but also subsequent monitoring and analysis will be pre-requisite for the success of this implementation. A software for on line creation, monitoring and calculation of Scorecards of all BSNL Officers and Units was considered necessary to be put in place at the earliest.

The software envisaged thereafter was a web based solution to be placed on Company Intranet with following objectives :

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- i. It should generate Balanced Scorecards in line with strategic guidelines of the Company.
- ii. It should be able to monitor Company/Circle as well as individual performance through monthly or quarterly calculation of Balanced Scorecards score.
- iii. should be able to analyse the scorecard data so as to present its feedback information in the form of reports, charts and spreadsheets to the top management.
- iv. It should be user friendly.

BSNL has an in-house unit known as IT Circle headed by a CGM situated in Pune which does all the in-house software development work. BSNL also outsourced many of its IT requirements to other Companies. In this case, a conscious decision was taken to assign this task to in-house IT Circle, Pune for design and deployment of the Balanced Scorecard software. The user requirements were given to the IT Circle in the form of guidelines for the Scorecard and they were asked to start developing a prototype. High level meetings took place between the senior officers of the Corporate Office and CGM, IT Pune to perfect the software. It was a big exercise undertaken to conceive, develop the software , test and deploy an in-house developed, customised BSC software for 47 BSNL Circles. Today, the Balanced Scorecard is available on company Intranet in which Circles and officers are required to input their data. Scorecards along with scores are available for not only the top management and the Circle management but also for other officers as well. This has created an internal competition as now performances are available on Intranet and people want to excel in comparison to one an others.

#### **Communication Strategy for the Scorecard Deployment**

Scorecards deployment in a Company is essentially a change management exercise. Any change management exercise has to be top driven and should also be seen to be a top driven. In case of BSNL, the formation of a Steering Committee was widely circulated. Thereafter, CMD wrote personally letters to all the Circle CGMs telling about the decision to implement Balanced Scorecard to improve the Company performance. Individual Directors wrote letters to their own subordinate units about the Balanced Scorecard exercise in the Company. In Company functions or meetings CMD and Directors made it a point to emphasize on Scorecard implementation. A box specially meant for Balanced Scorecard was created on the Company Intranet cover page in which following was prominently displayed.

1. Message from CMD on Balanced Scorecard
- ii. Concepts and Process of Balanced Scorecard
- iii. Discussion forum on Balanced Scorecard
- iv. Links to Circle Scorecards

The discussion forum which was placed on the Company Intranet proved to be very useful in disseminating information. The officers throughout BSNL were encouraged to place any query and all were encouraged to reply as per their understanding of the question and it was moderated by the Restructuring Cell which was the nodal agency at the Corporate Office on Scorecard.

#### **Organisational alignment through the concept of Responsibility Centers' and 'Initiatives' with respect to performance parameters of Balance Scorecard**

The achievement of targets for the performance parameters of the Balance Business Scorecards of the circles is the crux of this exercise. Target achievement will imply that the strategy

deployment is on course which only can ensure survival and success of the company. In BSNL also like all other modern businesses the target of a particular parameter can be achieved only if a group of officers from across functions work as a team in aligned manner on that particular parameter. 'Responsibility Centers' for each individual parameters were fixed in the Corporate Office and the Circle Headquarters.

The Responsibility Centers is nothing but a team of officers who have either a direct or indirect role to play in that particular performance parameter. These officers were jointly asked to own the parameter. The Corporate office Responsibility Centers were required also to review the achievement of the parameter targets periodically with the corresponding responsibility centers of Circles and similarly Circle Headquarter Responsibility Centers were require to hold review sessions with SSAs. The nodal officer concerned for providing the targets for the parameter was made the coordinating officer for a particular responsibility center team at respective hierarchical level. These responsibility centers were also asked to suggest '*initiatives*' that the circles intended to take not only in order to achieve the targets related to that particular parameter, but also to excel in it.

Detailed instructions with examples were issued giving as to how the responsibility centers will function and initiatives arrived at will be documented and acted upon. One such example was say one of the parameters in Territorial Circle's BBS is "Value of India Telephone Cards (ITC) cards sold in (Rs Crores)". A suggested list of initiatives (for excelling in this parameter) that can be put in few words in the BBS itself can be –

- Increase product availability esp. in rural areas
- Make tariff more attractive
- Increase franchise commission
- Bundle with other products
- Decrease customers procurement time

The responsibility centers, in this case say GM(Development), GM (Marketing) & GM (Finance), should come out with a detailed plan on as to how the circle/SSA/SBU will go about implementing, monitoring and reviewing these suggested initiatives in this particular case. This should be documented. Similar exercise should be done for other initiatives. This document will basically form the articulated strategy of Circle/SSA/SBU with respect to a parameter for that particular year. The initiatives suggested and the detail documents prepared by the responsibility centers were asked to be sent to respective wings in the Corporate Office so that the same could be shared with other circles. A best practice document was envisaged to be prepared on the basis of the initiative documents received from circles. This way documented initiatives would not only help a particular circle/SSA/SBU, but also serve as a feedback to higher office.

A scheme of forming Responsibility Centers in the BSNL corporate office and Circles was Circulated to the field units.

#### **Periodic Review of Balanced Scorecard Performance Achievement**

Quarterly performance review of scorecards was built in the process. These reviews were done by the Management Committee of the Company consisting of all Functional Directors on BSNL Board and chaired by CMD. These review meetings were held on regional basis.

Performance review of all CGMs of territorial Circles and support circles situated in a particular region were held. In case the review meeting is at the end of 3<sup>rd</sup> quarter then the

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review would be based on BBS performance achievements upto period ending 31<sup>st</sup> December. Reviews became quite easy as everything was available on line through BSC software.

#### **Learnings from the Scorecards exercise in 2006-07**

Although Balanced Scorecard has been well received in the Company, it has not yet attained maturity as an effective management tool which it is. BSNL is a legacy Governmental organization which has been so far accustomed to operating in a monopolistic environment . Its employees are used equality in rewards irrespective of performance. Promotions are strictly on the basis of Annual Confidential Report (ACR) system. People take their ACRs very seriously as it affects their promotions. Bonus or Productive Link Incentive is given equally to all employees irrespective of their performance. Balanced Scorecard will become effective only if we are able to make individual Balanced Scorecards scores a part of Annual Confidential Records. Bonus and Productive Link Incentive (PLI) need also to be made on the basis of Balanced Scorecards. Balanced Scorecard related performance shall also form one of the factors in deciding transfers of employees. Those who will consistently exceed the targets reflected by their (Balanced Scorecard Scores) will be given preferential treatment I matter of transfer and posting.

#### **Balanced Scorecard Card in the Long Term**

Balanced Scorecard is a management tool to implement strategy in the Company. Though in BSNL, there does exist a shared understanding of vision, mission and strategy thereof in the Company, a need has been felt to articulate strategy and a 5 year business plan in a documented form. The work in this direction has started. In future, a robust set of performance parameters in its Scorecards will be required which will be derived from BSNL's strategy and business plan. This will be drilled down to the Circle level, functional level and individual level within a Circle. While articulating our strategic plan, we will be re-visiting our strategic imperatives which will be built in the Strategic Plan Document. Balanced Scorecard which in the immediate term has been based on existing metrics will be reviewed and shall be aligned to the new vision and strategy of the Company. We will need to modify existing metrics and decide on new metrics to track the implementation of strategy through the Balanced Scorecard in the long term. Thus we will need to do the following

- i. Review the Balanced Scorecard Implementation;
- ii. Understanding the roles and responsibilities of the key functions/departments within BSNL, and their interdependence;
- iii. Develop strategy maps for these functions/departments;
- iv. Align the balanced scorecards with the strategy maps for these functions/departments;
- v. Translate new strategy into new measurable performance measures, install systems to measure them

#### **Conclusion**

BSNL has taken a bold step in implementing the Balanced Scorecard System in the entire Company in one go. It decided to implement the Balanced Scorecard for the company, all its Circles and its 50,000 officers in one shot. A Balanced Scorecard exercise of this dimension has never been attempted in India so far. Keeping the magnitude of the task, the progress at the year end has been quite good. The organization has been able to come a step closer to a culture of target fixing a year in advance and periodic performance achievement reviews on quarterly basis at the Corporate Office and all the Circles. These reviews have greatly helped in the keeping the annual plans on course. It is also moving towards linking the Balanced

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Scorecard to Annual Performance Appraisal and incentive systems. There are still issues related to proper understanding of Balanced Scorecard perspectives and their relationships among the officers. But the strategy of BSNL in implementing the Scorecard whereby a very senior group makes the Company and the Circle Scorecards centrally and all company officers are asked to align their Scorecard to them has worked fairly in an organization of this size. Even if all the perspectives are not properly captured in the Scorecards, but, in case the individual units and officers Scorecards and their performance indicators are aligned to the Circle and Company Scorecard parameters, the overall company objectives can be achieved. BSNL has also plans to articulate its strategy in detail and prepare a 5 year business plan. The organization also needs to modify its future Scorecards so that it will be able to implement its strategy and business plan through Balanced Scorecard which with progressive years will mature further. BSNL will need to install systems to measure new performance indices which it will require depending on its strategy and these are going to be the future challenges for BSNL.

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